

STATE OF NEVADA

Comprehensive

Annual

Financial

Report

**for the Fiscal Year
Ended June 30, 2015**

**Ron Knecht, MS, JD, PE(CA)
State Controller**

RON KNECHT, MS, JD & PE(CA)

STATE CONTROLLER

Ron Knecht, an economist, financial and policy analyst, Professional Mechanical Engineer (registered in California), and law-school graduate, became Controller January 5, 2015. As Controller, he also serves on Nevada's Board of Finance, Executive Branch Audit Committee and Department of Transportation Board of Directors.

Before being elected Controller, he divided 44 working years between public service and entrepreneurial small business, all in managerial and senior professional positions. He's been a founder, executive or director for 12 firms, charities, community-service and public-interest groups.

In previous jobs, he testified extensively as an expert witness. In 2012-14, 1986-2001 and 1976-78, he was a consultant and business executive. In 2001-12, he was a senior economist at Nevada's Public Utilities Commission. He held principal economics, finance, technology and policy positions in 1978-86 at California's Energy and Public Utilities Commissions.

In 2009-13 he co-taught about ten two-day seminars for SNL Financial on utility finance, cost of capital, and economic and policy issues for regulators, professionals, managers, executives and securities analysts. In 1973-77, he was a Research Associate and Research Engineer at the University of Illinois. In 1972-73 he was Assistant City Engineer in Urbana, Illinois.

Ron was elected to the Board of Regents of the Nevada System of Higher Education in 2006 and re-elected in 2012. For two years, he chaired the Budget & Finance Committee and was Vice-chair another year; he chaired the Audit Committee for two years; and for seven years he was very active on the Investment and Major Projects Committee, which oversees \$1-billion of endowment and operating funds. He served on four other committees and on institutional presidential selection and performance-review committees, chairing two of them. Ron was elected to the Nevada Assembly for 2002-04, representing Carson City and Washoe City.

With some scholarship support, he worked his way through undergraduate and early graduate studies at the University of Illinois (BA, Liberal Arts & Sciences; mathematics major; physics & chemistry minor; 1971). Spending most of his working career in San Francisco and Silicon Valley, he paid his way at Stanford University (MS, Engineering Economic Systems; 1989) and the University of San Francisco (JD; 1995) by working full time. He's been a columnist for various print and on-line papers, and has taught part-time at two colleges.

The most important things in Ron's life are his wife, Kathy, their teenage daughter Karyn, and Ron and Kathy's mothers and families. Raised in a small Midwestern town, he's always been active in a wide range of athletics and outdoor activities -- a competitive distance runner in high school and college. He enjoys ballet, modern dance, symphony, opera, rock & roll, country & western, theater and film, and he collects baseball cards and pursues other hobbies.

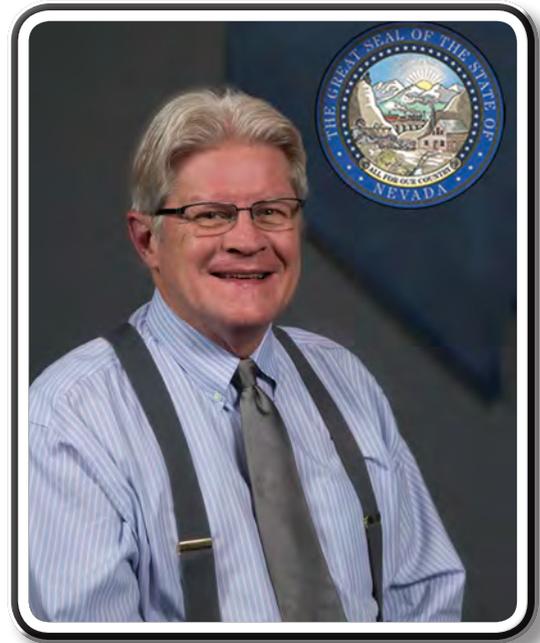


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RON KNECHT,
MS, JD, PE(CA)
State Controller

STATE OF NEVADA

JAMES W. SMACK
Chief Deputy Controller

GEOFFREY LAWRENCE
Assistant Controller



**OFFICE OF THE
STATE CONTROLLER**

December 21, 2015

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

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The objective of this Report is to provide a clear picture of the government as a single, unified entity, in addition to traditional fund-based financial statements.

Introduction to the Report

Responsibility: The Controller's Office prepares the State of Nevada CAFR and is responsible for the accuracy, completeness, and fairness of the presentation, including disclosures. To the best of our knowledge and belief, the information contained in the State of Nevada CAFR is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the State's primary government and the component units for which it is financially accountable. Additionally, this report includes all disclosures necessary to enable the reader to gain a reasonable understanding of Nevada's financial activities.

U.S. Generally Accepted Accounting Principles: As required by State Accounting Procedures Law, this report has been prepared in accordance with U.S. generally accepted accounting principles (GAAP), applicable to State and Local Governments as established by the Governmental Accounting Standards Board (GASB). The State also voluntarily follows the recommendations of the Government Finance Officers Association (GFOA) for the contents of government financial reports and participates in the GFOA's review program for the Certificate of Achievement for Excellence in Financial Reporting.

Internal Control Structure: The State of Nevada has established a comprehensive internal control framework designed to both safeguard the government's assets against loss from unauthorized use or theft, and to properly record and adequately document transactions. As a result, the transactions can be compiled into the presentation of the State's financial statements in conformity with U.S. GAAP. Since the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Many of our essential control features are decentralized. Hence, the State relies upon the controls in place within its various departments and agencies. NRS 353A.025 requires the heads of agencies to review their internal controls on a periodic basis to determine if the agency is in compliance with the Uniform System of Internal Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to July 1 of even-numbered years, agencies are required to report the status of their internal controls to the Department of Administration.

Independent Auditors: The independent accounting firm of Eide Bailly LLP has audited the accompanying financial statements in accordance with generally accepted governmental auditing standards. Their opinion appears in the Financial Section of this publication. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State of Nevada are free of material misstatement. We received an unqualified

opinion on the basic financial statements for this fiscal year. The independent audit of the financial statements of the State of Nevada is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the financial statements. This report can be found in the Compliance Section of the CAFR, and in the State of Nevada's separately issued Single Audit Report.

Management's Discussion and Analysis: U.S. generally accepted accounting principles require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Government

Background: The Nevada Territory was carved out of the Utah Territory by Congress in 1861 and its boundaries were subsequently expanded eastward in 1862 and eastward and southward in 1866. In 1864, Nevada was granted statehood after transmitting its newly ratified constitution to Congress in the longest and costliest transmission by telegraph in history. This allowed statehood to be conferred on October 31, just days ahead of the November 8 presidential election at a time President Lincoln thought he might need Nevada's electoral votes to secure reelection.

The Great Basin Desert dominates the Nevada landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Federal agencies own and control more than 80 percent of Nevada's 70,264,320 acres, meaning most of Nevada's land area is restricted from use and development by private citizens. Local governments are also unable to collect property taxes on these lands to sustain vital public services, although they do receive less valuable Payments in Lieu of Taxes from the federal government. Due greatly to the shortage of land available for citizens, more than 90% of our 2.8 million residents are squeezed into one of two distinct population centers: the Reno/Sparks/Carson City area near Lake Tahoe and Clark County at the southeast tip, separated by 450 miles.

Nevadans enjoy the absence of a personal income tax but labor under a variety of indirect taxes that are assessed on businesses and thus passed onto consumers in the form of higher prices and to workers in the form of suppressed wage and employment growth. Nevada has offered a continuous legal market for gaming since 1935, allowing that industry to thrive in the state while also financing a significant share of public services. The State operates under a constitution that provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, public safety, business regulation, and resource development.

Reporting Entity: The State of Nevada, as described in Note 1 to the basic financial statements, is the reporting entity for this CAFR, which conforms to the requirements of GASB Statement No. 14 as amended by GASB Statement No. 61. The accounting and reporting principles reflected in these statements are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and that financial statements should emphasize primary government and permit financial statement users to distinguish between the state and its component units. The primary government includes the Public Employees', Legislators' and Judicial Retirement Systems, and the Nevada Real Property Corporation. The State Legislature sets statutorily the parameters within which these entities operate. The Nevada System of Higher Education, Colorado River Commission, and Nevada Capital Investment Corporation are shown separately as legally separate component units.

Financial Information

Debt Management: The State Constitution limits the aggregate principal amount of the general obligation debt to two percent of the total reported assessed property value of the State. Additional disclosures regarding the State's long-term obligations are provided in the notes to the basic financial statements.

Long-Term Financial Planning and Financial Policies: State law (NRS 353.205) requires a balanced budget. The Governor must submit a proposed budget for the Executive Branch to the State Legislature before each regular session, which convenes every odd-numbered year. Spending levels under this Executive Budget proposal may not exceed the amounts that existed during the biennial budget period that began July 1, 1975, adjusted for population growth and inflation. However, the Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act and the legislatively approved budget is not constrained by this growth limitation. Once passed and signed, the budget becomes the State’s financial plan for the next two fiscal years.

In accordance with State statute, The Economic Forum, comprised of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. If revenues fall below those originally anticipated during the course of the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

Economic Outlook

Economic outlook discussions in reports like this one are typically based on business-cycle analyses. That approach is based on assuming there are no salient long-term developments -- or “secular trends” -- to disrupt the cyclical outlook. As we show, important secular trends have been developing over decades and have already wrought profound changes in the U.S. and Nevada economies -- and substantially changed the outlook. We discuss trends in four areas, followed by a synthesis of these trends for the long-term U.S. economic outlook, concluding with Nevada-specific considerations. More outlook discussion is posted on the Controller’s web site, controller.nv.gov.

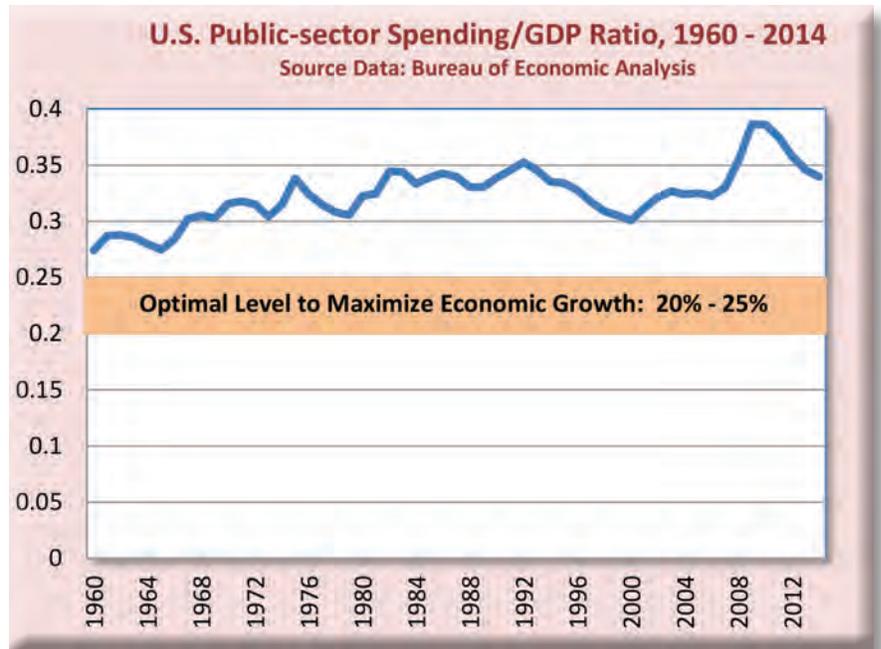
Below, we show first that the size, scope and reach of government have long been excessive relative to our economy, yet still growing; that has resulted in an increasingly substantial drag on economic growth. For decades this burden was offset by three growth-inducing factors: 1) demographic and labor-force participation trends; 2) increasing debt levels; and 3) rapid growth in emerging economies, plus globalization (increasing trade and foreign domestic investment). Unfortunately, trends in all three areas have reversed. So, for the foreseeable future, economic growth will be suppressed perhaps even from current 2% real annual rates (or 1% per person per year).

Government Overreach: The size, scope and reach of American government – including spending, taxing, borrowing, regulation, monetary and credit-allocation policy, and other intervention – long ago exceeded levels that promote the public interest in maximum economic growth and fairness. These excesses at federal, state and local levels have increasingly slowed growth and will continue to do so unless they are reined in. Economists now understand that economic growth and thus aggregate human wellbeing levels are determined more by the economic, political and social institutions, practices and policies of a society than by geographic, infrastructure, resources and other earlier development-theory factors. The rule of law, limited government with separation of powers, personal liberty and individual rights, strong property rights and high levels of economic freedom are essential for growth.

As detailed on the Controller’s web site, empirical literature – research based on real economic data – supports and quantifies theory suggesting that there’s an optimal range of government spending that maximizes economic growth. There are classically defined public goods that are most efficiently provided by government and there are market failures that justify regulation and other intervention, but excess spending, scope and reach of the public sector diverts efficient private investment and consumption, and it is a drag on growth.

While there are uncertainties and debate about the levels of public spending relative to the economy that maximize growth, the best evidence shows that the U.S. passed those levels by the 1960s and has increased government excess to the present time. The chart below of public spending over time as a percentage of the U.S. economy vividly illustrates this point. The excess growth has not been limited to the federal government; state and local spending have grown even faster in relative terms. Nevada’s local-government and total public-sector spending have grown particularly fast. Nationally, increasing government intervention in health care has driven up its cost and its share of the economy relative to optimal levels and has thereby contributed to slowing of economic growth.

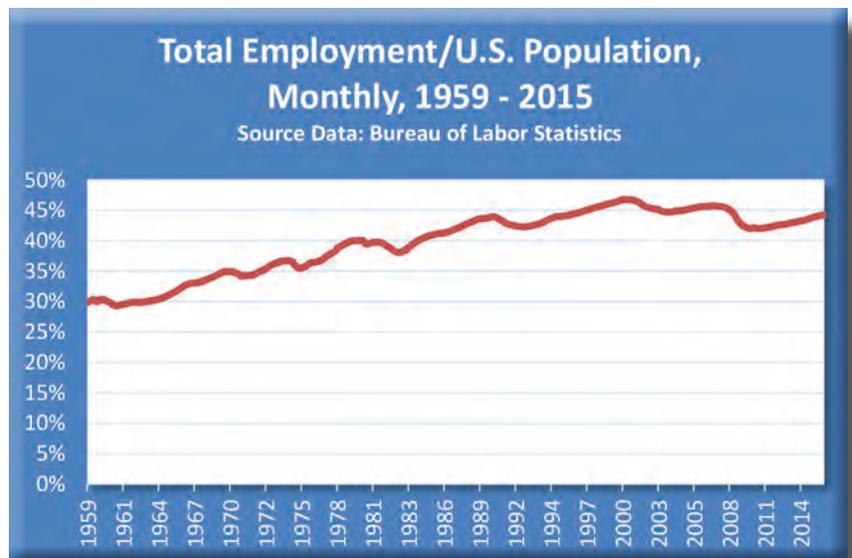
While public spending is the measure of government overreach easiest to quantify, analyze and understand as a growth determinant, other measures also drive and reflect the excess. Taxes and public debt are directly driven by public spending, and public debt has now reached its highest level relative to the gross domestic product (GDP) since the early 1950s, when the debt from World War II was being worked off. Government regulation in a wide range of economic, environmental, public health and safety areas, plus intervention including monetary stimulus and credit allocation and federalization of health insurance and education have all increased to unprecedented levels and metastasized in the last decade.



The net effect has been an increasing drag on economic growth, and with the overreach at record levels and still increasing, the drag may even get worse.

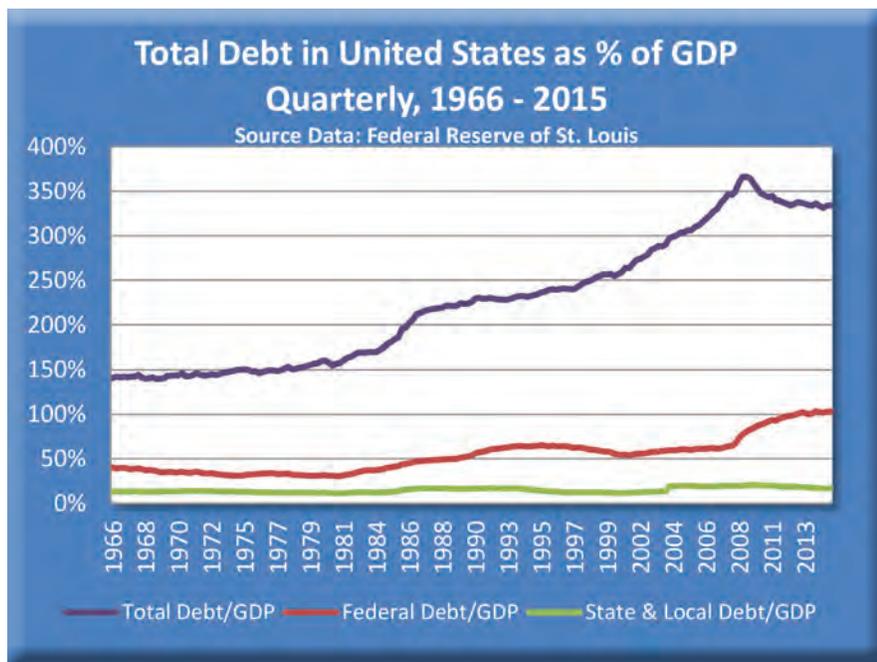
Demographics and Work-force Participation: Demographic changes driven by public policy and non-policy factors are reducing the fraction of the population doing productive work, while increasing numbers consuming but not producing. These changes include falling birth rates, increasing longevity, increasing public support for retirement and subsidy of persons not working, and changing social and economic roles of men and women. These changes are slowing growth and may even bring social upheaval.

The 1970s movement of Baby Boomers into working age, plus the movement then and later of women into paid work drove labor-force participation to a record level of 67.1% in 2001. The aging of Boomers into retirement years, plus declining birth rates in younger cohorts, the slippage of female workforce participation and the non-recovery from the Great Recession have all dropped participation to 62.4%, the lowest level since 1977. Falling labor-force participation in the 16-54 age range more than offsets recent increases for the 55+ group, netting a continued decline in total employment ratios. Low unemployment rates are due to counting “discouraged workers” out of the labor force and to increases in “under-employed” part-timers – both driven by the non-recovery and palliative effects of increases in benefits to people not working. As the nearby graph shows, through 2002, demographic and workforce participation factors gave a huge boost to economic growth countering public-sector over-reach, with the employment/population ratio rising more than 56% in 42 years (from 0.30 to 0.47).



However, since 2002, these factors have reinforced the increasing drag from government excess that depresses growth. The movement of the large Boomer cohort into retirement began in 2011 and will accelerate and then continue for 20 more years. Because retirement age and support policies were set when longevity was lower and health of people over 60 was less robust, U.S. dependent/producer ratios will continue to rise relative to what they would be under market incentives. So, total-factor productivity and thus the economy will continue to grow slowly. The burden on productive cohorts will increase, especially with slow income growth, leading perhaps to social upheaval in the absence of significantly increased legal immigration. Slow economic growth and low interest rates and other rates of return on investment will challenge retirement funding and exacerbate all these problems.

Debt in All Sectors and Net Saving and Investment: Total debt levels relative to the U.S. economy increased hugely until the financial crash and Great Recession of 2007-09. As shown in the nearby graph of total American debt as a percentage of the economy, they have retrenched only mildly since then, leaving an excess-leverage overhang that may not be receding. All debt sectors are involved: government at all levels; business; and households (mortgage, auto, student and consumer loans, etc.). Monetary and credit-allocation policy drove much of the metastasis, especially in the decade ending 2008, providing artificial and unsustainable temporary stimulus to growth. It also produced mal-investment, and that problem plus deleveraging have already contributed to weak business earnings and anemic economic growth; it will continue to do so for the foreseeable future. The resulting



sustained low interest rates have destroyed much economic wealth and damaged institutional retirement and endowment investors and savers.

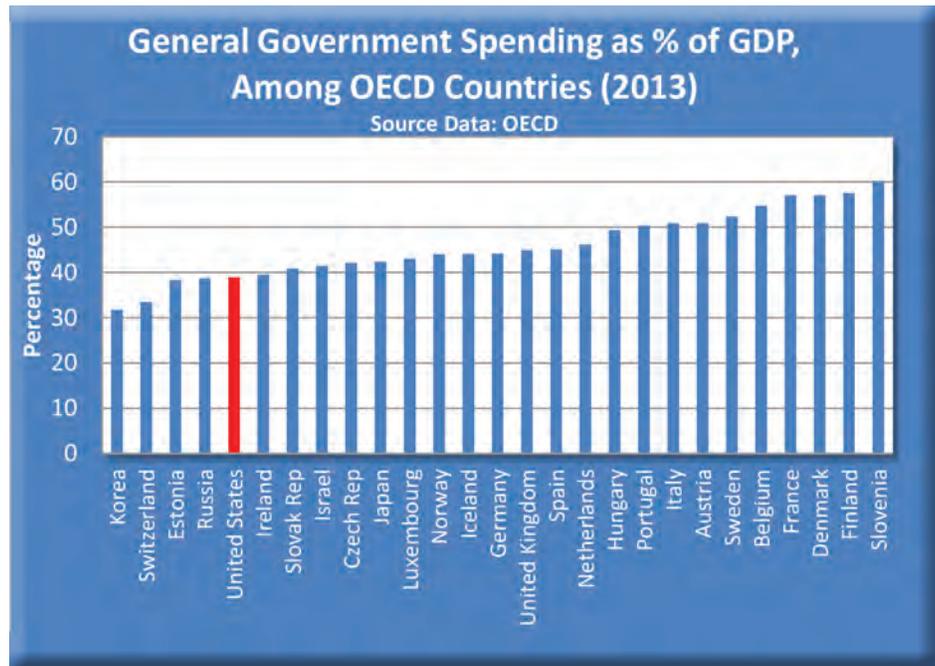
Total U.S. debt/GDP ratios in 2014 were twice their 1984 levels, despite retrenchment following the financial crash and Great Recession. Consumer debt growth was driven mainly by federal mortgage lending policies, causing the housing bubble and subsequent collapse. Business debt grew in finance and large corporate stock buybacks, mergers and acquisitions, meaning there is now perhaps an equity bubble. Federal government total debt/GDP ratios have more than doubled as fiscal and monetary policy have been used to try to ameliorate the negative growth

effects of a wide range of public policies. Further retrenchment from current debt levels is needed to restore the economy, so demand for capital and interest rates and investment returns will remain low, as will economic growth.

International Economic Growth, Trade and Investment: Until the Great Recession, long-term growth of the world and developing economies, especially China, was more rapid than in the U.S. and other advanced nations. Driven by and contributing to 1) increasing globalization, 2) trade and 3) foreign direct investment in the U.S., this growth increased U.S. economic growth by lowering costs to American consumers and businesses and spurring more efficient investment and production by domestic and foreign businesses.

Since 2007, trade increases have lagged world economic growth. Growth in China and other developing nations has slowed, further depressing American growth. The three factors above that now retard U.S. economic growth are even worse in other major economies, advanced and developing. While this makes our economy the “cleanest dirty shirt in the laundry pile” for investors, it also means the global trade and investment cavalry will not be riding to our rescue. The world economy will no longer spur U.S. economic growth as it did before the Great Recession.

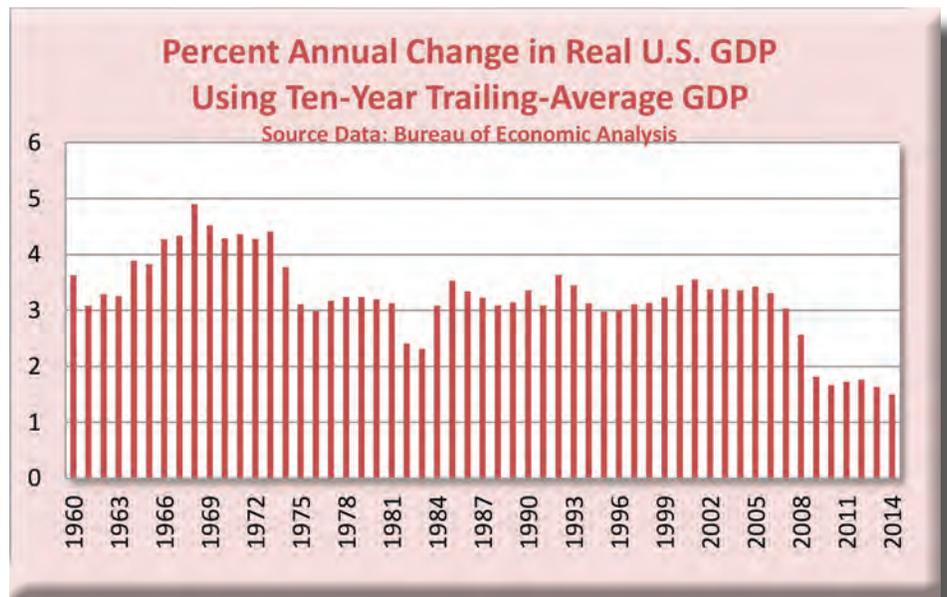
The problems of excess and still growing size, reach and scope of government are worse in every other major economy than in the U.S., as shown in the nearby chart. So are demographic problems of low birth rates and labor force participation plus increased aging. So, Europe (the only other comparably-sized economy) and Japan continue to struggle as they long have done with very low growth. China has grown hugely into the second-largest national economy, but the command-and-control methods that remain even after its liberalization have yielded massive mal-investment and debt growth. Due to mal-investment, persistent low consumer demand and the recently eased one-child policy, an historically awful policy mistake and human tragedy, China is headed for ever lower and possibly negative growth. All other economies are too small to make a significant difference to U.S. growth.



Total debt worldwide is now about 5.6 times what it was 20 years ago, while the world economy is only 2.8 times its prior size, meaning debt/GDP ratios have doubled in only two decades. That increase is likely unsustainable even with increasing development and globalization, leading to future retrenchment. Europe is now following Japan and the U.S. into monetary and credit-allocation overreach, and Italy and others (possibly including Japan and China) soon may face Reinhart/Rogoff excess debt levels (debt above 90% of GDP leading to financial collapse). Birth rates being an inverse function of women’s education and wealth levels explains much of the world demographic problem, but in India and Africa they are dropping even faster than education and income indicate.

Upshot: Continued Slow Economic Growth: All four mutually reinforcing problems discussed above have already produced the poorest recession recovery on record, with real growth of about 2% annually – or, adjusting for population increase, real per-

person growth of about 1%. With none of these factors abating (and perhaps increasing), the most reasonable outlook is economic and productivity growth at recent anemic rates or even lower. The nearby chart of rolling ten-year growth rates shows that U.S. economic growth has long been declining due to these factors and has collapsed to record sustained low levels since 2008. Growth at 1% per person per year sounds only slightly lower than historic 2.5% levels, but the compounding impact is huge: Average human



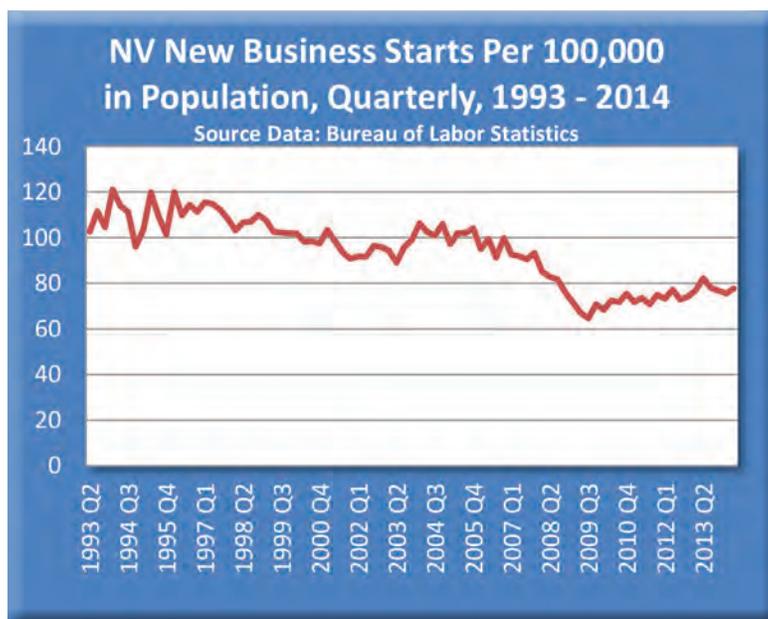
wellbeing growing only 32% each generation instead of doubling, the social norm for 300 years. So, instead of average family incomes doubling from \$50,000 yearly to \$100,000, they will grow only to \$66,000. Restoring the economic growth legacy left by previous generations, an essential public policy need, requires government to grow slower than the economy for decades.

Down-side risks may even make things worse. Some economists claim that invention, innovation and technological progress have slowed from levels of recent decades, meaning that this key driver of growth will have a diminished effect and economic growth will fall toward zero. A related issue is that the recent slow growth has occurred despite falling energy and other commodity prices that, all other things remaining equal, would have increased it; possible returns of these prices to historical levels could dampen growth even further. Two other factors are likely to further burden economic growth: 1) slow economic growth produces low investment returns, which in turn tend to keep growth lower in a negative feedback loop; and 2) our current recovery, anemic as it has been, is now longer than the average cyclical upturn and may be due for a contraction. We see no salient upside factors in the U.S. outlook.

Nevada Prospects Are Similar to U.S. Prospects: Nevada's overall tax levels, whether measured as a fraction of the economy or by per-capita tax burden, lie squarely in the middle among the states, and they may rise significantly due to the new spending and taxes promulgated in 2015 by the Legislature and Governor. The state has long practiced onerous regulation of professions and occupations and recently intervened in housing finance in ways adverse to growth. In assisting destructive federal policies in health care, education and energy, state policy further retards growth. Nevada's demographic/workforce outlook is no better than the national picture, especially due to modest workforce education levels. Further, there's no reason to believe Nevada will do better on non-state debt levels, or on trade and foreign direct investment. Historically, Nevada and the Southwest have grown much faster than the U.S., but their net in-migration has slowed greatly. So, despite faster growth currently than most states, the most prudent forecast for Nevada is growth at the anemic national rates. Moreover, the dominance of the outlook by secular trends obviates fine-tuned state cyclical growth estimates. A notable bright spot is that Nevada has managed conservatively its debt load; so, maintaining its creditworthiness will be assured by continued prudence.

Between 2011 and 2014, Nevada's state gross domestic product grew meagerly from \$118.9 billion to \$120.8 billion (in constant 2009 dollars). Per capita, that's a growth rate of 0.53%, ranking 43rd among the states in that period. This poor recovery comes on the heels of an economic recession in which Nevada saw the largest per-capita decline in GDP of any state. Between 2007 and 2010, per-capita GDP shrank by an average of 5.87% annually versus a national shrinkage of 1.23%. Even more concerning are some deteriorating fundamentals. Since 2007, Nevada's median household income has fallen from \$61,700 to \$49,900 and the poverty rate increased from 9.7% to 17.0%.

Further, entrepreneurial activity in Nevada remains at historically low levels. As shown in the nearby graph, startup density, measured by the number of business starts per 100,000 persons, fell roughly 30% between the mid-1990s and recent years, according to Bureau of Labor Statistics data. Non-governmental data sources, providing a longer time series, indicate that startup density has fallen 61% since 1977. This long-run decline in entrepreneurial activity portends a less dynamic state economy. Studies indicate that nearly all net new U.S. job growth is attributable to startups, so future Nevada economic growth prospects may be significantly diminished if entrepreneurial activity does not rebound to historic levels.



In sum: Government at all levels has long been so big, yet still growing relative to our economy, that it increasingly consumes our time, energy and productivity, crowds out private entrepreneurship and business spending and investment, and thereby stifles economic growth. Until 2002, falling birth rates plus Baby Boomers and women entering the workforce greatly mitigated this problem. Sustained low birth rates leading to small working-age cohorts, plus somewhat falling rates of workforce participation by women and by men ages 16-54, have lately decreased the fraction of the population working and the producer/dependent ratios that fed earlier growth.

Increasing debt levels relative to the economy, which were mainly driven by policy far into unsustainable territory, promoted growth until the financial crash. Mild retrenchment during the non-recovery has not worked off the overhang; so, slow growth of non-government debt demand will add to the drag on growth. Rapid growth of developing economies, plus faster growth of trade and foreign domestic investment also helped greatly until 2009. Growth most places has slowed since then because the government overreach, demographic and workforce participation and debt problems are worse in other major economies; plus, trade is now growing slower than the world economy. The most reasonable expectation is that these world trends will continue, not improve, despite (or even due to) low commodity and energy prices.

Hence, all four fundamental factors are now driving U.S. economic growth down from the current 2% annual real levels (1% per person), and human wellbeing will grow much slower in the future than in the last 300 years. The increasing time since the Great Recession also suggests cyclical factors may stunt growth in coming years. Nevada is not exempt from this unfortunate outlook: Its public-sector metastasis has been greater and is continuing; other demographic, debt and international trade and investment factors do not portend improvement from the national economic outlook. Nevada's creditworthiness is a single bright spot. However, low economic growth will yield low expected investment returns, greatly challenging management of the state's retirement and endowment funds.

Major State Initiatives

Business Growth: In 2008-10, the number of business closures in Nevada exceeded business starts. This trend has been reversed since 2011. The state's economic development strategy, however, has focused mainly on the relocation of large firms from other states and new plant locations in Nevada instead of promoting domestic entrepreneurship. Notable recent announcements in this area include the location of a battery manufacturing plant for Tesla Motors in northwest Nevada using a \$1.2 billion tax incentive package; also, location of a Faraday Future auto manufacturing plant in southern Nevada, aided by a \$335 million package of tax incentives and infrastructure grants. The state has a Catalyst Fund offering cash payments to businesses locating or expanding in Nevada, plus an array of tax credits and abatements. The numbers of companies to receive state assistance have increased dramatically in recent years, from 29 in 2009 to 113 in 2013 and 71 through the first three quarters of 2015.

It is unclear that this is the best approach in face of a long-term decline in domestic entrepreneurship. This concern was expressed by SRI International and the Brookings Institution in a draft economic development plan for Nevada. "Winning a relocation," the contractors assert, "might make the headlines, but as research...shows, job gains and losses are overwhelmingly driven by intra-state business dynamics rather than the between-state movement of firms." In light of this observation, it may be advisable to promote native entrepreneurship through the educational curricula and by lowering barriers to entry for new firms into the marketplace, such as those imposed through occupational and other licensing requirements that are often more strenuous in Nevada than elsewhere.

Resource Development: Coeur Mining, Inc. is working to expand its mining operations near Lovelock, Nevada with production scheduled for 2017. A draft environmental impact statement was completed in October 2015 and is expected to be finalized in early 2016. The expansion would increase authorized surface disturbance of the existing operation by 231 acres. The 2015 legislature increased the Modified Business Tax rate facing mining companies to 2.0% while increasing the rate for other nonfinancial firms to 1.475%. The change is estimated to raise the cost of MBT facing mining companies to \$17.4 million per annum. In addition, the current prepayment requirement for the Net Proceeds of Minerals Tax was removed beginning FY17, helping the industry.

Education: Student performance in Nevada K-12 schools lies in the middle-to-lower range among five adjacent states, despite higher per-student spending levels than three out of five of them. Nationally and internationally, student performance is not statistically correlated with spending. However, while again increasing K-12 spending greatly, the 2015 Legislature enacted the nation's most expansive school choice program. Beginning in FY16, every child enrolled in a Nevada public school may request an Education Savings Account (ESA) that can be used to finance a customized educational curriculum for the child. ESA funds can be used to pay for private tuition, tutoring, online courses or materials. Students who apply and meet eligibility criteria will receive at least \$5,139 deposited annually into their ESA. However, there are pending legal challenges to the program.

Health and Human Services: Medicaid enrollment grew to 580,852 in September 2015, nearly double the 332,560 of just two years earlier. In 2013 the Legislature and Governor expanded Medicaid eligibility criteria, pursuant to the federal Affordable Care Act, making all individuals with incomes up to 138% of the federal poverty level eligible, including single, childless, able-bodied adults. This expansion, plus tax penalties under the Act for failing to procure health insurance, have been direct causes of enrollment growth. Expected rapid enrollment growth will create challenges for Nevada in the near future. While the Act provided federal funding to cover the entire cost of coverage for newly eligible persons in 2016, this federal support begins to decline in 2017 to 90% of coverage costs by 2020. Given federal budget constraints, this percentage may continue to decline after 2020, shifting the cost of this coverage to states, and it could impose significant financial burdens on their budgets. The additional cost to Nevada taxpayers of optional and mandated coverage expansions has been estimated by independent sources at up to \$5.4 billion cumulatively by 2023. This cost burden will either displace existing priorities for state spending, result in tax increases beyond those enacted by the 2015 Legislature, or both.

Transportation: The Nevada Department of Transportation (NDOT) completed one major project in September 2014. The I-15 South Cactus Avenue Interchange in Southern Nevada was finished within budget and ahead of schedule. No other major projects were completed in Fiscal Year 2015. Nevada is beginning work on major transportation projects expected to be completed in coming years, including the massive Project Neon in Las Vegas and the USA Parkway in northwestern Nevada. These will be followed by the I-11 corridor developments between those two areas, and the state is developing a comprehensive freight plan. NDOT project schedules are contingent on the availability of funding, which is likely to be aided significantly by recent passage of the federal FAST Act.

Awards and Acknowledgments

GFOA Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2014. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR. A Certificate of Achievement is valid for only a one-year period. We believe that this current CAFR continues to meet the requirements of Certificate of Achievement Program, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments and Conclusion: This report would not have been possible without the hard work, dedication and professionalism of my staff and the cooperation and assistance from all State agencies, Executive, Legislature and Judiciary. I sincerely appreciate the efforts of all the individuals involved, especially the Controller's Office staff. We are committed to advancing accountability, continuity and efficiency in the State's financial operations.

Sincerely,



Ronald L. Knecht, MS, JD & PE(CA)
Nevada State Controller

STATE OF NEVADA CONSTITUTIONAL OFFICERS



MARK HUTCHISON
LIEUTENANT GOVERNOR



BRIAN SANDOVAL
GOVERNOR



BARBARA CEGAVSKE
SECRETARY OF STATE



DAN SCHWARTZ
TREASURER

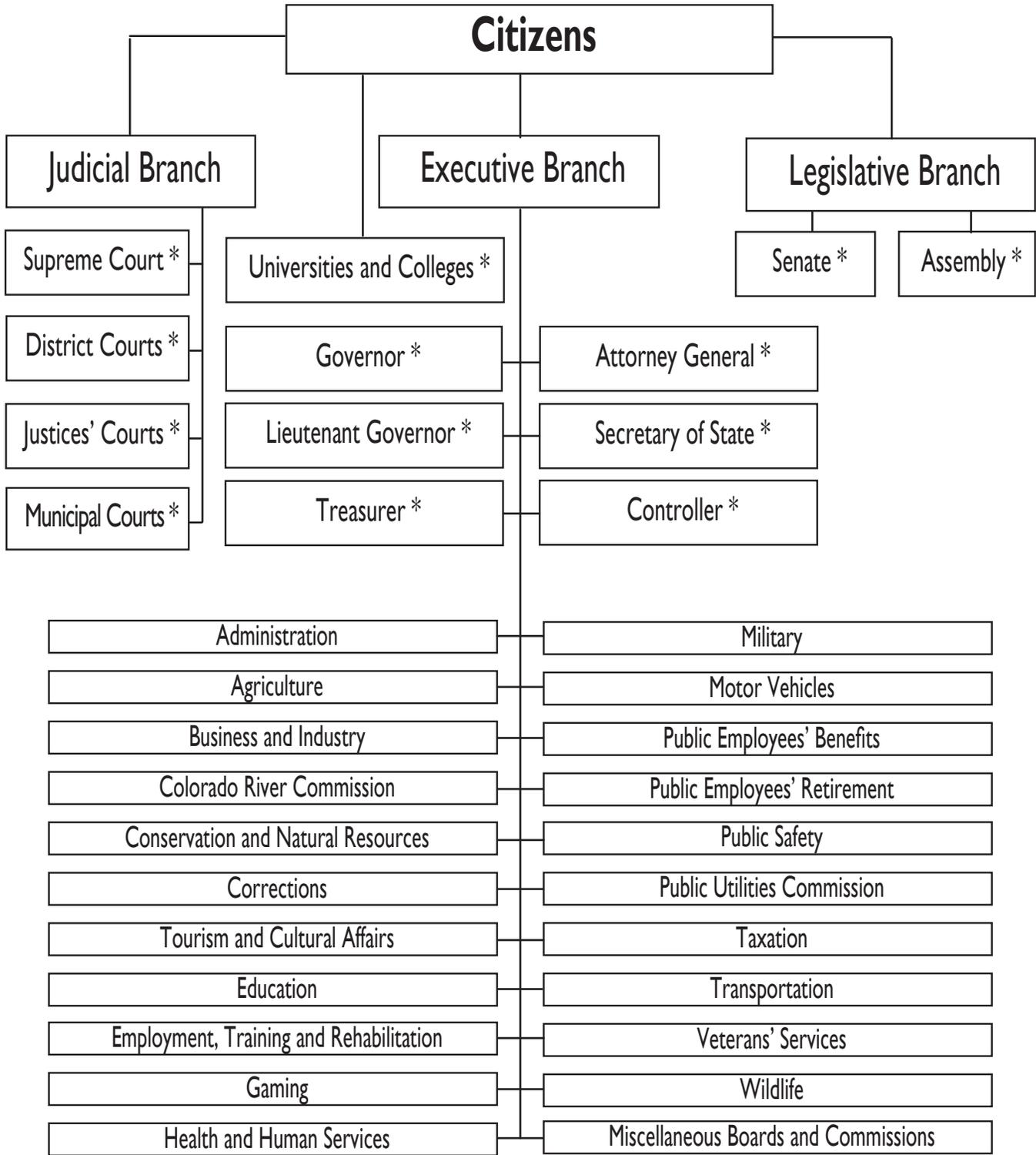


RON KNECHT
CONTROLLER



ADAM PAUL LAXALT
ATTORNEY GENERAL

ORGANIZATIONAL CHART



* Elected Officials



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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION



nevada

Nevada Cattle Drive
Photos: Kevin Bell





CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Honorable Ronald Knecht, MS, JD & PE
State Controller
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- the financial statements of the Housing Division, which is both a major fund and 38.55 percent of the assets and deferred outflows of resources, 25.96 percent of net position, and 3.88 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units and represent more than 99 percent of assets and deferred outflows of resources, net position, and revenues of the discretely presented component units;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 3.57 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 65.41 percent of the assets and deferred outflows of resources, 66.73 percent of the net position and 31.81 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 29.49 percent of the assets and deferred outflows of resources, 30.50 percent of the net position and 45.39 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information;
- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, fund balance and revenues of the aggregate remaining fund information.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained, and the reports of other auditors, is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Notes 1 and 17 to the financial statements, the State of Nevada adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 17 to the financial statements, an error occurred in the determination of the amortization period on refunding loss during the fiscal years 2005 through 2014, which was discovered by management during the current year. Accordingly, amounts for amortization on refunding loss have resulted in a restatement of net position/fund balances as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, the schedule of infrastructure condition and maintenance data, and the pension plan information collectively presented on pages 88 through 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and

other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
December 21, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2015. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

HIGHLIGHTS

Government-wide:

Net Position – The assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$4.4 billion (reported as *net position*). Of the \$4.4 billion in net position, \$1.6 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is \$4.9 billion net investment in capital assets.

As a result of implementing GASB 68 *Accounting and Financial Reporting for Pensions*, the State recorded \$182.2 million deferred outflows of resources, \$1.7 billion net pension liability, and \$503.4 million deferred inflows of resources for the primary government. The State's total net position decreased by \$1.4 billion or 24.2% over the prior year, of which \$2.0 billion is a decrease to beginning unrestricted net position due to the implementation of GASB 68. Net position of governmental activities decreased by \$1.8 billion or 32.6%. Net position of business-type activities increased by \$364.7 million or 96.2%

Fund-level:

At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.6 billion, a decrease of \$144.2 million from the prior year. Of the ending fund balance, \$949.2 million is available for spending and \$613.8 million is not in spendable form, primarily municipal securities and permanent fund principal. The spendable portion consists of: \$607.1 million restricted to expenditures for specific purposes such as transportation, health and human services, law, justice and public safety, and capital projects; \$547.2 million committed to expenditures for specific purposes such as servicing bonds payable, health and education development, and environmental protection; and a negative \$205.1 million unassigned, in the General Fund. The reasons for the negative unassigned fund balance are disclosed in the Financial Analysis of the State's Funds section below.

The State's enterprise funds reported combined ending net position of \$744.4 million, an increase of \$365.5 million from the prior year, of which \$36.6 million is a decrease to beginning net position as a result of implementing GASB 68, *Accounting and Financial Reporting for Pensions*. The remaining increases in net position consist of \$347.6 million in the Unemployment Compensation Fund, \$35.3 million in the Water Projects Loans Fund, and \$9.8 million in the Higher Education Tuition Trust Fund. Of the combined ending net position, \$88.8 million represents the net position-unrestricted of which \$109.8 million is from the Unemployment Compensation Fund and a deficit of \$20.8 million is from the non-major enterprise funds.

The State's fiduciary funds reported combined ending net position of \$51.5 billion, an increase of \$2.6 billion from the prior year. This increase is due primarily to the increases in contributions, interest, dividends and change in the fair value of investments in the Pension Trust Funds and Private Purpose Trust Funds.

Long-term Debt (government-wide):

The State's total bonds payable and certificates of participation payable decreased by \$280.7 million or 7.4% from \$3.8 billion in fiscal year 2014 to \$3.5 billion in fiscal year 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements:

The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net position* presents *all* of the State's assets, liabilities, and deferred outflows/inflows of resources with the difference being reported as "net position." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net position changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes earned and unused leave).

Both government-wide statements above report three types of activities:

Governmental Activities – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education, law, justice and public safety, regulation of business, transportation, recreation and resource development, interest on long-term debt and unallocated depreciation.

Business-type Activities – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

Discretely Presented Component Units – Discrete component units are legally separate organizations for which their relationship with the primary government meets selected criteria. The State has three discretely presented component units – the Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Fund Financial Statements:

A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

Governmental funds – Most of the State's basic services are reported in governmental funds. These funds focus on short-term outflows and inflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Notes to the Financial Statements:

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

Required Supplementary Information:

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of pension plan information and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2015 and 2014 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

| State of Nevada's Net Position-Primary Government <i>(expressed in thousands)</i> | | | | | | | |
|---|------------------------------------|---------------------|-------------------------------------|-------------------|---------------------|---------------------|-------------------------|
| | Governmental Activities | | Business-type Activities | | Total | | Total Change |
| | 2015 | 2014* | 2015 | 2014* | 2015 | 2014* | 2015-2014 |
| Assets | | | | | | | |
| Current and other assets | \$ 3,637,061 | \$ 3,604,390 | \$ 2,163,799 | \$ 1,918,000 | \$ 5,800,860 | \$ 5,522,390 | \$ 278,470 |
| Net capital assets | 6,200,840 | 6,020,493 | 12,517 | 12,321 | 6,213,357 | 6,032,814 | 180,543 |
| Total assets | 9,837,901 | 9,624,883 | 2,176,316 | 1,930,321 | 12,014,217 | 11,555,204 | 459,013 |
| Total deferred outflows of resources | 244,857 | 13,978 | 4,562 | 1,612 | 249,419 | 15,590 | 233,829 |
| Liabilities | | | | | | | |
| Current liabilities | 1,612,110 | 1,513,414 | 69,068 | 69,382 | 1,681,178 | 1,582,796 | 98,382 |
| Long-term liabilities | 4,327,379 | 2,710,278 | 1,358,862 | 1,483,298 | 5,686,241 | 4,193,576 | 1,492,665 |
| Total liabilities | 5,939,489 | 4,223,692 | 1,427,930 | 1,552,680 | 7,367,419 | 5,776,372 | 1,591,047 |
| Total deferred inflows of resources | 495,015 | 704 | 9,041 | - | 504,056 | 704 | 503,352 |
| Net Position | | | | | | | |
| Net investment in capital assets | 4,895,213 | 4,672,738 | 3,791 | 3,434 | 4,899,004 | 4,676,172 | 222,832 |
| Restricted | 976,650 | 866,071 | 651,863 | 599,806 | 1,628,513 | 1,465,877 | 162,636 |
| Unrestricted (deficit) | (2,223,609) | (124,344) | 88,253 | (223,987) | (2,135,356) | (348,331) | (1,787,025) |
| Total net position | \$ 3,648,254 | \$ 5,414,465 | \$ 743,907 | \$ 379,253 | \$ 4,392,161 | \$ 5,793,718 | \$ (1,401,557) |

* The 2014 amounts presented here have not been restated for the implementation of GASB 68 for pensions and other adjustments.

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) decreased to \$4.4 billion at the end of 2015, compared with \$5.8 billion at the end of the previous year.

The largest portion of the State's net position (\$4.9 billion or 111.5%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, software costs, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position (\$1.6 billion or 37.1%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position deficit of \$2.1 billion or (48.6%) as compared to a \$348.3 million deficit in the prior year.

The unrestricted deficit net position in governmental activities increased by \$2.1 billion from a deficit of \$124.3 million to a total deficit of \$2.2 billion. This is primarily due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions* which recorded a decrease to beginning net position of governmental activities of \$2.0 billion. Other changes in governmental activities were a result of several factors, including a decrease in the unrestricted fund balance of the General Fund of \$64.3 million and an increase of \$11.9 million in deferred inflows of resources for unavailable revenue recognized as revenue in the government-wide statement of net activities. Of the \$11.9 million increase in deferred inflows of resources for unavailable revenue, approximately \$7.9 million is from taxes and \$1.0 million is from rebates for health and social services. In business-type activities the unrestricted net position increased by \$312.2 million from a deficit of \$224.0 million to a net position of \$88.2 million. The increase is primarily due to an increase in the net position of the Unemployment Compensation Fund in the amount of \$347.6 million.

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

| | Governmental Activities | | Business-type Activities | | Total | | Total Change |
|---|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|----------------------|
| | 2015 | 2014* | 2015 | 2014* | 2015 | 2014* | 2015-2014 |
| Revenues | | | | | | | |
| Program revenues | | | | | | | |
| Charges for services | \$ 828,977 | \$ 767,186 | \$ 111,885 | \$ 121,264 | \$ 940,862 | \$ 888,450 | \$ 52,412 |
| Operating grants and contributions | 4,337,546 | 3,416,382 | 75,716 | 196,653 | 4,413,262 | 3,613,035 | 800,227 |
| Capital grants and contributions | 10,385 | 9,349 | - | - | 10,385 | 9,349 | 1,036 |
| General revenues | | | | | | | |
| Sales and use taxes | 1,160,968 | 1,085,656 | - | - | 1,160,968 | 1,085,656 | 75,312 |
| Gaming taxes | 906,382 | 922,999 | - | - | 906,382 | 922,999 | (16,617) |
| Modified business taxes | 413,749 | 382,976 | - | - | 413,749 | 382,976 | 30,773 |
| Insurance premium taxes | 301,226 | 256,587 | - | - | 301,226 | 256,587 | 44,639 |
| Property and transfer taxes | 219,189 | 209,784 | - | - | 219,189 | 209,784 | 9,405 |
| Motor and special fuel taxes | 277,305 | 269,544 | - | - | 277,305 | 269,544 | 7,761 |
| Other taxes | 833,958 | 688,399 | 555,187 | 537,372 | 1,389,145 | 1,225,771 | 163,374 |
| Investment earnings | 14,780 | 5,462 | - | - | 14,780 | 5,462 | 9,318 |
| Other | 231,043 | 160,298 | - | - | 231,043 | 160,298 | 70,745 |
| Total Revenues | 9,535,508 | 8,174,622 | 742,788 | 855,289 | 10,278,296 | 9,029,911 | 1,248,385 |
| Expenses | | | | | | | |
| General government | 280,465 | 202,620 | - | - | 280,465 | 202,620 | 77,845 |
| Health and social services | 4,887,130 | 3,784,055 | - | - | 4,887,130 | 3,784,055 | 1,103,075 |
| Education - K to 12 | 1,892,519 | 1,830,605 | - | - | 1,892,519 | 1,830,605 | 61,914 |
| Education - higher education | 490,407 | 495,893 | - | - | 490,407 | 495,893 | (5,486) |
| Law, justice and public safety | 695,023 | 662,330 | - | - | 695,023 | 662,330 | 32,693 |
| Regulation of business | 259,106 | 303,020 | - | - | 259,106 | 303,020 | (43,914) |
| Transportation | 462,386 | 327,519 | - | - | 462,386 | 327,519 | 134,867 |
| Recreation and resource development | 145,000 | 139,188 | - | - | 145,000 | 139,188 | 5,812 |
| Interest on long-term debt | 94,987 | 121,224 | - | - | 94,987 | 121,224 | (26,237) |
| Unallocated depreciation | 2,137 | 2,150 | - | - | 2,137 | 2,150 | (13) |
| Unemployment insurance | - | - | 380,166 | 552,246 | 380,166 | 552,246 | (172,080) |
| Housing | - | - | 23,442 | 31,954 | 23,442 | 31,954 | (8,512) |
| Water loans | - | - | 6,372 | 7,837 | 6,372 | 7,837 | (1,465) |
| Workers' compensation and safety | - | - | 27,644 | 26,715 | 27,644 | 26,715 | 929 |
| Higher education tuition | - | - | 25,768 | 21,325 | 25,768 | 21,325 | 4,443 |
| Other | - | - | 30,263 | 32,944 | 30,263 | 32,944 | (2,681) |
| Total Expenses | 9,209,160 | 7,868,604 | 493,655 | 673,021 | 9,702,815 | 8,541,625 | 1,161,190 |
| Change in net position before contributions to permanent funds, special items and transfers | 326,348 | 306,018 | 249,133 | 182,268 | 575,481 | 488,286 | 87,195 |
| Contributions to permanent fund | 9,038 | 5,908 | - | - | 9,038 | 5,908 | 3,130 |
| Special item - Settlement | - | - | 5,000 | 330 | 5,000 | 330 | 4,670 |
| Transfers | (147,100) | 6,689 | 147,100 | (6,689) | - | - | - |
| Change in net position | 188,286 | 318,615 | 401,233 | 175,909 | 589,519 | 494,524 | 94,995 |
| Net position - beginning of year | 5,414,465 | 5,095,850 | 379,253 | 203,344 | 5,793,718 | 5,299,194 | 494,524 |
| Adjustment to beginning net position | (1,954,497) | - | (36,579) | - | (1,991,076) | - | (1,991,076) |
| Net position - end of year | \$ 3,648,254 | \$ 5,414,465 | \$ 743,907 | \$ 379,253 | \$ 4,392,161 | \$ 5,793,718 | \$(1,401,557) |

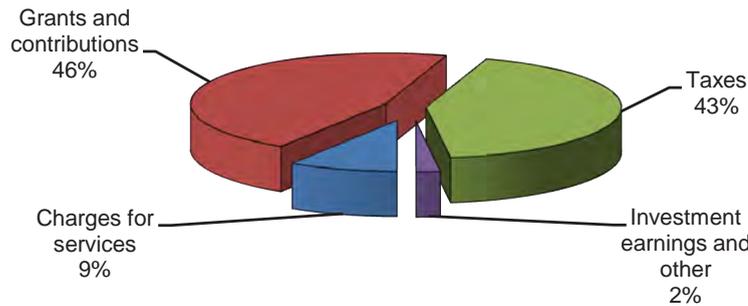
* The 2014 amounts presented here have not been restated for the implementation of GASB 68 for pensions or other adjustments.

Changes in Net Position:

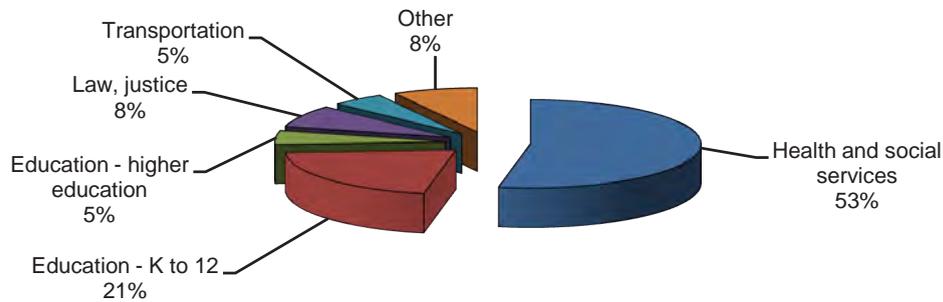
Total government-wide revenues increased by \$1.2 billion during the current year. The increase in revenues is a result of several factors, including increases of \$800.2 million in federal funding, \$163.4 million in other taxes, \$75.3 million in sales and use taxes and \$70.7 million in other revenues. Other general revenue tax increases include \$44.6 million in insurance premium taxes and \$30.8 million in modified business taxes. Program revenues from charges for services increased by \$52.4 million compared to the prior year.

Governmental activities – The current year net position increased by \$188.3 million. Approximately 43.1% of the total revenue came from taxes, while 45.6% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 8.7% of the total revenues (see chart below). The State’s governmental activities expenses cover a range of services and the largest expenses were 53.1% for health and social services and 20.6% for K to 12 education (see chart below). In 2015, governmental activities expenses exceeded program revenues, resulting in the use of \$4.0 billion in general revenues, which were generated to support the government.

The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:

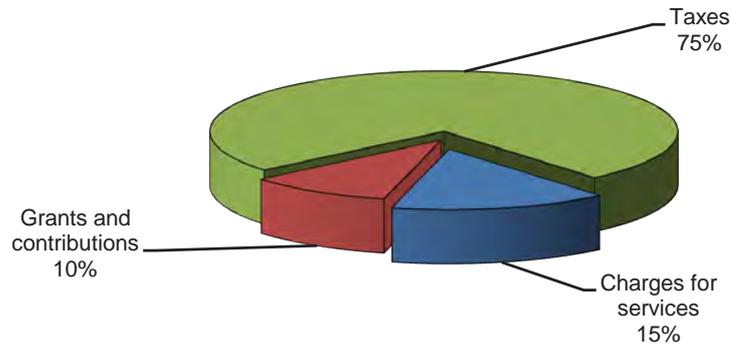


The following table depicts the total program revenues and expenses for each function of governmental activities:

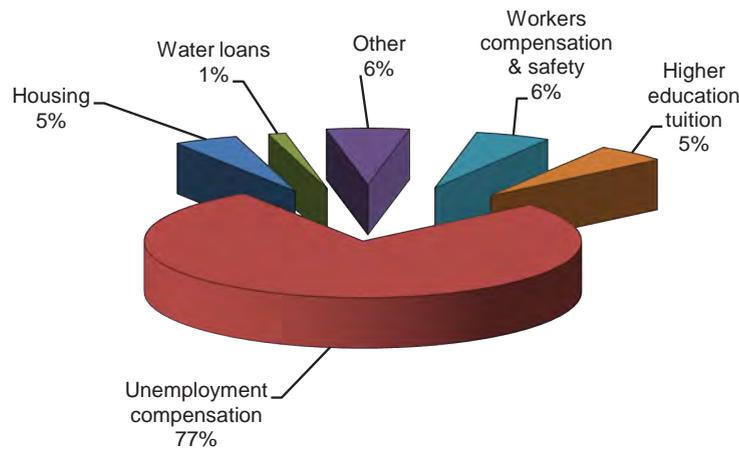
| | Expenses | Revenues |
|------------------------------|---------------------|---------------------|
| General government | \$ 280,465 | \$ 176,063 |
| Health and social services | 4,887,130 | 3,765,983 |
| Education - K to 12 | 1,892,519 | 266,873 |
| Education - higher education | 490,407 | - |
| Law, justice | 695,023 | 341,215 |
| Regulation | 259,106 | 216,890 |
| Transportation | 462,386 | 323,124 |
| Recreation | 145,000 | 85,531 |
| Total | \$ 9,112,036 | \$ 5,175,679 |

Business-type activities – The current year net position increased by \$401.2 million. Approximately 74.7% of the total revenue came from taxes, while 10.2% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 15.1% of the total revenues (see chart below). The State’s business-type activities expenses cover a range of services. The largest expenses were 77.0% for unemployment compensation (see chart below). In 2015, business-type activities expenses exceeded program revenues by \$306.1 million. Of this amount, unemployment compensation was the largest, with net expenses of \$365.3 million, resulting in the use of general revenues generated by and restricted to the Unemployment Compensation Fund.

The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function for business-type activities:

| | Expenses | | Revenues | |
|---------------------------|-----------|----------------|-----------|----------------|
| Unemployment compensation | \$ | 380,166 | \$ | 14,877 |
| Housing | | 23,442 | | 28,841 |
| Water loans | | 6,372 | | 42,775 |
| Workers' compensation | | 27,644 | | 38,540 |
| Higher education tuition | | 25,768 | | 28,261 |
| Other | | 30,263 | | 34,307 |
| Total | \$ | 493,655 | \$ | 187,601 |

The State's overall financial position declined over the past year, primarily due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, which resulted in a \$2.0 billion decrease to beginning net position. However, current year operations resulted in a \$188.3 million increase in the net position of the governmental activities and a \$401.2 million increase in the net position of the business-type activities. Nevada continues to recover at a slow pace. Key economic indicators from the State's sales and other taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year \$296.8 million or 7.8% compared to an increase of \$79.0 million or 2.1% in the prior fiscal year. In addition, intergovernmental revenues for governmental activities increased \$921.2 million primarily due to Medicaid receipts. In the Highway Fund, intergovernmental revenues decreased \$22.0 million primarily due to a decrease in federal aid, while motor and special vehicle taxes increased \$10.3 million and driver's license and motor carrier fees increased \$12.3 million.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.6 billion, a decrease of \$144.2 million from the prior year. Of these total ending fund balances, \$613.8 million or 39.3% is nonspendable, either due to its form or legal constraints, and \$607.1 million or 38.8% is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$547.2 million or 35.0% of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. At the end of the fiscal year there is no committed fund balance for fiscal emergency. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations, in which case forty percent of the excess is deposited to the Stabilization Account. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. During the fiscal year, actual revenues for the biennium fell short by 5% or more from anticipated revenues and a transfer in the amount of \$28.1 million was made from the Stabilization Account to the General Fund for unrestricted State General Fund use. The remaining negative \$205.1 million or (13.1%) of fund balance is unassigned. The major funds are discussed more fully below.

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$207.3 million compared to \$274.8 million in the prior fiscal year. The fund balance decreased from operations by \$67.6 million or 24.6% during the current fiscal year. Reasons for this decrease are discussed in further detail below. The negative unassigned fund balance of \$205.1 million is mostly due to an accrual for Medicaid expenditures and for unearned gaming taxes and mining taxes already collected and budgeted but not yet recognized as revenues.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2015 and 2014 (expressed in thousands). Other financing sources are not included.

| General Fund Revenues (expressed in thousands) | | | | | | |
|---|---------------------|---------------|---------------------|---------------|---------------------|--------------|
| | 2015 | | 2014 | | Increase (Decrease) | |
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Gaming taxes, fees and licenses | \$ 894,805 | 11.3% | \$ 913,960 | 13.5% | \$ (19,155) | -2.1% |
| Sales taxes | 1,161,893 | 14.6% | 1,081,735 | 15.9% | 80,158 | 7.4% |
| Modified business taxes | 411,914 | 5.2% | 384,886 | 5.7% | 27,028 | 7.0% |
| Insurance premium taxes | 292,665 | 3.7% | 263,532 | 3.9% | 29,133 | 11.1% |
| Property and transfer taxes | 67,696 | 0.9% | 63,528 | 0.9% | 4,168 | 6.6% |
| Motor and special fuel taxes | 2,466 | 0.0% | 2,671 | 0.0% | (205) | -7.7% |
| Other taxes | 574,185 | 7.2% | 544,436 | 8.0% | 29,749 | 5.5% |
| Intergovernmental | 4,081,581 | 51.3% | 3,118,097 | 46.0% | 963,484 | 30.9% |
| Licenses, fees and permits | 305,079 | 3.8% | 289,652 | 4.3% | 15,427 | 5.3% |
| Sales and charges for services | 70,877 | 0.9% | 58,016 | 0.9% | 12,861 | 22.2% |
| Interest and investment income | (337) | 0.0% | 9,913 | 0.1% | (10,250) | -103.4% |
| Other revenues | 87,208 | 1.1% | 53,555 | 0.8% | 33,653 | 62.8% |
| Total revenues | \$ 7,950,032 | 100.0% | \$ 6,783,981 | 100.0% | \$ 1,166,051 | 17.2% |

The total General Fund revenues increased \$1.2 billion or 17.2%. The largest increases in revenue sources were \$963.5 million or 30.9% in intergovernmental revenues, \$80.2 million or 7.4% in sales taxes, \$33.7 million or 62.8% in other revenues, \$29.7 million or 5.5% in other taxes, and \$29.1 million or 11.1% in insurance premium taxes. Intergovernmental revenues primarily increased by \$912.2 million in receipts for Medicaid, \$60.7 million in receipts for food stamps, and \$27.1 million in receipts for county revenues. The largest decline in revenue sources was \$19.2 million or 2.1% in gaming taxes and \$10.3 million or 103.4% in interest and investment income. In other revenues, unclaimed property revenues increased by \$7.5 million primarily due to a one time receipt by public safety of \$4 million, and \$19.7 million of settlement income was recorded in the current year.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2015 and 2014 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures (expressed in thousands)

| | 2015 | | 2014 | | Increase (Decrease) | |
|----------------------------------|---------------------|---------------|---------------------|---------------|---------------------|--------------|
| | Amount | Percent | Amount | Percent | Amount | Percent |
| General government | \$ 128,236 | 1.6% | \$ 113,896 | 1.6% | \$ 14,340 | 12.6% |
| Health and social services | 4,766,687 | 59.1% | 3,683,368 | 52.8% | 1,083,319 | 29.4% |
| Education - K to 12 | 1,891,259 | 23.4% | 1,830,511 | 26.3% | 60,748 | 3.3% |
| Education - higher education | 486,937 | 6.0% | 485,893 | 7.0% | 1,044 | 0.2% |
| Law, justice and public safety | 450,754 | 5.6% | 459,481 | 6.6% | (8,727) | -1.9% |
| Regulation of business | 233,072 | 2.9% | 279,899 | 4.0% | (46,827) | -16.7% |
| Recreation, resource development | 113,164 | 1.4% | 115,949 | 1.7% | (2,785) | -2.4% |
| Debt service | 3,251 | 0.0% | 3,716 | 0.0% | (465) | -12.5% |
| Total expenditures | <u>\$ 8,073,360</u> | <u>100.0%</u> | <u>\$ 6,972,713</u> | <u>100.0%</u> | <u>\$ 1,100,647</u> | <u>15.8%</u> |

Note: Fiscal year 2014 revised to reclassify Intergovernmental expenditures to function.

The total General Fund expenditures increased 15.8%. The largest increases in expenditures were \$1.1 billion or 29.4% in health and social services expenditures, \$60.7 million or 3.3% in K to 12 education, and \$14.3 million or 12.6% in general government. Health and social services expenditures increased due to expansion of the Medicaid program. The largest decrease was \$46.8 million or 16.7% of expenditures for the regulation of business primarily due to a decrease in a one-time settlement of \$49.0 million received in 2014 for the Home Means Nevada Program.

The State Highway Fund is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance decreased \$19.8 million or 5.6% during the current fiscal year compared to a 137.4% increase in the prior year. This was primarily due to an increase in transportation expenditures of \$105.5 million or 19.9%. Expenditures increased as spending for three major road construction projects, Project NEON, USA Parkway and the Boulder City Bypass, increased. Intergovernmental revenues decreased by \$22.0 million primarily due to a \$21.5 million decrease in federal aid. The 50.6% decrease in other taxes is due to the Legislative allocation to the General Fund of \$21.9 million in Motor Vehicle Government Services tax commissions and penalties previously allocated to the Highway Fund. The nonspendable fund balance is \$16.3 million, the restricted fund balance is \$307.3 million and the committed fund balance is \$10.3 million.

The Municipal Bond Bank Fund is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$26.7 million during the current fiscal year, which is a 10.5% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

The Permanent School Fund is a permanent fund used to account for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education. The fund balance increased by \$9.2 million during the current fiscal year, which is a 2.8% increase from the prior year. This increase is primarily due to \$3.0 million increase in land sales.

Proprietary Funds:

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

Enterprise Funds – There are four major enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is \$723.3 million, the net position of the nonmajor enterprise funds is \$21.1 million and the total combined net position of all enterprise funds is \$744.4 million. The combined net position of all enterprise funds increased by \$365.5 million in 2015, of which \$36.6 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. The major enterprise funds are discussed below:

The Housing Division Fund was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time homebuyers with low or moderate incomes. The net position increased by \$2.9 million or 1.5%, of which \$2.7 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, resulting in an ending net position of \$193.1 million. Revenues from interest on loans decreased by 7.4% due to loan delinquencies reflecting Nevada's high and continuing unemployment and foreclosure rate, along with a reduction in interest and investment income of 8.2%. Operating expenses decreased primarily due to few programs closed in the multi-family programs and decreased loan servicing and program expenses and bond program expense.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by \$347.6 million during the current fiscal year, which is a 146.2% increase from the prior year, resulting in an ending net position of \$109.8 million. This increase in net position is primarily due to operating revenues exceeding expenses by \$194.0 million and a transfer of \$161.6 million from the Unemployment Comp Bond Fund for special bond contributions assessed on employers for payment of principal and interest on Unemployment Compensation Bonds. During fiscal year 2015, \$369.7 million of unemployment compensation benefits was paid to unemployed State citizens compared to \$536.8 million paid in fiscal year 2014, representing a 31.1% decrease in claims expense.

The Water Projects Loans Fund issues loans to governmental and private entities for two programs: Safe Drinking Water and Water Pollution Control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The net position increased by \$34.6 million during the current fiscal year, of which \$.7 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, for a final net position of \$367.3 million, which is a 10.4% increase from the prior year.

The Higher Education Tuition Trust Fund provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its seventeenth enrollment period during the fiscal year with 977 new enrollments. The net position increased \$9.6 million or 22.1% during the current fiscal year, of which \$.2 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. During the fiscal year the fund was forgiven an advance from the General Fund resulting in an increase to net position of \$5.0 million.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2015, total internal service fund net position decreased by \$80.6 million, of which \$51.1 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, for a final net position of \$5.2 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position decreased by \$34.7 million or 30.2% during the current fiscal year, of which \$3.1 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, for a final net position of \$80.0 million. The remaining decrease was caused primarily by a 5.4% decrease in insurance premium income and a 17.5% increase in claims expense.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit decreased by \$3.4 million or 6.2% during the current fiscal year, of which \$1.0 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, resulting in a total deficit of \$50.8 million. The remaining deficit decrease is the result of an increase in net premium income of 6.0% and a decrease of 9.0% in claims expense.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were \$664.6 million or 6.8% less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was \$1.3 billion. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. Increases due to the non-executive budgets approved after July 1 and increased estimated receipts were approximately \$1.3 billion.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2015 amount to \$7.4 billion, net of accumulated depreciation of \$1.2 billion, leaving a net book value of \$6.2 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. The most recent condition assessment shows a decline in the condition level of the roadways. However, the results of the three most recent condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established. The following table shows the State's policy and the condition level of the roadways and bridges:

| <u>Condition Level of the Roadways</u> | | | | | |
|--|----------|------|------|-----|-----|
| Percentage of roadways with an IRI of less than 80 | | | | | |
| | Category | | | | |
| | I | II | III | IV | V |
| State Policy-minimum percentage | 70% | 65% | 60% | 40% | 10% |
| Actual results of 2014 condition assessment | 84% | 71% | 62% | 33% | 7% |
| Actual results of 2012 condition assessment | 84% | 85% | 84% | 32% | 9% |
| Actual results of 2011 condition assessment | 56% | 79% | 67% | 30% | 9% |
| <u>Condition Level of the Bridges</u> | | | | | |
| Percentage of substandard bridges | | | | | |
| | 2014 | 2012 | 2011 | | |
| State Policy-maximum percentage | 10% | 10% | 10% | | |
| Actual results condition assessment | 4% | 4% | 4% | | |

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2015 by \$56.4 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to approximately meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress or completed during 2015 (expressed in millions):

| | <u>Expended by</u> <u>June 30, 2015</u> | <u>Total Budget</u> |
|---|--|---------------------|
| Healthcare Reform Software | \$ 45.2 | \$ 45.2 |
| Unemployment Insurance Software Development | 29.1 | 40.4 |
| New Readiness Center North Las Vegas | 29.4 | 35.8 |
| Field Maintenance Shop Facility - LV Readiness Center | 23.9 | 26.9 |
| Elko County Readiness Center | 15.9 | 16.6 |
| Southern Nevada Veterans' Cemetery Expansion | 8.3 | 11.4 |
| NDOT Integrated Right of Way Software | 8.2 | 9.4 |
| Energy Retrofit Projects | 5.3 | 6.2 |
| Las Vegas Springs Preserve Museum | 5.6 | 5.6 |
| Southern Desert CC Finish Core Expansion | 4.9 | 5.0 |

The total increase in the State's capital assets for the primary government for the current fiscal year was \$299.1 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$75.6 million.

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

Debt Administration:

As of year-end, the State had \$3.5 billion in bonds and certificates of participation outstanding, compared to \$3.8 billion last year, a decrease of \$280.7 million or 7.4% during the current fiscal year. This decrease was due primarily to the payment of principal on debt.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA+, Aa2 and AA, respectively. These ratings are an indication of high quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds issued during the 2015 fiscal year were (expressed in thousands):

| | | |
|---|------------|-----------|
| General Obligation University System Projects Bonds | 3/10/2015A | \$ 78,335 |
| General Obligation Capital Improvement and Cultural Affairs Refunding Bonds | 3/10/2015B | 192,950 |
| General Obligation Natural Resources and Refunding Bonds | 3/10/2015C | 20,320 |
| General Obligation Natural Resources and Refunding Bonds Marlette Lake | 3/10/2015C | 1,020 |
| Housing Multi-Unit Henderson Family | 08/15/2013 | 5,691 |
| Housing Multi-Unit Agate Avenue | 11/27/2013 | 9,643 |
| Housing Multi-Unit Landsman Gardens | 12/12/2013 | 5,170 |
| Housing Single-Family Bonds 2014 Issue A | 04/01/2015 | 40,000 |
| Housing Multi-Family Summerhill | 04/29/2015 | 11,000 |
| Housing Multi-Family Agate Avenue II | 12/12/2014 | 55 |

Additional information on the State's long-term debt obligations can be found in Note 9 to the financial statements and in the Statistical Section.

Requests for Information

This financial report is designed to provide a general overview of the State of Nevada's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701 or visit our website at: www.controller.nv.gov.

BASIC FINANCIAL SECTION

Burning Man
Photos: Dana Wilson



Statement of Net Position

NEVADA

June 30, 2015 (Expressed in Thousands)

| | Primary Government | | | Component Units |
|---|-------------------------|--------------------------|-------------------|------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Assets | | | | |
| Cash and pooled investments | \$ 1,582,384 | \$ 528,830 | \$ 2,111,214 | \$ 290,693 |
| Investments | 514,381 | 711,314 | 1,225,695 | 1,239,654 |
| Internal balances | 1,254 | (1,254) | - | - |
| Due from component unit | 20,846 | - | 20,846 | - |
| Due from primary government | - | - | - | 28,425 |
| Accounts receivable | 119,136 | 6,496 | 125,632 | 43,793 |
| Taxes/assessments receivable | 837,543 | 221,313 | 1,058,856 | - |
| Intergovernmental receivables | 461,645 | 2,211 | 463,856 | 40,445 |
| Accrued interest and dividends | 5,684 | 12,396 | 18,080 | 30 |
| Contracts receivable | - | 40,783 | 40,783 | - |
| Mortgages receivable | - | 455,862 | 455,862 | - |
| Notes/loans receivable | 18,299 | 80,123 | 98,422 | 12,790 |
| Capital lease receivable | 43,399 | - | 43,399 | - |
| Other receivables | 47 | - | 47 | 99,261 |
| Inventory | 26,183 | 1,515 | 27,698 | 7,246 |
| Prepaid expenses | 6,256 | 171 | 6,427 | 39,186 |
| Restricted assets: | | | | |
| Cash | - | - | - | 148,249 |
| Investments | - | 104,024 | 104,024 | 45,559 |
| Other assets | 4 | 15 | 19 | 43,386 |
| Capital assets: | | | | |
| Land, infrastructure and construction in progress | 4,958,148 | 11,271 | 4,969,419 | 287,040 |
| Other capital assets, net | 1,242,692 | 1,246 | 1,243,938 | 1,786,496 |
| Total assets | 9,837,901 | 2,176,316 | 12,014,217 | 4,112,253 |
| Deferred Outflows of Resources | | | | |
| Deferred charge on refunding | 65,953 | 1,244 | 67,197 | 10,856 |
| Pension contributions | 178,904 | 3,318 | 182,222 | 30,426 |
| Total deferred outflows of resources | 244,857 | 4,562 | 249,419 | 41,282 |
| Liabilities | | | | |
| Accounts payable | 1,035,668 | 52,075 | 1,087,743 | 73,271 |
| Accrued payroll and related liabilities | 72,278 | 1,503 | 73,781 | 77,353 |
| Intergovernmental payables | 185,629 | 4 | 185,633 | - |
| Interest payable | 17,469 | 6,039 | 23,508 | 11,590 |
| Due to component units | 28,404 | 3 | 28,407 | - |
| Due to primary government | - | - | - | 20,846 |
| Contracts/retentions payable | 27,476 | - | 27,476 | - |
| Unearned revenues | 159,097 | 9,431 | 168,528 | 52,897 |
| Other liabilities | 86,089 | 12 | 86,101 | 37,259 |

| | | | | | |
|--|---------------------|-------------------|---------------------|---------------------|---------------------|
| Long-term liabilities: | | | | | |
| <i>Portion due or payable within one year:</i> | | | | | |
| Reserve for losses | 77,371 | - | 77,371 | - | - |
| Obligations under capital leases | 2,649 | - | 2,649 | - | 3,228 |
| Compensated absences | 61,674 | 1,255 | 62,929 | 32,868 | - |
| Benefits payable | - | 17,710 | 17,710 | - | 31,452 |
| Bonds payable | 337,037 | 174,572 | 511,609 | - | - |
| Certificates of participation payable | 2,946 | - | 2,946 | - | - |
| <i>Portion due or payable after one year:</i> | | | | | |
| Federal advances | - | - | - | - | 8,205 |
| Reserve for losses | 48,026 | - | 48,026 | - | - |
| Obligations under capital leases | 20,177 | - | 20,177 | - | 43,048 |
| Net pension obligation | 1,714,657 | 31,584 | 1,746,241 | 297,838 | - |
| Compensated absences | 37,357 | 753 | 38,110 | 17,751 | - |
| Benefits payable | - | 181,681 | 181,681 | - | - |
| Bonds payable | 1,933,758 | 950,347 | 2,884,105 | 568,732 | - |
| Certificates of participation payable | 91,709 | - | 91,709 | - | - |
| Due to component unit | 18 | - | 18 | - | - |
| Unearned revenue | - | - | - | - | 61,059 |
| Arbitrage rebate liability | - | 961 | 961 | - | - |
| Total liabilities | 5,939,489 | 1,427,930 | 7,367,419 | 1,337,397 | 1,337,397 |
| Deferred Inflows of Resources | | | | | |
| Pension related amounts | 494,390 | 9,041 | 503,431 | 85,582 | - |
| Taxes | 6 | - | 6 | - | - |
| Fines and forfeitures | 619 | - | 619 | - | - |
| Donations | - | - | - | 11,669 | - |
| Lease revenue | - | - | - | 4,119 | - |
| Total deferred inflows of resources | 495,015 | 9,041 | 504,056 | 101,370 | 101,370 |
| Net Position | | | | | |
| Net investment in capital assets | 4,895,213 | 3,791 | 4,899,004 | 1,560,248 | - |
| Restricted for: | | | | | |
| Security of outstanding obligations | - | 192,385 | 192,385 | - | - |
| Workers' compensation | - | 38,482 | 38,482 | - | - |
| Tuition contract benefits | - | 52,996 | 52,996 | - | - |
| Capital projects | 527 | - | 527 | 102,384 | - |
| Debt service | 28,472 | - | 28,472 | 21,711 | - |
| Education - K to 12 | 645 | - | 645 | 836 | - |
| Education - higher education | 11,366 | - | 11,366 | - | - |
| Transportation | 252,376 | - | 252,376 | - | - |
| Recreation and resource development | 56,354 | 367,998 | 424,352 | - | - |
| Law, justice and public safety | 46,208 | - | 46,208 | - | - |
| Health and social services | 232,310 | - | 232,310 | - | - |
| Regulation of business | 13,872 | 2 | 13,874 | - | - |
| Scholarships | - | - | - | 419,481 | - |
| Loans | - | - | - | 8,188 | - |
| Operations and maintenance | - | - | - | 713 | - |
| Research and development | - | - | - | 9,538 | - |
| Other purposes | - | - | - | 2,170 | - |
| Funds held as permanent investments: | 447 | - | 447 | - | - |
| Nonexpendable | 334,052 | - | 334,052 | 378,786 | - |
| Expendable | 21 | - | 21 | - | - |
| Unrestricted (deficit) | (2,223,609) | 88,253 | (2,135,356) | 210,713 | - |
| Total net position | \$ 3,648,254 | \$ 743,907 | \$ 4,392,161 | \$ 2,714,768 | \$ 2,714,768 |

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

Statement of Activities

NEVADA

For the Fiscal Year Ended June 30, 2015 (Expressed in Thousands)

| Functions/Programs | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position | | | Component Units | |
|-------------------------------------|------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|-----------------|-------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-type Activities | | Total |
| Primary Government | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 280,465 | \$ 172,468 | \$ 3,595 | \$ - | \$ (104,402) | \$ - | \$ - | |
| Health and social services | 4,887,130 | 222,917 | 3,543,066 | - | (1,121,147) | - | (1,121,147) | |
| Education - K to 12 | 1,892,519 | 2,547 | 264,326 | - | (1,625,646) | - | (1,625,646) | |
| Education - higher education | 490,407 | - | - | - | (490,407) | - | (490,407) | |
| Law, justice and public safety | 695,023 | 295,582 | 43,577 | 2,056 | (353,808) | - | (353,808) | |
| Regulation of business | 259,106 | 73,929 | 142,961 | - | (42,216) | - | (42,216) | |
| Transportation | 462,386 | 14,388 | 300,775 | 7,961 | (139,262) | - | (139,262) | |
| Recreation and resource development | 145,000 | 47,146 | 38,017 | 368 | (59,469) | - | (59,469) | |
| Interest on long-term debt | 94,987 | - | 1,229 | - | (93,758) | - | (93,758) | |
| Unallocated depreciation | 2,137 | - | - | - | (2,137) | - | (2,137) | |
| Total governmental activities | 9,209,160 | 828,977 | 4,337,546 | 10,385 | (4,032,252) | - | (4,032,252) | |
| Business-type activities: | | | | | | | | |
| Unemployment insurance | 380,166 | 1,753 | 13,124 | - | - | (365,289) | - | |
| Housing | 23,442 | 17,058 | 11,783 | - | - | 5,399 | - | |
| Water loans | 6,372 | 8,233 | 34,542 | - | - | 36,403 | - | |
| Workers' compensation and safety | 27,644 | 34,804 | 3,736 | - | - | 10,896 | - | |
| Higher education tuition | 25,768 | 18,643 | 9,618 | - | - | 2,493 | - | |
| Other | 30,263 | 31,394 | 2,913 | - | - | 4,044 | - | |
| Total business-type activities | 493,655 | 111,885 | 75,716 | - | - | (306,054) | - | |
| Total primary government | \$ 9,702,815 | \$ 940,862 | \$ 4,413,262 | \$ 10,385 | (4,032,252) | (306,054) | (4,338,306) | |
| Total component units | \$ 1,692,545 | \$ 690,536 | \$ 465,488 | \$ 80,973 | - | - | (455,548) | |

| | | | | | |
|--|---------------------|-------------------|-----------|---------------------|---------------------|
| General revenues: | | | | | |
| Taxes: | | | | | |
| Gaming | 876,636 | - | - | 876,636 | - |
| Sales and use | 1,032,529 | - | - | 1,032,529 | - |
| Modified business | 413,749 | - | - | 413,749 | - |
| Insurance premium | 301,226 | - | - | 301,226 | - |
| Property and transfer | 67,696 | - | - | 67,696 | - |
| Motor and special fuel | 2,466 | - | - | 2,466 | - |
| Other | 378,627 | 300 | - | 378,927 | - |
| Restricted for unemployment compensation: | | | | | |
| Other taxes | - | 554,887 | - | 554,887 | - |
| Restricted for educational purposes: | | | | | |
| Sales and use taxes | 128,439 | - | - | 128,439 | - |
| Gaming taxes | 29,746 | - | - | 29,746 | - |
| Other taxes | 150,480 | - | - | 150,480 | - |
| Restricted for debt service purposes: | | | | | |
| Property and transfer taxes | 139,417 | - | - | 139,417 | - |
| Motor and special fuel taxes | 67,815 | - | - | 67,815 | - |
| Other | 51,621 | - | - | 51,621 | - |
| Restricted for recreation and resource development purposes: | | | | | |
| Other taxes | 34,835 | - | - | 34,835 | - |
| Restricted for health and social services purposes: | | | | | |
| Property and transfer taxes | 12,075 | - | - | 12,075 | - |
| Other taxes | 246,277 | - | - | 246,277 | - |
| Restricted for transportation purposes: | | | | | |
| Motor and special fuel taxes | 207,024 | - | - | 207,024 | - |
| Other taxes | 20,209 | - | - | 20,209 | - |
| Restricted for regulation of business: | | | | | |
| Other taxes | 3,532 | - | - | 3,532 | - |
| Other | 618 | - | - | 618 | - |
| Settlement income | 41,257 | - | - | 41,257 | - |
| Unrestricted investment earnings | 14,780 | - | - | 14,780 | 11,918 |
| Other general revenues | 137,546 | - | - | 137,546 | 4,501 |
| Contributions to permanent funds | 9,038 | - | - | 9,038 | 29,980 |
| Payments from State of Nevada | - | - | - | - | 486,969 |
| Special item - advance forgiveness | - | 5,000 | - | 5,000 | - |
| Transfers | (147,100) | 147,100 | - | - | - |
| Total general revenues, special items, and transfers | 4,220,538 | 707,287 | - | 4,927,825 | 533,368 |
| Change in net position | 188,286 | 401,233 | - | 589,519 | 77,820 |
| Net position - beginning (as restated) | 3,459,968 | 342,674 | - | 3,802,642 | 2,636,948 |
| Net position - ending | \$ 3,648,254 | \$ 743,907 | \$ | \$ 4,392,161 | \$ 2,714,768 |

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

Balance Sheet Governmental Funds

June 30, 2015

| | General Fund | State Highway | Municipal Bond Bank |
|---|-------------------------|-----------------------|-----------------------|
| Assets | | | |
| <i>Cash and pooled investments:</i> | | | |
| Cash with treasurer | \$ 564,653,170 | \$ 353,092,911 | \$ 3,990 |
| Cash in custody of other officials | 5,461,534 | 175,023 | - |
| Investments | 14,559,620 | - | 227,845,000 |
| <i>Receivables:</i> | | | |
| Accounts receivable | 51,909,256 | 1,282,372 | - |
| Taxes receivable | 800,026,990 | 36,772,317 | - |
| Intergovernmental receivables | 428,837,934 | 19,792,917 | - |
| Accrued interest and dividends | 2,665,805 | - | 1,209,767 |
| Notes/loans receivable | 18,213,727 | - | - |
| Other receivables | 15,830 | - | - |
| Due from other funds | 22,320,748 | 5,485,413 | 865 |
| Due from fiduciary funds | 363,079 | - | - |
| Due from component units | 320,400 | - | - |
| Inventory | 9,193,024 | 16,258,950 | - |
| Advances to other funds | 2,798,055 | - | - |
| Prepaid items | 5,979,393 | 70,541 | - |
| Total assets | \$ 1,927,318,565 | \$ 432,930,444 | \$ 229,059,622 |
| Liabilities | | | |
| <i>Accounts payable and accruals:</i> | | | |
| Accounts payable | \$ 453,136,442 | \$ 21,856,844 | \$ - |
| Accrued payroll and related liabilities | 50,832,041 | 16,422,079 | - |
| Intergovernmental payables | 158,651,962 | 25,244,751 | - |
| Contracts/retentions payable | 93,795 | 20,544,135 | - |
| Due to other funds | 28,998,269 | 7,063,120 | 4,367 |
| Due to fiduciary funds | 532,097,647 | 1,650,439 | - |
| Due to component units | 9,400,823 | 1,531,959 | - |
| Unearned revenues | 157,188,264 | 271,830 | - |
| Other liabilities | 81,729,911 | 2,107,389 | - |
| Total liabilities | 1,472,129,154 | 96,692,546 | 4,367 |
| Deferred Inflows of Resources | | | |
| <i>Unavailable revenue:</i> | | | |
| Taxes | 84,099,141 | 128,780 | - |
| Intergovernmental | 137,675,307 | - | - |
| Licenses, fees and permits | 3,634,164 | - | - |
| Sales and charges for services | 9,817,630 | 339,365 | - |
| Settlement income | - | - | - |
| Interest | 255,114 | 142,205 | 185,404 |
| Other | 11,794,945 | 1,696,778 | - |
| Taxes | 6,374 | - | - |
| Fines and forfeitures | 619,403 | - | - |
| Total deferred inflows of resources | 247,902,078 | 2,307,128 | 185,404 |
| Fund Balances | | | |
| Nonspendable | 35,134,296 | 16,329,491 | 227,845,000 |
| Restricted | 62,113,980 | 307,297,550 | - |
| Committed | 315,130,956 | 10,303,729 | 1,024,851 |
| Unassigned | (205,091,899) | - | - |
| Total fund balances | 207,287,333 | 333,930,770 | 228,869,851 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,927,318,565 | \$ 432,930,444 | \$ 229,059,622 |

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

| Permanent School Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------|-----------------------------|-----------------------------|
| \$ 17,234,148 | \$ 386,924,096 | \$ 1,321,908,315 |
| 23,657,094 | 60,543,755 | 89,837,406 |
| 270,401,879 | 1,574,376 | 514,380,875 |
| 2,035 | 61,056,654 | 114,250,317 |
| - | 743,194 | 837,542,501 |
| 2,646,511 | 7,122,168 | 458,399,530 |
| 734,184 | 1,074,607 | 5,684,363 |
| - | - | 18,213,727 |
| - | 30,822 | 46,652 |
| 42,275 | 25,502,384 | 53,351,685 |
| - | 1,015,944 | 1,379,023 |
| 20,496,002 | 60 | 20,816,462 |
| - | 455,333 | 25,907,307 |
| - | 753,183 | 3,551,238 |
| - | 13,670 | 6,063,604 |
| <u>\$ 335,214,128</u> | <u>\$ 546,810,246</u> | <u>\$ 3,471,333,005</u> |
| \$ - | \$ 9,062,321 | \$ 484,055,607 |
| - | 3,056,551 | 70,310,671 |
| - | 1,684,247 | 185,580,960 |
| - | 6,838,156 | 27,476,086 |
| 1,283,720 | 25,025,647 | 62,375,123 |
| - | 18,682 | 533,766,768 |
| - | 17,470,963 | 28,403,745 |
| - | 1,338,978 | 158,799,072 |
| 306,344 | 1,945,039 | 86,088,683 |
| <u>1,590,064</u> | <u>66,440,584</u> | <u>1,636,856,715</u> |
| - | - | 84,227,921 |
| - | - | 137,675,307 |
| - | - | 3,634,164 |
| - | 5,172 | 10,162,167 |
| - | 20,469,114 | 20,469,114 |
| 5,651 | 112,257 | 700,631 |
| 660 | 443,397 | 13,935,780 |
| - | - | 6,374 |
| - | - | 619,403 |
| <u>6,311</u> | <u>21,029,940</u> | <u>271,430,861</u> |
| 333,617,753 | 902,714 | 613,829,254 |
| - | 237,695,687 | 607,107,217 |
| - | 220,741,321 | 547,200,857 |
| - | - | (205,091,899) |
| <u>333,617,753</u> | <u>459,339,722</u> | <u>1,563,045,429</u> |
| <u>\$ 335,214,128</u> | <u>\$ 546,810,246</u> | <u>\$ 3,471,333,005</u> |

Saddle-Trained Wild Horse
& Burro Inmate Training
and Adoption Program



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

NEVADA

June 30, 2015

Total fund balances - governmental funds \$ 1,563,045,429

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

| | | |
|---------------------------------------|------------------------|---------------|
| Land | \$ 149,678,677 | |
| Construction in progress | 199,374,971 | |
| Infrastructure assets | 3,965,219,441 | |
| Rights-of-way | 642,842,133 | |
| Buildings | 1,679,307,924 | |
| Improvements other than buildings | 124,408,559 | |
| Furniture and equipment | 352,599,737 | |
| Software costs | 168,677,262 | |
| Accumulated depreciation/amortization | <u>(1,105,312,183)</u> | |
| Total capital assets | | 6,176,796,521 |

Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds. 270,805,084

Intergovernmental receivable not providing current resources. 221,045

Capital lease receivable from discretely presented component unit is not reported in the governmental funds. 43,398,670

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. 5,670,697

The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less. 65,953,215

Deferred outflow of resources related to pensions are not reported in the governmental funds. 174,232,897

Deferred inflow of resources related to pensions are not reported in the governmental funds. (481,696,535)

Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds. (5,022,608)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

| | | |
|-------------------------------|---------------------|------------------------|
| Net pension obligation | (1,670,300,939) | |
| Bonds payable | (2,265,545,232) | |
| Accrued interest on bonds | (17,468,621) | |
| Certificates of participation | (94,654,904) | |
| Capital leases | (21,487,191) | |
| Compensated absences | <u>(95,693,591)</u> | |
| Total long-term liabilities | | <u>(4,165,150,478)</u> |

Net position of governmental activities \$ 3,648,253,937

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

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2015

| | General Fund | State Highway | Municipal Bond Bank |
|--|-----------------------|-----------------------|-----------------------|
| Revenues | | | |
| Gaming taxes, fees, licenses | \$ 894,804,602 | \$ - | \$ - |
| Sales taxes | 1,161,893,473 | - | - |
| Modified business taxes | 411,913,962 | - | - |
| Insurance premium taxes | 292,664,655 | - | - |
| Property and transfer taxes | 67,696,326 | - | - |
| Motor and special fuel taxes | 2,466,082 | 207,023,527 | - |
| Other taxes | 574,184,513 | 20,348,399 | - |
| Intergovernmental | 4,081,580,713 | 315,819,090 | - |
| Licenses, fees and permits | 305,078,655 | 206,476,128 | - |
| Sales and charges for services | 70,877,513 | 15,891,271 | - |
| Interest and investment income | (336,955) | 3,208,531 | 11,862,163 |
| Settlement income | - | - | - |
| Land sales | - | - | - |
| Other | 87,207,952 | 14,497,070 | - |
| Total revenues | 7,950,031,491 | 783,264,016 | 11,862,163 |
| Expenditures | | | |
| <i>Current:</i> | | | |
| General government | 128,236,349 | - | - |
| Health and social services | 4,766,686,916 | - | - |
| Education - K to12 | 1,891,259,166 | - | - |
| Education - higher education | 486,936,758 | - | - |
| Law, justice and public safety | 450,753,782 | 158,936,315 | - |
| Regulation of business | 233,072,181 | - | - |
| Transportation | - | 635,049,423 | - |
| Recreation and resource development | 113,164,404 | - | - |
| Capital outlay | - | - | - |
| <i>Debt service:</i> | | | |
| Principal | 1,989,796 | - | - |
| Interest, fiscal charges | 1,249,668 | - | - |
| Debt issuance costs | - | - | - |
| Arbitrage payments | 11,085 | - | - |
| Total expenditures | 8,073,360,105 | 793,985,738 | - |
| Excess (deficiency) of revenues over expenditures | (123,328,614) | (10,721,722) | 11,862,163 |
| Other Financing Sources (Uses) | | | |
| Sale of general obligation bonds | - | - | - |
| Sale of general obligation refunding bonds | - | - | - |
| Premium on general obligation bonds | - | - | - |
| Payment to refunded bond agent | - | - | - |
| Sale of capital assets | 265,654 | 60,950 | - |
| Transfers in | 77,053,148 | 3,809,077 | - |
| Transfers out | (21,561,017) | (12,974,450) | (38,614,932) |
| Total other financing sources (uses) | 55,757,785 | (9,104,423) | (38,614,932) |
| Net change in fund balances | (67,570,829) | (19,826,145) | (26,752,769) |
| Fund balances, July 1 | 274,858,162 | 353,756,915 | 255,622,620 |
| Fund balances, June 30 | \$ 207,287,333 | \$ 333,930,770 | \$ 228,869,851 |

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

| Permanent School Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------|--------------------------|--------------------------|
| \$ - | \$ 13,686,408 | \$ 908,491,010 |
| - | - | 1,161,893,473 |
| - | - | 411,913,962 |
| - | - | 292,664,655 |
| - | 151,492,731 | 219,189,057 |
| - | 67,814,955 | 277,304,564 |
| - | 241,019,387 | 835,552,299 |
| - | 120,821,426 | 4,518,221,229 |
| - | 24,931,235 | 536,486,018 |
| - | 18,472,335 | 105,241,119 |
| 1,522,730 | 5,825,987 | 22,082,456 |
| - | 39,788,181 | 39,788,181 |
| 4,921,725 | - | 4,921,725 |
| 4,133,406 | 6,556,236 | 112,394,664 |
| <u>10,577,861</u> | <u>690,408,881</u> | <u>9,446,144,412</u> |
| - | 25,445,240 | 153,681,589 |
| - | 95,910,909 | 4,862,597,825 |
| - | - | 1,891,259,166 |
| - | 123,606,261 | 610,543,019 |
| - | 23,868,883 | 633,558,980 |
| - | 20,060,300 | 253,132,481 |
| - | - | 635,049,423 |
| - | 28,012,113 | 141,176,517 |
| - | 39,564,118 | 39,564,118 |
| - | 197,855,000 | 199,844,796 |
| - | 102,748,747 | 103,998,415 |
| - | 1,940,676 | 1,940,676 |
| - | 13,013 | 24,098 |
| - | <u>659,025,260</u> | <u>9,526,371,103</u> |
| <u>10,577,861</u> | <u>31,383,621</u> | <u>(80,226,691)</u> |
| - | 78,335,000 | 78,335,000 |
| - | 213,270,000 | 213,270,000 |
| - | 54,686,183 | 54,686,183 |
| - | (261,893,503) | (261,893,503) |
| - | 38,311 | 364,915 |
| - | 79,610,072 | 160,472,297 |
| (1,351,354) | (234,718,486) | (309,220,239) |
| <u>(1,351,354)</u> | <u>(70,672,423)</u> | <u>(63,985,347)</u> |
| 9,226,507 | (39,288,802) | (144,212,038) |
| 324,391,246 | 498,628,524 | 1,707,257,467 |
| <u>\$ 333,617,753</u> | <u>\$ 459,339,722</u> | <u>\$ 1,563,045,429</u> |



Kayaking East Fork of the Carson River, NV
Tourism and Cultural Affairs

Kayakers on Lake Mead
Tourism and Cultural Affairs



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

NEVADA

For the Fiscal Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ (144,212,038)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:

| | | |
|--|----------------|-------------|
| Capital outlay | \$ 256,676,438 | |
| Depreciation expense | (69,578,515) | |
| Excess of capital outlay over depreciation expense | | 187,097,923 |

Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:

| | | |
|-------------------------|---------------|---------------|
| Bonds issued | (78,335,000) | |
| Refunding bonds issued | (213,270,000) | |
| Premiums on debt issued | (54,686,183) | |
| Total bond proceeds | | (346,291,183) |

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

| | | |
|--|-------------|-------------|
| Bond principal retirement | 194,821,677 | |
| Certificates of participation retirement | 2,520,000 | |
| Payments to the bond refunding agent | 261,893,503 | |
| Capital lease payments | 1,761,450 | |
| Total long-term debt repayment | | 460,996,630 |

Internal service funds are used to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities. (28,725,554)

Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources changed by this amount. 51,367,087

In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold. (812,147)

Governmental funds reported an expenditure for construction costs related to an asset recorded as a capital lease receivable in the statement of net position. 38,857,952

Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities. (7,639,217)

Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities. 18,191,042

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the net change in:

| | | |
|--------------------------------|--------------|--------------|
| Pension costs, net | (36,373,044) | |
| Accrued interest payable | (1,978,710) | |
| Compensated absences | (1,883,173) | |
| Settlement agreement liability | (309,224) | |
| Total additional expenditures | | (40,544,151) |

Change in net position of governmental activities \$ 188,286,344

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

Statement of Net Position Proprietary Funds

June 30, 2015

| | Enterprise Funds | | | | | | |
|--|---------------------|------------------------------|----------------------------|--------------------------------------|------------------------------|------------------------------|------------------------------|
| | Housing Division | Unemployment Compensation | Water Projects Loans | Higher Education Tuition Trust | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| Assets | | | | | | | |
| Current assets: | | | | | | | |
| <i>Cash and pooled investments:</i> | | | | | | | |
| Cash with treasurer | \$ 560,612 | \$ - | \$121,054,094 | \$ 1,231,465 | \$ 57,178,537 | \$ 180,024,708 | \$170,638,091 |
| Cash in custody of other officials | 494,878 | 347,749,410 | - | 342,622 | 218,721 | 348,805,631 | - |
| Investments | 47,541,052 | - | - | 210,156,888 | - | 257,697,940 | - |
| <i>Receivables:</i> | | | | | | | |
| Accounts receivable | - | - | - | - | 6,486,391 | 6,486,391 | 614,164 |
| Assessments receivable | - | 221,312,799 | - | - | 250 | 221,313,049 | - |
| Intergovernmental receivables | - | - | 1,588,332 | - | 623,261 | 2,211,593 | 3,024,364 |
| Contracts receivable | - | - | - | 9,154,365 | - | 9,154,365 | - |
| Mortgages receivable | 24,438,022 | - | - | - | - | 24,438,022 | - |
| Accrued interest and dividends | 8,282,869 | - | 3,838,588 | 274,342 | - | 12,395,799 | - |
| Notes/loans receivable | - | - | - | - | - | - | 5,000 |
| Due from other funds | 92,155 | 1,771,296 | 294,142 | 11,893 | 1,129,178 | 3,298,664 | 10,876,231 |
| Due from fiduciary funds | - | - | - | - | 9,712 | 9,712 | 2,892,703 |
| Due from component units | - | - | - | - | - | - | 29,983 |
| Inventory | - | - | - | - | 1,515,351 | 1,515,351 | 275,320 |
| Prepaid items | - | - | - | - | 170,669 | 170,669 | 192,270 |
| <i>Restricted assets:</i> | | | | | | | |
| Investments | 72,745,528 | - | - | - | - | 72,745,528 | - |
| Total current assets | 154,155,116 | 570,833,505 | 126,775,156 | 221,171,575 | 67,332,070 | 1,140,267,422 | 188,548,126 |
| Noncurrent assets: | | | | | | | |
| Investments | 172,350,479 | - | 281,266,051 | - | - | 453,616,530 | - |
| <i>Receivables:</i> | | | | | | | |
| Contracts receivable | - | - | - | 31,628,789 | - | 31,628,789 | - |
| Mortgages receivable | 431,423,652 | - | - | - | - | 431,423,652 | - |
| Notes/loans receivable | 51,000,000 | - | 29,122,925 | - | - | 80,122,925 | 80,000 |
| <i>Restricted assets:</i> | | | | | | | |
| Investments | 31,278,244 | - | - | - | - | 31,278,244 | - |
| Other assets | - | - | - | - | 15,000 | 15,000 | 4,445 |
| <i>Capital assets:</i> | | | | | | | |
| Land | - | - | - | - | 567,812 | 567,812 | 1,032,737 |
| Buildings | - | - | - | - | 3,388,840 | 3,388,840 | 20,392,485 |
| Improvements other than buildings | - | - | - | - | 630,647 | 630,647 | 3,839,621 |
| Furniture and equipment | 333,847 | - | 35,280 | 173,374 | 5,361,964 | 5,904,465 | 54,339,679 |
| Software costs | - | - | - | - | - | - | 15,323,810 |
| Construction in progress | - | - | - | - | 10,703,713 | 10,703,713 | - |
| Less accumulated depreciation/ amortization | (40,484) | - | (35,280) | (66,240) | (8,536,000) | (8,678,004) | (70,884,399) |
| Total noncurrent assets | 686,345,738 | - | 310,388,976 | 31,735,923 | 12,131,976 | 1,040,602,613 | 24,128,378 |
| Total assets | 840,500,854 | 570,833,505 | 437,164,132 | 252,907,498 | 79,464,046 | 2,180,870,035 | 212,676,504 |
| Deferred Outflows of Resources | | | | | | | |
| Deferred charge on refunding | - | - | 1,149,516 | - | 94,412 | 1,243,928 | - |
| Pension contributions | 244,235 | - | 65,024 | 17,885 | 2,990,399 | 3,317,543 | 4,671,415 |
| Total deferred outflows of resources | 244,235 | - | 1,214,540 | 17,885 | 3,084,811 | 4,561,471 | 4,671,415 |

(Continued)

| | Enterprise Funds | | | | | | |
|--|-----------------------|------------------------------|----------------------------|--------------------------------------|------------------------------|------------------------------|------------------------------|
| | Housing Division | Unemployment Compensation | Water Projects Loans | Higher Education Tuition Trust | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| Liabilities | | | | | | | |
| Current liabilities: | | | | | | | |
| <i>Accounts payable and accruals:</i> | | | | | | | |
| Accounts payable | \$ 41,880,967 | \$ 8,598,234 | \$ 78,085 | \$ 115,753 | \$ 1,327,404 | \$ 52,000,443 | \$ 8,809,263 |
| Accrued payroll and related liabilities | 114,963 | - | 23,700 | 12,234 | 1,352,270 | 1,503,167 | 1,967,164 |
| Interest payable | 3,240,575 | 1,664,221 | 1,090,013 | - | 44,315 | 6,039,124 | - |
| Intergovernmental payables | - | - | - | - | 4,198 | 4,198 | 47,986 |
| Bank overdraft | - | - | - | - | - | - | 4,000,485 |
| Due to other funds | 9,933 | 1,651,340 | 210,660 | 58,513 | 1,896,656 | 3,827,102 | 1,324,355 |
| Due to fiduciary funds | - | - | 17,216 | - | 57,256 | 74,472 | 13,723 |
| Due to component units | - | - | - | 3,432 | - | 3,432 | 17,858 |
| Unearned revenues | - | - | - | - | 9,430,943 | 9,430,943 | 298,605 |
| Other liabilities | - | - | - | - | 12,050 | 12,050 | - |
| <i>Short-term portion of long-term liabilities:</i> | | | | | | | |
| Reserve for losses | - | - | - | - | - | - | 77,370,730 |
| Compensated absences | 90,586 | - | 22,592 | 14,959 | 1,127,243 | 1,255,380 | 1,916,338 |
| Benefits payable | - | - | - | 17,709,553 | - | 17,709,553 | - |
| Bonds payable | 19,129,752 | 144,125,825 | 11,087,457 | - | 229,358 | 174,572,392 | 513,323 |
| Obligations under capital leases | - | - | - | - | - | - | 689,650 |
| Total current liabilities | 64,466,776 | 156,039,620 | 12,529,723 | 17,914,444 | 15,481,693 | 266,432,256 | 96,969,480 |
| Noncurrent liabilities: | | | | | | | |
| Advances from funds | - | - | - | - | 227,370 | 227,370 | 3,323,868 |
| Reserve for losses | - | - | - | - | - | - | 48,026,180 |
| Net pension obligation | 2,325,157 | - | 619,039 | 170,271 | 28,469,084 | 31,583,551 | 44,356,202 |
| Compensated absences | 78,045 | - | 9,787 | 6,695 | 658,368 | 752,895 | 1,421,268 |
| Benefits payable | - | - | - | 181,681,853 | - | 181,681,853 | - |
| Bonds payable | 580,097,475 | 303,986,583 | 57,765,488 | - | 8,496,953 | 950,346,499 | 4,736,249 |
| Obligations under capital leases | - | - | - | - | - | - | 648,976 |
| Arbitrage rebate liability | - | 960,702 | - | - | - | 960,702 | - |
| Total noncurrent liabilities | 582,500,677 | 304,947,285 | 58,394,314 | 181,858,819 | 37,851,775 | 1,165,552,870 | 102,512,743 |
| Total liabilities | 646,967,453 | 460,986,905 | 70,924,037 | 199,773,263 | 53,333,468 | 1,431,985,126 | 199,482,223 |
| Deferred Inflows of Resources | | | | | | | |
| Pension related amounts | 665,591 | - | 177,204 | 48,741 | 8,149,460 | 9,040,996 | 12,693,021 |
| Net Position | | | | | | | |
| Net investment in capital assets | 293,363 | - | - | 107,134 | 3,390,665 | 3,791,162 | 17,572,206 |
| <i>Restricted for:</i> | | | | | | | |
| Tuition contract benefits | - | - | - | 52,996,245 | - | 52,996,245 | - |
| Security of outstanding obligations | 192,385,342 | - | - | - | - | 192,385,342 | - |
| Workers' compensation | - | - | - | - | 38,481,574 | 38,481,574 | - |
| Revolving loans | - | - | 367,998,489 | - | - | 367,998,489 | - |
| Regulation of business | - | - | - | - | 2,000 | 2,000 | - |
| Unrestricted (deficit) | 433,340 | 109,846,600 | (721,058) | - | (20,808,310) | 88,750,572 | (12,399,531) |
| Total net position | \$ 193,112,045 | \$ 109,846,600 | \$367,277,431 | \$ 53,103,379 | \$ 21,065,929 | 744,405,384 | \$ 5,172,675 |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time. | | | | | | (498,022) | |
| Net position of business-type activities | | | | | | <u>\$ 743,907,362</u> | |

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

Nevada Off-Road Racing



Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

| | Enterprise Funds | | | | | | |
|---|-----------------------|------------------------------|----------------------------|--------------------------------------|------------------------------|---------------------------|---------------------------|
| | Housing Division | Unemployment Compensation | Water Projects Loans | Higher Education Tuition Trust | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| Operating Revenues | | | | | | | |
| Net premium income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 342,126,396 |
| Sales | - | - | - | 18,513,649 | 6,463,385 | 24,977,034 | 2,433,621 |
| Assessments | - | 554,886,641 | - | - | 300,596 | 555,187,237 | - |
| Charges for services | - | - | 10,000 | 129,100 | 13,088,151 | 13,227,251 | 45,408,563 |
| Rental income | - | - | - | - | 106,100 | 106,100 | 19,759,959 |
| Interest income on loans/notes | 11,416,757 | - | 8,214,051 | - | - | 19,630,808 | - |
| Federal government | - | 7,033,800 | 32,671,789 | - | - | 39,705,589 | - |
| Licenses, fees and permits | - | - | - | - | 38,600,781 | 38,600,781 | - |
| Fines | - | - | - | - | 3,436,200 | 3,436,200 | - |
| Other | 5,641,274 | 1,753,478 | 8,487 | - | 4,503,162 | 11,906,401 | 483,571 |
| Total operating revenues | 17,058,031 | 563,673,919 | 40,904,327 | 18,642,749 | 66,498,375 | 706,777,401 | 410,212,110 |
| Operating Expenses | | | | | | | |
| Salaries and benefits | 2,077,349 | - | 409,543 | 179,083 | 34,480,116 | 37,146,091 | 35,893,681 |
| Operating | 1,886,123 | - | 3,798,097 | 458,166 | 13,235,147 | 19,377,533 | 39,667,600 |
| Claims and benefits expense | - | 369,719,188 | - | 25,106,514 | 5,884,877 | 400,710,579 | 233,113,660 |
| Interest on bonds payable | 15,148,926 | - | 2,150,652 | - | - | 17,299,578 | - |
| Materials or supplies used | - | - | - | - | 2,876,291 | 2,876,291 | 726,042 |
| Servicers' fees | 79,058 | - | - | - | - | 79,058 | - |
| Depreciation | 40,484 | - | - | 18,035 | 310,251 | 368,770 | 5,651,528 |
| Insurance premiums | - | - | - | - | - | - | 127,842,405 |
| Total operating expenses | 19,231,940 | 369,719,188 | 6,358,292 | 25,761,798 | 56,786,682 | 477,857,900 | 442,894,916 |
| Operating income (loss) | (2,173,909) | 193,954,731 | 34,546,035 | (7,119,049) | 9,711,693 | 228,919,501 | (32,682,806) |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest and investment income | 7,709,618 | 6,089,679 | 1,869,984 | 9,618,430 | 1,401,989 | 26,689,700 | 3,147,466 |
| Interest expense | - | (10,056,842) | - | - | (381,198) | (10,438,040) | (4,848) |
| Bond issuance costs | - | - | - | - | (12,300) | (12,300) | - |
| Federal grant revenue | 4,073,608 | - | - | - | 5,247,223 | 9,320,831 | - |
| Federal grant expense | (4,148,654) | - | - | - | - | (4,148,654) | - |
| Gain (loss) on disposal of assets | - | - | - | - | - | - | (1,641,476) |
| Arbitrage rebate | - | (389,638) | - | - | - | (389,638) | - |
| Total nonoperating revenues (expenses) | 7,634,572 | (4,356,801) | 1,869,984 | 9,618,430 | 6,255,714 | 21,021,899 | 1,501,142 |
| Income (loss) before transfers | 5,460,663 | 189,597,930 | 36,416,019 | 2,499,381 | 15,967,407 | 249,941,400 | (31,181,664) |
| Special Items and Transfers | | | | | | | |
| Special item - advance forgiveness | - | - | - | 5,000,000 | - | 5,000,000 | - |
| Transfers in | 156,743 | 161,607,667 | - | 2,323,143 | 15,326 | 164,102,879 | 1,739,361 |
| Transfers out | - | (3,575,976) | (1,107,916) | - | (12,319,274) | (17,003,166) | (91,132) |
| Change in net position | 5,617,406 | 347,629,621 | 35,308,103 | 9,822,524 | 3,663,459 | 402,041,113 | (29,533,435) |
| Net position, July 1 (as restated) | 187,494,639 | (237,783,021) | 331,969,328 | 43,280,855 | 17,402,470 | | 34,706,110 |
| Net position, June 30 | \$ 193,112,045 | \$ 109,846,600 | \$367,277,431 | \$ 53,103,379 | \$21,065,929 | | \$ 5,172,675 |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds. | | | | | | (807,882) | |
| Change in net position of business-type activities | | | | | | <u>\$ 401,233,231</u> | |

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

Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2015

| | Enterprise Funds | | | | | | Internal Service Funds |
|--|---------------------|------------------------------|----------------------------|--------------------------------------|------------------------------|-----------------------|------------------------------|
| | Housing Division | Unemployment Compensation | Water Projects Loans | Higher Education Tuition Trust | Other Enterprise Funds | Totals | |
| Cash flows from operating activities | | | | | | | |
| Receipts from customers and users | \$ 22,371,570 | \$ 535,278,199 | \$ 18,487 | \$16,874,727 | \$79,000,444 | \$ 653,543,427 | \$ 52,461,818 |
| Receipts for interfund services provided | 15,613 | 1,945,201 | - | 11,913 | 3,293,391 | 5,266,118 | 265,580,408 |
| Receipts from component units | - | - | - | - | - | - | 71,305,951 |
| Receipts of principal on loans/notes | 49,213,663 | - | - | - | - | 49,213,663 | 5,000 |
| Receipts of interest on loans/notes | 5,373,939 | - | - | - | - | 5,373,939 | - |
| Receipts from federal government | - | 7,033,800 | 31,693,502 | - | - | 38,727,302 | - |
| Payments to suppliers, other governments and beneficiaries | (2,364,995) | (371,068,830) | (3,648,628) | (5,174,545) | (40,937,860) | (423,194,858) | (367,337,142) |
| Payments to employees | (1,738,658) | - | (390,187) | (167,797) | (34,312,150) | (36,608,792) | (34,325,177) |
| Payments for interfund services | (2,739,510) | - | (120,200) | (148,371) | (7,652,904) | (10,660,985) | (19,296,340) |
| Payments to component units | - | - | - | (5,975,152) | (3,914) | (5,979,066) | (179,083) |
| Purchase of loans and notes | (36,475,631) | - | - | - | - | (36,475,631) | - |
| Net cash provided by (used for) operating activities | 33,655,991 | 173,188,370 | 27,552,974 | 5,420,775 | (612,993) | 239,205,117 | (31,784,565) |
| Cash flows from noncapital financing activities | | | | | | | |
| Grant receipts | 4,073,608 | - | - | - | 4,871,351 | 8,944,959 | - |
| Advances from federal government | - | - | - | 2,323,143 | - | 2,323,143 | - |
| Proceeds from sale of bonds | 72,211,717 | - | - | - | - | 72,211,717 | - |
| Transfers and advances from other fund | 156,743 | 163,374,691 | - | - | 15,326 | 163,546,760 | 1,754,158 |
| Principal paid on noncapital debt | (80,778,767) | (138,590,000) | (9,505,000) | - | - | (228,873,767) | - |
| Interest paid on noncapital debt | (15,493,765) | (24,784,691) | (2,745,396) | - | - | (43,023,852) | - |
| Transfers and advances to other funds | - | (2,420,047) | (1,181,533) | - | (12,659,151) | (16,260,731) | (278,632) |
| Payments to other governments and organizations | (4,223,700) | - | - | - | - | (4,223,700) | - |
| Net cash provided by (used for) noncapital financing activities | (24,054,164) | (2,420,047) | (13,431,929) | 2,323,143 | (7,772,474) | (45,355,471) | 1,475,526 |
| Cash flows from capital and related financing activities | | | | | | | |
| Proceeds from capital debt | - | - | - | - | 1,020,000 | 1,020,000 | - |
| Proceeds from sale of capital assets | - | - | - | - | - | - | 130,607 |
| Purchase of capital assets | - | - | - | - | (145,381) | (145,381) | (6,025,981) |
| Principal paid on capital debt | - | - | - | - | (1,190,670) | (1,190,670) | (1,480,332) |
| Interest paid on capital debt | - | - | - | - | (461,454) | (461,454) | (4,848) |
| Issue costs | - | - | - | - | (12,300) | (12,300) | - |
| Payments on construction projects | - | - | - | - | (365,639) | (365,639) | - |
| Net cash provided by (used for) capital and related financing activities | - | - | - | - | (1,155,444) | (1,155,444) | (7,380,554) |
| Cash flows from investing activities | | | | | | | |
| Proceeds from sale of investments | 462,104,497 | - | - | 43,399,906 | - | 505,504,403 | - |
| Receipts of principal on loans/notes | - | - | 25,201,006 | - | - | 25,201,006 | - |
| Purchase of investments | (478,464,428) | - | - | (57,693,595) | - | (536,158,023) | - |
| Purchase of loans and notes | - | - | (30,238,353) | - | - | (30,238,353) | - |
| Interest, dividends and gains (losses) | 6,651,812 | 6,089,679 | 10,325,741 | 5,819,438 | 1,479,751 | 30,366,421 | 3,329,151 |
| Net cash provided by (used for) investing activities | (9,708,119) | 6,089,679 | 5,288,394 | (8,474,251) | 1,479,751 | (5,324,546) | 3,329,151 |
| Net increase (decrease) in cash | (106,292) | 176,858,002 | 19,409,439 | (730,333) | (8,061,160) | 187,369,656 | (34,360,442) |
| Cash and cash equivalents, July 1 | 1,161,782 | 170,891,408 | 101,644,655 | 2,304,420 | 65,458,418 | 341,460,683 | 204,998,533 |
| Cash and cash equivalents, June 30 | \$ 1,055,490 | \$ 347,749,410 | \$ 121,054,094 | \$ 1,574,087 | \$ 57,397,258 | \$ 528,830,339 | \$ 170,638,091 |

(Continued)

| | Enterprise Funds | | | | | Totals | Internal Service Funds |
|---|------------------|---------------------------|----------------------|--------------------------------|------------------------|----------------|------------------------|
| | Housing Division | Unemployment Compensation | Water Projects Loans | Higher Education Tuition Trust | Other Enterprise Funds | | |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities | | | | | | | |
| Operating income (loss) | \$ (2,173,909) | \$ 193,954,731 | \$ 34,546,035 | \$ (7,119,049) | \$ 9,711,693 | \$ 228,919,501 | \$ (32,949,806) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | | | | | |
| Depreciation | 40,484 | - | - | 18,035 | 310,251 | 368,770 | 5,651,528 |
| Interest on loans | - | - | (8,214,051) | - | - | (8,214,051) | - |
| Interest on bonds payable | 15,148,926 | - | 2,150,652 | - | - | 17,299,578 | - |
| Decrease (increase) in loans and notes receivable | 6,056,125 | - | - | - | - | 6,056,125 | 5,000 |
| Decrease (increase) in accrued interest and receivables | (244,298) | (19,416,719) | (978,287) | (1,756,109) | 1,096,179 | (21,299,234) | (7,219,507) |
| Decrease (increase) in inventory, deferred charges, other assets | - | - | 3,724 | 1,490 | (14,340) | (9,126) | 324,318 |
| Decrease (increase) in deferred outflows of resources | (2,228) | - | (5,016) | (2,123) | (37,148) | (46,515) | 180,180 |
| Increase (decrease) in accounts payable, accruals, other liabilities | 14,773,887 | (1,349,642) | 34,740 | 14,274,357 | (12,350,184) | 15,383,158 | 14,782,401 |
| Increase (decrease) in unearned revenues | - | - | - | - | (27,405) | (27,405) | (13,641,909) |
| Increase (decrease) in net pension liability | (608,587) | - | (162,027) | (44,567) | (7,451,499) | (8,266,680) | (11,609,791) |
| Increase (decrease) in deferred inflows of resources | 665,591 | - | 177,204 | 48,741 | 8,149,460 | 9,040,996 | 12,693,021 |
| Other adjustments | - | - | - | - | - | - | - |
| Total adjustments | 35,829,900 | (20,766,361) | (6,993,061) | 12,539,824 | (10,324,686) | 10,285,616 | 1,165,241 |
| Net cash provided by (used for) operating activities | \$ 33,655,991 | \$ 173,188,370 | \$ 27,552,974 | \$ 5,420,775 | \$ (612,993) | \$ 239,205,117 | \$ (31,784,565) |
| Noncash investing, capital and financing activities | | | | | | | |
| Increase (decrease) in fair value of investments | \$ - | \$ - | \$ - | \$ 3,943,350 | \$ - | \$ 3,943,350 | \$ - |

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

Statement of Fiduciary Net Position Fiduciary Funds

NEVADA

June 30, 2015

| | Pension and Other Employee Benefit Trust Funds | Investment Trust Funds | Private-Purpose Trust Funds | Agency Funds |
|---|--|---------------------------|--------------------------------|--------------------|
| Assets | | | | |
| <i>Cash and pooled investments:</i> | | | | |
| Cash with treasurer | \$ 4,971,859 | \$ 10,612 | \$ 6,597,414 | \$ 80,717,201 |
| Cash in custody of other officials | 264,618,864 | 7,011,215 | 17,282,677 | 31,150,816 |
| <i>Investments:</i> | | | | |
| Investments | 1,296,388 | 943,863,634 | 15,857,000,441 | 222,312,599 |
| Fixed income securities | 9,478,773,231 | - | - | - |
| Marketable equity securities | 14,671,703,489 | - | - | - |
| International securities | 7,327,360,685 | - | - | - |
| Real estate | 1,454,303,113 | - | - | - |
| Alternative investments | 1,319,000,149 | - | - | - |
| Collateral on loaned securities | 373,833,323 | - | - | - |
| <i>Receivables:</i> | | | | |
| Accounts receivable | - | 8,734 | 84,858 | - |
| Accrued interest and dividends | 91,621,113 | 2,310,336 | 3,488,328 | - |
| Taxes receivable | - | - | - | 58,334,065 |
| Trades pending settlement | 129,463,466 | - | 3,976,716 | - |
| Intergovernmental receivables | 102,308,751 | - | 89,585 | 20,178 |
| Contributions receivable | - | - | 12,857,154 | - |
| Other receivables | 194,495 | - | - | 99,064 |
| Due from other funds | 122,332 | 17,351 | 172,939 | 533,542,341 |
| Due from fiduciary funds | 19,306,997 | - | - | 13,319,888 |
| Due from component unit | 1,488,231 | - | - | 2,263,225 |
| Other assets | 3,633,781 | - | - | - |
| Furniture and equipment | 40,412,280 | - | 48,222 | - |
| Accumulated depreciation | (36,462,089) | - | (48,222) | - |
| Total assets | 35,247,950,458 | 953,221,882 | 15,901,550,112 | 941,759,377 |
| Liabilities | | | | |
| <i>Accounts payable and accruals:</i> | | | | |
| Accounts payable | 10,454,250 | 107,744 | 2,863,597 | - |
| Accrued payroll and related liabilities | - | - | 714 | 80,001 |
| Intergovernmental payables | - | 33,588 | 8,591 | 595,511,978 |
| Redemptions payable | - | - | 5,789,195 | - |
| Trades pending settlement | 141,195,584 | 2,490,065 | 12,905,426 | - |
| Bank overdraft | - | - | 3,061,000 | - |
| Obligations under securities lending | 373,833,323 | - | - | - |
| Due to other funds | 2,892,703 | 40,361 | 1,348,374 | - |
| Due to fiduciary funds | - | - | 26,840 | 32,600,045 |
| <i>Other liabilities:</i> | | | | |
| Deposits | - | - | - | 308,465,127 |
| Other liabilities | 178,709 | - | - | 5,102,226 |
| Total liabilities | 528,554,569 | 2,671,758 | 26,003,737 | 941,759,377 |
| Net Position | | | | |
| <i>Restricted for:</i> | | | | |
| Employees' pension benefits | 34,714,399,697 | - | - | - |
| OPEB benefits | 4,996,192 | - | - | - |
| Pool participants | - | 950,550,124 | - | - |
| Individuals | - | - | 15,875,546,375 | - |
| Total net position | \$ 34,719,395,889 | \$ 950,550,124 | \$ 15,875,546,375 | \$ - |

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

Statement of Changes in Fiduciary Net Position Fiduciary Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

| | Pension and Other Employee Benefit Trust Funds | Investment Trust Funds | Private-Purpose Trust Funds |
|--|--|---------------------------|--------------------------------|
| Additions | | | |
| <i>Contributions:</i> | | | |
| Employer | \$ 1,483,079,430 | \$ - | \$ - |
| Plan members | 114,325,399 | - | - |
| Participants | - | - | 4,003,153,713 |
| Repayment and purchase of service | 82,581,500 | - | - |
| Total contributions | <u>1,679,986,329</u> | <u>-</u> | <u>4,003,153,713</u> |
| <i>Investment income:</i> | | | |
| Net increase (decrease) in fair value of investments | 523,022,423 | (2,513,489) | 77,529,742 |
| Interest, dividends | 786,145,094 | 13,657,786 | 336,462,462 |
| Securities lending | 4,694,725 | - | - |
| Other | 124,491,007 | - | - |
| | <u>1,438,353,249</u> | <u>11,144,297</u> | <u>413,992,204</u> |
| Less investment expense: | | | |
| Other | (39,599,469) | (48,666) | - |
| Net investment income | <u>1,398,753,780</u> | <u>11,095,631</u> | <u>413,992,204</u> |
| <i>Other:</i> | | | |
| Investment from local governments | - | 1,001,488,162 | - |
| Reinvestment from interest income | - | 494,725 | - |
| Other | 2,871,763 | 385 | - |
| Total other | <u>2,871,763</u> | <u>1,001,983,272</u> | <u>-</u> |
| Total additions | <u>3,081,611,872</u> | <u>1,013,078,903</u> | <u>4,417,145,917</u> |
| Deductions | | | |
| Principal redeemed | - | 1,132,202,603 | 2,732,372,357 |
| Benefit payments | 1,997,993,460 | - | 19,599,236 |
| Refunds | 25,637,753 | - | - |
| Contribution distributions | 2,356,700 | 200,000 | - |
| Dividends to investors | - | 580,755 | - |
| Administrative expense | 9,818,930 | 455,178 | 28,703,974 |
| Total deductions | <u>2,035,806,843</u> | <u>1,133,438,536</u> | <u>2,780,675,567</u> |
| Change in net position | 1,045,805,029 | (120,359,633) | 1,636,470,350 |
| Net position, July 1 | <u>33,673,590,860</u> | <u>1,070,909,757</u> | <u>14,239,076,025</u> |
| Net position, June 30 | <u>\$ 34,719,395,889</u> | <u>\$ 950,550,124</u> | <u>\$ 15,875,546,375</u> |

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

Combining Statement of Net Position Discretely Presented Component Units

NEVADA

June 30, 2015

| | Major Component Units | | Nonmajor Component Unit | Total |
|---|------------------------------|--------------------------------------|---|-------------------------|
| | Colorado River Commission | Nevada System of Higher Education | Nevada Capital Investment Corporation | |
| Assets | | | | |
| Cash and pooled investments | \$ 13,616,165 | \$ 277,077,000 | \$ - | \$ 290,693,165 |
| Investments | - | 1,218,322,000 | 21,332,396 | 1,239,654,396 |
| Due from primary government | 53,089 | 28,371,946 | - | 28,425,035 |
| Accounts receivable | 11,628,589 | 32,164,054 | - | 43,792,643 |
| Intergovernmental receivables | - | 40,445,000 | - | 40,445,000 |
| Accrued interest and dividends | 30,266 | - | - | 30,266 |
| Notes/loans receivable | - | 12,790,000 | - | 12,790,000 |
| Other receivables | - | 99,261,000 | - | 99,261,000 |
| Inventory | - | 7,246,000 | - | 7,246,000 |
| Prepaid expenses | 39,186,468 | - | - | 39,186,468 |
| <i>Restricted assets:</i> | | | | |
| Cash | 9,381,172 | 138,868,000 | - | 148,249,172 |
| Investments | - | 45,559,000 | - | 45,559,000 |
| Other assets | - | 43,386,000 | - | 43,386,000 |
| <i>Capital assets:</i> | | | | |
| Land, infrastructure and construction in progress | - | 287,040,000 | - | 287,040,000 |
| Other capital assets, net | 54,932,768 | 1,731,563,000 | - | 1,786,495,768 |
| Total assets | 128,828,517 | 3,962,093,000 | 21,332,396 | 4,112,253,913 |
| Deferred Outflows of Resources | | | | |
| Deferred charge on refunding | 279,153 | 10,577,000 | - | 10,856,153 |
| Pension contributions | 524,901 | 29,901,000 | - | 30,425,901 |
| Total deferred outflows of resources | 804,054 | 40,478,000 | - | 41,282,054 |
| Liabilities | | | | |
| Accounts payable | 3,785,041 | 69,485,561 | - | 73,270,602 |
| Accrued payroll and related liabilities | - | 77,353,000 | - | 77,353,000 |
| Interest payable | 449,968 | 11,140,000 | - | 11,589,968 |
| Due to primary government | 2,004 | 348,439 | 20,496,002 | 20,846,445 |
| Unearned revenues | 3,134,171 | 49,763,000 | - | 52,897,171 |
| Other liabilities | 3,395,439 | 33,864,000 | - | 37,259,439 |
| <i>Long-term liabilities:</i> | | | | |
| <i>Portion due or payable within one year:</i> | | | | |
| Obligations under capital leases | - | 3,228,000 | - | 3,228,000 |
| Compensated absences | 204,707 | 32,663,000 | - | 32,867,707 |
| Bonds payable | 5,350,965 | 26,101,000 | - | 31,451,965 |
| <i>Portion due or payable after one year:</i> | | | | |
| Federal advances | - | 8,205,000 | - | 8,205,000 |
| Obligations under capital leases | - | 43,048,000 | - | 43,048,000 |
| Net pension obligation | 4,997,140 | 292,841,000 | - | 297,838,140 |
| Compensated absences | 137,128 | 17,614,000 | - | 17,751,128 |
| Bonds payable | 39,220,078 | 529,512,000 | - | 568,732,078 |
| Unearned revenue | 61,059,290 | - | - | 61,059,290 |
| Total liabilities | 121,735,931 | 1,195,166,000 | 20,496,002 | 1,337,397,933 |
| Deferred Inflows of Resources | | | | |
| Donations | - | 11,669,000 | - | 11,669,000 |
| Lease revenues | - | 4,119,000 | - | 4,119,000 |
| Pension related amounts | 1,430,464 | 84,152,000 | - | 85,582,464 |
| Total deferred inflows of resources | (1,430,464) | (99,940,000) | - | (101,370,464) |
| Net Position | | | | |
| Net investment in capital assets | 46,456,289 | 1,513,792,000 | - | 1,560,248,289 |
| <i>Restricted for:</i> | | | | |
| Capital projects | - | 102,384,000 | - | 102,384,000 |
| Debt service | - | 21,711,000 | - | 21,711,000 |
| Education and support services | - | - | 836,394 | 836,394 |
| Scholarships | - | 419,481,000 | - | 419,481,000 |
| Loans | - | 8,188,000 | - | 8,188,000 |
| Operations and maintenance | 712,991 | - | - | 712,991 |
| Research and development | 9,537,522 | - | - | 9,537,522 |
| Other purposes | - | 2,170,000 | - | 2,170,000 |
| <i>Funds held as permanent investments:</i> | | | | |
| Nonexpendable | - | 378,786,000 | - | 378,786,000 |
| Unrestricted (deficit) | (50,240,626) | 260,953,000 | - | 210,712,374 |
| Total net position | \$ 6,466,176 | \$ 2,707,465,000 | \$ 836,394 | \$ 2,714,767,570 |

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

**Combining Statement of Activities
Discretely Presented Component Units**

NEVADA

For the Fiscal Year Ended June 30, 2015

| | Major Component Units | | Nonmajor Component Unit | Total |
|------------------------------------|------------------------------|--------------------------------------|---|-------------------------|
| | Colorado River Commission | Nevada System of Higher Education | Nevada Capital Investment Corporation | |
| Expenses | \$ 60,629,349 | \$ 1,631,681,000 | \$ 235,224 | \$ 1,692,545,573 |
| Program Revenues | | | | |
| Charges for services | 58,282,239 | 632,254,000 | - | 690,536,239 |
| Operating grants and contributions | - | 465,488,000 | - | 465,488,000 |
| Capital grants and contributions | - | 80,973,000 | - | 80,973,000 |
| Total program revenues | 58,282,239 | 1,178,715,000 | - | 1,236,997,239 |
| General Revenues | | | | |
| Unrestricted investment earnings | 374,175 | 10,817,000 | 726,947 | 11,918,122 |
| Other general revenues | 67,653 | 4,433,000 | - | 4,500,653 |
| Contributions to permanent funds | - | 29,980,000 | - | 29,980,000 |
| Payments from State of Nevada | - | 486,969,000 | - | 486,969,000 |
| Total general revenues | 441,828 | 532,199,000 | 726,947 | 533,367,775 |
| Change in net position | (1,905,282) | 79,233,000 | 491,723 | 77,819,441 |
| Net position, July 1 (as restated) | 8,371,458 | 2,628,232,000 | 344,671 | 2,636,948,129 |
| Net position, June 30 | \$ 6,466,176 | \$ 2,707,465,000 | \$ 836,394 | \$ 2,714,767,570 |

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

ATV Rider at Sand Mountain Near Fallon, NV



Winnemucca Sand Dunes

Winnemucca Sand Dunes



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Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Description of Government-wide Financial Statements

The Government-wide Financial Statements, which consist of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. All fiduciary activities, including component units that are fiduciary in nature, are reported only in the fund financial statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the State's activities. Component units are legally separate organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: 1) the ability of the State to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. When the State does not appoint a voting majority of an organization's governing body, GASB requires inclusion in the reporting entity based on financial accountability if: 1) the organization is both fiscally dependent on the State and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State; or 2) it would be misleading to exclude the organization.

Fiduciary Component Units: The following fiduciary component units are legally separate from the State. The State is financially accountable for these organizations since it appoints the voting majority of the boards and is able to impose its will on them through the ability to remove appointed members of the organization's governing board. Since these component units are fiduciary in nature, they are included only in the fund financial statements with the primary

government's fiduciary funds. Therefore, these component units are excluded from the government-wide financial statements.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

Blended Component Unit: The *Nevada Real Property Corporation* (NRPC) is a legally separate organization. The State is financially accountable for NRPC since it appoints the board of directors, and NRPC provides a financial benefit to the State by providing financing services. NRPC was incorporated to finance certain construction projects which include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the NRPC leases the facilities to the State. Since the NRPC provides financing services solely to the State, these financial transactions are reported as part of the primary government using the blended method.

Discretely Presented Component Units: A component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, the component unit does not provide services entirely or almost entirely to the primary government, and the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government. The following discretely presented component units meet these criteria and are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

(Note 1 Continued)

The *Nevada System of Higher Education* (NSHE) is a legally separate organization consisting of the institutions of public higher education in Nevada, the NSHE Administration entity, and their component units. NSHE is governed by a Board of Regents elected by the voters. NSHE is considered to be fiscally dependent on the primary government since the State can modify and approve their budgets. In addition, NSHE imposes a financial burden on the primary government since the State provides financial support to NSHE through annual operating and capital appropriations.

The *Colorado River Commission* (CRC) is a legally separate organization responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three are appointed by the board of directors of the Southern Nevada Water Authority. The State is financially accountable for CRC since bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power.

The *Nevada Capital Investment Corporation* (NCIC) is a legally separate organization whose board of directors consists of the State Treasurer, who serves as the chair; five members that are appointed by the primary government; and the Chancellor of NSHE, or his designee. Up to five additional members of the board may be chosen who are direct investors of the corporation. The NCIC is an independent corporation for public benefit, the general purpose of which is to act as a limited partner, shareholder or member to provide private equity funding to businesses located in or seeking to locate in Nevada, and engage in certain industries. The amount invested in the NCIC is not to exceed \$50 million from the State Permanent School Fund. The State is financially accountable for NCIC since it is able to impose its will through veto power by the State Treasurer.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that described above, may be obtained at that organization's administrative offices:

Public Employees' Retirement System

Carson City, NV

Legislators' Retirement System

Carson City, NV

Judicial Retirement System

Carson City, NV

Retirement Benefits Investment Fund

Carson City, NV

Nevada System of Higher Education

Reno, NV

Colorado River Commission

Las Vegas, NV

Nevada Capital Investment Corporation
Carson City, NV

Related Organizations: The Governor is responsible for appointing the members of many boards and commissions. The State's accountability for these entities does not extend beyond making the appointments and thus these entities are excluded from this report. The State does not exercise financial or administrative control over the excluded boards and commissions.

C. Basis of Presentation

Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. On the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the State has three discretely presented component units which are shown in a single column in the government-wide financial statements.

In general, the effect of interfund activity has been removed from the government-wide financial statements. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances on the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers on the government-wide statement of activities.

Fund Financial Statements: The fund financial statements provide information about the government's funds, including its fiduciary and blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The State reports the following major governmental funds:

General Fund – this is the State's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

(Note 1 Continued)

State Highway Fund - accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

Municipal Bond Bank Fund - accounts for revenues and expenditures associated with buying local governments' bonds with proceeds of State general obligation bonds.

Permanent School Fund - accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education.

The State reports the following major enterprise funds:

Higher Education Tuition Trust Fund - accounts for the State program to assist Nevada residents in locking in the cost of future higher education expenses for Nevada colleges and universities. This program is financed through the sale of prepaid tuition contracts.

Housing Division Fund - accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

Unemployment Compensation Fund - accounts for the payment of unemployment compensation benefits.

Water Projects Loans Fund - accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

Additionally, the State reports the following fund types:

Internal Service Funds - provide goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include accounting, communications, information technology, fleet services, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

Pension and Other Employee Benefit Trust Funds - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

Agency Funds - report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples of funds in this category include state agency fund for bonds, motor vehicle, and child support disbursement.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues to be available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 13, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary, pension and other employee benefit trust, investment trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

(Note 1 Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Position and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

Investments - Investments are stated at fair value. Fair value is defined as the price at which an asset passes from a willing seller to a willing buyer. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Short-term investments are generally reported at cost, which approximates fair value, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are reported as investment trust funds. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitations of NRS 355.170. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. The Bank of New York Mellon is the custodian and transfer agent for the Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund.

Derivatives are generally valued at quoted market value. Under the circumstance where quoted market values are not considered to be readily available, such derivatives are reported

at estimated fair value and the methods and significant assumptions used are described in Note 3D. Investments are discussed further in Note 3.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

Interfund Transactions - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Due from/due to other funds and transfers are presented in Note 5.

Inventories - In general, inventories in governmental funds are recorded as expenditures when purchased; however, certain inventories in the General Fund, the Highway Fund, and nonmajor governmental funds are recorded as expenditures at the time individual inventory items are consumed. Inventories are stated at cost on the first-in, first-out basis. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Prepaid Items - Prepaid items reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

(Note 1 Continued)

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Position at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and equipment, or \$100,000 or more for buildings and improvements, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report. In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

Compensated Absences - A liability for compensated absences relating to services already rendered and that are not contingent on a specified event is accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Position, the accrued compensated absences for both proprietary and governmental fund types is reported.

Long-Term Obligations - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 9.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. An example is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. An example is unavailable revenue, reported in the governmental funds balance sheet when revenue is measurable but not available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position/Fund Balance - The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is "Net Position" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

1. Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).
2. Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.

(Note 1 Continued)

4. Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
5. Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed for proper classification of fund balance. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. Note 12 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

Net Position/Fund Balance Flow Assumptions - The State's policy is to spend restricted amounts first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available. Therefore, restricted net position/fund balance is depleted before using unrestricted net position/fund balance. In governmental funds, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

Minimum Fund Balance Policy - NRS 353.213(3) requires that the proposed budget for each fiscal year of the biennium provide for a reserve of not less than 5% or more than 10% of the total of all proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

Stabilization Arrangement - NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2015 is \$0.

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

F. Revenues and Expenditures/Expenses

Program Revenues - In the government-wide statement of activities, program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

Property Taxes - Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Grants - The State participates in various federal award programs which are received in both cash and noncash forms. Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Proprietary Funds Operating and Nonoperating Revenues and Expenses - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2 - Budgetary and Legal Compliance**Budgetary Process and Control**

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over-expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$7,020,833 were made in the 2015 fiscal year.

Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain assets, such as prepaid items, are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain unearned revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.

Note 3 - Deposits and Investments

The Nevada Revised Statutes (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

A. Deposits

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2015, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$466,916,664, of which \$38,328,077 was uncollateralized and uninsured.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2015 NSHE's deposits in money market funds totaled \$209,659,000 and cash in bank was \$6,019,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent

School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further in Note 1, Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays U.S. Treasury Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2015 (expressed in thousands):

(Note 3 Continued)

| | Fair Value | Maturities in Years | | | |
|-------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U. S. Treasury securities | \$ 9,549,208 | \$ 41,280 | \$ 6,523,597 | \$ 1,714,046 | \$ 1,270,285 |
| Negotiable certificate of deposit | 15,003 | 15,003 | - | - | - |
| U. S. agencies | 1,828,816 | 925,497 | 629,439 | 18,067 | 255,813 |
| Mutual funds | 245,200 | 245,200 | - | - | - |
| Asset backed corporate securities | 134,141 | 490 | 66,790 | 59,171 | 7,690 |
| Corporate bonds and notes | 264,971 | 96,847 | 151,137 | 4,669 | 12,318 |
| Commercial paper | 364,652 | 364,652 | - | - | - |
| Fixed income securities | 671 | 671 | - | - | - |
| International investments | 300 | - | - | - | 300 |
| Municipal bonds | 546,642 | 21,585 | 21,342 | 110,576 | 393,139 |
| Investment agreements | 541 | - | - | - | 541 |
| Other short-term investments | 366,785 | 366,785 | - | - | - |
| Collateralized mortgage obligations | 13,529 | - | - | - | 13,529 |
| Other investments | 153 | 153 | - | - | - |
| Total | \$ 13,330,612 | \$ 2,078,163 | \$ 7,392,305 | \$ 1,906,529 | \$ 1,953,615 |

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The mutual funds held by Vanguard, USAA, Upromise, and Putnam have various maturities from 35 days to 12.7 years and are not included in the table above.

Component Units – The Nevada System of Higher Education’s (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2015 (expressed in thousands):

| | |
|--------------------|-------------------|
| Less than 1 year | \$ 213,121 |
| 1 to 5 years | 157,440 |
| 6 to 10 years | 143,578 |
| More than 10 years | - |
| Total | \$ 514,139 |

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - NRS 355.140, the State Treasurer’s investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers’ Acceptances are rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as “A” or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as “AAA” or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as “AAA” or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets-related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody’s, Standard & Poor’s, or Fitch (BBB- or better by Standard & Poor’s/Fitch, Baa3 or better by Moody’s). The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to credit risk for the investments. Investments having credit risk are included in the table below.

The State’s investments as of June 30, 2015 were rated by Standard & Poor’s and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor’s rating scale (at fair value, expressed in thousands):

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

NEVADA

(Note 3 Continued)

| | Quality Rating | | | | | | | Unrated |
|-------------------------------------|-------------------|---------------------|-------------------|------------------|-----------------|---------------|-------------------|----------------------|
| | AAA | AA | A | BBB | BB | B | VMIG ₁ | |
| U.S. agencies | \$ 39,881 | \$ 1,571,412 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mutual funds | - | - | - | - | - | - | - | 15,579,562 |
| Asset backed corporate securities | 25,693 | 93,358 | 568 | 1,901 | 633 | 251 | - | 2,005 |
| Corporate bonds and notes | 2,675 | 76,841 | 162,203 | 9,852 | 2,563 | 416 | - | 400 |
| Commerical paper | - | - | 224,656 | - | - | - | - | - |
| Fixed income securities | - | - | - | - | - | - | - | 119 |
| International investments | - | - | - | 300 | - | - | - | - |
| Municipal bonds | - | 546,642 | - | - | - | - | - | - |
| Investment agreements | - | - | 390 | 151 | - | - | - | - |
| Other short-term investments | 85,598 | 19,304 | 79,963 | - | - | - | 34,293 | 233,225 |
| Collateralized mortgage obligations | 7,079 | - | - | - | - | - | - | - |
| Total | \$ 160,926 | \$ 2,307,557 | \$ 467,780 | \$ 12,204 | \$ 3,196 | \$ 667 | \$ 34,293 | \$ 15,815,311 |

Component Unit – The NSHE’s policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2015 is as follows (at fair value, expressed in thousands):

| | Unrated |
|---------------------------------|-------------------|
| Mutual funds publicly traded | \$ 652,271 |
| Partnerships | 91,163 |
| Endowment cash/cash equivalents | 3,462 |
| Trust(s) | 5,512 |
| Private commingled funds | 40,433 |
| Total | \$ 792,841 |

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer’s investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2015, the following investments exceeded 5% of the Primary Government and Investment Trust Funds’ total investments (expressed in thousands):

| | Fair Value | Percentage |
|-------------------------------|------------|------------|
| Primary government | | |
| Federal Home Loan Bank | \$ 671,999 | 20.35% |
| So Nevada Water Authority | 173,520 | 5.26% |
| Investment Trust Funds | | |
| Federal Home Loan Bank | 137,939 | 13.28% |

At June 30, 2015, the following investments exceeded 5% of the Higher Education Tuition Trust’s total investments (expressed in thousands):

| | Fair Value | Percentage |
|--|------------|------------|
| Federal Home Loan Mortgage Corp- Asset-Backed Mortgage Security | \$ 14,165 | 6.74% |

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2015, the Housing Division’s investments in Fannie Mae and Ginnie Mae are 4.66% and 54.85% respectively, of the Housing Division’s total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

Component Unit - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, for the purpose of obtaining income. At June 30, 2015 the investment in equity interest of SSOF exceeded 5% of NCIC’s total investments.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

(Note 3 Continued)

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer’s office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2015. The following table summarizes the pension and investment trust funds’ exposure to foreign currency risk in U.S. dollars as of June 30, 2015 (expressed in thousands):

| | Currency by Investment and Fair Value | | | |
|------------------------|--|---------------------|------------------|---------------------|
| | Pending | | | Total |
| | Equity | Transactions | Cash | |
| Australian Dollar | \$ 455,632 | \$ - | \$ 901 | \$ 456,533 |
| British Pound Sterling | 1,349,356 | 3,300 | 3,529 | 1,356,185 |
| Danish Krone | 110,741 | - | - | 110,741 |
| Euro | 2,009,787 | (800) | 1,120 | 2,010,107 |
| Hong Kong Dollar | 217,038 | - | 3,406 | 220,444 |
| Israeli Shekel | 39,969 | - | 202 | 40,171 |
| Japanese Yen | 1,524,287 | (6,600) | 7,833 | 1,525,520 |
| Norwegian Krone | 8,367 | 100 | 101 | 8,568 |
| Polish Zloty | 42,694 | - | 400 | 43,094 |
| Singapore Dollar | 93,519 | - | 1,904 | 95,423 |
| Swedish Krona | 195,699 | - | 10 | 195,709 |
| Swiss Franc | 614,226 | - | 100 | 614,326 |
| Total | \$ 6,661,315 | \$ (4,000) | \$ 19,506 | \$ 6,676,821 |

Private Purpose Trust Fund - The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consists of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, and Putnam for America Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments, natural disasters and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the GAA portfolios in U.S. dollars as of June 30, 2015 (expressed in thousands):

| | Currency at Fair Value |
|---------------|-------------------------------|
| British Pound | \$ 1 |
| Japanese Yen | 4 |
| Taiwan Dollar | 9 |
| Swedish Krona | 4 |
| Swiss Franc | 2 |
| Total | \$ 20 |

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$210,058,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2015.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2015 (excluding PERS).

Public Employees’ Retirement System (PERS) – The system also maintains a securities lending program under the authority of the “prudent person” standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

(Note 3 Continued)

At year-end, PERS has no credit risk exposure to borrowers because the associated value of the collateral held exceeds the value of the securities borrowed. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. In September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. government obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities within the reinvestment portfolio. This action effectively eliminated risk in securities lending collateral reinvestment portfolio since securities issued or guaranteed by the U.S. government are considered to be free of credit risk. The maturities of the investments made with cash collateral generally do not match the maturities of the securities loaned because securities lending transactions can be terminated at will.

The fair value of underlying securities on loan at June 30, 2015 is \$4,990,788,913. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of \$373,833,323 and non-cash in the amount of \$4,736,221,920. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2015, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Primary Government – The Office of the State Treasurer’s investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2015.

Other Employee Benefit Trust Funds and Investment Trust Funds – The RBIF has exposure to derivatives as of June 30, 2015. Furthermore, the State Retirees’ Health and Welfare Benefits Fund, an other employee benefit trust fund, has investments held with the RBIF. Foreign exchange forward contracts are periodically employed by the RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject to both market risk and counterparty risk. The derivatives utilized typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolios. Counterparty risk, the risk that the “other party” to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. The RBIF’s derivative transactions for fiscal year 2015 are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts

| | Purchases | Realized Gain (Loss) | Sells | Realized Gain (Loss) | Total Realized Gain (Loss) |
|------------------------|------------------|-------------------------|-------------------|-------------------------|----------------------------------|
| Australian Dollar | \$ 926 | \$ 1 | \$ (72) | \$ - | \$ 1 |
| British Pound Sterling | 3,032 | (4) | (294) | - | (4) |
| Danish Krone | 256 | (1) | (19) | - | (1) |
| Euro | 5,312 | (6) | (774) | (8) | (14) |
| Hong Kong Dollar | 348 | - | (21) | - | - |
| Israeli Shekel | 93 | - | (10) | - | - |
| Japanese Yen | 3,053 | (15) | (118) | - | (15) |
| New Zealand Dollar | 18 | - | - | - | - |
| Norwegian Krone | 75 | - | (12) | - | - |
| Singapore Dollar | 191 | (1) | (52) | - | (1) |
| Swedish Krona | 400 | (3) | (11) | - | (3) |
| Swiss Franc | 1,458 | (9) | (153) | - | (9) |
| Total | \$ 15,162 | \$ (38) | \$ (1,536) | \$ (8) | \$ (46) |

(Note 3 Continued)

Private Purpose Trust Fund – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds. The Portfolios use five types of derivatives: futures contracts, forward currency contracts, total return swap contracts, interest rate swap contracts, and credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All five types of derivatives are considered investments. The fair value amount in the table below represents the unrealized appreciation (depreciation) from derivative instruments and is reported in the Statement of Fiduciary Net Position. The net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Position. The Portfolios’ investment derivative instruments as of June 30, 2015, and changes in fair value for the year then ended are summarized in the following table (expressed in thousands):

| | Contracts/ Notional Amounts | Fair Value | Change in Fair Value |
|--|--|-------------------|---------------------------------|
| Forward Currency Contracts, net | \$ 41,086 | \$ (65) | \$ 116 |
| CC Interest Rate Swap Contracts, gross | \$ 7,151 | 13 | (15) |
| OTC Total Return Swap Contracts, gross | \$ 16,464 | (27) | (21) |
| OTC Credit Default Contracts, gross | \$ 1,700 | 14 | (19) |
| CC Credit Default Contracts, gross | \$ 8,285 | (67) | (315) |
| Futures Contracts, gross | 100 | 82 | 51 |
| Total | | <u>\$ (50)</u> | <u>\$ (203)</u> |

The Portfolios use futures contracts to manage interest rate risk, gain exposure to interest rates, manage prepayment risk, equitize cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the managed instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. Risks may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as “variation margin.”

The Portfolios buy and sell forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to manage foreign exchange risk and to gain exposure on currency. The contract is marked to market daily using current forward currency exchange rates supplied by a quotation service. The Portfolios may be exposed to risk if the value of currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the Portfolios are unable to enter into a closing position. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC total return swap contracts, which are arrangements to exchange a market linked return for a periodic payment, both based on a notional principal amount, to manage sector exposure, manage exposure to specific sectors or industries, manage exposure to specific securities, to gain exposure to basket of securities, to gain exposure to specific markets or countries. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolios will receive a payment from or make a payment to the counterparty. OTC total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios’ maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared interest rate swap contracts to manage interest rate risk and to gain exposure on interest. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market

(Note 3 Continued)

risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared credit default contracts to manage credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances,

the Portfolios may enter into offsetting OTC and centrally cleared credit default contracts which could mitigate their risk of loss. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios' maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared credit default contracts through the daily exchange of the variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. As of June 30, 2015, OTC derivative counterparties had ratings that were either greater than or equivalent to long-term ratings of Baa1/BBB and short-term ratings of P-2/A-2. Centrally cleared contracts are not considered brokered contracts and have mitigated risks. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default.

Derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2015 (expressed in thousands):

| | Maturities in Years | | | | Total |
|---------------------------------|---------------------|----------------|-------------|-----------------|----------------|
| | Less than 1 | 1-5 | 6-10 | Greater than 10 | |
| Forward Currency Contracts | \$ (65) | \$ - | \$ - | \$ - | \$ (65) |
| CC Interest Rate Swap Contracts | - | 10 | 4 | (1) | 13 |
| OTC Total Return Swap Contracts | (27) | - | - | - | (27) |
| OTC Credit Default Contracts | - | - | - | 14 | 14 |
| CC Credit Default Contracts | - | (67) | - | - | (67) |
| Futures Contracts | 82 | - | - | - | 82 |
| Total | \$ (10) | \$ (57) | \$ 4 | \$ 13 | \$ (50) |

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

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(Note 3 Continued)

Forward currency contracts are subject to foreign currency risk. The following table provides information about the forward currency contracts as of June 30, 2015 (expressed in thousands):

| | <u>Fair Value</u> |
|--------------------|-------------------|
| Australian Dollar | \$ (35) |
| Brazilian Real | 1 |
| British Pound | 32 |
| Canadian Dollar | (85) |
| Chilean Peso | (3) |
| Euro | (2) |
| Hungarian Forint | (2) |
| Indian Rupee | 2 |
| Israeli Shekel | (3) |
| Japanese Yen | 17 |
| Mexican Peso | (24) |
| New Zealand Dollar | 46 |
| Norwegian Krone | (5) |
| Philippines Peso | (2) |
| Polish Zloty | 3 |
| Singapore Dollar | 7 |
| Swedish Krona | (11) |
| Swiss Franc | (1) |
| Total | <u>\$ (65)</u> |

The audited financial statements of Putnam 529 for America may be obtained from Putnam Investment Management, One Post Office Square, Boston, MA 02109.

Note 4 - Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

| | <u>Major Funds</u> | | |
|--|--------------------|----------------------------------|-------------------|
| | <u>General</u> | <u>Permanent School Fund</u> | <u>Total</u> |
| As shown on financial statements: | | | |
| Intergovernmental receivables | \$ 428,838 | \$ 2,647 | \$ 431,485 |
| Notes/loans receivable | 18,214 | - | 18,214 |
| Due from Component Unit | 320 | 20,496 | 20,816 |
| Total | <u>\$ 447,372</u> | <u>\$ 23,143</u> | <u>\$ 470,515</u> |
| Classified: | | | |
| Current portion | <u>\$ 421,245</u> | <u>\$ 2,647</u> | <u>\$ 423,892</u> |
| Noncurrent portion: | | | |
| Intergovernmental receivables | 8,963 | - | 8,963 |
| Notes/loans receivable | 17,164 | - | 17,164 |
| Due from Component Unit | - | 20,496 | 20,496 |
| Total noncurrent portion | <u>26,127</u> | <u>20,496</u> | <u>46,623</u> |
| Total | <u>\$ 447,372</u> | <u>\$ 23,143</u> | <u>\$ 470,515</u> |

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$31.9 million, and uncollectible accounts receivable are estimated at \$103.5 million. The proprietary funds have \$31.9 million in uncollectible accounts receivable of which \$9.0 million are from uninsured employers' fines and penalties, and \$11.0 million are from unemployment contributions and benefit overpayments.

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2015, follows (expressed in thousands):

| | Advances From | | |
|--------------------------|-----------------|-----------------------|-----------------|
| | General | Nonmajor Governmental | Total |
| Advances To | | | |
| Nonmajor enterprise | \$ 227 | \$ - | \$ 227 |
| Internal service | 2,571 | 753 | 3,324 |
| Total other funds | \$ 2,798 | \$ 753 | \$ 3,551 |

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary below.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2015, is shown below (expressed in thousands):

| | Due To | | | | | |
|---------------------------------------|--------------------------|-----------------|---------------------|------------------|-----------------------|--------------------|
| | Major Governmental Funds | | | | Nonmajor Governmental | Total Governmental |
| | General | State Highway | Municipal Bond Bank | Permanent School | | |
| Due From | | | | | | |
| Major Governmental Funds: | | | | | | |
| General | \$ - | \$ 2,546 | \$ 1 | \$ 42 | \$ 16,262 | \$ 18,851 |
| State Highway | 5,363 | - | - | - | 211 | 5,574 |
| Municipal Bond Bank | 4 | - | - | - | - | 4 |
| Permanent School Fund | 1,284 | - | - | - | - | 1,284 |
| Nonmajor governmental | 12,911 | 2,782 | - | - | 7,227 | 22,920 |
| Total Governmental | 19,562 | 5,328 | 1 | 42 | 23,700 | 48,633 |
| Major Enterprise Funds: | | | | | | |
| Housing Division | - | - | - | - | - | - |
| Unemployment Comp | - | - | - | - | 1,651 | 1,651 |
| Water Projects Loans | 209 | - | - | - | - | 209 |
| Higher Ed Tuition Trust | 55 | - | - | - | - | 55 |
| Nonmajor enterprise | 1,751 | 6 | - | - | - | 1,757 |
| Total Enterprise | 2,015 | 6 | - | - | 1,651 | 3,672 |
| Internal Service | 744 | 152 | - | - | 151 | 1,047 |
| Total other funds | \$ 22,321 | \$ 5,486 | \$ 1 | \$ 42 | \$ 25,502 | \$ 53,352 |
| Fiduciary | \$ 363 | \$ - | \$ - | \$ - | \$ 1,016 | \$ 1,379 |
| Component Units: | | | | | | |
| Colorado River Commission | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nevada System of Higher Education | 320 | - | - | - | - | 320 |
| Nevada Capital Investment Corporation | - | - | - | 20,496 | - | 20,496 |
| Total Component Units | \$ 320 | \$ - | \$ - | \$ 20,496 | \$ - | \$ 20,816 |

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

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(Note 5 Continued)

| | Due To | | | | | | | | | | |
|---------------------------------------|------------------------|---------------------------|----------------------|-------------------------|---------------------|------------------|------------------|-------------------|-------------------|--|--|
| | Major Enterprise Funds | | | | Nonmajor Enterprise | Total Enterprise | Internal Service | Total Other Funds | Fiduciary | | |
| | Housing Division | Unemployment Compensation | Water Projects Loans | Higher Ed Tuition Trust | | | | | | | |
| Due From | | | | | | | | | | | |
| Major Governmental Funds: | | | | | | | | | | | |
| General | \$ 92 | \$ - | \$ 294 | \$ 12 | \$ 1,123 | \$ 1,521 | \$ 8,626 | \$ 28,998 | \$ 532,098 | | |
| State Highway | - | - | - | - | - | - | 1,489 | 7,063 | 1,650 | | |
| Municipal Bond Bank | - | - | - | - | - | - | - | 4 | - | | |
| Permanent School Fund | - | - | - | - | - | - | - | 1,284 | - | | |
| Nonmajor governmental | - | 1,771 | - | - | 6 | 1,777 | 329 | 25,026 | 19 | | |
| Total Governmental | 92 | 1,771 | 294 | 12 | 1,129 | 3,298 | 10,444 | 62,375 | 533,767 | | |
| Major Enterprise Funds: | | | | | | | | | | | |
| Housing Division | - | - | - | - | - | - | 10 | 10 | - | | |
| Unemployment Comp | - | - | - | - | - | - | - | 1,651 | - | | |
| Water Projects Loans | - | - | - | - | - | - | 1 | 210 | 17 | | |
| Higher Ed Tuition Trust | - | - | - | - | - | - | 4 | 59 | - | | |
| Nonmajor enterprise | - | - | - | - | - | - | 140 | 1,897 | 57 | | |
| Total Enterprise | - | - | - | - | - | - | 155 | 3,827 | 74 | | |
| Internal Service | - | - | - | - | - | - | 277 | 1,324 | 14 | | |
| Total other funds | \$ 92 | \$ 1,771 | \$ 294 | \$ 12 | \$ 1,129 | \$ 3,298 | \$ 10,876 | \$ 67,526 | \$ 533,855 | | |
| Fiduciary | \$ - | \$ - | \$ - | \$ - | \$ 10 | \$ 10 | \$ 2,893 | \$ 4,282 | \$ 32,627 | | |
| Component Units: | | | | | | | | | | | |
| Colorado River Commission | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2 | \$ 2 | \$ - | | |
| Nevada System of Higher Education | - | - | - | - | - | - | 28 | 348 | 3,751 | | |
| Nevada Capital Investment Corporation | - | - | - | - | - | - | - | 20,496 | - | | |
| Total Component Units | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 30 | \$ 20,846 | \$ 3,751 | | |

| | Due To | | |
|---------------------------------|---------------------------|-----------------------------------|-----------------------|
| | Component Units | | |
| | Colorado River Commission | Nevada System of Higher Education | Total Component Units |
| Due From | | | |
| Major Governmental Funds: | | | |
| General | \$ 53 | \$ 9,348 | \$ 9,401 |
| State Highway | - | 1,532 | 1,532 |
| Nonmajor governmental | - | 17,471 | 17,471 |
| Total Governmental Funds | 53 | 28,351 | 28,404 |
| Major Enterprise Fund: | | | |
| Higher Ed Tuition Trust | - | 3 | 3 |
| Total Enterprise | - | 3 | 3 |
| Internal Service | - | 18 | 18 |
| Total | \$ 53 | \$ 28,372 | \$ 28,425 |

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.

(Note 5 Continued)

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2015, is shown below (expressed in thousands):

| | Transfers Out/To | | | | | |
|---------------------------|--------------------------|------------------|------------------------|---------------------|--------------------------|-----------------------|
| | Major Governmental Funds | | | | | Total Governmental |
| | General | State Highway | Municipal Bond Bank | Permanent School | Nonmajor Governmental | |
| Transfers In/From | | | | | | |
| Major Governmental Funds: | | | | | | |
| General | \$ - | \$ 8,022 | \$ 4 | \$ 1,351 | \$ 54,244 | \$ 63,621 |
| State Highway | 1,021 | - | - | - | 2,766 | 3,787 |
| Nonmajor governmental | 16,808 | 4,465 | 38,611 | - | 16,100 | 75,984 |
| Total Governmental | <u>17,829</u> | <u>12,487</u> | <u>38,615</u> | <u>1,351</u> | <u>73,110</u> | <u>143,392</u> |
| Major Enterprise Funds: | | | | | | |
| Housing | 157 | - | - | - | - | 157 |
| Unemployment Comp | - | - | - | - | 161,608 | 161,608 |
| Higher Ed Tuition Trust | 2,323 | - | - | - | - | 2,323 |
| Nonmajor enterprise | - | - | - | - | 1 | 1 |
| Total Enterprise | <u>2,480</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>161,609</u> | <u>164,089</u> |
| Internal Service | 1,252 | 487 | - | - | - | 1,739 |
| Total other funds | <u>\$ 21,561</u> | <u>\$ 12,974</u> | <u>\$ 38,615</u> | <u>\$ 1,351</u> | <u>\$ 234,719</u> | <u>\$ 309,220</u> |

| | Transfers Out/To | | | | | |
|---------------------------|------------------------------|-------------------------|------------------------|---------------------|---------------------|----------------------|
| | Major Enterprise Fund | | Nonmajor Enterprise | Total Enterprise | Internal Service | Total Other Funds |
| | Unemployment Compensation | Water Projects Loans | | | | |
| Transfers In/From | | | | | | |
| Major Governmental Funds: | | | | | | |
| General | \$ - | \$ 1,108 | \$ 12,305 | \$ 13,413 | \$ 19 | \$ 77,053 |
| State Highway | - | - | - | - | 22 | 3,809 |
| Nonmajor governmental | 3,576 | - | - | 3,576 | 50 | 79,610 |
| Total Governmental | <u>3,576</u> | <u>1,108</u> | <u>12,305</u> | <u>16,989</u> | <u>91</u> | <u>160,472</u> |
| Major Enterprise Funds: | | | | | | |
| Housing | - | - | - | - | - | 157 |
| Unemployment Comp | - | - | - | - | - | 161,608 |
| Higher Ed Tuition Trust | - | - | - | - | - | 2,323 |
| Nonmajor enterprise | - | - | 14 | 14 | - | 15 |
| Total Enterprise | <u>-</u> | <u>-</u> | <u>14</u> | <u>14</u> | <u>-</u> | <u>164,103</u> |
| Internal Service | - | - | - | - | - | 1,739 |
| Total other funds | <u>\$ 3,576</u> | <u>\$ 1,108</u> | <u>\$ 12,319</u> | <u>\$ 17,003</u> | <u>\$ 91</u> | <u>\$ 326,314</u> |

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of \$487 million are reported as Education-higher education expenses/expenditures in the Statement of Activities and in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

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Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2015 are as follows (expressed in thousands):

| | Primary Government Business-Type Activities | Component Units |
|------------------------|--|--------------------|
| Restricted: | | |
| Cash | \$ - | \$ 148,249 |
| Investments | 104,024 | 45,559 |
| Total | \$ 104,024 | \$ 193,808 |
| Restricted for: | | |
| Debt service | \$ 104,024 | \$ 4,039 |
| Construction | - | 138,868 |
| Other purposes | - | 50,901 |
| Total | \$ 104,024 | \$ 193,808 |

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2015, was as follows (expressed in thousands):

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-------------------|--------------------|---------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 150,606 | \$ 105 | \$ - | \$ 150,711 |
| Construction in progress | 186,824 | 52,842 | (40,291) | 199,375 |
| Infrastructure | 3,808,689 | 156,531 | - | 3,965,220 |
| Rights-of-way | 620,528 | 22,343 | (29) | 642,842 |
| Total capital assets, not being depreciated | <u>4,766,647</u> | <u>231,821</u> | <u>(40,320)</u> | <u>4,958,148</u> |
| Capital assets, being depreciated/amortized | | | | |
| Buildings | 1,663,982 | 35,718 | - | 1,699,700 |
| Improvements other than buildings | 123,781 | 4,467 | - | 128,248 |
| Furniture and equipment | 399,887 | 25,771 | (18,718) | 406,940 |
| Software costs | 183,384 | 732 | (115) | 184,001 |
| Total capital assets, being depreciated/amortized | <u>2,371,034</u> | <u>66,688</u> | <u>(18,833)</u> | <u>2,418,889</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | (547,313) | (43,521) | - | (590,834) |
| Improvements other than buildings | (81,781) | (3,866) | - | (85,647) |
| Furniture and equipment | (331,487) | (22,919) | 16,141 | (338,265) |
| Software costs | (156,607) | (4,924) | 80 | (161,451) |
| Total accumulated depreciation/amortization | <u>(1,117,188)</u> | <u>(75,230)</u> | <u>16,221</u> | <u>(1,176,197)</u> |
| Total capital assets, being depreciated/amortized, net | <u>1,253,846</u> | <u>(8,542)</u> | <u>(2,612)</u> | <u>1,242,692</u> |
| Governmental activities capital assets, net | \$ 6,020,493 | \$ 223,279 | \$ (42,932) | \$ 6,200,840 |
| Business-type activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 568 | \$ - | \$ - | \$ 568 |
| Construction in progress | 10,283 | 420 | - | 10,703 |
| Total capital assets, not being depreciated | <u>10,851</u> | <u>420</u> | <u>-</u> | <u>11,271</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 3,389 | - | - | 3,389 |
| Improvements other than buildings | 631 | - | - | 631 |
| Furniture and equipment | 6,288 | 145 | (529) | 5,904 |
| Total capital assets, being depreciated | <u>10,308</u> | <u>145</u> | <u>(529)</u> | <u>9,924</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (2,827) | (103) | - | (2,930) |
| Improvements other than buildings | (572) | - | - | (572) |
| Furniture and equipment | (5,439) | (266) | 529 | (5,176) |
| Total accumulated depreciation | <u>(8,838)</u> | <u>(369)</u> | <u>529</u> | <u>(8,678)</u> |
| Total capital assets, being depreciated, net | <u>1,470</u> | <u>(224)</u> | <u>-</u> | <u>1,246</u> |
| Business-type activities capital assets, net | \$ 12,321 | \$ 196 | \$ - | \$ 12,517 |

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

NEVADA

(Note 7 Continued)

Included in the table above are three Department of Correction facilities that have been closed and are idle, with a carrying value of \$12.2 million.

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

| | | | |
|---|--|-----------|---------------|
| Governmental activities: | | | |
| General government | | \$ | 4,021 |
| Education, support services | | | 833 |
| Health, social services | | | 11,108 |
| Law, justice, public safety | | | 33,196 |
| Recreation, resource development | | | 5,693 |
| Transportation | | | 10,036 |
| Regulation of business | | | 2,554 |
| Unallocated | | | 2,137 |
| Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets | | | 5,652 |
| Total depreciation/amortization expense - governmental activities | | \$ | 75,230 |
| Business-type activities: | | | |
| Enterprise | | \$ | 369 |
| Total depreciation expense - business-type activities | | \$ | 369 |

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2015, was as follows (expressed in thousands):

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------------|---------------------------|----------------------------|
| Nevada System of Higher Education: | | | | |
| Capital assets, not being depreciated | | | | |
| Construction in progress | \$ 52,612 | \$ 148,371 | \$ (28,265) | \$ 172,718 |
| Land | 83,953 | 17,188 | - | 101,141 |
| Collections | 12,967 | 216 | (2) | 13,181 |
| Total capital assets, not being depreciated | <u>149,532</u> | <u>165,775</u> | <u>(28,267)</u> | <u>287,040</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 2,362,648 | 30,554 | (1,490) | 2,391,712 |
| Land and improvements | 119,488 | 12,628 | (3,147) | 128,969 |
| Machinery and equipment | 346,789 | 24,420 | (12,340) | 358,869 |
| Intangibles | 42,851 | 1,359 | (138) | 44,072 |
| Library books and media | 118,996 | 2,299 | (685) | 120,610 |
| Total capital assets, being depreciated | <u>2,990,772</u> | <u>71,260</u> | <u>(17,800)</u> | <u>3,044,232</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (757,849) | (58,265) | 9 | (816,105) |
| Land and improvements | (93,589) | (4,220) | 1,325 | (96,484) |
| Machinery and equipment | (250,732) | (25,165) | 13,815 | (262,082) |
| Intangibles | (19,526) | (4,195) | 264 | (23,457) |
| Library books and media | (112,300) | (3,065) | 824 | (114,541) |
| Total accumulated depreciation | <u>(1,233,996)</u> | <u>(94,910)</u> | <u>16,237</u> | <u>(1,312,669)</u> |
| Total capital assets, being depreciated, net | <u>1,756,776</u> | <u>(23,650)</u> | <u>(1,563)</u> | <u>1,731,563</u> |
| Nevada System of Higher Education activity capital assets, net | <u>\$ 1,906,308</u> | <u>\$ 142,125</u> | <u>\$ (29,830)</u> | <u>\$ 2,018,603</u> |

Note 8 - Capital Lease Receivable

The State, as lessor, entered into a lease purchase agreement in fiscal year 2014 with the Nevada System of Higher Education (NSHE), a discretely presented component unit, as lessee. The agreement is to finance a building construction project at the Nevada State College. Construction is scheduled for completion in fiscal year 2016, and at the end of the lease, title to the buildings transfers to NSHE. As discussed in Note 9G, the construction is being financed by Lease Revenue Certificates of Participation Series 2013. Proceeds from the certificates of participation are used to pay the capitalized interest during the construction period, and NSHE will begin

making capital lease principal and interest payments starting in fiscal year 2016.

For the fiscal year ended June 30, 2015, a capital lease receivable has been recorded by the primary government in the amount of \$43,398,670, which represents the certificate of participation proceeds remitted to NSHE for construction of the buildings. Upon completion of the buildings in fiscal year 2016, the full amount of the minimum lease payments receivable will be recorded.

Note 9 - Long-Term Obligations

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2015 (expressed in thousands):

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|--------------------------|-------------------|---------------------|-----------------------|----------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 1,703,840 | \$ 291,605 | \$ (387,515) | \$ 1,607,930 | \$ 272,915 |
| Special obligation bonds | 527,450 | - | (41,310) | 486,140 | 45,600 |
| Subtotal | 2,231,290 | 291,605 | (428,825) | 2,094,070 | 318,515 |
| Issuance premiums (discounts) | 146,792 | 54,686 | (24,753) | 176,725 | 18,522 |
| Total bonds payable | 2,378,082 | 346,291 | (453,578) | 2,270,795 | 337,037 |
| Certificates of participation | 94,455 | - | (2,520) | 91,935 | 2,710 |
| Issuance premiums (discounts) | 2,956 | - | (236) | 2,720 | 236 |
| Total certificates of participation | 97,411 | - | (2,756) | 94,655 | 2,946 |
| Other Governmental long-term activities: | | | | | |
| Obligations under capital leases | 25,094 | - | (2,268) | 22,826 | 2,649 |
| Compensated absences obligations | 97,126 | 78,104 | (76,199) | 99,031 | 61,674 |
| Total other governmental long-term activities | 122,220 | 78,104 | (78,467) | 121,857 | 64,323 |
| Governmental activities long-term obligations | \$ 2,597,713 | \$ 424,395 | \$ (534,801) | \$ 2,487,307 | \$ 404,306 |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 83,025 | \$ 1,020 | \$ (10,675) | \$ 73,370 | \$ 10,590 |
| Special obligation bonds | 1,156,634 | 71,559 | (219,335) | 1,008,858 | 150,271 |
| Subtotal | 1,239,659 | 72,579 | (230,010) | 1,082,228 | 160,861 |
| Issuance premiums (discounts) | 55,914 | 663 | (13,886) | 42,691 | 13,711 |
| Total bonds payable | 1,295,573 | 73,242 | (243,896) | 1,124,919 | 174,572 |
| Compensated absences obligations | 2,001 | 1,553 | (1,546) | 2,008 | 1,255 |
| Arbitrage rebate liability | 571 | 390 | - | 961 | - |
| Tuition benefits payable | 185,153 | 23,161 | (8,923) | 199,391 | 17,710 |
| Business-type activities long-term obligations | \$ 1,483,298 | \$ 98,346 | \$ (254,365) | \$ 1,327,279 | \$ 193,537 |

The General Fund and special revenue funds typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the General Fund and State Highway Fund incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations.

B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation unemployment compensation bonds are to repay the Federal Unemployment Advance as benefits paid significantly exceeded employer assessment during the national economic downturn. Special obligation housing bonds in the aggregate have a debt limit of \$5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

NEVADA

(Note 9 Continued)

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2015 are comprised of the following (expressed in thousands):

| | <u>Interest Rates</u> | <u>Original Amount</u> | <u>Principal Outstanding</u> |
|---|-----------------------|------------------------|------------------------------|
| Governmental activities: | | | |
| General obligation bonds: | | | |
| Subject to Constitutional Debt Limitation | .25-7.0% | \$ 1,616,210 | \$ 1,123,490 |
| Exempt from Constitutional Debt Limitation | 2.0-6.0% | 740,940 | 484,440 |
| Special obligation bonds: | | | |
| Exempt from Constitutional Debt Limitation- | | | |
| Highway Improvement Revenue Bonds | 2.5-5.0% | 797,900 | 486,140 |
| Subtotal | | 3,155,050 | 2,094,070 |
| Issuance premiums (discounts) | | | |
| | | 273,009 | 176,725 |
| Governmental activities bonds payable | | | |
| | | 3,428,059 | 2,270,795 |
| Business-type activities: | | | |
| General obligation bonds: | | | |
| Exempt from Constitutional Debt Limitation | 1.75-5.1% | 103,755 | 73,370 |
| Special obligation bonds: | | | |
| Unemployment Compensation Bonds | 2.0-5.0% | 548,900 | 410,310 |
| Housing Bonds | *.20-6.95% | 815,870 | 598,548 |
| Subtotal | | 1,468,525 | 1,082,228 |
| Issuance premiums (discounts) | | | |
| | | 67,435 | 42,691 |
| Business-type activities bonds payable | | | |
| | | 1,535,960 | 1,124,919 |
| Total bonds payable | | | |
| | | \$ 4,964,019 | \$ 3,395,714 |

*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2015, of the primary government are summarized in the table following (expressed in thousands):

| Year Ending | Governmental Activities | | Business-Type Activities | |
|--------------|-------------------------|-------------------|--------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| June 30 | | | | |
| 2016 | \$ 318,515 | \$ 87,526 | \$ 160,861 | \$ 35,851 |
| 2017 | 157,920 | 81,012 | 179,224 | 28,867 |
| 2018 | 166,800 | 75,681 | 145,852 | 20,413 |
| 2019 | 156,065 | 65,697 | 18,883 | 15,110 |
| 2020 | 164,460 | 59,584 | 18,798 | 61,381 |
| 2021-2025 | 749,915 | 180,142 | 92,267 | 60,401 |
| 2026-2030 | 346,620 | 31,258 | 97,963 | 42,813 |
| 2031-2035 | 33,035 | 1,940 | 144,556 | 28,997 |
| 2036-2040 | 740 | 12 | 157,930 | 14,160 |
| 2041-2045 | - | - | 55,752 | 3,830 |
| 2046-2050 | - | - | 10,142 | 566 |
| Total | <u>\$ 2,094,070</u> | <u>\$ 582,852</u> | <u>\$ 1,082,228</u> | <u>\$ 312,389</u> |

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2015, the debt limitation and its unused portion are computed as follows (expressed in thousands):

| | |
|---|-------------------|
| Debt limitation (2% of total assessed valuation) | \$ 2,028,293 |
| Less: Bonds and leases payable as of June 30, 2015, subject to limitation | (1,127,220) |
| Remaining debt capacity | <u>\$ 901,073</u> |

(Note 9 Continued)

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State’s local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Fourteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2015, and total investments in local governments amounted to \$227,845,000.

E. Refunded Debt and Redemptions

During the fiscal year 2015, the State of Nevada refunded \$234,455,000 in general obligation, limited tax, bonds related to capital improvement and cultural affairs, and natural resources by issuing refunding bonds with a total par amount of \$214,290,000 at a \$46,243,124 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings. The refunding decreased the aggregate debt service payments by \$30,503,586 with an economic or present value gain of \$25,080,713. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$21,663,779. This amount is being reported as a deferred outflow of resources and amortized as an adjustment to interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. The impact of the refunding issues is presented in the following table (expressed in thousands):

| Issue Description: | Refunding Amount | Refunded Amount | Cash Flow Gain (Loss) | Present Value Gain |
|---|---------------------|--------------------|--------------------------|-----------------------|
| General obligation bonds: | | | | |
| Capital Improvement and Cultural Affairs Refunding Bonds Series 2015B | \$ 239,133 | \$ 212,725 | \$ 26,998 | \$ 22,503 |
| Natural Resources Refunding Bonds Series 2015C | 23,795 | 21,730 | 3,506 | 2,578 |
| Total | \$ 262,928 | \$ 234,455 | \$ 30,504 | \$ 25,081 |

In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State’s financial statements. The total outstanding amount of defeased issues at June 30, 2015 is \$507,165,068.

F. Capital Leases

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2015, include equipment with a historical cost of \$3,133,420 with accumulated depreciation of \$1,528,165 and building improvements of \$27,810,128 with accumulated depreciation of \$5,149,544.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2015 follow (expressed in thousands):

| Year Ending June 30 | Governmental Activities |
|---|----------------------------|
| 2016 | \$ 3,625 |
| 2017 | 3,693 |
| 2018 | 3,157 |
| 2019 | 3,241 |
| 2020 | 3,069 |
| 2021-2025 | 10,955 |
| Total minimum lease payments | 27,740 |
| Less: amount representing interest | (4,914) |
| Obligations under capital leases | \$ 22,826 |

(Note 9 Continued)

G. Certificates of Participation

In fiscal year 2010, the NRPC, a blended component unit, issued \$7,900,000 of General Obligation Certificates of Participation series 2009 at 5.0-5.125% interest to prepay the remaining outstanding balance of the 1999 issue of the Nevada Real Property Corporation. The original 1999 issue of \$15,000,000 was to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. The 2009 issue is a direct general obligation of the State to which the full faith and credit of the State is pledged. The State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2014, the NRPC issued \$35,785,000 of Lease Revenue Refunding Certificates of Participation Series 2013 at 3.0-5.0% interest to refund the outstanding balances of Lease Revenue Certificates of Participation Series 2004 and 2004B, which were to finance the acquisition and construction of the State’s Capitol Complex Building 1 and Casa Grande Projects respectively.

In fiscal year 2014, the NRPC issued \$50,445,000 of new Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest to finance the State’s Nevada State College Project. The Project is leased to the Nevada System of Higher Education (NSHE), the State’s discretely presented component unit, upon the completion of the construction (in fiscal year 2016) pursuant to a Lease Purchase Agreement. Meanwhile, the NRPC entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2007, the NRPC issued \$5,760,000 of Lease Revenue Certificates of Participation Series 2006 at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau’s existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises.

Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State’s obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement, that Lease Purchase Agreement will terminate. Currently, only the payment of principal and interest on the Series 2006 is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2015 (expressed in thousands):

| Year Ending June 30 | Principal | Interest |
|---------------------|------------------|------------------|
| 2016 | \$ 2,710 | \$ 4,242 |
| 2017 | 3,845 | 4,132 |
| 2018 | 4,080 | 3,957 |
| 2019 | 2,960 | 3,805 |
| 2020 | 3,160 | 3,676 |
| 2021-2025 | 18,140 | 16,027 |
| 2026-2030 | 22,200 | 11,334 |
| 2031-2035 | 12,945 | 6,996 |
| 2036-2040 | 12,685 | 4,228 |
| 2041-2043 | 9,210 | 936 |
| Total | \$ 91,935 | \$ 59,333 |

H. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows (expressed in thousands):

| | |
|---|-----------|
| APV of the future tuition obligation | \$199,391 |
| Net position available | 252,495 |
| Net position as a percentage of tuition benefits obligation | 126.63% |

The actuarial valuation used an investment yield assumption of 6.00% per year and tuition growth assumptions as follows:

| | Universities | Community Colleges |
|-------------------|--------------|--------------------|
| 2016-17 | 4.00% | 4.00% |
| 2017-18 | 4.00% | 4.00% |
| 2018-19 | 4.00% | 4.00% |
| 2019-20 and later | 5.75% | 5.50% |

I. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2015, and changes for the fiscal year then ended are presented in Section A of this note.

(Note 9 Continued)

J. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. During the 2013 session, the Nevada Legislature enacted the Charter School Financing Law, which authorizes the issuance of Charter School Bonds and other obligations to finance the acquisition, construction, improvement, maintenance or furnishing of land, buildings and facilities for Charter Schools in the State of Nevada. The above two types of bonds are secured by the properties financed and are payable solely from payments received on the underlying mortgage loans. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, there are seven series of Industrial Revenue Bonds and one series of Charter School Bonds outstanding, with an aggregate principal amount payable of \$635,249,449.

K. Pledged Revenue

Pledged motor vehicle and special fuel tax - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. As of June 30, 2015, the outstanding balance of Highway Improvement Revenue and Refunding bonds is \$486,140,000. The total of principal and interest remaining on the bonds is \$603,661,863 payable through December 2026. Upon completion of eligible projects, federal aid of \$330,361,808 is expected to be received in fiscal year 2016. For the current year, principal and interest paid was \$65,654,768 and total motor vehicle fuel and special fuel tax revenues were \$274,838,482.

Pledged future lease rental payments - With respect to each series of Lease Revenue Certificates of Participation, the NRPC, a blended component unit, has pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of base rent and other payments). As of June 30, 2015, the outstanding balance of Lease Revenue Certificates of Participation is \$88,205,000. The total of principal and interest remaining on the certificates is \$147,251,150 payable through June 2043. In fiscal year 2015, principal and interest of \$5,523,306 was paid, which includes the interest payment of \$2,432,775 paid entirely by the excess certificate proceeds during the construction period for the State's Nevada State College Project as discussed in Section G of this note and Note 8. As of June 30, 2015, \$12,441,732 was held by the trustee for the benefit of the bondholders. Building rent

of \$3,000,000 is expected to be collected in fiscal year 2016, which, along with assets held by the trustee, will be used to pay the fiscal year 2016 debt service principal and interest of \$5,614,156.

Pledged additional assessments of unemployment contributions - The State has pledged additional assessments on unemployment contributions (special bond contributions), the proceeds derived from the sale of bonds, and related investment earnings to repay \$548,900,000 of Unemployment Compensation Fund Special Revenue Bonds issued on November 6, 2013. The revenue bonds were issued for the purposes of repaying the Federal Unemployment Advance that occurred during the last recession and funding a deposit to the Nevada UITF Account to avoid the need for further advances. Pursuant to NRS 612.6132, special bond contributions must be established at levels sufficient to pay debt service on the bonds. As of June 30, 2015, the outstanding balance of the bonds is \$410,310,000. The total principal and interest remaining on the bonds is \$446,170,075 payable through June 2018. In fiscal year 2015, principal and interest of \$161,949,950 was paid. As of June 30, 2015, \$47,993,921 was held by the trustee for the benefit of the bondholders. Special bond contributions of \$199,746,044 are expected to be collected in fiscal year 2016, which, along with assets held by the trustee, will be used to pay the fiscal year 2016 debt service principal and interest of \$150,045,950.

Pledged Nevada Housing Division program funds - The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

(Note 9 Continued)

Substantially all program fund assets are pledged in trust for the benefit of the bondholders. Nevada Housing Division issues a stand-alone financial report that includes financial statements and required supplemental information. The Report may be obtained from Nevada Housing Division, 1535 Old Hot Springs Road, Suite 50, Carson City, NV 89706.

L. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2015, and the changes for the year then ended, consist of the following (expressed in thousands):

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|--------------------------|-------------------|---------------------|-----------------------|----------------------------|
| Bonds and notes payable | \$ 488,691 | \$ 103,255 | \$ (72,301) | \$ 519,645 | \$ 23,425 |
| Issuance premiums (discounts) | 30,038 | 9,892 | (4,225) | 35,705 | 2,612 |
| Total bonds payable | 518,729 | 113,147 | (76,526) | 555,350 | 26,037 |
| Obligations under capital leases | 2,451 | 44,722 | (897) | 46,276 | 3,228 |
| Compensated absences obligations | 47,830 | 32,953 | (30,667) | 50,116 | 32,663 |
| Total | <u>\$ 569,010</u> | <u>\$ 190,822</u> | <u>\$ (108,090)</u> | 651,742 | 61,928 |
| Discretely presented component units of the NSHE: | | | | | |
| Compensated absences | | | | 161 | - |
| Long-term debt | | | | 263 | 64 |
| Total | | | | <u>\$ 652,166</u> | <u>\$ 61,992</u> |

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2015 (expressed in thousands):

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------|-------------------|-------------------|
| 2016 | \$ 26,037 | \$ 23,967 |
| 2017 | 33,908 | 22,881 |
| 2018 | 24,460 | 21,811 |
| 2019 | 24,867 | 20,849 |
| 2020 | 26,076 | 19,823 |
| 2021-2025 | 124,227 | 83,004 |
| 2026-2030 | 111,866 | 57,092 |
| 2031-2035 | 109,756 | 32,047 |
| 2036-2040 | 53,607 | 10,231 |
| 2041-2045 | 20,546 | 1,819 |
| Total | <u>\$ 555,350</u> | <u>\$ 293,524</u> |

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):

| <u>Year Ending June 30</u> | <u>Amount</u> |
|---|------------------|
| 2016 | \$ 3,318 |
| 2017 | 4,130 |
| 2018 | 3,824 |
| 2019 | 3,520 |
| 2020 | 3,520 |
| 2021-2025 | 17,595 |
| 2026-2030 | 10,793 |
| Total minimum lease payments | 46,700 |
| Less: amount representing interest | (424) |
| Obligations under capital leases | <u>\$ 46,276</u> |

(Note 9 Continued)

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2015, and the changes for the year then ended, consist of the following (expressed in thousands):

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------------------|--------------------------|------------------|--------------------|-----------------------|----------------------------|
| Bonds payable: | | | | | |
| General obligation bonds | \$ 95,885 | \$ - | \$ (51,905) | \$ 43,980 | \$ 4,785 |
| Issuance premiums (discounts) | 2,081 | - | (1,490) | 591 | 566 |
| Total bonds payable | 97,966 | - | (53,395) | 44,571 | 5,351 |
| Compensated absences obligations | 339 | 191 | (188) | 342 | 205 |
| Total | \$ 98,305 | \$ 191 | \$ (53,583) | \$ 44,913 | \$ 5,556 |

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------|------------------|------------------|
| 2016 | \$ 4,785 | \$ 1,690 |
| 2017 | 5,015 | 1,465 |
| 2018 | 5,970 | 1,208 |
| 2019 | 730 | 1,063 |
| 2020 | 740 | 1,050 |
| 2021-2025 | 3,975 | 4,958 |
| 2026-2030 | 4,655 | 4,258 |
| 2031-2035 | 5,610 | 3,266 |
| 2036-2040 | 6,580 | 1,960 |
| 2041-2044 | 5,920 | 516 |
| Total | \$ 43,980 | \$ 21,434 |

Note 10 - Pensions and Other Employee Benefits

The aggregate pension related amounts for the primary government consist of a net pension liability of \$1,746,240,692, deferred outflows of resources of \$182,221,855, deferred inflows of resources of \$503,430,552 and pension expense of \$221,281,891. The State’s defined benefit pension plans are described in detail below.

A. Public Employees’ Retirement System of Nevada

Plan Description – The Public Employees’ Retirement System (PERS) was established in 1947 by the Nevada Legislature and is governed by the Public Employees’ Retirement Board whose seven members are appointed by the governor. PERS administers a cost-sharing multiple-employer defined benefit pension plan that covers qualified State employees and employees of participating local government entities in the State. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. That report may be obtained on the PERS website at www.nvpers.org.

Pension Benefits – Benefits provided to participants or their beneficiaries include retirement, disability, and survivor benefits. Benefits are determined by the number of years of accredited service at the time of retirement and the member’s highest average compensation in any 36 consecutive months, with special provisions for members entering the System on or after January 1, 2010. Members become fully vested as to benefits upon completion of 5 years of service. Unreduced benefits are available, depending upon when the member entered the System, as follows:

| Regular Members | |
|----------------------------------|------------------------------------|
| <u>Before 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 60 with 10 years of service | Age 62 with 10 years of service |
| Any age with 30 years of service | Any age with 30 years of service |
| Police/Fire Members | |
| <u>Before 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 55 with 10 years of service | Age 60 with 10 years of service |
| Age 50 with 20 years of service | Age 50 with 20 years of service |
| Any age with 25 years of service | Any age with 30 years of service |

(Note 10 Continued)

Members with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 4% (for members entering the System before January 2, 2010) or 6% (for members entering the System on or after January 1, 2010) for each full year they are under the required age.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Retirees are eligible for annual benefit increases if they began receiving benefits at least 3 years before the effective date of the increase. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years 4, 5 and 6; increase to 3% in years 7, 8 and 9; 3.5% in years 10, 11 and 12; 4% for years 13 and 14; and 5% in year 15 and each year after. For retirees entering the System on or after January 1, 2010, increases are capped at 4% in year 13 and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Member and Employer Contributions - The authority for establishing and amending the obligation to make contributions, the contribution rates and benefit terms are provided by statute. New hires of the State of Nevada and public employers have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

PERS' basic funding policy provides for periodic contributions as a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient

assets to pay benefits when due. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. However, contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2015 were as follows:

| | Statutory Rate | |
|--|-----------------------|------------------|
| | Employer | Employees |
| Regular employees: | | |
| Employer-pay plan | 25.75% | na |
| Employee/employer plan (matching rate) | 13.25% | 13.25% |
| Police and Fire employees: | | |
| Employer-pay plan | 40.50% | na |
| Employee/employer plan (matching rate) | 20.75% | 20.75% |

State contributions recognized as part of pension expense for the current fiscal year ended June 30, 2015 were \$174,711,561.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the State reported a liability of \$1,730,600,809, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2014, the State's proportion was 16.6%.

For the year ended June 30, 2015, the State recognized pension expense of \$218,066,621. At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (82,819) |
| Net difference between projected and actual earnings on pension plan investments | - | (363,497) |
| Changes in proportion and differences between State contributions and proportionate share of contributions | - | (48,947) |
| State contributions subsequent to the measurement date | 176,375 | - |
| Total | \$ 176,375 | \$ (495,263) |

(Note 10 Continued)

Deferred outflows of resources of \$176,375,195 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

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

| Year Ended June 30: | |
|---------------------|--------------|
| 2016 | \$ (116,963) |
| 2017 | (116,963) |
| 2018 | (116,964) |
| 2019 | (116,964) |
| 2020 | (16,123) |
| Thereafter | (11,286) |

Actuarial Assumptions – The State’s net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------------|---|
| <i>Inflation rate:</i> | 3.50% |
| <i>Payroll growth:</i> | 5.00%, including inflation |
| <i>Investment rate of return:</i> | 8.00% |
| <i>Productivity pay increase:</i> | 0.75% |
| <i>Projected salary increases:</i> | Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases |
| <i>Consumer price index:</i> | 3.50% |
| <i>Other assumptions:</i> | Same as those used in the June 30, 2014 funding actuarial valuation |

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males) for regular members and set forward one year for police/fire members. Mortality rates for disabled members were based on the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the actuarial experience review completed in 2013.

Investment Policy -The PERS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System’s target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2014, are included in the following table:

| Asset Class | Target Allocation | Long-term Geometric Expected Real Rate of Return |
|-----------------------|-------------------|--|
| Domestic equity | 42% | 5.50% |
| International equity | 18% | 5.75% |
| Domestic fixed income | 30% | 0.25% |
| Private markets | 10% | 6.80% |

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the State’s proportionate share of the net pension liability at June 30, 2014 calculated using the discount rate of 8%, as well as what the State’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate (expressed in thousands):

| | 1% Decrease in Discount Rate (7%) | Discount Rate (8%) | 1% Increase in Discount Rate (9%) |
|-----------------------|-----------------------------------|--------------------|-----------------------------------|
| Net pension liability | \$ 2,691,274 | \$ 1,730,601 | \$ 932,037 |

Pension Plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS’ report.

Payables to the pension plan – At June 30, 2015, the State reported payables to the defined benefit pension plan of

(Note 10 Continued)

\$13,391,837 for legally required employer contributions which had been withheld from employee wages but not yet remitted to PERS.

B. Legislators’ Retirement System of Nevada

Plan Description – The Legislators’ Retirement System (LRS) is a single-employer defined benefit pension plan established in 1967 by the Nevada Legislature (NRS 218C) and is governed by the Public Employees’ Retirement Board whose seven members are appointed by the governor. All State Legislators are members. LRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. LRS’ financial report may be obtained from the Public Employees’ Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Employee membership data related to the LRS pension plan, as of June 30, 2014:

| | |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits | 79 |
| Inactive vested members | 11 |
| Inactive non-vested members | 21 |
| Active members | <u>40</u> |
| Total | <u><u>151</u></u> |

Pension Benefits – Benefits are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefits payments to which participants may be entitled under the plan include pension and survivor benefits. Monthly benefit allowances are \$25 for each year of service up to 30 years.

If a Legislator is newly elected after July 1, 1985, they must have at least 10 years of service, be age 60, and no longer be a Legislator in order to retire without benefit reduction. If a Legislator is no longer serving and has at least 10 years of service but is under the age of 60, they can elect to wait to receive their benefit until the age of 60 or begin receiving a reduced benefit prior to the age of 60. The minimum requirement for an unreduced benefit for a Legislator elected prior to July 1, 1985, is 8 years of accredited service at age 60.

Members are eligible for benefit increases based on their effective date of membership. For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other

Board approved index) for the three preceding years. In any event, a member’s benefit must be increased by the percentages in (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (CPI) (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, same as above, except the increases in paragraph (a) do not exceed 4% per year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

Member and Employer Contributions - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators’ Retirement Act includes NRS 218C.390(2) which states, “The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable.” The Legislature appropriated \$426,702 for fiscal years 2013 and 2014, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2013, of which \$213,351 (half) was recognized as employer contributions in the fiscal year 2013, and the other half recognized as employer contributions in fiscal year 2014.

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2015 were \$213,351.

LRS’ basic funding policy provides for contributions by the State based on a biennial actuarial valuation prepared per NRS 281C.390(2). The Actuarially Determined Employers’ Contribution (ADEC) includes the employer’s normal cost and a provision for amortizing the Unfunded Actuarial Accrued Liability (UAAL). LRS receives an actuarial valuation on a biennial basis. Effective with the January 1, 2009 valuation, the UAAL is amortized as a level dollar amount over a declining amortization period of 20 years. Any increases or decreases in the UAAL that arise in future years will be amortized over separate 20-year periods. In addition, the Actuarial Value of Assets (AVA) was limited to not less than 75% or greater than 125% of market value. The actuarial funding method used is the Entry Age Normal Cost Method.

(Note 10 Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, The State reported a liability of \$658,424, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2015, the State recognized pension expense of \$9,154. At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ - | \$ (375) |
| State contributions subsequent to the measurement date | 312 | - |
| Total | <u>\$ 312</u> | <u>\$ (375)</u> |

Deferred outflows of resources of \$311,710 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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):

The average of the expected remaining service lives of all employees that are provided with pensions through LRS determined at July 1, 2013 (beginning of the measurement period ended June 30, 2014) is 1.32 years.

| Year Ended June 30: | |
|----------------------------|---------|
| 2016 | \$ (94) |
| 2017 | (94) |
| 2018 | (94) |
| 2019 | (93) |
| 2020 | - |
| Thereafter | - |

The following table presents the changes in the net pension liability for LRS for the year ended June 30, 2014 (expressed in thousands):

| | <u>2014</u> |
|--|-----------------|
| Total pension liability | |
| Service cost | \$ 37 |
| Interest | 428 |
| Benefit payments, including refunds | <u>(494)</u> |
| Net change in total pension liability | (29) |
| Total pension liability - beginning | <u>5,560</u> |
| Total pension liability - ending (a) | <u>\$ 5,531</u> |
| Plan fiduciary net position | |
| Contributions - employer | \$ 213 |
| Contributions - employee | 27 |
| Net investment income | 804 |
| Benefit payments, including refunds | (494) |
| Administrative expense | (46) |
| Other | <u>46</u> |
| Net change in plan fiduciary net position | 550 |
| Plan fiduciary net position - beginning | <u>4,323</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 4,873</u> |
| Net pension liability - ending (a) - (b) | <u>\$ 658</u> |
| Plan fiduciary net position as a percentage of total pension liability | 88% |
| Covered-employee payroll | N/A |
| Net pension liability as a percentage of covered-employee payroll | N/A |

(Note 10 Continued)

Actuarial Assumptions – The State’s net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------------|---|
| <i>Inflation rate:</i> | 3.50% |
| <i>Investment rate of return:</i> | 8.00% |
| <i>Projected salary increases:</i> | 3.50% |
| <i>Consumer price index:</i> | 3.50% |
| <i>Other assumptions:</i> | Same as those used in the June 30, 2014 funding actuarial valuation |

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the actuarial experience study for the period July 1, 2006, through June 30, 2012.

Investment Policy – The LRS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System’s target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2014, are included in the following table:

| Asset Class | Target Allocation | Long-term Geometric Expected Real Rate of Return |
|-----------------------|--------------------------|---|
| Domestic equity | 49% | 5.50% |
| International equity | 21% | 5.75% |
| Domestic fixed income | 30% | 0.25% |

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan

members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability calculated using the discount rate of 8%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate (expressed in thousands):

| | 1% Decrease in Discount Rate (7%) | Discount Rate (8%) | 1% Increase in Discount Rate (9%) |
|-----------------------|--|---------------------------|--|
| Net pension liability | \$ 1,136 | \$ 658 | \$ 249 |

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued LRS report.

Payables to the pension plan – At June 30, 2015, the State had no payables to the defined benefit pension plan for legally required employer contributions.

C. Judicial Retirement System of Nevada

Plan Description – The Judicial Retirement System (JRS) is an agent multiple-employer defined benefit pension plan established in 2001 by the Nevada Legislature (NRS 1A.160) and is governed by the Public Employees’ Retirement Board whose seven members are appointed by the governor. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. JRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. JRS’ financial report may be obtained from the Public Employees’ Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

(Note 10 Continued)

Employee membership data related to the JRS pension plan, as of June 30, 2014:

| | |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits | 59 |
| Inactive vested members | 4 |
| Active members | 109 |
| Total | <u><u>172</u></u> |

Pension Benefits - Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement, to a maximum of 75%, times the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Members who retired under the Previous Benefit Plan (plan in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members of the System become fully vested after five years of service. A member of the System is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

Member and Employer Contributions – The JRS is an employer-paid plan and there is no contribution from active members. The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Annually, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

JRS' basic funding policy provides for contributions by the participating employers based on an actuarial valuation prepared per Nevada Revised Statute (NRS 1A.180(1)). The amount of the annual contribution required to fund the System is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for State judges (Supreme Court justices and district judges) and 20 years for each non-state agency. Any increases or decreases in UAAL that arise in future years will be amortized over separate 30-year periods for state judges and 20-year periods for non-state judges. The actuarial funding method used is the Entry Age Normal Cost Method.

The required annual actuarially determined contribution to fund the System at June 30, 2015 was \$5,266,488 and the actual contribution made was \$5,534,949.

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, The State reported a liability of \$14,981,459 for its net pension liability for the JRS pension plan. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's net pension liability was based on an individual basis and based on the plan provisions and benefit accrual rates applicable to that individual.

For the year ended June 30, 2015, the State recognized pension expense of \$3,206,116. At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (1,954) |
| Net difference between projected and actual earnings on pension plan investments | - | (5,839) |
| State contributions subsequent to the measurement date | 5,535 | - |
| Total | <u><u>\$ 5,535</u></u> | <u><u>\$ (7,793)</u></u> |

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

NEVADA

(Note 10 Continued)

Deferred outflows of resources of \$5,534,949 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all members that are provided with pensions through JRS determined at July 1, 2013 (beginning of measurement period ended June 30, 2014) is 5.22 years.

The following table presents the changes in the net pension liability for JRS for the year ended June 30, 2014 (expressed in thousands):

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

| Year Ended June 30: | |
|---------------------|------------|
| 2016 | \$ (1,923) |
| 2017 | (1,923) |
| 2018 | (1,923) |
| 2019 | (1,923) |
| 2020 | (101) |
| Thereafter | - |

| | 2014 |
|--|-------------------|
| Total pension liability | |
| Service cost | \$ 3,411 |
| Interest | 8,367 |
| Differences between expected and actual experience | (2,666) |
| Benefit payments, including refunds | (4,295) |
| Other | 990 |
| Net change in total pension liability | 5,807 |
| Total pension liability - beginning | 102,823 |
| Total pension liability - ending (a) | \$ 108,630 |
| Plan fiduciary net position | |
| Contributions - employer | \$ 6,002 |
| Net investment income | 14,252 |
| Benefit payments, including refunds | (4,295) |
| Administrative expense | (83) |
| Other | 990 |
| Net change in plan fiduciary net position | 16,866 |
| Plan fiduciary net position - beginning | 75,247 |
| Plan fiduciary net position - ending (b) | \$ 92,113 |
| Net pension liability - ending (a) - (b) | \$ 16,517 |
| Plan fiduciary net position as a percentage of total pension liability | 85% |
| Covered-employee payroll (measurement as of end of fiscal year) | \$ 18,934 |
| Net pension liability as a percentage of covered-employee payroll | 87% |

Actuarial Assumptions – The State’s net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------------------------|---|
| <i>Inflation rate:</i> | 3.50% |
| <i>Investment rate of return:</i> | 8.00% |
| <i>Projected salary increases:</i> | 3.00% - 8.00% varies by service |
| <i>Consumer price index:</i> | 3.50% |
| <i>Other assumptions:</i> | Same as those used in the June 30, 2014 funding actuarial valuation |

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2006, through June 30, 2012.

Investment Policy – The JRS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System’s target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2014, are included in the following table:

| Asset Class | Target Allocation | Long-term Geometric |
|-----------------------|-------------------|------------------------------|
| | | Expected Real Rate of Return |
| Domestic equity | 49% | 5.50% |
| International equity | 21% | 5.75% |
| Domestic fixed income | 30% | 0.25% |

(Note 10 Continued)

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid at the end of the year for State and monthly for non-state agencies. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the State’s proportionate share of the net pension liability using the discount rate of 8%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate (expressed in thousands):

| | 1% Decrease in Discount Rate (7%) | Discount Rate (8%) | 1% Increase in Discount Rate (9%) |
|--------------------------|---|-----------------------|---|
| Net pension liability \$ | 26,255 | \$ 14,981 | \$ 5,434 |

Pension Plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued LRS report.

Payables to the pension plan – At June 30, 2015, the State reported payables to the defined benefit pension plan of \$276,087 for legally required employer contributions not yet remitted to JRS.

D. Other Postemployment Benefits

Plan Description – The State Retirees’ Health and Welfare Benefits Fund, Public Employees’ Benefits Program (“PEBP”) of the State of Nevada (“Retirees’ Fund”) was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees’ Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees’ Fund is a multiple-employer cost-sharing defined postemployment benefit plan administered by the Board of the Public Employees’ Benefits Program of the State of Nevada. The Retirees’ Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon

the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees’ Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

The Retirees’ Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retirees’ Fund as a trust fund. The Retirees’ Fund financial report may be obtained from Public Employees’ Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Summary of Significant Accounting Policies - The financial statements of the Retirees’ Fund have been prepared using the accrual basis of accounting and the economic resources measurement focus. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Retirees’ Fund does not receive member contributions.

Method Used to Value Investments – Investments are reported at fair value, which is defined as the price at which an asset passes from a willing seller to a willing buyer. Investments are held with the Retirement Benefits Investment Fund (RBIF), which values participants’ shares according to the contributions of each entity, and accordingly, earnings and expenses are allocated to each entity in proportion to the participants’ share in the RBIF.

Contributions and Funding Policy - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees’ Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2014 through June 30, 2015 the rate assessed was 2.663% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2015, the State, its component units, State Boards and Commissions, and other participating public employers contributed \$37,758,981 to the plan, which is 100% of the contractually required contribution. For the years ended June 30, 2014 and 2013 the State, its component units, State Boards and Commissions, and other participating public employers contributed \$32,697,856, and \$36,686,124, respectively, to the plan, which equaled 100% of the contractually required contribution each year.

Note 11 - Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

| | Self Insurance Fund | Insurance Premiums Fund |
|---------------------------------|------------------------------------|--|
| Balance June 30, 2013 | \$ 44,891 | \$ 66,639 |
| Claims and changes in estimates | 188,296 | 13,070 |
| Claim payments | (186,033) | (14,331) |
| Balance June 30, 2014 | 47,154 | 65,378 |
| Claims and changes in estimates | 221,215 | 11,899 |
| Claim payments | (207,711) | (12,538) |
| Balance June 30, 2015 | \$ 60,658 | \$ 64,739 |
| Due Within One Year | \$ 60,658 | \$ 16,712 |

In accordance with GASB, a liability for claims is reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Position.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2015. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are five public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the

State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-two public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or their designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported and the unused portion of the Health Reimbursement Arrangement (HRA) liability. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees excluding NSHE, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of \$49,222,647 as of June 30, 2015 were determined using standard actuarial techniques as estimates for the case, reserves,

(Note 11 Continued)

incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2015.

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007, \$75,000 through October 1, 2011 and \$100,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The Fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2015, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the

workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart and lung disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart and lung disease. A range of estimated losses from \$5,101,500 to \$18,117,600 for heart disease and \$6,096,400 for lung disease have been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2015 total liabilities exceeded total assets by \$50,818,771. The Fund is liable for approximately \$51,000,000 as of June 30, 2015 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 12 - Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports \$1,628,514,265 of net position-restricted for the primary government, of which \$222,664,490 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2015, is shown below (expressed in thousands):

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2015

NEVADA

(Note 12 Continued)

| | Major Governmental Funds | | | | Nonmajor Governmental Funds | Total Governmental |
|---|--------------------------|-------------------|---------------------|-------------------|-----------------------------|---------------------|
| | General | State Highway | Municipal Bond Bank | Permanent School | | |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Municipal securities | \$ - | \$ - | \$ 227,845 | \$ - | \$ - | \$ 227,845 |
| Long term notes/loans receivable | 17,164 | - | - | - | - | 17,164 |
| Inventory | 9,193 | 16,259 | - | - | 455 | 25,907 |
| Advances | 2,798 | - | - | - | - | 2,798 |
| Prepaid items | 5,979 | 71 | - | - | 14 | 6,064 |
| Permanent fund principal | - | - | - | 333,618 | 434 | 334,052 |
| Restricted for: | | | | | | |
| Capital projects | - | - | - | - | 53,367 | 53,367 |
| Conservation, parks and land | 30,321 | - | - | - | 10,326 | 40,647 |
| Debt service | - | - | - | - | 28,472 | 28,472 |
| Environmental protection | 6,179 | - | - | - | - | 6,179 |
| Health and social services | 3,278 | - | - | - | 93,641 | 96,919 |
| Housing, real estate & mortgage lending | 3,708 | - | - | - | 26,165 | 29,873 |
| Law, justice, and public safety | 1,965 | 35,937 | - | - | 16,930 | 54,832 |
| Other purposes | 452 | - | - | - | 2,283 | 2,735 |
| Regulation of business | 2,097 | - | - | - | 6,511 | 8,608 |
| Transportation | - | 271,360 | - | - | - | 271,360 |
| Wildlife | 14,113 | - | - | - | - | 14,113 |
| Committed to: | | | | | | |
| Agriculture | 5,026 | - | - | - | 800 | 5,826 |
| Capital projects | - | - | - | - | 3,566 | 3,566 |
| College savings endowment | 5,359 | - | - | - | - | 5,359 |
| Conservation, parks and land | 6,588 | - | - | - | 287 | 6,875 |
| Debt service | - | - | 1,025 | - | 124,752 | 125,777 |
| Economic development | 5,678 | - | - | - | 5,056 | 10,734 |
| Education K-12 | 4,094 | - | - | - | - | 4,094 |
| Environmental protection | 65,195 | - | - | - | 7,495 | 72,690 |
| Gaming control | 5,598 | - | - | - | - | 5,598 |
| Health care financing and policy | 68,669 | - | - | - | - | 68,669 |
| Health and social services | 35,516 | - | - | - | 7,315 | 42,831 |
| Housing, real estate & mortgage lending | 19,322 | - | - | - | 913 | 20,235 |
| Law and justice | 9,703 | - | - | - | 3,780 | 13,483 |
| Legislative counsel bureau | 23,991 | - | - | - | - | 23,991 |
| Motor vehicles and public safety | 13,783 | 1,487 | - | - | - | 15,270 |
| Other purposes | 7,901 | - | - | - | - | 7,901 |
| Regulation of business | 8,654 | - | - | - | 3,780 | 12,434 |
| State energy office | 7,310 | - | - | - | - | 7,310 |
| Tobacco settlement programs | - | - | - | - | 62,997 | 62,997 |
| Transportation | - | 8,817 | - | - | - | 8,817 |
| Veterans' services | 8,467 | - | - | - | - | 8,467 |
| Wildlife | 14,278 | - | - | - | - | 14,278 |
| Unassigned: | (205,092) | - | - | - | - | (205,092) |
| Total fund balances | \$ 207,287 | \$ 333,931 | \$ 228,870 | \$ 333,618 | \$ 459,339 | \$ 1,563,045 |

C. Individual Fund Deficit

Nonmajor Enterprise Funds:

Insurance Administration and Enforcement - The Insurance Administration and Enforcement Fund accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance. The fund recorded an increase in net position of \$1,374,399 for the year ended June 30, 2015, and a decrease to beginning net position of \$7,622,257 due to a pension related accounting change, resulting in ending negative net position of \$1,134,347 at June 30, 2015.

Nevada Magazine - The Nevada Magazine Fund accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism. The fund recorded a decrease in net position of \$13,563 for the year ended June 30, 2015, and a decrease to beginning net position of \$718,927 due to a pension related accounting change, resulting in a negative net position of \$673,192 at June 30, 2015.

(Note 12 Continued)

Internal Service Funds:

Buildings and Grounds – The Buildings and Grounds Fund accounts for the maintenance, housekeeping and security of most State buildings. The fund recorded a decrease in net position of \$552,839 for the year ended June 30, 2015, and a decrease to beginning net position of \$7,488,379 due to a pension related accounting change, resulting in a negative net position of \$3,587,258 at June 30, 2015.

Communications – The Communications Fund accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko. The fund recorded a decrease in net position of \$114,807 for the year ended June 30, 2015, and a decrease to beginning net position of \$1,427,700 due to a pension related accounting change, resulting in a negative net position of \$353,006 at June 30, 2015.

Insurance Premiums – The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded an increase in net position of \$4,310,814 for the year ended June 30, 2015, and a decrease to beginning net position of \$952,778 due to a pension related accounting change, resulting in negative net position of \$50,818,771 at June 30, 2015.

Administrative Services – The Administrative Services Fund provides administrative and accounting services to various divisions of the Department of Administration. The fund recorded an increase in net position of \$68,477 for the year

ended June 30, 2015, and a decrease to beginning net position of \$2,982,036 due to a pension related accounting change, resulting in negative net position of \$2,641,754 at June 30, 2015.

Personnel – The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded a decrease in net position of \$628,247 for the year ended June 30, 2015, and a decrease to beginning net position of \$7,569,551 due to a pension related accounting change, resulting in negative net position of \$7,592,483 at June 30, 2015.

Purchasing – The Purchasing Fund provides purchasing services to State agencies and other governmental units. The fund recorded an increase in net position of \$9,635 for the year ended June 30, 2015, and a decrease to beginning net position of \$3,191,045 due to a pension related accounting change, resulting in negative net position of \$3,036,451 at June 30, 2015.

Information Services – The Information Services Fund accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems. The fund recorded a decrease in net position of \$2,437,341 for the year ended June 30, 2015, and a decrease to beginning net position of \$22,203,298 due to a pension related accounting change, resulting in negative net position of \$15,219,501 at June 30, 2015.

Note 13 - Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at different rates for businesses and financial institutions. If the sum of all the wages paid by the employer exceeds \$85,000 for the calendar quarter, the tax is 1.17% of the amounts the wages

exceed \$85,000. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

Insurance Premium Tax is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due.

Motor Vehicle Fuel Tax is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

(Note 13 Continued)

Other Sources of tax revenues include: Cigarette Tax, Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees and Tire Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

Percentage Fees are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

Live Entertainment Taxes are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment in facilities with less than occupancy/seating of 7,500. A 5% rate is imposed for facilities with at least 7,500 occupancy/seating.

Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

Other Sources of gaming tax revenues include: Unredeemed Slot Machine Wagering Vouchers, Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

Note 14 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, is dedicated to educating visitors and the community through the collection,

preservation and interpretation of objects directly related to railroads and railroading in Nevada. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Note 15 - Commitments and Contingencies

A. Primary Government

Lawsuits - The State Attorney General’s Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State’s financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State’s (or its agents’) alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State’s liability of \$50,000 per cause of action through October 1, 2007 and \$75,000 per cause of action through October 1, 2011 and \$100,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

The State is litigating vigorously a Fair Labor Standards Act action brought by correctional officers against the State of Nevada’s Department of Corrections, for back wages and overtime pay. The plaintiffs have yet to provide their actual damage amount. If the plaintiffs are successful in obtaining certification and in proving all of their claims, the back wages and overtime pay for three years could result in liability of \$28.1 million or more.

In litigation filed against the Department of Taxation (DOT), the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the DOT as well as the Gaming Control Board. The Gaming Control Board’s collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is \$128.6 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation has litigated vigorously two lawsuits of like nature against utility companies. The lawsuits arose out of claims for the refund of \$253.0 million in use tax paid, plus interest, on coal purchased out of the state and used

in Nevada. The companies claim the use tax is unconstitutional. The State won both cases in the Nevada Supreme Court and the 1st Judicial District Court. The utility companies have yet to appeal. The use tax distribution is shared between the State, counties and local governments. If the utility companies appeal and are successful, the State’s exposure upon a potentially unfavorable outcome is \$45.3 million.

The Nevada Department of Transportation (NDOT) in an inverse condemnation case is taking a parcel for the I-15 road improvement project known as Project NEON, in Las Vegas. The landowner filed its preemptory claim against NDOT in hope to recover attorney fees. NDOT filed a motion to dismiss. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of \$6.6 million, before federal participation.

PERS - The Public Employees’ Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional \$1,073.3 million at some future date.

Leases- The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Position. Primary government lease expense for the year ended June 30, 2015 amounted to \$37.0 million. The following is the primary government’s schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2015 (expressed in thousands):

| <u>For the Year Ending June 30</u> | <u>Amount</u> |
|--|-------------------|
| 2016 | \$ 29,195 |
| 2017 | 24,926 |
| 2018 | 19,504 |
| 2019 | 15,463 |
| 2020 | 11,572 |
| 2021-2025 | 30,345 |
| 2026-2030 | 4,578 |
| 2031-2035 | 235 |
| Total | \$ 135,818 |

Federal Grants - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2015, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

Rebate Arbitrage - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds

(Note 15 Continued)

issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. The present value of the rebatable arbitrage is \$961,000 and has been recorded as a liability in the Statement of Net Position at June 30, 2015. Future calculations might result in different rebatable arbitrage amounts.

Nonexchange Financial Guarantees – The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed \$40 million. Total bond guarantees at June 30, 2015 were \$242.9 million which includes accrued interest of \$1.5 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

Encumbrances – As of June 30, 2015, encumbered expenditures in governmental funds were as follows (expressed in thousands):

| | Amount |
|---------------|-----------------|
| General Fund | \$ 4,066 |
| State Highway | 3,015 |
| Total | \$ 7,081 |

Construction Commitments – As of June 30, 2015, the Nevada Department of Transportation had total contractual commitments of approximately \$177.5 million for construction of various highway projects. Other major non-highway construction commitments for the primary government’s budgeted capital projects funds total \$17.2 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2015, NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net position, changes in net position or cash flows of NSHE.

The NSHE has an actuarial study of its workers’ compensation losses completed every other year. The study addresses the reserves necessary to pay open claims from prior years and projects the rates needed for the coming year. The NSHE uses a third party administrator to adjust its workers’ compensation claims.

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the NSHE cannot be reasonably determined as of June 30, 2015.

The NSHE receives Federal grants and awards, and amounts are subject to change based on outcomes of Federal audits. Management believes any changes made will not materially affect the net position, changes in net position or cash flows of the NSHE.

The estimated cost to complete property authorized or under construction at June 30, 2015 is \$156.0 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

The Board of Regents, at its June 12, 2015 meeting, approved the issuance of a Promissory Note in an amount up to \$20.9 million. The authorized note is not expected to be issued by the end of calendar year 2015.

Colorado River Commission (CRC) - The CRC may from time to time be a party in various litigation matters. It is management’s opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC’s future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

The CRC does not accrue for estimated future legal defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has commitments to the Silver State Opportunity Fund of \$50.0 million (the First Tranche). As of June 30, 2015, the NCIC has fulfilled \$21.7 million of its total commitment. The NCIC has the right, but not the obligation, to increase its capital commitment by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC’s additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 16 - Subsequent Events

A. Primary Government

Bonds – On October 14, 2015, the State issued \$339,030,000 in General Obligation Bonds. The bonds were issued primarily to finance various capital improvement projects including: construction of a new Department of Motor Vehicle Service Office, improvements for publicly owned water systems and to finance property acquisition and renovations by the Division of State Parks. Bonds were also issued to finance or refinance loans to certain local governments within the State for water and sewer projects and to provide State matching funds for the State’s Safe Drinking Water Revolving Fund Program.

B. Discretely Presented Component Units

Nevada System of Higher Education – The Board of Regents, at its October 23, 2015 meeting, authorized the formation of DRI-Tennessee, a nonprofit organization that will be reported as a component unit of the System once operations commence.

C. New Accounting Pronouncement

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72), which addresses accounting and financial reporting issues related to fair value measurements. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes in addition to providing guidance for applying fair value to certain investments and disclosures related to all

fair value measurement. GASB 72 is effective for fiscal years beginning after June 15, 2015. The anticipated impact of this pronouncement is uncertain at this time.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73), which improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. GASB 73 is effective for fiscal years beginning after June 15, 2015. The anticipated impact of this pronouncement is uncertain at this time.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75), which improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support of OPEB that is provided by other entities. GASB 75 is effective for fiscal years beginning after June 15, 2017. The anticipated impact of this pronouncement is uncertain at this time.

Note 17 - Accounting Changes and Restatements

A. Primary Government

The State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Accordingly, the fiscal year 2015 financial statements have been adjusted with a prior year restatement of the beginning net position to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made during the year ended June 30, 2014.

In addition, a prior period adjustment was made to correct the amortization period on refunding losses.

The following table shows the changes to the beginning net position as of July 1, 2014 for the primary government (expressed in thousands):

| | Governmental Activities | Business-type Activities |
|--|----------------------------|-----------------------------|
| Net position at June 30, 2014 as previously reported | \$ 5,414,465 | \$ 379,253 |
| Net pension liability as of June 30, 2013 | (2,169,389) | (39,850) |
| Deferred outflows of resources related to contributions made during the year ended June 30, 2014 | 176,883 | 3,271 |
| Debt refunding loss amortization | 38,009 | - |
| Net position at June 30, 2014 as restated | <u>\$ 3,459,968</u> | <u>\$ 342,674</u> |

(Note 17 Continued)

The following table shows the changes to the beginning net position as of July 1, 2014 for the proprietary funds (expressed in thousands):

| | Major Enterprise Funds | | | | |
|--|------------------------|----------------------|--------------------------------|---------------------------|------------------------|
| | Housing Division | Water Projects Loans | Higher Education Tuition Trust | Nonmajor Enterprise Funds | Internal Service Funds |
| Net position at June 30, 2014 as previously reported | \$ 190,186 | \$ 332,690 | \$ 43,480 | \$ 50,370 | \$ 85,821 |
| Net pension liability as of June 30, 2013 | (2,933) | (781) | (215) | (35,921) | (55,966) |
| Deferred outflows of resources related to contributions made during the year ended June 30, 2014 | 242 | 60 | 16 | 2,953 | 4,851 |
| Net position at June 30, 2014 as restated | <u>\$ 187,495</u> | <u>\$ 331,969</u> | <u>\$ 43,281</u> | <u>\$ 17,402</u> | <u>\$ 34,706</u> |

B. Discretely Presented Component Units

The Colorado River Commission and the Nevada System of Higher Education implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Accordingly, the fiscal year 2015 financial statements have been adjusted with a prior year restatement of the beginning net position to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made during the year ended June 30, 2014.

During fiscal year 2015, the Colorado River Commission discovered capital assets originally constructed by a third party and donated to the Commission in 2002 had not been properly recorded. The cost basis of the assets is \$12,555,784 and an adjustment to capital assets was made to the prior period for that amount. Corresponding increases to accumulated depreciation, unearned revenue and net position were recorded on the proprietary fund financial statements.

In addition, the Colorado River Commission determined in the current year that the previously refunded portion of the 2005i bonds in 2012 should have been recorded as unearned revenue and therefore, a prior period adjustment was recorded to increase unearned revenue and net position, and decrease the payable to customers on the proprietary fund financial statements.

Lastly, the Colorado River Commission prior year net position was determined to be understated as a result of unrecorded revenue in fiscal years 2013 and 2014; therefore, a prior period adjustment increasing net position and decreasing the payable to customers was recorded on the proprietary fund financial statements.

The following table shows the changes to the beginning net position as of July 1, 2014 (expressed in thousands):

| | Colorado River Commission | Nevada System of Higher Education |
|--|---------------------------|-----------------------------------|
| Net position at June 30, 2014 as previously reported | \$ 7,816 | \$ 2,968,196 |
| Net pension liability as of June 30, 2013 | (6,305) | (369,489) |
| Deferred outflows of resources related to contributions made during the year ended June 30, 2014 | 527 | 29,192 |
| Donated capital assets in fiscal year 2002 | 951 | - |
| Unearned revenue on refunded portion of the 2005i bonds | 907 | - |
| Unrecorded revenue in fiscal years 2013 and 2014 | 4,475 | - |
| Contributions receivable | - | 333 |
| Net position at June 30, 2014 as restated | <u>\$ 8,371</u> | <u>\$ 2,628,232</u> |

April 12, 2014, Las Vegas, Nevada:
Manny Pacquiao wins a 12-round
unanimous decision over Timothy
Bradley to earn the WBO World
Welterweight belt at the MGM
Grand Garden Arena.



Photo Credits:
Chris Farina
Top Rank
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REQUIRED SUPPLEMENTARY INFORMATION



May 2, 2015, Las Vegas, Nevada:
Floyd Mayweather wins a
12-round unanimous decision
over Manny Pacquiao at the
MGM Grand Garden Arena

Photo Credits : Chris Farina
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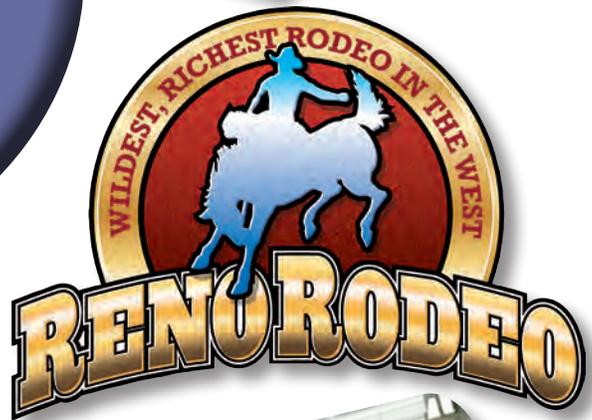


Budgetary Comparison Schedule General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2015

| | General Fund | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| Sources of Financial Resources | | | | |
| Fund balances, July 1 | \$ 579,982,174 | \$ 579,982,174 | \$ 579,982,174 | \$ - |
| Revenues: | | | | |
| Sales taxes | 1,023,194,100 | 1,037,822,100 | 1,033,453,997 | (4,368,103) |
| Gaming taxes, fees, licenses | 908,293,432 | 865,810,133 | 878,143,350 | 12,333,217 |
| Intergovernmental | 2,798,126,345 | 3,830,366,049 | 3,350,672,190 | (479,693,859) |
| Other taxes | 1,458,385,149 | 1,463,514,033 | 1,487,350,493 | 23,836,460 |
| Sales, charges for services | 248,153,992 | 265,107,631 | 256,195,055 | (8,912,576) |
| Licenses, fees and permits | 589,799,146 | 633,993,495 | 625,655,497 | (8,337,998) |
| Interest | 8,831,334 | 10,033,227 | 2,586,910 | (7,446,317) |
| Other | 305,935,227 | 383,437,222 | 337,641,337 | (45,795,885) |
| Other financing sources: | | | | |
| Transfers | 528,491,375 | 728,352,462 | 580,601,887 | (147,750,575) |
| Reversions from other funds | - | - | 1,496,463 | 1,496,463 |
| Total sources | 8,449,192,274 | 9,798,418,526 | 9,133,779,353 | (664,639,173) |
| Uses of Financial Resources | | | | |
| Expenditures and encumbrances: | | | | |
| Elected officials | 153,088,564 | 141,940,023 | 113,349,962 | 28,590,061 |
| Legislative and judicial | 84,566,581 | 87,299,449 | 61,707,097 | 25,592,352 |
| Finance and administration | 76,676,025 | 81,733,333 | 61,594,658 | 20,138,675 |
| Education - K to 12 | 2,035,502,964 | 2,158,321,781 | 2,061,755,614 | 96,566,167 |
| Education - higher education | 756,471,241 | 791,256,985 | 779,462,075 | 11,794,910 |
| Human services | 4,070,314,718 | 5,054,036,030 | 4,493,345,234 | 560,690,796 |
| Commerce and industry | 330,282,985 | 348,142,939 | 268,781,463 | 79,361,476 |
| Public safety | 405,551,942 | 435,902,358 | 368,517,075 | 67,385,283 |
| Infrastructure | 314,660,716 | 378,769,271 | 169,523,688 | 209,245,583 |
| Special purpose agencies | 57,559,447 | 110,089,838 | 72,058,973 | 38,030,865 |
| Other financing uses: | | | | |
| Transfers to other funds | 31,350,818 | 49,320,818 | 49,320,818 | - |
| Reversions to other funds | - | - | 1,501,844 | (1,501,844) |
| Projected reversions | (49,712,029) | (49,712,029) | - | (49,712,029) |
| Total uses | 8,266,313,972 | 9,587,100,796 | 8,500,918,501 | 1,086,182,295 |
| Fund balances, June 30 | \$ 182,878,302 | \$ 211,317,730 | \$ 632,860,852 | \$ 421,543,122 |

| State Highway Fund | | | | Municipal Bond Bank | | | |
|-----------------------|-----------------------|-----------------------|----------------------------|---------------------|-------------------|-------------------|----------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget | Original Budget | Final Budget | Actual | Variance with Final Budget |
| \$ 333,445,914 | \$ 333,445,914 | \$ 333,445,914 | \$ - | \$ 2,211 | \$ 2,211 | \$ 2,211 | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 322,400,309 | 361,043,338 | 312,263,094 | (48,780,244) | - | - | - | - |
| 262,642,984 | 287,538,489 | 295,189,486 | 7,650,997 | - | - | - | - |
| 15,970,750 | 18,282,540 | 18,507,328 | 224,788 | - | - | - | - |
| 184,028,988 | 188,281,192 | 206,555,537 | 18,274,345 | - | - | - | - |
| 202,814 | 384,305 | 1,461,123 | 1,076,818 | 16,501,819 | 16,501,819 | 10,837,721 | (5,664,098) |
| 37,220,420 | 38,417,389 | 18,445,274 | (19,972,115) | - | - | 4,925,000 | 4,925,000 |
| 8,105,093 | 12,786,769 | 11,327,920 | (1,458,849) | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>1,164,017,272</u> | <u>1,240,179,936</u> | <u>1,197,195,676</u> | <u>(42,984,260)</u> | <u>16,504,030</u> | <u>16,504,030</u> | <u>15,764,932</u> | <u>(739,098)</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 190,061,565 | 209,381,434 | 173,622,906 | 35,758,528 | - | - | - | - |
| 694,706,319 | 806,722,664 | 629,575,377 | 177,147,287 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 72,016,009 | 76,481,109 | 76,481,109 | - | 16,501,819 | 16,504,030 | 15,764,932 | 739,098 |
| - | - | 154,736 | (154,736) | - | - | - | - |
| (46,302,875) | (76,302,875) | - | (76,302,875) | - | - | - | - |
| <u>910,481,018</u> | <u>1,016,282,332</u> | <u>879,834,128</u> | <u>136,448,204</u> | <u>16,501,819</u> | <u>16,504,030</u> | <u>15,764,932</u> | <u>739,098</u> |
| <u>\$ 253,536,254</u> | <u>\$ 223,897,604</u> | <u>\$ 317,361,548</u> | <u>\$ 93,463,944</u> | <u>\$ 2,211</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |



Notes to Required Supplementary Information Budgetary Reporting

NEVADA

For the Fiscal Year Ended June 30, 2015

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 19 are reported instead of the amounts disclosed in the original budget. The August 19, 2015 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2015 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

| | <u>General Fund</u> | <u>State Highway</u> | <u>Municipal Bond Bank</u> |
|---|-------------------------|--------------------------|--------------------------------|
| Fund balances (budgetary basis) June 30, 2015 | \$ 632,861 | \$ 317,362 | \$ - |
| Adjustments: | | | |
| <i>Basis differences:</i> | | | |
| Petty cash or outside bank accounts | 5,526 | 175 | - |
| Investments not recorded on the budgetary basis | 14,560 | - | 227,845 |
| Accrual of certain other receivables | 239,435 | 1,423 | 1,025 |
| Inventory | 9,193 | 16,329 | - |
| Advances to other funds | 3,050 | - | - |
| Accrual of certain accounts payable and other liabilities | (428,148) | (4,085) | - |
| Unearned revenues | (147,457) | - | - |
| Deferred inflows - unavailable | (137,927) | - | - |
| Encumbrances | 4,065 | 3,015 | - |
| Other | (1,411) | (288) | - |
| <i>Perspective differences:</i> | | | |
| Special revenue fund reclassified to General Fund for GAAP purposes | 13,540 | - | - |
| Fund balances (GAAP basis) June 30, 2015 | <u>\$ 207,287</u> | <u>\$ 333,931</u> | <u>\$ 228,870</u> |

Total fund balance on the budgetary basis in the General Fund at June 30, 2015, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

| | |
|--|-------------------|
| Total fund balance (budgetary basis) | \$ 632,861 |
| Restricted funds | <u>(398,117)</u> |
| Unrestricted fund balance (budgetary basis) | <u>\$ 234,744</u> |

Pension Plan Information

For the Fiscal Year Ended June 30, 2015

A. Multiple-employer Cost Sharing Plan

The following schedule presents the State's (primary government's) proportionate share of the net pension liability for the Public Employees' Retirement System at June 30, 2014 (expressed in thousands):

| | |
|--|--------------|
| | 2014 |
| State's proportion of the net pension liability | 16.6% |
| State's proportionate share of the net pension liability | \$ 1,730,601 |
| State's covered-employee payroll | \$ 872,316 |
| State's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 198% |
| Plan fiduciary net position as a percentage of the total pension liability | 76% |

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten year history of the State's (primary government's) contributions to the Public Employees' Retirement System (expressed in thousands):

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Statutorily required contributions | \$ 176,579 | \$ 174,712 | \$ 162,484 | \$ 163,219 | \$ 160,959 | \$ 164,630 | \$ 153,768 | \$ 146,754 | \$ 136,270 | \$ 129,981 |
| Contributions in relation to the | | | | | | | | | | |
| statutorily required contribution | 176,579 | 174,712 | 162,484 | 163,219 | 160,959 | 164,630 | 153,768 | 146,754 | 136,270 | 129,981 |
| Contribution (deficiency) excess | - | - | - | - | - | - | - | - | - | - |
| Covered-employee payroll | 874,098 | 872,316 | 855,179 | 859,047 | 946,818 | 968,412 | 961,050 | 917,213 | 851,688 | 859,873 |
| Contributions as a percentage of covered employee payroll | 20% | 20% | 19% | 19% | 17% | 17% | 16% | 16% | 16% | 15% |

B. Single-employer Plan

The following schedule presents the changes in the net pension liability for the Legislators' Retirement System for the year ended June 30, 2014 (expressed in thousands):

| | |
|--|-----------------|
| | 2014 |
| Total pension liability | |
| Service cost | \$ 37 |
| Interest | 428 |
| Benefit payments, including refunds | (494) |
| Net change in total pension liability | (29) |
| Total pension liability - beginning | 5,560 |
| Total pension liability - ending (a) | \$ 5,531 |
| Plan fiduciary net position | |
| Contributions - employer | \$ 213 |
| Contributions - employee | 27 |
| Net investment income | 804 |
| Benefit payments, including refunds | (494) |
| Administrative expense | (46) |
| Other | 46 |
| Net change in plan fiduciary net position | 550 |
| Plan fiduciary net position - beginning | 4,323 |
| Plan fiduciary net position - ending (b) | \$ 4,873 |
| Net pension liability - ending (a) - (b) | \$ 658 |
| Plan fiduciary net position as a percentage of total pension liability | 88% |
| Covered-employee payroll | N/A |
| Net pension liability as a percentage of covered-employee payroll | N/A |

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

(Continued)

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

| | <u>2015</u> |
|--|-------------|
| Statutorily required contributions | \$ 312 |
| Contributions in relation to the statutorily required contribution | \$ 312 |
| Contribution (deficiency) excess | \$ - |
| Covered-employee payroll | N/A |
| Contributions as a percentage of covered-employee payroll | N/A |

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented

C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System for the year ended June 30, 2014 (expressed in thousands):

| | <u>2014</u> |
|--|-------------------|
| Total pension liability | |
| Service cost | \$ 3,411 |
| Interest | 8,367 |
| Differences between expected and actual experience | (2,666) |
| Benefit payments, including refunds | (4,295) |
| Other | 990 |
| Net change in total pension liability | 5,807 |
| Total pension liability - beginning | 102,823 |
| Total pension liability - ending (a) | <u>\$ 108,630</u> |
| Plan fiduciary net position | |
| Contributions - employer | \$ 6,002 |
| Net investment income | 14,252 |
| Benefit payments, including refunds | (4,295) |
| Administrative expense | (83) |
| Other | 990 |
| Net change in plan fiduciary net position | 16,866 |
| Plan fiduciary net position - beginning | 75,247 |
| Plan fiduciary net position - ending (b) | <u>\$ 92,113</u> |
| Net pension liability - ending (a) - (b) | <u>\$ 16,517</u> |
| Plan fiduciary net position as a percentage of total pension liability | 85% |
| Covered-employee payroll (measurement as of end of fiscal year) | \$ 18,934 |
| Net pension liability as a percentage of covered-employee payroll | 87% |

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

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

| | <u>2015</u> |
|--|-------------|
| Actuarially determined contribution | \$ 5,266 |
| Contributions in relation to the actuarially determined contribution | \$ 5,535 |
| Contribution (deficiency) excess | \$ 269 |
| Covered-employee payroll | \$ 17,132 |
| Contributions as a percentage of covered-employee payroll | 32% |

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented

Notes to Required Supplementary Information – actuarial assumptions used in calculating the actuarially determined contributions can be found in Note 10C.

Schedule of Infrastructure Condition and Maintenance Data

NEVADA

For the Fiscal Year Ended June 30, 2015

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,400 centerline miles of roads and approximately 1,150 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 400 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy to maintain a certain percentage of each category of its roadways with an IRI of less than 80. Considering the results of all three condition assessments together, they provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for categories I, II and III. The condition level for categories IV and V, which are non-national highways and the least busy rural roads, are below the State's minimum percentage. On January 5, 2015 the Pavement and Bridge Condition Notice of Proposed Rulemaking was released by the Federal Highway Administration (FHWA). The State may align its goals for condition assessments to be consistent with the FHWA guidance if the proposed rules are enacted. The current condition assessment would meet its roadway condition level policy goals under the proposed rules. The State has set a policy to maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show the State's policy and the condition level of the roadways and bridges.

| Condition Level of the Roadways | | | | | |
|--|----------|-----|-----|-----|-----|
| Percentage of roadways with an IRI of less than 80 | | | | | |
| | Category | | | | |
| | I | II | III | IV | V |
| State Policy-minimum percentage | 70% | 65% | 60% | 40% | 10% |
| Actual results of 2014 condition assessment | 84% | 71% | 62% | 33% | 7% |
| Actual results of 2012 condition assessment | 84% | 85% | 84% | 32% | 9% |
| Actual results of 2011 condition assessment | 56% | 79% | 67% | 30% | 9% |

| Condition Level of the Bridges | | | |
|-------------------------------------|------|------|------|
| Percentage of substandard bridges | | | |
| | 2014 | 2012 | 2011 |
| State Policy-maximum percentage | 10% | 10% | 10% |
| Actual results condition assessment | 4% | 4% | 4% |

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

| Maintenance and Preservation Costs | | | | | |
|------------------------------------|------------|------------|------------|------------|------------|
| (Expressed in Thousands) | | | | | |
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Estimated | \$ 386,093 | \$ 433,338 | \$ 402,650 | \$ 322,210 | \$ 490,910 |
| Actual | 329,677 | 360,904 | 325,313 | 304,333 | 404,871 |

Maintenance and preservation costs are primarily funded with highway user revenue, fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

COMBINING STATEMENTS AND SCHEDULES



NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Employment Security Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

Unemployment Comp Bond Fund Accounts for special bond contributions assessed on employers for the purpose of retiring the bonds in the Unemployment Compensation Fund (NRS 612.613)

Regulatory Accounts for receipts and expenditures related to enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

Higher Education Capital Construction Accounts for the first \$5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

Cleaning Up Petroleum Discharges Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 590.830).

Hospital Care to Indigent Persons Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

Tourism Promotion Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

Offenders' Store Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

Tobacco Settlement Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926), and sixty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) for the purpose of assisting Nevada residents in obtaining and maintaining good health.

Attorney General Settlement Accounts for receipts from the National Mortgage Settlement for purposes of foreclosure relief and housing programs.

Gift Accounts for gifts and grants received by the Department of Conservation and Natural Resources (NRS 232.070), the Department of Wildlife (NRS 501.3585), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Health and Human Services (NRS 232.355).

Natural Resources Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

NV Real Property Corp General Fund Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031; receipts for the care of sites for the disposal of radioactive waste (NRS 459.231); and fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215).

NONMAJOR DEBT SERVICE FUNDS

Consolidated Bond Interest and Redemption Fund

Accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State (NRS 349.090).

Highway Revenue Bonds Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

NONMAJOR CAPITAL PROJECTS FUNDS

Parks Capital Project Construction Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

Capital Improvement Program - Motor Vehicle Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

Capital Improvement Program - Human Resources Accounts for capital improvement projects for the Department of Health and Human Services (NRS 341.146).

Capital Improvement Program - University System Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

Capital Improvement Program - General State Government Accounts for capital improvement projects for general government (NRS 341.146).

Capital Improvement Program - Prison System Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

Capital Improvement Program - Military Accounts for capital improvement projects for the Department of Military (NRS 341.146).

Capital Improvement Program - Wildlife Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

NONMAJOR PERMANENT FUND

Henry Wood Christmas Fund Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

**Combining Balance Sheet
Nonmajor Governmental Funds**

NEVADA

June 30, 2015

| | 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 | \$ 187,123,503 | \$ 143,843,935 | \$ 55,905,445 | \$ 51,213 | \$ 386,924,096 |
| Cash in custody of other officials | 60,543,755 | - | - | - | 60,543,755 |
| Investments | 1,574,376 | - | - | - | 1,574,376 |
| <i>Receivables:</i> | | | | | |
| Accounts receivable | 61,056,654 | - | - | - | 61,056,654 |
| Taxes receivable | 743,194 | - | - | - | 743,194 |
| Intergovernmental receivables | 6,130,523 | 798,354 | 193,291 | - | 7,122,168 |
| Accrued interest and dividends | 2,208 | 1,072,399 | - | - | 1,074,607 |
| Other receivables | - | - | 30,822 | - | 30,822 |
| Due from other funds | 15,626,454 | 3,028,068 | 6,847,737 | 125 | 25,502,384 |
| Due from fiduciary funds | 1,015,944 | - | - | - | 1,015,944 |
| Due from component units | 60 | - | - | - | 60 |
| Inventory | 455,333 | - | - | - | 455,333 |
| Advances to other funds | - | 753,183 | - | - | 753,183 |
| Prepaid items | 13,670 | - | - | - | 13,670 |
| Total assets | \$ 334,285,674 | \$ 149,495,939 | \$ 62,977,295 | \$ 51,338 | \$ 546,810,246 |
| Liabilities | | | | | |
| <i>Accounts payable and accruals:</i> | | | | | |
| Accounts payable | \$ 8,959,617 | \$ 24,822 | \$ 77,882 | \$ - | \$ 9,062,321 |
| Accrued payroll and related liabilities | 3,056,551 | - | - | - | 3,056,551 |
| Intergovernmental payables | 1,548,984 | - | 135,263 | - | 1,684,247 |
| Contracts payable | - | - | 6,191,723 | - | 6,191,723 |
| Retention payable | - | - | 646,433 | - | 646,433 |
| Due to other funds | 22,179,629 | 202,162 | 2,643,673 | 183 | 25,025,647 |
| Due to fiduciary funds | 18,682 | - | - | - | 18,682 |
| Due to component units | 9,756,749 | - | 7,714,214 | - | 17,470,963 |
| Unearned revenues | 1,338,978 | - | - | - | 1,338,978 |
| Other liabilities | 1,945,039 | - | - | - | 1,945,039 |
| Total liabilities | 48,804,229 | 226,984 | 17,409,188 | 183 | 66,440,584 |
| Deferred Inflows of Resources | | | | | |
| <i>Unavailable revenue:</i> | | | | | |
| Sales and charges for services | 5,172 | - | - | - | 5,172 |
| Settlement income | 20,469,114 | - | - | - | 20,469,114 |
| Interest | 51,538 | 60,296 | 406 | 17 | 112,257 |
| Other | 443,397 | - | - | - | 443,397 |
| Total deferred inflows of resources | 20,969,221 | 60,296 | 406 | 17 | 21,029,940 |
| Fund Balances | | | | | |
| Nonspendable | 872,714 | - | - | 30,000 | 902,714 |
| Restricted | 167,200,765 | 28,472,293 | 42,001,491 | 21,138 | 237,695,687 |
| Committed | 96,438,745 | 120,736,366 | 3,566,210 | - | 220,741,321 |
| Total fund balances | 264,512,224 | 149,208,659 | 45,567,701 | 51,138 | 459,339,722 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 334,285,674 | \$ 149,495,939 | \$ 62,977,295 | \$ 51,338 | \$ 546,810,246 |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Henry Wood Christmas Permanent Fund | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------|------------------------------|--|--|
| Revenues | | | | | |
| Gaming taxes, fees, licenses | \$ 13,686,408 | \$ - | \$ - | \$ - | \$ 13,686,408 |
| Property and transfer taxes | 12,075,458 | 139,417,273 | - | - | 151,492,731 |
| Motor and special fuel taxes | - | 67,814,955 | - | - | 67,814,955 |
| Other taxes | 241,019,387 | - | - | - | 241,019,387 |
| Intergovernmental | 77,186,240 | 42,046,487 | 1,588,699 | - | 120,821,426 |
| Licenses, fees and permits | 24,931,235 | - | - | - | 24,931,235 |
| Sales and charges for services | 18,171,422 | 300,913 | - | - | 18,472,335 |
| Interest and investment income | 3,279,615 | 2,545,442 | 4 | 926 | 5,825,987 |
| Settlement income | 39,788,181 | - | - | - | 39,788,181 |
| Other | 6,144,464 | - | 411,772 | - | 6,556,236 |
| Total revenues | 436,282,410 | 252,125,070 | 2,000,475 | 926 | 690,408,881 |
| Expenditures | | | | | |
| <i>Current:</i> | | | | | |
| General government | 25,046,557 | 398,683 | - | - | 25,445,240 |
| Health and social services | 95,910,909 | - | - | - | 95,910,909 |
| Education - higher education | 37,361,625 | 86,244,636 | - | - | 123,606,261 |
| Law, justice and public safety | 23,868,883 | - | - | - | 23,868,883 |
| Regulation of business | 20,060,300 | - | - | - | 20,060,300 |
| Recreation, resource development | 28,012,113 | - | - | - | 28,012,113 |
| Capital outlay | - | - | 39,564,118 | - | 39,564,118 |
| <i>Debt service:</i> | | | | | |
| Principal | - | 197,855,000 | - | - | 197,855,000 |
| Interest, fiscal charges | 375 | 102,748,372 | - | - | 102,748,747 |
| Debt issuance costs | - | 1,940,676 | - | - | 1,940,676 |
| Arbitrage payments | 13,013 | - | - | - | 13,013 |
| Total expenditures | 230,273,775 | 389,187,367 | 39,564,118 | - | 659,025,260 |
| Excess (deficiency) of revenues over expenditures | 206,008,635 | (137,062,297) | (37,563,643) | 926 | 31,383,621 |
| Other Financing Sources (Uses) | | | | | |
| Sale of general obligation bonds | - | 78,335,000 | - | - | 78,335,000 |
| Sale of general obligation refunding bonds | - | 213,270,000 | - | - | 213,270,000 |
| Premium on general obligation bonds | - | 54,686,183 | - | - | 54,686,183 |
| Payment to refunded bond agent | - | (261,893,503) | - | - | (261,893,503) |
| Sale of capital assets | 38,311 | - | - | - | 38,311 |
| Transfers in | 14,618,102 | 56,706,936 | 8,285,034 | - | 79,610,072 |
| Transfers out | (232,735,724) | (1,583) | (1,980,996) | (183) | (234,718,486) |
| Total other financing sources (uses) | (218,079,311) | 141,103,033 | 6,304,038 | (183) | (70,672,423) |
| Net change in fund balances | (12,070,676) | 4,040,736 | (31,259,605) | 743 | (39,288,802) |
| Fund balances, July 1 | 276,582,900 | 145,167,923 | 76,827,306 | 50,395 | 498,628,524 |
| Fund balances, June 30 | \$ 264,512,224 | \$149,208,659 | \$ 45,567,701 | \$ 51,138 | \$ 459,339,722 |

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2015

| | Employment Security | Unemployment Comp Bond Fund | Regulatory | Higher Education Capital Construction |
|---|------------------------|--------------------------------|----------------------|--|
| Assets | | | | |
| <i>Cash and pooled investments:</i> | | | | |
| Cash with treasurer | \$ 9,165,762 | \$ - | \$ 13,535,198 | \$ 5,700,563 |
| Cash in custody of other officials | 125 | 47,993,921 | 2,000 | - |
| Investments | - | - | - | - |
| <i>Receivables:</i> | | | | |
| Accounts receivable | 4,902 | 38,198,190 | 708,673 | - |
| Taxes receivable | 294,397 | - | - | 8,200 |
| Intergovernmental receivables | 5,711,543 | - | - | - |
| Accrued interest and dividends | - | - | - | - |
| Due from other funds | 2,379,926 | 10,334 | 215,181 | 8,318,983 |
| Due from fiduciary funds | - | - | - | - |
| Due from component units | 60 | - | - | - |
| Inventory | - | - | - | - |
| Prepaid items | - | - | 13,670 | - |
| Total assets | \$ 17,556,715 | \$ 86,202,445 | \$ 14,474,722 | \$ 14,027,746 |
| Liabilities | | | | |
| <i>Accounts payable and accruals:</i> | | | | |
| Accounts payable | \$ 2,429,009 | \$ - | \$ 223,039 | \$ - |
| Accrued payroll and related liabilities | 1,666,234 | - | 841,053 | - |
| Intergovernmental payables | 444,636 | - | 19,521 | - |
| Due to other funds | 2,197,887 | 1,784,401 | 296,286 | 10,012,047 |
| Due to fiduciary funds | 303 | - | - | - |
| Due to component units | 269,126 | - | - | - |
| Unearned revenues | - | - | 1,338,978 | - |
| Other liabilities | - | - | - | - |
| Total liabilities | 7,007,195 | 1,784,401 | 2,718,877 | 10,012,047 |
| Deferred Inflows of Resources | | | | |
| <i>Unavailable revenue:</i> | | | | |
| Sales and charges for services | - | - | 5,172 | - |
| Settlement income | - | - | - | - |
| Interest | 2,928 | 1,381 | 2,270 | - |
| Other | - | - | - | - |
| Total deferred inflows of resources | 2,928 | 1,381 | 7,442 | - |
| Fund Balances | | | | |
| Nonspendable | - | - | 13,670 | - |
| Restricted | 7,537,776 | 84,416,663 | 6,241,493 | - |
| Committed | 3,008,816 | - | 5,493,240 | 4,015,699 |
| Total fund balances | 10,546,592 | 84,416,663 | 11,748,403 | 4,015,699 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 17,556,715 | \$ 86,202,445 | \$ 14,474,722 | \$ 14,027,746 |

| Cleaning Up Petroleum Discharges | Hospital Care to Indigent Persons | Tourism Promotion | Offenders' Store | Tobacco Settlement | Attorney General Settlement |
|---|--|------------------------------|-------------------------|-------------------------------|--|
| \$ 10,388,545 | \$ 3,536,597 | \$ 5,682,690 | \$ 7,809,616 | \$ 66,564,605 | \$ 26,808,585 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 500 | - | 28,140 | 996,236 | 20,469,114 | - |
| - | 438,637 | 1,960 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 19,939 | 6,962 | 3,983,476 | 35,041 | 425,578 | 65,910 |
| - | - | - | 966,381 | - | - |
| - | - | - | - | - | - |
| - | - | - | 264,571 | - | - |
| - | - | - | - | - | - |
| <u>\$ 10,408,984</u> | <u>\$ 3,982,196</u> | <u>\$ 9,696,266</u> | <u>\$ 10,071,845</u> | <u>\$ 87,459,297</u> | <u>\$ 26,874,495</u> |
| \$ 21,730 | \$ - | \$ 4,184,643 | \$ 733,094 | \$ 582,073 | \$ 508,654 |
| 243 | - | 123,299 | 214,215 | 21,072 | 21,109 |
| 5,073 | - | 191,153 | 150 | 76,784 | - |
| 2,885,154 | 372,361 | 140,939 | 455,251 | 3,262,198 | 170,778 |
| - | - | - | 18,379 | - | - |
| - | - | - | - | 30,257 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>2,912,200</u> | <u>372,361</u> | <u>4,640,034</u> | <u>1,421,089</u> | <u>3,972,384</u> | <u>700,541</u> |
| - | - | - | - | - | - |
| - | - | - | - | 20,469,114 | - |
| 2,480 | 931 | 46 | 4,386 | 20,426 | 8,810 |
| - | - | - | 443,397 | - | - |
| <u>2,480</u> | <u>931</u> | <u>46</u> | <u>447,783</u> | <u>20,489,540</u> | <u>8,810</u> |
| - | - | - | 264,571 | - | - |
| - | - | - | 7,938,402 | - | 26,165,144 |
| 7,494,304 | 3,608,904 | 5,056,186 | - | 62,997,373 | - |
| <u>7,494,304</u> | <u>3,608,904</u> | <u>5,056,186</u> | <u>8,202,973</u> | <u>62,997,373</u> | <u>26,165,144</u> |
| <u>\$ 10,408,984</u> | <u>\$ 3,982,196</u> | <u>\$ 9,696,266</u> | <u>\$ 10,071,845</u> | <u>\$ 87,459,297</u> | <u>\$ 26,874,495</u> |

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

NEVADA

June 30, 2015

Page 2 of 2

| | <u>Gift</u> | <u>Natural Resources</u> | <u>NV Real Property Corp General Fund</u> | <u>Miscellaneous</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---|---------------------|------------------------------|---|----------------------|---|
| Assets | | | | | |
| <i>Cash and pooled investments:</i> | | | | | |
| Cash with treasurer | \$ 2,365,738 | \$ 11,044,297 | \$ 665,453 | \$ 23,855,854 | \$ 187,123,503 |
| Cash in custody of other officials | 9,248 | - | 12,441,732 | 96,729 | 60,543,755 |
| Investments | 255,072 | - | - | 1,319,304 | 1,574,376 |
| <i>Receivables:</i> | | | | | |
| Accounts receivable | 1,580 | - | - | 649,319 | 61,056,654 |
| Taxes receivable | - | - | - | - | 743,194 |
| Intergovernmental receivables | - | 60,280 | - | 358,700 | 6,130,523 |
| Accrued interest and dividends | 2,208 | - | - | - | 2,208 |
| Due from other funds | 106,722 | 27,112 | 1,049 | 30,241 | 15,626,454 |
| Due from fiduciary funds | - | - | - | 49,563 | 1,015,944 |
| Due from component units | - | - | - | - | 60 |
| Inventory | - | - | - | 190,762 | 455,333 |
| Prepaid items | - | - | - | - | 13,670 |
| Total assets | \$ 2,740,568 | \$ 11,131,689 | \$ 13,108,234 | \$ 26,550,472 | \$ 334,285,674 |
| Liabilities | | | | | |
| <i>Accounts payable and accruals:</i> | | | | | |
| Accounts payable | \$ 10,902 | \$ 41,300 | \$ - | \$ 225,173 | \$ 8,959,617 |
| Accrued payroll and related liabilities | - | - | - | 169,326 | 3,056,551 |
| Intergovernmental payables | - | 811,490 | - | 177 | 1,548,984 |
| Due to other funds | - | 86,588 | - | 515,739 | 22,179,629 |
| Due to fiduciary funds | - | - | - | - | 18,682 |
| Due to component units | - | - | 1,742,366 | 7,715,000 | 9,756,749 |
| Unearned revenues | - | - | - | - | 1,338,978 |
| Other liabilities | - | - | - | 1,945,039 | 1,945,039 |
| Total liabilities | 10,902 | 939,378 | 1,742,366 | 10,570,454 | 48,804,229 |
| Deferred Inflows of Resources | | | | | |
| <i>Unavailable revenue:</i> | | | | | |
| Sales and charges for services | - | - | - | - | 5,172 |
| Settlement income | - | - | - | - | 20,469,114 |
| Interest | 723 | 3,624 | 140 | 3,393 | 51,538 |
| Other | - | - | - | - | 443,397 |
| Total deferred inflows of resources | 723 | 3,624 | 140 | 3,393 | 20,969,221 |
| Fund Balances | | | | | |
| Nonspendable | - | - | - | 594,473 | 872,714 |
| Restricted | 2,441,906 | 10,188,687 | 11,365,728 | 10,904,966 | 167,200,765 |
| Committed | 287,037 | - | - | 4,477,186 | 96,438,745 |
| Total fund balances | 2,728,943 | 10,188,687 | 11,365,728 | 15,976,625 | 264,512,224 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 2,740,568 | \$ 11,131,689 | \$ 13,108,234 | \$ 26,550,472 | \$ 334,285,674 |



Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2015

| | Employment Security | Unemployment Comp Bond Fund | Regulatory | Higher Education Capital Construction |
|--|----------------------|--------------------------------|----------------------|---|
| Revenues | | | | |
| Gaming taxes, fees, licenses | \$ - | \$ - | \$ - | \$ 13,686,408 |
| Property and transfer taxes | - | - | - | - |
| Other taxes | 12,559,194 | 191,535,563 | 61,378 | - |
| Intergovernmental | 70,446,609 | - | 587,571 | - |
| Licenses, fees and permits | 308,655 | - | 19,316,209 | - |
| Sales and charges for services | 610,000 | - | 2,135 | - |
| Interest and investment income | 220,185 | 12,678 | 126,416 | - |
| Settlement income | - | - | - | - |
| Other | 1,065 | - | 428,364 | - |
| Total revenues | 84,145,708 | 191,548,241 | 20,522,073 | 13,686,408 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| General government | - | - | - | - |
| Health and social services | 87,926,825 | - | - | - |
| Education - higher education | - | - | - | 5,000,000 |
| Law, justice and public safety | - | - | - | - |
| Regulation of business | - | - | 19,130,436 | - |
| Recreation, resource development | - | - | - | - |
| <i>Debt service:</i> | | | | |
| Interest | - | - | 50 | 325 |
| Arbitrage payments | - | - | - | - |
| Total expenditures | 87,926,825 | - | 19,130,486 | 5,000,325 |
| Excess (deficiency) of revenues over expenditures | (3,781,117) | 191,548,241 | 1,391,587 | 8,686,083 |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | 4,116 | - | 31,495 | - |
| Transfers in | 5,572,470 | - | 259,237 | - |
| Transfers out | (3,209,142) | (162,362,267) | (500,659) | (11,689,375) |
| Total other financing sources (uses) | 2,367,444 | (162,362,267) | (209,927) | (11,689,375) |
| Net change in fund balances | (1,413,673) | 29,185,974 | 1,181,660 | (3,003,292) |
| Fund balances, July 1 | 11,960,265 | 55,230,689 | 10,566,743 | 7,018,991 |
| Fund balances, June 30 | \$ 10,546,592 | \$ 84,416,663 | \$ 11,748,403 | \$ 4,015,699 |

| Cleaning Up Petroleum Discharges | Hospital Care to Indigent Persons | Tourism Promotion | Offenders' Store | Tobacco Settlement | Attorney General Settlement |
|---|--|------------------------------|-------------------------|-------------------------------|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 12,075,458 | - | - | - | - |
| 12,982,804 | - | 20,471,650 | - | - | - |
| - | 3,577,750 | - | - | - | - |
| 413,300 | - | 50,815 | - | - | - |
| - | - | - | 16,913,962 | - | - |
| 186,331 | 193,757 | 693 | 176,772 | 1,297,013 | 574,103 |
| - | - | - | - | 39,788,181 | - |
| - | - | 6,754 | 12,583 | 14,420 | - |
| <u>13,582,435</u> | <u>15,846,965</u> | <u>20,529,912</u> | <u>17,103,317</u> | <u>41,099,614</u> | <u>574,103</u> |
| - | - | - | - | 25,019,987 | - |
| - | 60,000 | - | - | 7,739,938 | - |
| - | - | - | - | - | - |
| - | - | - | 11,798,369 | - | 2,887,920 |
| - | - | - | - | - | - |
| 8,899,332 | - | 14,137,120 | - | - | - |
| - | - | - | - | - | - |
| <u>8,899,332</u> | <u>60,000</u> | <u>14,137,120</u> | <u>11,798,369</u> | <u>32,759,925</u> | <u>2,887,920</u> |
| <u>4,683,103</u> | <u>15,786,965</u> | <u>6,392,792</u> | <u>5,304,948</u> | <u>8,339,689</u> | <u>(2,313,817)</u> |
| - | - | - | - | - | - |
| - | - | 145,174 | - | 7,937,798 | - |
| (4,531,423) | (11,987,932) | (5,992,141) | (2,195,890) | (22,270,792) | (1,493,610) |
| <u>(4,531,423)</u> | <u>(11,987,932)</u> | <u>(5,846,967)</u> | <u>(2,195,890)</u> | <u>(14,332,994)</u> | <u>(1,493,610)</u> |
| 151,680 | 3,799,033 | 545,825 | 3,109,058 | (5,993,305) | (3,807,427) |
| 7,342,624 | (190,129) | 4,510,361 | 5,093,915 | 68,990,678 | 29,972,571 |
| <u>\$ 7,494,304</u> | <u>\$ 3,608,904</u> | <u>\$ 5,056,186</u> | <u>\$ 8,202,973</u> | <u>\$ 62,997,373</u> | <u>\$ 26,165,144</u> |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

Page 2 of 2

| | Gift | Natural Resources | NV Real Property Corp General Fund | Miscellaneous | Total Nonmajor Special Revenue Funds |
|---|---------------------|----------------------|------------------------------------|----------------------|--------------------------------------|
| Revenues | | | | | |
| Gaming taxes, fees, licenses | \$ - | \$ - | \$ - | \$ - | \$ 13,686,408 |
| Property and transfer taxes | - | - | - | - | 12,075,458 |
| Other taxes | - | - | - | 3,408,798 | 241,019,387 |
| Intergovernmental | - | 170,901 | - | 2,403,409 | 77,186,240 |
| Licenses, fees and permits | - | - | - | 4,842,256 | 24,931,235 |
| Sales and charges for services | - | - | - | 645,325 | 18,171,422 |
| Interest and investment income | 53,511 | 269,177 | 13,814 | 155,165 | 3,279,615 |
| Settlement income | - | - | - | - | 39,788,181 |
| Other | 397,274 | - | 2,983,476 | 2,300,528 | 6,144,464 |
| Total revenues | 450,785 | 440,078 | 2,997,290 | 13,755,481 | 436,282,410 |
| Expenditures | | | | | |
| <i>Current:</i> | | | | | |
| General government | 25,544 | - | 1,026 | - | 25,046,557 |
| Health and social services | 92,776 | - | - | 91,370 | 95,910,909 |
| Education - higher education | - | - | 32,361,625 | - | 37,361,625 |
| Law, justice and public safety | - | - | - | 9,182,594 | 23,868,883 |
| Regulation of business | - | - | - | 929,864 | 20,060,300 |
| Recreation, resource development | 307,801 | 4,667,860 | - | - | 28,012,113 |
| <i>Debt service:</i> | | | | | |
| Interest | - | - | - | - | 375 |
| Arbitrage payments | - | 13,013 | - | - | 13,013 |
| Total expenditures | 426,121 | 4,680,873 | 32,362,651 | 10,203,828 | 230,273,775 |
| Excess (deficiency) of revenues over expenditures | 24,664 | (4,240,795) | (29,365,361) | 3,551,653 | 206,008,635 |
| Other Financing Sources (Uses) | | | | | |
| Sale of capital assets | - | - | - | 2,700 | 38,311 |
| Transfers in | 104,127 | - | - | 599,296 | 14,618,102 |
| Transfers out | - | (316,631) | (5,523,307) | (662,555) | (232,735,724) |
| Total other financing sources (uses) | 104,127 | (316,631) | (5,523,307) | (60,559) | (218,079,311) |
| Net change in fund balances | 128,791 | (4,557,426) | (34,888,668) | 3,491,094 | (12,070,676) |
| Fund balances, July 1 | 2,600,152 | 14,746,113 | 46,254,396 | 12,485,531 | 276,582,900 |
| Fund balances, June 30 | \$ 2,728,943 | \$ 10,188,687 | \$ 11,365,728 | \$ 15,976,625 | \$ 264,512,224 |



THE GREAT RENO   
BALLOON **2015**
   **RACE**
SEPTEMBER 11-13

Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2015

| | Debt Service Funds | | | Capital Projects Funds | |
|---|--|-----------------------------|-----------------------|--|----------------------|
| | Consolidated Bond Interest and Redemption | Highway Revenue Bonds | Total | Parks Capital Project Construction | CIP Motor Vehicle |
| Assets | | | | | |
| <i>Cash and pooled investments:</i> | | | | | |
| Cash with treasurer | \$ 115,371,642 | \$ 28,472,293 | \$ 143,843,935 | \$ 433,301 | \$ 222,274 |
| <i>Receivables:</i> | | | | | |
| Intergovernmental receivables | 798,354 | - | 798,354 | - | - |
| Accrued interest and dividends | 1,072,399 | - | 1,072,399 | - | - |
| Other receivables | - | - | - | - | - |
| Due from other funds | 3,028,068 | - | 3,028,068 | 14,197 | 195,719 |
| Advances to other funds | 753,183 | - | 753,183 | - | - |
| Total assets | <u>\$ 121,023,646</u> | <u>\$ 28,472,293</u> | <u>\$ 149,495,939</u> | <u>\$ 447,498</u> | <u>\$ 417,993</u> |
| Liabilities | | | | | |
| <i>Accounts payable and accruals:</i> | | | | | |
| Accounts payable | \$ 24,822 | \$ - | \$ 24,822 | \$ 1,525 | \$ 31,736 |
| Intergovernmental payables | - | - | - | - | - |
| Contracts payable | - | - | - | 7,143 | 146,616 |
| Retentions payable | - | - | - | - | 51,647 |
| Due to other funds | 202,162 | - | 202,162 | 438,830 | 17,367 |
| Due to component units | - | - | - | - | - |
| Total liabilities | <u>226,984</u> | <u>-</u> | <u>226,984</u> | <u>447,498</u> | <u>247,366</u> |
| Deferred Inflows of Resources | | | | | |
| <i>Unavailable revenue:</i> | | | | | |
| Interest | 60,296 | - | 60,296 | - | - |
| Total deferred inflows of resources | <u>60,296</u> | <u>-</u> | <u>60,296</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | |
| Restricted | - | 28,472,293 | 28,472,293 | - | - |
| Committed | 120,736,366 | - | 120,736,366 | - | 170,627 |
| Total fund balances | <u>120,736,366</u> | <u>28,472,293</u> | <u>149,208,659</u> | <u>-</u> | <u>170,627</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 121,023,646</u> | <u>\$ 28,472,293</u> | <u>\$ 149,495,939</u> | <u>\$ 447,498</u> | <u>\$ 417,993</u> |

Capital Projects Funds

| <u>CIP Human Resources</u> | <u>CIP University System</u> | <u>CIP General State Government</u> | <u>CIP Prison System</u> | <u>CIP Military</u> | <u>CIP Wildlife</u> | <u>Total</u> |
|----------------------------|------------------------------|-------------------------------------|--------------------------|---------------------|---------------------|----------------------|
| \$ 2,579 | \$ 3,150,818 | \$ 21,468,754 | \$ 22,439,836 | \$ 7,990,593 | \$ 197,290 | \$ 55,905,445 |
| - | - | - | 145,382 | - | 47,909 | 193,291 |
| - | - | - | - | - | - | - |
| - | - | 30,822 | - | - | - | 30,822 |
| - | 5,003,038 | 1,333,576 | 390 | 171,588 | 129,229 | 6,847,737 |
| - | - | - | - | - | - | - |
| <u>\$ 2,579</u> | <u>\$ 8,153,856</u> | <u>\$ 22,833,152</u> | <u>\$ 22,585,608</u> | <u>\$ 8,162,181</u> | <u>\$ 374,428</u> | <u>\$ 62,977,295</u> |
| \$ - | \$ 1,325 | \$ 14,646 | \$ 14,114 | \$ 3,820 | \$ 10,716 | \$ 77,882 |
| - | - | 23,212 | - | 97,787 | 14,264 | 135,263 |
| - | 405,127 | 3,229,848 | 1,352,658 | 871,366 | 178,965 | 6,191,723 |
| - | 2,307 | 273,120 | 274,991 | 44,368 | - | 646,433 |
| 2,579 | 30,477 | 413,095 | 1,155,143 | 586,182 | - | 2,643,673 |
| - | 7,714,214 | - | - | - | - | 7,714,214 |
| <u>2,579</u> | <u>8,153,450</u> | <u>3,953,921</u> | <u>2,796,906</u> | <u>1,603,523</u> | <u>203,945</u> | <u>17,409,188</u> |
| - | 406 | - | - | - | - | 406 |
| - | 406 | - | - | - | - | 406 |
| - | - | 16,791,965 | 19,423,649 | 5,615,394 | 170,483 | 42,001,491 |
| - | - | 2,087,266 | 365,053 | 943,264 | - | 3,566,210 |
| - | - | 18,879,231 | 19,788,702 | 6,558,658 | 170,483 | 45,567,701 |
| <u>\$ 2,579</u> | <u>\$ 8,153,856</u> | <u>\$ 22,833,152</u> | <u>\$ 22,585,608</u> | <u>\$ 8,162,181</u> | <u>\$ 374,428</u> | <u>\$ 62,977,295</u> |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2015

| | Debt Service Funds | | | Capital Projects Funds | |
|--|---|-----------------------------|-----------------------|--|----------------------|
| | Consolidated Bond Interest and Redemption | Highway Revenue Bonds | Total | Parks Capital Project Construction | CIP Motor Vehicle |
| Revenues | | | | | |
| Property and transfer taxes | \$ 139,417,273 | \$ - | \$ 139,417,273 | \$ - | \$ - |
| Motor and special fuel taxes | - | 67,814,955 | 67,814,955 | - | - |
| Intergovernmental | 42,046,487 | - | 42,046,487 | 32,011 | - |
| Sales and charges for services | 300,913 | - | 300,913 | - | - |
| Interest and investment income | 2,545,442 | - | 2,545,442 | 4 | - |
| Other | - | - | - | - | - |
| Total revenues | <u>184,310,115</u> | <u>67,814,955</u> | <u>252,125,070</u> | <u>32,015</u> | <u>-</u> |
| Expenditures | | | | | |
| <i>Current:</i> | | | | | |
| General government | 398,683 | - | 398,683 | - | - |
| Education - higher education | 86,244,636 | - | 86,244,636 | - | - |
| Capital outlay | - | - | - | 311,697 | 3,608,761 |
| <i>Debt service:</i> | | | | | |
| Principal | 156,545,000 | 41,310,000 | 197,855,000 | - | - |
| Interest | 78,403,604 | 24,344,768 | 102,748,372 | - | - |
| Debt issuance costs | 1,940,676 | - | 1,940,676 | - | - |
| Total expenditures | <u>323,532,599</u> | <u>65,654,768</u> | <u>389,187,367</u> | <u>311,697</u> | <u>3,608,761</u> |
| Excess (deficiency) of revenues over expenditures | <u>(139,222,484)</u> | <u>2,160,187</u> | <u>(137,062,297)</u> | <u>(279,682)</u> | <u>(3,608,761)</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of general obligation bonds | 78,335,000 | - | 78,335,000 | - | - |
| Sale of general obligation refunding bonds | 213,270,000 | - | 213,270,000 | - | - |
| Premium on general obligation bonds | 54,686,183 | - | 54,686,183 | - | - |
| Payment to refunded bond agent | (261,893,503) | - | (261,893,503) | - | - |
| Transfers in | 56,706,936 | - | 56,706,936 | 229,031 | 3,557,114 |
| Transfers out | (1,583) | - | (1,583) | - | - |
| Total other financing sources (uses) | <u>141,103,033</u> | <u>-</u> | <u>141,103,033</u> | <u>229,031</u> | <u>3,557,114</u> |
| Net change in fund balances | 1,880,549 | 2,160,187 | 4,040,736 | (50,651) | (51,647) |
| Fund balances, July 1 | 118,855,817 | 26,312,106 | 145,167,923 | 50,651 | 222,274 |
| Fund balances, June 30 | <u>\$ 120,736,366</u> | <u>\$ 28,472,293</u> | <u>\$ 149,208,659</u> | <u>\$ -</u> | <u>\$ 170,627</u> |

Capital Projects Funds

| CIP Human Resources | CIP University System | CIP General State Government | CIP Prison System | CIP Military | CIP Wildlife | Total |
|---------------------|-----------------------|------------------------------|-------------------|--------------|--------------|---------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | 309,928 | 587,969 | 658,791 | 1,588,699 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 4 |
| - | - | 400,174 | - | 11,598 | - | 411,772 |
| - | - | 400,174 | 309,928 | 599,567 | 658,791 | 2,000,475 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 1,105 | - | 15,993,455 | 12,836,015 | 5,322,391 | 1,490,694 | 39,564,118 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 1,105 | - | 15,993,455 | 12,836,015 | 5,322,391 | 1,490,694 | 39,564,118 |
| (1,105) | - | (15,593,281) | (12,526,087) | (4,722,824) | (831,903) | (37,563,643) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 2,495,014 | - | 1,109,498 | 894,377 | 8,285,034 |
| (2,579) | - | (377,188) | (1,056,037) | (545,192) | - | (1,980,996) |
| (2,579) | - | 2,117,826 | (1,056,037) | 564,306 | 894,377 | 6,304,038 |
| (3,684) | - | (13,475,455) | (13,582,124) | (4,158,518) | 62,474 | (31,259,605) |
| 3,684 | - | 32,354,686 | 33,370,826 | 10,717,176 | 108,009 | 76,827,306 |
| \$ - | \$ - | \$ 18,879,231 | \$ 19,788,702 | \$ 6,558,658 | \$ 170,483 | \$ 45,567,701 |

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis All General Fund Budgets

For the Fiscal Year Ended June 30, 2015

Page 1 of 9

| | Final Budget | Actual | Variance |
|--|--------------------|--------------------|-------------------|
| General Fund Unbudgeted Activity/Refunds | \$ - | \$ 7,571,098 | \$ (7,571,098) |
| Elected Officials | | | |
| Office of the Governor | 2,370,083 | 2,227,170 | 142,913 |
| Governor's Mansion Maintenance | 385,591 | 308,496 | 77,095 |
| Governor's Washington Office | 259,433 | 259,433 | - |
| Ethics Commission | 813,824 | 677,529 | 136,295 |
| High Level Nuclear Waste | 1,838,728 | 1,439,557 | 399,171 |
| Governor's Office Energy Conservation | 1,821,093 | 1,631,941 | 189,152 |
| Renewable Energy/Energy Efficiency Loan Program | 2,620,596 | 1,347,471 | 1,273,125 |
| Renewable Energy | 10,031,253 | 1,531,224 | 8,500,029 |
| Lieutenant Governor | 520,366 | 511,608 | 8,758 |
| Attorney General Administrative Account | 27,027,352 | 26,363,939 | 663,413 |
| Attorney General Extradition Coordinator | 730,977 | 633,086 | 97,891 |
| Attorney General Special Fund | 2,543,738 | 1,523,524 | 1,020,214 |
| Attorney General Workers' Compensation Fraud | 3,930,922 | 3,376,185 | 554,737 |
| Attorney General Crime Prevention | 281,725 | 274,389 | 7,336 |
| Attorney General Medicaid Fraud | 3,506,706 | 1,897,754 | 1,608,952 |
| Attorney General Violence Against Women Grants | 4,531,357 | 2,318,752 | 2,212,605 |
| Attorney General Council For Prosecuting Attorneys | 390,197 | 174,147 | 216,050 |
| Attorney General Victims of Domestic Violence | 537,833 | 284,947 | 252,886 |
| Private Investigators Licensing Board | 1,602,609 | 1,365,609 | 237,000 |
| Secretary of State | 15,801,527 | 14,697,053 | 1,104,474 |
| Secretary of State HAVA Elections Account | 2,787,043 | 928,709 | 1,858,334 |
| Secretary of State Advisory Committee Gift | 61 | - | 61 |
| Secretary of State Notary Training | 281,090 | 110,851 | 170,239 |
| Securities Forfeiture Account | 1,682,403 | 1,503,062 | 179,341 |
| State Treasurer | 2,579,122 | 2,456,115 | 123,007 |
| Silicosis and Disabled Pensions | 108,806 | 34,999 | 73,807 |
| Nevada College Savings Trust | 4,133,251 | 3,787,570 | 345,681 |
| Endowment Account | 12,388,245 | 7,232,267 | 5,155,978 |
| College Savings Private Entity | 83,419 | - | 83,419 |
| Unclaimed Property | 2,310,891 | 1,853,527 | 457,364 |
| Controller's Office | 4,960,942 | 4,431,864 | 529,078 |
| Debt Recovery | 1,017,734 | 106,078 | 911,656 |
| Rainy Day | 28,061,106 | 28,061,106 | - |
| | <u>141,940,023</u> | <u>113,349,962</u> | <u>28,590,061</u> |
| Legislative--Judicial | | | |
| Judicial Branch | | | |
| Administrative Office of the Courts | 5,183,815 | 3,123,888 | 2,059,927 |
| Judicial Programs and Services Division | 1,158,768 | 993,663 | 165,105 |
| Uniform System of Judicial Records | 3,658,428 | 1,267,393 | 2,391,035 |
| Judicial Education | 1,725,124 | 895,211 | 829,913 |
| Court of Appeals | 997,088 | 875,978 | 121,110 |
| State Judicial Elected Officials | 21,709,600 | 21,386,793 | 322,807 |
| Judicial Support, Governance and Special Events | 1,021,039 | 377,489 | 643,550 |
| Judicial Retirement System State Share | 2,061,891 | 2,061,891 | - |
| Supreme Court | 11,589,598 | 11,226,458 | 363,140 |
| Specialty Courts | 7,549,907 | 5,436,480 | 2,113,427 |
| Senior Justice and Senior Judge Program | 1,491,981 | 1,389,701 | 102,280 |
| Judicial Selection | 30,432 | 27,719 | 2,713 |
| Foreclosure Mediation Program | 2,285,974 | 1,415,972 | 870,002 |
| Law Library Gift Fund | 76,729 | 7,090 | 69,639 |
| Law Library | 1,659,970 | 1,604,422 | 55,548 |
| Judicial Discipline | 643,129 | 550,968 | 92,161 |
| Legislative Branch | | | |
| Interim Finance Committee | 15,701,127 | 7,050,272 | 8,650,855 |
| Disaster Relief | 8,748,511 | 2,015,709 | 6,732,802 |
| So Nevada Community Project Fund | 6,338 | - | 6,338 |
| | <u>87,299,449</u> | <u>61,707,097</u> | <u>25,592,352</u> |

| | Final Budget | Actual | Variance |
|---|----------------------|----------------------|-------------------|
| Finance and Administration | | | |
| Department of Administration | | | |
| Construction Education Account | \$ 249,792 | \$ 165,360 | \$ 84,432 |
| Commission For Women | 1,504 | - | 1,504 |
| State Archives | 1,184,792 | 1,148,540 | 36,252 |
| NSLA - IPS Equipment/Software | 36,330 | 4,618 | 31,712 |
| Nevada State Library | 4,986,028 | 4,538,567 | 447,461 |
| Nevada State Library - CLAN | 436,490 | 303,247 | 133,243 |
| Special Appropriations | 1,234,691 | 515,718 | 718,973 |
| Judicial College/Juvenile and Family Justice | 130,430 | 130,430 | - |
| Budget and Planning | 4,667,926 | 4,362,510 | 305,416 |
| Internal Audit | 1,259,557 | 1,240,723 | 18,834 |
| Graffiti Reward Fund | 11,521 | - | 11,521 |
| Merit Award Board | 1,100 | 418 | 682 |
| Roof Maintenance Reserve | 736,787 | 92,750 | 644,037 |
| Public Works Division Administration | 858,577 | 857,745 | 832 |
| Public Works Division | 270,927 | 267,144 | 3,783 |
| Public Works Inspection | 3,711,799 | 3,578,118 | 133,681 |
| Public Works Retention Payment | 3,127 | 391 | 2,736 |
| Building Official Admin | 3,124,514 | 657,223 | 2,467,291 |
| State Unemployment Compensation | 4,884,508 | 1,603,922 | 3,280,586 |
| Hearings and Appeals | 4,637,614 | 4,290,590 | 347,024 |
| General Fund Salary Adjustment | 16,021,435 | 247,404 | 15,774,031 |
| Stale Claims | 2,343,895 | 399,453 | 1,944,442 |
| Emergency Fund | 222,814 | 42,973 | 179,841 |
| Statutory Contingency | 3,375,841 | 3,292,620 | 83,221 |
| Department of Taxation | | | |
| Department of Taxation | 27,341,334 | 26,283,096 | 1,058,238 |
| | <u>81,733,333</u> | <u>54,023,560</u> | <u>27,709,773</u> |
| Education K-12 | | | |
| Department of Education | | | |
| Distributive School Account | 1,486,852,731 | 1,475,722,426 | 11,130,305 |
| Educator Effectiveness | 170,000 | 165,946 | 4,054 |
| School Remediation | 114,568,246 | 112,615,194 | 1,953,052 |
| State Supplemental School Support | 151,133,653 | 150,556,077 | 577,576 |
| Education State Programs | 6,068,916 | 5,852,923 | 215,993 |
| Educational Trust Fund | 563,279 | 88,899 | 474,380 |
| Career and Technical Education | 12,601,522 | 10,139,014 | 2,462,508 |
| Gear Up | 7,541,588 | 4,175,066 | 3,366,522 |
| Gear Up Scholarship Trust | 10,065,057 | 1,331,091 | 8,733,966 |
| Continuing Education | 7,483,222 | 6,085,149 | 1,398,073 |
| Proficiency Testing | 6,697,029 | 5,371,030 | 1,325,999 |
| Other State Education Programs | 30,849,418 | 30,225,272 | 624,146 |
| Account for Health Education of Minors | 550 | - | 550 |
| Education Technology Trust | 20,400 | 19,328 | 1,072 |
| Professional Licensing and Testing | 2,978,252 | 1,524,393 | 1,453,859 |
| Discretionary Grants - Unrestricted | 524,421 | 315,982 | 208,439 |
| Public Charter School Loan Program | 704,998 | 527,227 | 177,771 |
| Discretionary Grants - Restricted | 30,326,929 | 17,104,167 | 13,222,762 |
| Elementary and Secondary Ed - Title I | 126,349,524 | 111,721,957 | 14,627,567 |
| Elementary and Secondary Ed Titles II, V & VI | 46,786,815 | 30,492,761 | 16,294,054 |
| Individuals with Disabilities (IDEA) | 90,888,929 | 80,194,599 | 10,694,330 |
| Education Staffing Services | 1,908,298 | 1,908,297 | 1 |
| Education Support Services | 3,983,060 | 2,445,373 | 1,537,687 |
| Incentives for Licensed Educational Personnel | 9,619,234 | 5,992,661 | 3,626,573 |
| Student Indemnification Account | 1,562,621 | 1,181,531 | 381,090 |
| State Public Charter School Authority | 7,632,466 | 5,564,156 | 2,068,310 |
| Commission on Postsecondary Education | 440,623 | 435,095 | 5,528 |
| | <u>2,158,321,781</u> | <u>2,061,755,614</u> | <u>96,566,167</u> |

**Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis
All General Fund Budgets**

For the Fiscal Year Ended June 30, 2015

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| | Final Budget | Actual | Variance |
|---|--------------------|--------------------|-------------------|
| Higher Education | | | |
| Nevada System of Higher Education | | | |
| Special Projects | \$ 3,418,603 | \$ 1,535,787 | \$ 1,882,816 |
| Education for Dependent Children | 45,422 | - | 45,422 |
| University of Nevada - Reno | 178,888,666 | 178,254,028 | 634,638 |
| School of Medical Sciences | 37,179,365 | 36,771,755 | 407,610 |
| Intercollegiate Athletics UNR | 4,972,752 | 4,972,475 | 277 |
| Statewide Programs - UNR | 7,699,493 | 7,698,256 | 1,237 |
| University System Administration | 4,429,850 | 4,429,836 | 14 |
| University of Nevada Las Vegas | 238,459,818 | 237,871,905 | 587,913 |
| Intercollegiate Athletics UNLV | 7,049,245 | 7,049,245 | - |
| Agricultural Experiment Station | 6,540,550 | 6,540,550 | - |
| Cooperative Extension Service | 5,426,727 | 5,136,805 | 289,922 |
| System Computing Center | 16,870,709 | 16,870,709 | - |
| UNLV Law School | 12,569,066 | 11,875,808 | 693,258 |
| National Direct Student Loan Program | 35,793 | 35,793 | - |
| University Press | 406,989 | 406,989 | - |
| Statewide Programs - UNLV | 2,866,667 | 2,866,667 | - |
| Business Center North | 1,829,353 | 1,829,353 | - |
| Business Center South | 1,642,847 | 1,642,847 | - |
| Anatomical Gift Account | 393,912 | 70,000 | 323,912 |
| UNLV Dental School | 15,629,761 | 15,494,960 | 134,801 |
| Collegiate License Plate Account | 407,353 | - | 407,353 |
| Nevada State College at Henderson | 19,732,683 | 19,010,552 | 722,131 |
| College of Southern Nevada | 133,803,128 | 131,488,034 | 2,315,094 |
| NSHE Performance Funding Pool | 27,174 | - | 27,174 |
| Laboratory and Research | 1,502,862 | 1,502,862 | - |
| Great Basin College | 16,409,317 | 16,203,455 | 205,862 |
| Desert Research Institute | 7,674,943 | 7,674,943 | - |
| Western Nevada College | 19,827,722 | 18,127,897 | 1,699,825 |
| Truckee Meadows Community College | 43,986,540 | 42,877,763 | 1,108,777 |
| WICHE Loan and Stipend | 1,191,567 | 884,693 | 306,874 |
| WICHE Administration | 338,108 | 338,108 | - |
| | 791,256,985 | 779,462,075 | 11,794,910 |
| Human Services | | | |
| Director's Office | | | |
| DHR Administration | 1,535,669 | 1,441,517 | 94,152 |
| Grants Management Unit | 28,450,805 | 26,739,848 | 1,710,957 |
| Prevention/Treatment of Problem Gambling | 2,046,153 | 1,677,062 | 369,091 |
| IDEA Part C Compliance | 3,972,105 | 3,521,480 | 450,625 |
| Developmental Disabilities | 668,635 | 638,348 | 30,287 |
| Victims of Human Trafficking | 58,628 | - | 58,628 |
| Public Defender | 3,684,296 | 3,607,615 | 76,681 |
| Consumer Health Assistance | 1,359,625 | 1,204,916 | 154,709 |
| DHR Children's Trust Account | 1,026,089 | 636,465 | 389,624 |
| UPL Holding Account | 6,517,000 | 2,781,023 | 3,735,977 |
| Aging and Disability Services Division | | | |
| Early Intervention Services | 37,031,631 | 32,279,231 | 4,752,400 |
| Family Preservation Program | 2,859,604 | 2,731,696 | 127,908 |
| Rural Regional Center | 15,768,714 | 15,196,960 | 571,754 |
| Desert Regional Center | 104,219,632 | 101,905,679 | 2,313,953 |
| Sierra Regional Center | 36,523,403 | 34,453,884 | 2,069,519 |
| Aging Federal Programs and Administration | 31,101,764 | 22,362,508 | 8,739,256 |
| Disability Services | 31,869,753 | 25,153,975 | 6,715,778 |
| Division of Health Care Financing and Policy | | | |
| Intergovernmental Transfer Program | 190,335,847 | 109,063,422 | 81,272,425 |
| Health Care Financing and Policy | 171,390,569 | 150,785,383 | 20,605,186 |
| Increased Quality of Nursing Care | 32,204,514 | 29,999,786 | 2,204,728 |
| Nevada Check-Up Program | 47,873,554 | 46,113,964 | 1,759,590 |
| Nevada Medicaid | 3,233,979,480 | 2,975,550,583 | 258,428,897 |

| | Final Budget | Actual | Variance |
|--|--------------|--------------|--------------|
| Division of Public and Behavioral Health | | | |
| Radiological Health | \$ 4,980,345 | \$ 2,884,432 | \$ 2,095,913 |
| Cancer Control Registry | 1,378,437 | 913,889 | 464,548 |
| HHS - SAPTA | 22,535,761 | 18,486,908 | 4,048,853 |
| Health Statistics and Planning | 2,630,012 | 1,333,613 | 1,296,399 |
| Consumer Protection | 2,460,591 | 1,674,443 | 786,148 |
| So NV Adult Mental Health Services | 87,960,647 | 77,724,434 | 10,236,213 |
| No NV Adult Mental Health Services | 30,628,970 | 28,056,411 | 2,572,559 |
| Behavioral Health Information System | 2,776,970 | 2,428,617 | 348,353 |
| Behavioral Health Administration | 11,720,574 | 8,163,288 | 3,557,286 |
| Facility for the Mental Offender | 10,750,375 | 10,480,488 | 269,887 |
| Alcohol Tax Program | 1,459,371 | 1,099,999 | 359,372 |
| Rural Clinics | 13,305,360 | 13,072,408 | 232,952 |
| Immunization Program | 9,214,674 | 7,416,495 | 1,798,179 |
| Marijuana Health Registry | 5,682,309 | 2,710,260 | 2,972,049 |
| WIC Food Supplement | 78,237,592 | 65,709,886 | 12,527,706 |
| Communicable Diseases | 17,956,284 | 15,819,879 | 2,136,405 |
| Health Facilities | 17,602,564 | 8,850,843 | 8,751,721 |
| Health Facilities-Admin Penalty | 321,166 | 155,805 | 165,361 |
| Public Health Preparedness Program | 12,900,547 | 9,920,059 | 2,980,488 |
| Biostatistics and Epidemiology | 5,562,570 | 4,809,555 | 753,015 |
| Chronic Disease | 8,603,352 | 7,261,146 | 1,342,206 |
| Maternal Child Health Services | 11,329,313 | 9,114,429 | 2,214,884 |
| Office of State Health Administration | 6,076,580 | 4,118,432 | 1,958,148 |
| Community Health Services | 3,753,347 | 3,055,881 | 697,466 |
| Emergency Medical Services | 1,052,338 | 836,660 | 215,678 |
| Child Care Services | 1,596,943 | 1,256,753 | 340,190 |
| Division of Welfare and Supportive Services | | | |
| Welfare Administration | 80,644,722 | 70,665,268 | 9,979,454 |
| Temp Assistance for Needy Families | 53,327,698 | 50,111,778 | 3,215,920 |
| Assistance to Aged and Blind | 8,998,285 | 8,998,285 | - |
| Welfare Field Services | 102,514,283 | 94,764,461 | 7,749,822 |
| Child Support Enforcement Program | 20,304,608 | 13,780,929 | 6,523,679 |
| Collection and Distribution Account | 41,032,899 | 20,863,450 | 20,169,449 |
| Child Care Assistance and Development | 39,268,474 | 34,254,121 | 5,014,353 |
| Energy Assistance - Welfare | 22,659,924 | 21,368,169 | 1,291,755 |
| Division of Child and Family Services | | | |
| Community Juvenile Justice Programs | 4,509,816 | 3,071,209 | 1,438,607 |
| Washoe County Integration | 36,550,340 | 30,553,716 | 5,996,624 |
| Clark County Child Welfare | 95,668,619 | 90,121,460 | 5,547,159 |
| UNITY/SACWIS | 5,761,288 | 5,306,928 | 454,360 |
| Children, Youth and Family Administration | 23,031,291 | 18,309,771 | 4,721,520 |
| Youth Alternative Placement | 4,191,465 | 4,191,464 | 1 |
| Juvenile Correctional Facility | 4,764,659 | 4,126,399 | 638,260 |
| Caliente Youth Center | 8,225,684 | 7,907,353 | 318,331 |
| Victims of Domestic Violence | 3,479,385 | 2,634,751 | 844,634 |
| Rural Child Welfare | 21,999,852 | 18,745,409 | 3,254,443 |
| Transition from Foster Care | 2,140,836 | 509,502 | 1,631,334 |
| Review of Death of Children | 396,413 | 64,044 | 332,369 |
| Nevada Youth Training Center | 7,266,973 | 6,668,392 | 598,581 |
| Youth Parole Services | 5,711,725 | 5,282,424 | 429,301 |
| Farm Account - Youth Training Center | 11,650 | - | 11,650 |
| No NV Child and Adolescent Services | 8,586,161 | 8,224,031 | 362,130 |
| So NV Child and Adolescent Services | 26,246,838 | 23,312,778 | 2,934,060 |
| Department of Employment, Training and Rehabilitation | | | |
| Blind Business Enterprise Program | 5,645,993 | 1,216,735 | 4,429,258 |
| Services to the Blind | 4,293,032 | 3,583,527 | 709,505 |
| Vocational Rehabilitation | 17,814,814 | 15,366,594 | 2,448,220 |
| Rehabilitation Administration | 1,438,916 | 1,170,173 | 268,743 |
| Disability Adjudication | 16,982,500 | 13,392,657 | 3,589,843 |
| Office of Equal Rights | 1,446,237 | 1,354,881 | 91,356 |

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis All General Fund Budgets

For the Fiscal Year Ended June 30, 2015

Page 5 of 9

| | Final Budget | Actual | Variance |
|---|----------------------|----------------------|--------------------|
| DETR Administrative Services | \$ 6,151,533 | \$ 5,091,355 | \$ 1,060,178 |
| Research and Analysis | 2,915,662 | 2,432,701 | 482,961 |
| Information Development and Processing | 13,098,993 | 10,700,161 | 2,398,832 |
| | <u>5,054,036,030</u> | <u>4,493,345,234</u> | <u>560,690,796</u> |
| Commerce and Industry | | | |
| Office of Economic Development | | | |
| Governor's Office of Economic Development | 8,985,092 | 8,889,633 | 95,459 |
| Motion Pictures | 979,827 | 539,602 | 440,225 |
| Rural Community Development | 2,457,016 | 1,944,270 | 512,746 |
| NV SSBCI Program | 7,315,358 | 3,947,917 | 3,367,441 |
| Nevada Catalyst Fund | 11,585,940 | 8,271,000 | 3,314,940 |
| GOED Nevada Knowledge Fund | 9,230,672 | 7,118,999 | 2,111,673 |
| Small Business and Procurement | 581,717 | 551,605 | 30,112 |
| Commission on Mineral Resources | | | |
| Minerals | 3,106,781 | 2,127,148 | 979,633 |
| Bond Reclamation | 5,493,130 | 437,324 | 5,055,806 |
| Department of Agriculture | | | |
| Nevada Beef Council | 288,609 | 240,716 | 47,893 |
| Commodity Food Program | 16,382,352 | 13,405,695 | 2,976,657 |
| Nutrition Education Programs | 133,633,211 | 129,342,599 | 4,290,612 |
| Weed Abatement and Control | 100,396 | - | 100,396 |
| Plant Health and Quarantine Services | 446,579 | 429,229 | 17,350 |
| Agriculture Research and Promotion | 121,341 | 1,508 | 119,833 |
| Agricultural Registration/Enforcement | 4,701,217 | 3,138,323 | 1,562,894 |
| Livestock Inspection | 1,591,209 | 1,322,069 | 269,140 |
| Agriculture License Plates | 33,145 | 23,164 | 9,981 |
| Veterinary Medical Services | 1,199,979 | 1,113,301 | 86,678 |
| Consumer Equitability | 3,526,116 | 2,103,118 | 1,422,998 |
| Pest, Plant Disease and Noxious Weed | 868,636 | 672,476 | 196,160 |
| Junior Agricultural Loan Program | 254,845 | - | 254,845 |
| Agriculture Administration | 2,771,614 | 2,696,118 | 75,496 |
| Rangeland Resources Commission | 268,520 | 82,448 | 186,072 |
| Rangeland Grasshopper and Mormon Cricket | 409,460 | 72,131 | 337,329 |
| Predatory Animal and Rodent Control | 1,122,224 | 860,836 | 261,388 |
| Department of Tourism and Cultural Affairs | | | |
| Lost City Museum | 430,687 | 413,531 | 17,156 |
| LV Springs Preserve Museum Dev | 429,298 | 409,397 | 19,901 |
| Nevada Historical Society | 593,624 | 479,243 | 114,381 |
| Nevada State Museum | 1,622,949 | 1,552,806 | 70,143 |
| Museums and History Administration | 365,467 | 362,058 | 3,409 |
| Nevada State Museum, Las Vegas | 1,515,687 | 1,408,756 | 106,931 |
| State Railroad Museums | 1,295,015 | 1,157,868 | 137,147 |
| Nevada Humanities | 50,000 | 50,000 | - |
| Nevada Arts Council | 2,087,518 | 1,995,078 | 92,440 |
| Indian Commission | 256,688 | 248,468 | 8,220 |
| Gaming Control Board | | | |
| Gaming Control Board | 43,103,935 | 38,378,700 | 4,725,235 |
| Gaming Control Federal Forfeiture | 630,635 | 1,447 | 629,188 |
| Gaming Control - Forfeiture Account | 561,004 | - | 561,004 |
| Gaming Control - Other State Forfeiture | 505,440 | - | 505,440 |
| Federal Forfeiture Treasury | 6,039,116 | 196,757 | 5,842,359 |
| Gaming Commission | 412,148 | 363,441 | 48,707 |
| Department of Business and Industry | | | |
| Business and Industry Administration | 4,320,830 | 3,905,544 | 415,286 |
| New Market Performance Guarantee | 6,250,000 | 1,000,000 | 5,250,000 |
| Industrial Development Bonds | 619,140 | 26,836 | 592,304 |
| Special Housing Assistance | 2,497,934 | 149,104 | 2,348,830 |
| Low Income Housing Trust Fund | 20,577,762 | 5,148,903 | 15,428,859 |
| DOE Weatherization | 6,797,684 | 4,834,482 | 1,963,202 |
| Employee Management Relations | 707,881 | 362,038 | 345,843 |
| Common Interest Communities | 3,799,934 | 1,767,375 | 2,032,559 |

| | Final Budget | Actual | Variance |
|---------------------------------------|--------------------|--------------------|-------------------|
| Real Estate | \$ 2,666,225 | \$ 2,233,245 | \$ 432,980 |
| Athletic Commission | 870,057 | 676,873 | 193,184 |
| Labor Relations | 1,410,758 | 1,211,841 | 198,917 |
| Division of Mortgage Lending | 5,740,660 | 1,877,962 | 3,862,698 |
| Attorney for Injured Workers | 3,350,657 | 3,175,644 | 175,013 |
| Financial Institutions Investigations | 1,093,714 | 43,866 | 1,049,848 |
| Financial Institutions | 6,249,795 | 3,164,359 | 3,085,436 |
| Financial Institutions Audit | 267,566 | 101,464 | 166,102 |
| Transportation Services Authority | 2,903,425 | 2,618,592 | 284,833 |
| TSA Administrative Fines | 664,720 | 134,556 | 530,164 |
| | <u>348,142,939</u> | <u>268,781,463</u> | <u>79,361,476</u> |

Public Safety**Department of Corrections**

| | | | |
|--|------------|------------|---------|
| Prison Medical Care | 41,714,843 | 41,270,369 | 444,474 |
| Corrections Administration | 20,961,856 | 20,380,544 | 581,312 |
| Correctional Programs | 7,914,352 | 6,955,653 | 958,699 |
| So Nevada Correctional Center | 263,373 | 234,990 | 28,383 |
| Warm Springs Correctional Center | 10,288,882 | 10,195,879 | 93,003 |
| No Nevada Correctional Center | 26,267,853 | 26,014,200 | 253,653 |
| Nevada State Prison | 107,980 | 101,948 | 6,032 |
| Stewart Conservation Camp | 1,716,552 | 1,701,854 | 14,698 |
| Pioche Conservation Camp | 1,568,763 | 1,496,752 | 72,011 |
| Restitution Center North | 1,210,530 | 1,179,579 | 30,951 |
| Three Lakes Valley Conservation Camp | 2,268,475 | 2,173,896 | 94,579 |
| Southern Desert Correctional Center | 21,679,566 | 21,455,365 | 224,201 |
| Wells Conservation Camp | 1,192,893 | 1,146,684 | 46,209 |
| Humboldt Conservation Camp | 1,241,538 | 1,200,368 | 41,170 |
| Ely Conservation Camp | 1,230,577 | 1,172,030 | 58,547 |
| Jean Conservation Camp | 1,445,501 | 1,398,377 | 47,124 |
| Silver Springs Conservation Camp | 2,049 | 2,048 | 1 |
| Ely State Prison | 24,916,624 | 24,099,776 | 816,848 |
| Carlin Conservation Camp | 1,181,221 | 1,137,721 | 43,500 |
| Tonopah Conservation Camp | 1,251,776 | 1,182,215 | 69,561 |
| Lovelock Correctional Center | 22,211,095 | 22,031,199 | 179,896 |
| Florence McClure Women's Correctional Center | 14,985,843 | 14,936,092 | 49,751 |
| High Desert State Prison | 45,301,487 | 44,949,774 | 351,713 |
| Casa Grande Transitional Housing | 4,624,672 | 4,473,780 | 150,892 |

Department of Public Safety

| | | | |
|---|------------|------------|------------|
| Emergency Management Division | 6,145,270 | 3,637,465 | 2,507,805 |
| Emergency Mgmt Assistance Grant | 40,914,143 | 11,698,054 | 29,216,089 |
| Emergency Assistance Subaccount | 450,636 | 135,387 | 315,249 |
| Parole and Probation | 43,441,807 | 42,025,100 | 1,416,707 |
| Fund for Reentry Programs | 6,953 | 1,458 | 5,495 |
| Investigations | 7,141,116 | 6,037,730 | 1,103,386 |
| Training Division | 1,055,585 | 982,223 | 73,362 |
| Parole Board | 2,463,680 | 2,433,085 | 30,595 |
| Fire Marshal | 2,856,234 | 2,735,059 | 121,175 |
| Traffic Safety | 12,048,695 | 5,629,891 | 6,418,804 |
| Highway Safety Plan and Administration | 6,946,557 | 3,880,440 | 3,066,117 |
| Motorcycle Safety Program | 818,062 | 496,606 | 321,456 |
| Public Safety General Services | 6,362,627 | 5,401,501 | 961,126 |
| K-9 Program | 47,896 | 13,677 | 34,219 |
| Forfeitures | 1,676,103 | 480,318 | 1,195,785 |
| Justice Assistance Account | 2,506,554 | 725,473 | 1,781,081 |
| Justice Assistance Grant | 3,730,026 | 2,286,328 | 1,443,698 |
| Criminal History Repository | 24,882,858 | 15,425,449 | 9,457,409 |
| Office of Homeland Security | 428,274 | 391,567 | 36,707 |
| Child Volunteer Background Checks Trust | 15,087 | 15,087 | - |
| Contingency Account for Haz Mat | 566,391 | 457,074 | 109,317 |
| Cigarette Fire Safety Standard | 173,183 | 33,384 | 139,799 |
| Justice Grant | 523,721 | 507,268 | 16,453 |

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis All General Fund Budgets

For the Fiscal Year Ended June 30, 2015

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| | Final Budget | Actual | Variance |
|---|--------------------|--------------------|-------------------|
| Dignitary Protection | \$ 1,077,905 | \$ 944,414 | \$ 133,491 |
| Department of Motor Vehicles | | | |
| Motor Vehicle Pollution Control | 11,834,662 | 9,483,818 | 2,350,844 |
| Peace Officers Standards and Training | 2,240,032 | 1,768,126 | 471,906 |
| | <u>435,902,358</u> | <u>368,517,075</u> | <u>67,385,283</u> |
| Infrastructure | | | |
| Department of Wildlife | | | |
| Conservation Education | 2,545,548 | 2,301,768 | 243,780 |
| Law Enforcement | 7,226,573 | 6,492,284 | 734,289 |
| Game Management | 5,555,683 | 4,857,588 | 698,095 |
| Fisheries Management | 8,223,629 | 6,702,855 | 1,520,774 |
| Diversity | 2,575,328 | 2,436,137 | 139,191 |
| Habitat | 7,057,882 | 5,691,898 | 1,365,984 |
| Wildlife Director's Office | 3,683,248 | 3,452,540 | 230,708 |
| Wildlife Operations | 8,249,868 | 7,391,417 | 858,451 |
| Wildlife Heritage Account | 8,156,898 | 486,885 | 7,670,013 |
| Wildlife Fund | 33,687,075 | 19,476,697 | 14,210,378 |
| Wildlife Habitat Enhancements | 6,904,316 | 361,653 | 6,542,663 |
| Department of Conservation and Natural Resources | | | |
| State Environmental Commission | 414,656 | 206,071 | 208,585 |
| Natural Resources Administration | 1,167,462 | 1,056,421 | 111,041 |
| Conservation and Natural Resources Gift | 214,187 | - | 214,187 |
| NV State Parks/Cultural Resources Endowment | 510,000 | - | 510,000 |
| Water Resources Legal Cost | 2,503,614 | 173,601 | 2,330,013 |
| Tahoe Regional Planning Agency | 14,796,760 | 1,526,553 | 13,270,207 |
| Conservation Districts | 588,764 | 521,024 | 67,740 |
| Cultural Resource Program | 993,224 | 385,161 | 608,063 |
| Historic Preservation and Archives | 1,613,298 | 1,325,727 | 287,571 |
| Comstock Historic District | 171,837 | 168,835 | 3,002 |
| Comstock Historical District Gifts | 40,167 | 18,825 | 21,342 |
| Parks Federal Grant Programs | 6,624,415 | 1,829,418 | 4,794,997 |
| State Parks | 12,368,877 | 9,849,035 | 2,519,842 |
| State Parks Interpretive and Educational Program | 925,381 | 527,091 | 398,290 |
| Maintenance of State Parks | 2,286,483 | 473,279 | 1,813,204 |
| State Parks Facility and Grounds Maintenance | 14,857,235 | 138,425 | 14,718,810 |
| Coyote Springs Groundwater Basin | 36,601 | 869 | 35,732 |
| Flood Control Revenue Fund | 241,070 | 22 | 241,048 |
| USGS Co-Op | 673,107 | 527,328 | 145,779 |
| Groundwater Recharge Projects | 314,149 | 60,349 | 253,800 |
| Water Right Surveyors | 70,368 | 9,657 | 60,711 |
| Well Driller's Licenses | 40,491 | 15,057 | 25,434 |
| Water Resources | 11,224,452 | 5,833,256 | 5,391,196 |
| Water Resources Cooperative Project | 2,722,414 | 494,036 | 2,228,378 |
| State Engineer Revenue | 324,169 | 156,576 | 167,593 |
| Little Humboldt River | 141,719 | 21,609 | 120,110 |
| Quinn River Distribution | 70,127 | 2,598 | 67,529 |
| Water Studies | 277,000 | - | 277,000 |
| Adjudication Emergency | 15,946 | 203 | 15,743 |
| Steptoe Valley Water Basin | 30,021 | 2,403 | 27,618 |
| Diamond Valley Ground Water | 45,137 | 8,659 | 36,478 |
| Lake Valley Ground Water Basin | 38,109 | 1,235 | 36,874 |
| Middle Reese River Ground Water Basin | 35,841 | 3,033 | 32,808 |
| Dixie Creek/10 Mi Ground Water | 16,696 | 2,288 | 14,408 |
| Churchill Valley Ground Water | 19,047 | 3,207 | 15,840 |
| Colorado River Valley | 17,258 | - | 17,258 |
| Washoe Valley Ground Water | 17,854 | 5,398 | 12,456 |
| Amargosa Valley Ground Water | 24,691 | 6,486 | 18,205 |
| Las Vegas Basin Water District | 4,398,757 | 1,446,353 | 2,952,404 |
| San Emidio Desert Ground Water Basin | 6,895 | 1,900 | 4,995 |
| Hualapai Flat Ground Water Basin | 10,872 | 102 | 10,770 |
| Pine Forest Valley Water Basin | 7,574 | - | 7,574 |

| | Final Budget | Actual | Variance |
|--|--------------|-----------|-----------|
| Kings River Valley Water Basin | \$ 12,288 | \$ - | \$ 12,288 |
| Desert Valley Water Basin | 5,430 | - | 5,430 |
| Silver State Valley Water Basin | 7,937 | - | 7,937 |
| Quinn River Valley Water Basin | 12,101 | - | 12,101 |
| Kobeh Valley Groundwater Basin | 6,186 | - | 6,186 |
| Mary's River Water Basin | 5,229 | - | 5,229 |
| Lamoille Valley Water Basin | 3,878 | - | 3,878 |
| Huntington Valley Water Basin | 3,909 | - | 3,909 |
| Elko Segment Water Basin | 12,366 | - | 12,366 |
| Mary's Creek Area Water Basin | 4,000 | - | 4,000 |
| Pine Valley Water Basin | 5,735 | - | 5,735 |
| Winnemucca Segment Water Basin | 5,122 | - | 5,122 |
| Fernley Area Water Basin | 3,000 | 73 | 2,927 |
| Tracy Segment Water Basin | 2,000 | - | 2,000 |
| Spanish Springs Valley Water Basin | 3,000 | - | 3,000 |
| Lake Tahoe Water Basin | 5,800 | - | 5,800 |
| Truckee Cyn Segment Water Basin | 3,000 | 45 | 2,955 |
| Carson Desert Water Basin | 3,000 | - | 3,000 |
| Buena Vista Valley Water Basin | 3,481 | - | 3,481 |
| Muddy River Surface Water | 26,552 | 12,384 | 14,168 |
| Pahranagat Lake | 84,109 | 42,586 | 41,523 |
| Pahrump Artesian Basin | 202,539 | 32,361 | 170,178 |
| Boulder Flat Ground Water | 131,541 | 21,489 | 110,052 |
| Dayton Valley Ground Water | 24,944 | 8,107 | 16,837 |
| Mason Valley Ground Water | 170,555 | 115,722 | 54,833 |
| Humboldt Water District | 401,832 | 256,699 | 145,133 |
| Water District Revenue Fund | 3,727,144 | 3,697,144 | 30,000 |
| Smith Valley Artesian Basin | 55,528 | 34,830 | 20,698 |
| Currant Creek | 5,251 | - | 5,251 |
| Duckwater Creek | 53,323 | 13,833 | 39,490 |
| Paradise Valley Ground Water | 55,775 | 15,387 | 40,388 |
| Upper White River | 8,966 | 3,163 | 5,803 |
| Muddy River Springs | 19,883 | 2,828 | 17,055 |
| Kingston Creek | 7,917 | 699 | 7,218 |
| Warm Springs/Winnemucca Creek | 18,502 | 3,261 | 15,241 |
| Eagle Valley | 86,617 | 5,918 | 80,699 |
| Carson Valley Ground Water | 53,355 | 9,127 | 44,228 |
| Fish Lake Valley Artesian | 23,688 | 5,893 | 17,795 |
| Carico Creek | 431 | 191 | 240 |
| Lemmon Valley | 63,489 | 6,285 | 57,204 |
| Truckee Meadows/Sun Valley | 150,248 | 19,976 | 130,272 |
| Antelope Valley Ground Water Basin | 17,998 | 2,931 | 15,067 |
| Warm Springs Ground Water | 36,493 | 8,196 | 28,297 |
| Lower Moapa Valley Groundwater | 12,251 | 324 | 11,927 |
| Honey Lake Valley | 22,449 | 1,933 | 20,516 |
| Whirlwind Valley | 12,290 | 410 | 11,880 |
| Crescent Water Groundwater | 30,834 | 9,752 | 21,082 |
| Pumpnickel Valley | 6,224 | 2,545 | 3,679 |
| Clovers Area Groundwater | 50,493 | 5,610 | 44,883 |
| Cold Springs Valley | 28,678 | 1,099 | 27,579 |
| Inlay Ground Water | 7,252 | 991 | 6,261 |
| Kelly Creek Ground Water | 43,709 | 6,661 | 37,048 |
| Lower Reese River Valley | 31,676 | 1,736 | 29,940 |
| Maggie Creek | 55,202 | 10,016 | 45,186 |
| North Fork Ground Water | 27,421 | 4,635 | 22,786 |
| Pleasant Valley | 8,207 | 1,183 | 7,024 |
| Forestry | 15,102,480 | 8,819,180 | 6,283,300 |
| Forest Fire Suppression/Emergency Response | 8,890,174 | 4,838,833 | 4,051,341 |
| Forestry Conservation Camps | 10,305,207 | 9,049,308 | 1,255,899 |
| Forestry Inter-Gov Agreements | 2,942,659 | 2,238,581 | 704,078 |
| Wildland Fire Protection Program | 3,242,536 | 967,125 | 2,275,411 |

**Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis
All General Fund Budgets**

NEVADA

For the Fiscal Year Ended June 30, 2015

Page 9 of 9

| | Final Budget | Actual | Variance |
|---|-------------------------|-------------------------|-------------------------|
| Tahoe License Plates | \$ 2,158,085 | \$ 554,140 | \$ 1,603,945 |
| Nevada Tahoe Regional Planning Agency | 1,318 | 493 | 825 |
| State Lands | 2,045,794 | 1,691,379 | 354,415 |
| State Lands Revolving Account | 68,434 | 21,909 | 46,525 |
| Tahoe Bond Sale | 1,063,781 | 44,988 | 1,018,793 |
| Tahoe Mitigation | 2,973,696 | 51,573 | 2,922,123 |
| Nevada Natural Heritage | 991,126 | 704,323 | 286,803 |
| AB9/Q1 Bonds | 8,961,486 | 3,150,154 | 5,811,332 |
| Storage Tank Management | 331,586 | - | 331,586 |
| Environmental Protection Administration | 7,275,986 | 5,717,653 | 1,558,333 |
| Chemical Hazard Prevention | 1,291,934 | 486,690 | 805,244 |
| Reclamation Surety Account | 32,641,966 | - | 32,641,966 |
| Air Quality Management Account | 11,878,212 | 4,572,173 | 7,306,039 |
| Air Quality | 8,964,659 | 6,364,053 | 2,600,606 |
| Bureau of Water | 7,326,724 | 3,650,101 | 3,676,623 |
| Water Quality Planning | 7,277,793 | 3,677,574 | 3,600,219 |
| Safe Drinking Water Regulatory Program | 5,102,742 | 2,991,738 | 2,111,004 |
| Bureau of Waste Management and Corrective Actions | 18,910,791 | 11,244,314 | 7,666,477 |
| Mining Regulation/Reclamation | 7,183,464 | 2,429,027 | 4,754,437 |
| Interim Fluid Management Trust | 1,284,587 | - | 1,284,587 |
| Hazardous Waste Management | 18,311,113 | 4,287,367 | 14,023,746 |
| Hazardous Waste - Beatty Site | 11,437,886 | 1,140,854 | 10,297,032 |
| Water Planning - Capital Improvement | 169,451 | 10,323 | 159,128 |
| | <u>378,769,271</u> | <u>169,523,688</u> | <u>209,245,583</u> |
| Special Purpose Agencies | | | |
| <i>Department of Veterans' Services</i> | | | |
| Department of Veterans' Services | 3,349,793 | 3,094,344 | 255,449 |
| Veterans' Home Account | 24,627,520 | 16,578,059 | 8,049,461 |
| Veterans' Gifts and Donations | 1,037,317 | 612,593 | 424,724 |
| Veterans' Home Donation | 48,408 | 8,111 | 40,297 |
| Gift Account for Veterans | 1,481,185 | 766,517 | 714,668 |
| <i>Office of the Military</i> | | | |
| Military | 26,491,995 | 17,911,674 | 8,580,321 |
| Military Emergency Operations Center | 576,548 | 333,102 | 243,446 |
| Military Carlin Armory | 1,009,337 | 823,774 | 185,563 |
| Adjutant General Special Facilities Account | 38,258 | 403 | 37,855 |
| National Guard Benefits | 59,100 | 52,716 | 6,384 |
| Patriot Relief Account | 150,053 | 111,679 | 38,374 |
| <i>Silver State Health Insurance Exchange Admin</i> | 50,391,219 | 31,402,650 | 18,988,569 |
| <i>Deferred Compensation Committee</i> | 778,629 | 327,014 | 451,615 |
| <i>Civil Air Patrol</i> | 50,476 | 36,337 | 14,139 |
| | <u>110,089,838</u> | <u>72,058,973</u> | <u>38,030,865</u> |
| Appropriated Transfers to Other Funds | | | |
| Legislative Fund | 48,246,658 | 48,246,658 | - |
| Attorney General Special Fund | 625,303 | 625,303 | - |
| Highway Fund | 43,777 | 43,777 | - |
| Internal Service Funds | 405,080 | 405,080 | - |
| | <u>49,320,818</u> | <u>49,320,818</u> | <u>-</u> |
| Reversions to Other Funds | | | |
| Reversion to Highway Fund | - | 727,179 | (727,179) |
| Reversion to Workers' Comp and Safety Fund | - | 736,714 | (736,714) |
| Reversion to Tourism Promotion Fund | - | 332 | (332) |
| Reversion to Healthy Nevada Fund | - | 37,596 | (37,596) |
| Reversion to Contingency Fund | - | 23 | (23) |
| | <u>-</u> | <u>1,501,844</u> | <u>(1,501,844)</u> |
| Projected Reversions | | | |
| | (49,712,029) | - | (49,712,029) |
| Total General Fund | <u>\$ 9,587,100,796</u> | <u>\$ 8,500,918,501</u> | <u>\$ 1,086,182,295</u> |

**Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis
All Special Revenue Fund Budgets**

NEVADA

For the Fiscal Year Ended June 30, 2015

Page 1 of 3

| | Final Budget | Actual | Variance |
|---|----------------------|--------------------|--------------------|
| State Highway | | | |
| Finance and Administration | | | |
| Unbudgeted Activity | \$ - | \$ 585,511 | \$ (585,511) |
| Appropriations to Other Funds | 8,666,154 | 8,666,154 | - |
| Infrastructure | | | |
| Transportation Administration | 657,914,389 | 565,201,643 | 92,712,746 |
| Bond Construction | 94,090,812 | 39,901,579 | 54,189,233 |
| Aviation Trust Fund | 29,532 | - | 29,532 |
| AB 595 Revenue Rental Car Tax | 2,020 | 949 | 1,071 |
| AB 595 Revenue Clark Co. | 37,712,883 | 17,656,392 | 20,056,491 |
| AB 595 Revenue Washoe Co. | 4,020,874 | 3,589,272 | 431,602 |
| NDOT - SB 5 RTC Public Road Project | 12,504,487 | 2,536,630 | 9,967,857 |
| System of Providing Information to the Traveling Public | 447,667 | 103,401 | 344,266 |
| Public Safety | | | |
| Director's Office - Public Safety | 3,147,781 | 2,874,163 | 273,618 |
| Professional Responsibility | 592,854 | 573,866 | 18,988 |
| Records Search | 6,669,788 | 6,593,980 | 75,808 |
| Highway Patrol | 81,971,669 | 69,923,745 | 12,047,924 |
| DMV Motor Vehicle Information Technology | 10,700,141 | 8,661,080 | 2,039,061 |
| Motor Carrier | 5,358,867 | 3,781,746 | 1,577,121 |
| PS Highway Safety Grants Account | 2,759,671 | 1,930,585 | 829,086 |
| Emergency Response Commission | 2,791,954 | 1,172,905 | 1,619,049 |
| Verification of Insurance | 3,278,681 | 1,855,368 | 1,423,313 |
| License Plate Factory | 4,137,915 | 2,551,446 | 1,586,469 |
| Hearings - DMV | 1,223,231 | 1,022,663 | 200,568 |
| Special Plates Trust Account | 2,188,439 | 183,479 | 2,004,960 |
| Salvage Titles Trust Account | 295,116 | 158,407 | 136,709 |
| DMV Local Fuel Tax Indexing Fund | 126,452 | - | 126,452 |
| DMV Special Fuel Ind Reimb Clark | 488,340 | - | 488,340 |
| DMV Field Services | 46,191,068 | 38,246,795 | 7,944,273 |
| Forfeitures | 405 | - | 405 |
| Compliance Enforcement | 4,801,412 | 4,370,842 | 430,570 |
| Central Services | 11,103,338 | 10,018,052 | 1,085,286 |
| Evidence Vault | 553,940 | 533,682 | 20,258 |
| Management Services | 1,884,042 | 1,591,859 | 292,183 |
| Admin Off Highway Vehicle Titling and Registration | 800,920 | 265,851 | 535,069 |
| Assistance of Off Highway Vehicle Titling | 29,849 | 857 | 28,992 |
| Director's Office - DMV | 4,710,564 | 4,618,638 | 91,926 |
| DMV Real ID | 252,794 | 252,793 | 1 |
| Administrative Services | 13,322,203 | 12,594,840 | 727,363 |
| Debt Service Transfers | | | |
| Debt Service | 67,814,955 | 67,814,955 | - |
| Projected Reversions | | | |
| | (76,302,875) | - | (76,302,875) |
| Total | 1,016,282,332 | 879,834,128 | 136,448,204 |
| Municipal Bond Bank | | | |
| Elected Officials | | | |
| Municipal Bond Bank Revenue | 16,504,030 | 15,764,932 | 739,098 |
| Total | 16,504,030 | 15,764,932 | 739,098 |
| Employment Security | | | |
| Human Services | | | |
| Employment Security | 112,175,732 | 88,279,822 | 23,895,910 |
| Employment Security Special Fund | 11,622,345 | 3,768,721 | 7,853,624 |
| Total | 123,798,077 | 92,048,543 | 31,749,534 |
| Unemployment Comp Bond Fund | | | |
| Elected Officials | | | |
| Unemployment Comp Bond Account | 173,469,000 | 153,586,223 | 19,882,777 |
| Total | 173,469,000 | 153,586,223 | 19,882,777 |

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

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2015

Page 2 of 3

| | Final Budget | Actual | Variance |
|--|--------------------|-------------------|-------------------|
| Regulatory | | | |
| Commerce and Industry | | | |
| Manufactured Housing | \$ 1,688,491 | \$ 860,980 | \$ 827,511 |
| Real Estate Education and Research | 1,144,611 | 528,639 | 615,972 |
| Real Estate Recovery | 507,000 | 197,323 | 309,677 |
| Mobile Home Parks | 359,026 | 162,591 | 196,435 |
| Mfg Housing-Education/Recovery | 333,453 | 50,518 | 282,935 |
| Regulatory Fund | 14,612,966 | 10,503,047 | 4,109,919 |
| Administrative Fines | 122,700 | 122,700 | - |
| Taxicab Authority | 11,067,934 | 6,102,999 | 4,964,935 |
| Dairy Commission | 1,876,325 | 1,013,071 | 863,254 |
| Total | 31,712,506 | 19,541,868 | 12,170,638 |
| Higher Education Capital Construction | | | |
| Finance and Administration | | | |
| Higher Education Capital Construction | 5,000,000 | 5,000,000 | - |
| Higher Education Special Construction | 9,189,700 | 9,189,700 | - |
| Total | 14,189,700 | 14,189,700 | - |
| Cleaning Up Petroleum Discharges | | | |
| Infrastructure | | | |
| Petroleum Clean-Up Trust Fund | 21,762,007 | 13,430,756 | 8,331,251 |
| Total | 21,762,007 | 13,430,756 | 8,331,251 |
| Hospital Care to Indigent Persons | | | |
| Finance and Administration | | | |
| Supplemental Fund - Indigents | 19,223,037 | 12,047,932 | 7,175,105 |
| Total | 19,223,037 | 12,047,932 | 7,175,105 |
| Tourism Promotion | | | |
| Commerce and Industry | | | |
| Tourism Development | 225,550 | 188,000 | 37,550 |
| Commission on Tourism | 25,032,467 | 20,018,980 | 5,013,487 |
| Total | 25,258,017 | 20,206,980 | 5,051,037 |
| Offenders' Store | | | |
| Public Safety | | | |
| Offenders' Store Fund | 21,374,711 | 13,656,755 | 7,717,956 |
| Inmate Welfare Account | 5,177,829 | 3,498,808 | 1,679,021 |
| Total | 26,552,540 | 17,155,563 | 9,396,977 |
| Tobacco Settlement | | | |
| Elected Officials | | | |
| Millennium Scholarship Fund | 48,800,758 | 24,662,556 | 24,138,202 |
| Millennium Scholarship Administration | 374,750 | 337,798 | 36,952 |
| Guinn Memorial Millennium Scholarship Fund | 442,339 | 9,000 | 433,339 |
| Trust Fund for Healthy Nevada | 67,937,351 | 29,376,648 | 38,560,703 |
| MSA Compliance Administration | 975,493 | 631,287 | 344,206 |
| Human Services | | | |
| Tobacco Settlement Program | 5,429,581 | 5,030,895 | 398,686 |
| Senior RX and Disability RX | 5,048,144 | 3,201,523 | 1,846,621 |
| Healthy Nevada Fund Administration | 9,032,561 | - | 9,032,561 |
| Total | 138,040,977 | 63,249,707 | 74,791,270 |
| Attorney General Settlement | | | |
| Public Safety | | | |
| National Settlement Administration | 30,566,018 | 4,378,454 | 26,187,564 |
| Total | 30,566,018 | 4,378,454 | 26,187,564 |
| Gift | | | |
| Education | | | |
| Education Gift Fund | 21,000 | - | 21,000 |
| Library and Archives Gift Fund | 645,203 | 25,545 | 619,658 |

| | Final Budget | Actual | Variance |
|--|-------------------------|-------------------------|-----------------------|
| Human Services | | | |
| Rural Services Gift Account | \$ 12,622 | \$ - | \$ 12,622 |
| SNAMHS Gift Fund | 29,198 | - | 29,198 |
| Health Division Gifts | 36,911 | 34,865 | 2,046 |
| Aging Services Gift | 55,709 | 700 | 55,009 |
| CBS Washoe Gift Fund | 23,023 | - | 23,023 |
| Indian Commission Gift Acct | 72,531 | 6,802 | 65,729 |
| Hospital Gift Fund | 236,550 | - | 236,550 |
| SRC Gift Fund | 10,831 | - | 10,831 |
| NV Equal Rights Commission Gift Fund | 9,441 | 2,181 | 7,260 |
| Blind Gift Fund | 401,063 | 10,000 | 391,063 |
| Welfare Gift Fund | 9,887 | - | 9,887 |
| Rehabilitation Gift Fund | 36,804 | 10,220 | 26,584 |
| Henry Woods Christmas Fund | 598 | - | 598 |
| Nevada Children's Gift Account | 592,808 | 10,000 | 582,808 |
| CYC Gift Fund | 3,296 | 800 | 2,496 |
| Youth Training Center Gift Fund | 40,453 | - | 40,453 |
| DRC Gift Fund | 8,678 | - | 8,678 |
| Infrastructure | | | |
| Wildlife Trust Account | 625,917 | 231,251 | 394,666 |
| Park Gift and Grants | 316,712 | 76,551 | 240,161 |
| Total | 3,189,235 | 408,915 | 2,780,320 |
| Natural Resources | | | |
| Infrastructure | | | |
| Grants To Water Purveyors | 130,273 | - | 130,273 |
| Erosion Control Bond Q12 | 694,416 | 145,296 | 549,120 |
| Protect Lake Tahoe | 14,961,005 | 4,852,209 | 10,108,796 |
| Total | 15,785,694 | 4,997,505 | 10,788,189 |
| Miscellaneous | | | |
| Elected Officials | | | |
| Racketeering-Prosecution Account | 125 | - | 125 |
| Consumer Advocate | 6,265,886 | 3,273,874 | 2,992,012 |
| Unfair Trade Practices | 750,000 | 264,639 | 485,361 |
| Commerce and Industry | | | |
| Lot Rent Trust Subsidy | 637,907 | 368,460 | 269,447 |
| Museums and History Board Trust | 23,275 | 17,272 | 6,003 |
| Museums Administrator Trust | 38,997 | 23,284 | 15,713 |
| Nevada Historical Society Trust | 297,123 | 72,065 | 225,058 |
| Nevada State Museum Trust | 656,297 | 368,743 | 287,554 |
| Nevada Railroad Museum Trust | 314,131 | 212,212 | 101,919 |
| Lost City Museum Trust | 127,390 | 97,296 | 30,094 |
| LV Museum and Historical Society Trust | 134,350 | 65,038 | 69,312 |
| Human Services | | | |
| Radioactive Material Disposal | 1,244,610 | 598,411 | 646,199 |
| Finance and Administration | | | |
| Victims of Crime | 16,322,524 | 5,833,184 | 10,489,340 |
| Total | 26,812,615 | 11,194,478 | 15,618,137 |
| Legislative (Non-GAAP Fund) | | | |
| Legislative Branch | | | |
| Nevada Legislative Interim | 633,802 | 535,664 | 98,138 |
| Legislative Counsel Bureau | 57,278,173 | 45,573,345 | 11,704,828 |
| Audit Contingency Account | 361,766 | 333,457 | 28,309 |
| Total | 58,273,741 | 46,442,466 | 11,831,275 |
| Total Special Revenue Funds | \$ 1,741,419,526 | \$ 1,368,478,150 | \$ 372,941,376 |

**Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis
All Nonmajor Special Revenue Fund Budgets**

For the Fiscal Year Ended June 30, 2015

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---|----------------------|------------------------|--|-----------------------|------------------------|
| | Employment Security | | | Unemployment Compensation Bond | | |
| Fund balances, July 1 | \$ 13,200,672 | \$ 13,200,672 | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | | |
| Federal | 92,547,991 | 72,443,812 | (20,104,179) | - | - | - |
| Other taxes | - | - | - | 173,394,000 | 153,567,476 | (19,826,524) |
| Sales and charges for services | 1,017,991 | 613,291 | (404,700) | - | - | - |
| Licenses, fees and permits | 340,000 | 308,655 | (31,345) | - | - | - |
| Interest | 17,433 | 35,451 | 18,018 | 75,000 | 18,748 | (56,252) |
| Other | 14,916,701 | 14,678,569 | (238,132) | - | - | - |
| Other financing sources: | | | | | | |
| Transfer from other funds | 1,757,289 | 1,241,894 | (515,395) | - | - | - |
| Total sources | <u>\$123,798,077</u> | <u>\$102,522,344</u> | <u>\$ (21,275,733)</u> | <u>\$ 173,469,000</u> | <u>\$ 153,586,224</u> | <u>\$ (19,882,776)</u> |
| | Regulatory | | | Higher Education Capital Construction | | |
| Fund balances, July 1 | \$ 10,477,910 | \$ 10,477,910 | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | | |
| Gaming taxes, fees, licenses | - | - | - | 13,686,409 | 13,686,409 | - |
| Federal | 446,806 | 601,652 | 154,846 | - | - | - |
| Other taxes | 11,920,918 | 11,559,448 | (361,470) | - | - | - |
| Sales, charges for services | 5,642,894 | 5,571,570 | (71,324) | - | - | - |
| Licenses, fees and permits | 2,387,813 | 2,248,599 | (139,214) | - | - | - |
| Interest | 19,651 | 26,017 | 6,366 | - | - | - |
| Other | 429,851 | 489,007 | 59,156 | - | - | - |
| Other financing sources: | | | | | | |
| Transfer from other funds | 386,663 | 413,466 | 26,803 | - | - | - |
| Total sources | <u>\$ 31,712,506</u> | <u>\$ 31,387,669</u> | <u>\$ (324,837)</u> | <u>\$ 13,686,409</u> | <u>\$ 13,686,409</u> | <u>\$ -</u> |
| | Cleaning Up Petroleum Discharges | | | Hospital Care to Indigent Persons | | |
| Fund balances, July 1 | \$ 7,512,007 | \$ 7,512,007 | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | | |
| Other taxes | 13,500,000 | 12,982,804 | (517,196) | 19,077,445 | 12,075,458 | (7,001,987) |
| Intergovernmental | - | - | - | - | 3,499,750 | 3,499,750 |
| Licenses, fees and permits | 550,000 | 413,300 | (136,700) | - | - | - |
| Interest | 100,000 | 28,360 | (71,640) | 31,592 | 7,230 | (24,362) |
| Other | 100,000 | - | (100,000) | 114,000 | 78,000 | (36,000) |
| Total sources | <u>\$ 21,762,007</u> | <u>\$ 20,936,471</u> | <u>\$ (825,536)</u> | <u>\$ 19,223,037</u> | <u>\$ 15,660,438</u> | <u>\$ (3,562,599)</u> |
| | Tourism Promotion | | | Offenders' Store | | |
| Fund balances, July 1 | \$ 4,493,337 | \$ 4,493,337 | \$ - | \$ 4,803,851 | \$ 4,803,851 | \$ - |
| Revenues: | | | | | | |
| Other taxes | 20,588,026 | 20,469,690 | (118,336) | - | - | - |
| Sales, charges for services | - | - | - | 17,058,372 | 16,914,774 | (143,598) |
| Licenses, fees and permits | 50,815 | 50,815 | - | - | - | - |
| Interest | - | 495 | 495 | 29,488 | 26,283 | (3,205) |
| Other | 10,012 | 6,754 | (3,258) | 423,595 | 496,892 | 73,297 |
| Other financing sources: | | | | | | |
| Transfer from other funds | 115,827 | 245,174 | 129,347 | 4,237,234 | 2,880,000 | (1,357,234) |
| Total sources | <u>\$ 25,258,017</u> | <u>\$ 25,266,265</u> | <u>\$ 8,248</u> | <u>\$ 26,552,540</u> | <u>\$ 25,121,800</u> | <u>\$ (1,430,740)</u> |

(Continued)

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---|----------------------|------------------------|------------------------------------|----------------------|---------------------|
| | Tobacco Settlement | | | Attorney General Settlement | | |
| Fund balances, July 1 | \$ 70,147,469 | \$ 70,147,469 | \$ - | \$ 30,448,672 | \$ 30,448,672 | \$ - |
| Revenues: | | | | | | |
| Interest | 152,502 | 186,561 | 34,059 | 117,346 | 117,346 | - |
| Other | 40,255,970 | 39,802,601 | (453,369) | - | - | - |
| Other financing sources: | | | | | | |
| Transfer from other funds | 27,485,036 | 16,170,216 | (11,314,820) | - | - | - |
| Total sources | <u>\$138,040,977</u> | <u>\$126,306,847</u> | <u>\$ (11,734,130)</u> | <u>\$ 30,566,018</u> | <u>\$ 30,566,018</u> | <u>\$ -</u> |
| | Gift | | | Natural Resources | | |
| Fund balances, July 1 | \$ 2,356,556 | \$ 2,356,556 | \$ - | \$ 14,980,785 | \$ 14,980,785 | \$ - |
| Revenues: | | | | | | |
| Federal | - | - | - | 631,257 | 170,901 | (460,356) |
| Interest | 24,182 | 8,589 | (15,593) | 171,652 | 43,413 | (128,239) |
| Other | 804,253 | 405,797 | (398,456) | 2,000 | - | (2,000) |
| Other financing sources: | | | | | | |
| Transfer from other funds | 4,244 | 104,127 | 99,883 | - | - | - |
| Total sources | <u>\$ 3,189,235</u> | <u>\$ 2,875,069</u> | <u>\$ (314,166)</u> | <u>\$ 15,785,694</u> | <u>\$ 15,195,099</u> | <u>\$ (590,595)</u> |
| | Miscellaneous | | | Legislative (Non-GAAP Fund) | | |
| Fund balances, July 1 | \$ 10,910,320 | \$ 10,910,320 | \$ - | \$ 7,926,470 | \$ 7,926,470 | \$ - |
| Revenues: | | | | | | |
| Federal | 3,281,526 | 2,403,409 | (878,117) | - | - | - |
| Other taxes | 2,906,531 | 2,897,918 | (8,613) | - | - | - |
| Sales, charges for services | 694,804 | 700,971 | 6,167 | 997,200 | 946,142 | (51,058) |
| Licenses, fees and permits | 5,175,327 | 4,627,783 | (547,544) | 190,000 | 213,210 | 23,210 |
| Interest | 18,238 | 35,159 | 16,921 | - | - | - |
| Other | 5,100,566 | 4,312,830 | (787,736) | 364,268 | 365,879 | 1,611 |
| Other financing sources: | | | | | | |
| Transfer from other funds | 725,303 | 725,303 | - | 48,795,803 | 48,782,503 | (13,300) |
| Total sources | <u>\$ 28,812,615</u> | <u>\$ 26,613,693</u> | <u>\$ (2,198,922)</u> | <u>\$ 58,273,741</u> | <u>\$ 58,234,204</u> | <u>\$ (39,537)</u> |
| | Total Nonmajor Special Revenue Funds | | | | | |
| Fund balances, July 1 | \$177,258,049 | \$177,258,049 | \$ - | | | |
| Revenues: | | | | | | |
| Gaming taxes, fees, licenses | 13,686,409 | 13,686,409 | - | | | |
| Federal | 96,907,580 | 75,619,774 | (21,287,806) | | | |
| Other taxes | 241,386,920 | 213,552,794 | (27,834,126) | | | |
| Sales, charges for services | 25,411,261 | 24,746,748 | (664,513) | | | |
| Intergovernmental | - | 3,499,750 | 3,499,750 | | | |
| Licenses, fees and permits | 8,693,955 | 7,862,362 | (831,593) | | | |
| Interest | 757,084 | 533,652 | (223,432) | | | |
| Other | 62,521,216 | 60,636,329 | (1,884,887) | | | |
| Other financing sources: | | | | | | |
| Transfer from other funds | 83,507,399 | 70,562,683 | (12,944,716) | | | |
| Total sources | <u>\$710,129,873</u> | <u>\$647,958,550</u> | <u>\$ (62,171,323)</u> | | | |



 **NATIONAL
CHAMPIONSHIP
AIR RACES®**
AND AIR SHOW

NONMAJOR ENTERPRISE FUNDS

Workers' Compensation and Safety Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

Insurance Administration and Enforcement Accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance (NRS 680C.100).

Gaming Investigative Accounts for activities related to investigations of gaming license applicants (NRS 463.331).

Forestry Nurseries Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

Prison Industry Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

Nevada Magazine Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

Marlette Lake Water System Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2015

| | Workers' Compensation and Safety | Insurance Admin and Enforcement | Gaming Investigative | Forestry Nurseries |
|---|-------------------------------------|------------------------------------|-------------------------|--------------------|
| Assets | | | | |
| Current assets: | | | | |
| <i>Cash and pooled investments:</i> | | | | |
| Cash with treasurer | \$ 35,201,792 | \$ 6,903,468 | \$ 10,919,649 | \$ 464,255 |
| Cash in custody of other officials | 250 | - | 218,271 | 100 |
| <i>Receivables:</i> | | | | |
| Accounts receivable | 5,544,629 | 277,585 | 98,406 | 5,981 |
| Assessments receivable | - | 250 | - | - |
| Intergovernmental receivables | 292,114 | 75,034 | - | - |
| Due from other funds | 946,722 | 25,499 | 997 | 42,131 |
| Due from fiduciary funds | - | - | - | - |
| Inventory | - | - | - | 190,061 |
| Prepaid items | - | 157,219 | 4,392 | - |
| Total current assets | 41,985,507 | 7,439,055 | 11,241,715 | 702,528 |
| Noncurrent assets: | | | | |
| <i>Receivables:</i> | | | | |
| Other assets | - | - | - | - |
| <i>Capital assets:</i> | | | | |
| Land | - | - | - | - |
| Buildings | - | - | - | - |
| Improvements other than buildings | - | - | - | - |
| Furniture and equipment | 2,414,920 | 220,621 | 163,726 | 60,965 |
| Construction in progress | - | - | - | - |
| Less accumulated depreciation | (2,199,916) | (194,805) | (163,726) | (60,965) |
| Total noncurrent assets | 215,004 | 25,816 | - | - |
| Total assets | 42,200,511 | 7,464,871 | 11,241,715 | 702,528 |
| Deferred Outflows of Resources | | | | |
| Deferred charge on refunding | - | - | - | - |
| Pension contributions | 1,936,722 | 693,942 | - | 16,424 |
| Total deferred outflows of resources | 1,936,722 | 693,942 | - | 16,424 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| <i>Accounts payable and accruals:</i> | | | | |
| Accounts payable | 926,727 | 92,135 | 39,800 | 3,886 |
| Accrued payroll and related liabilities | 898,639 | 321,242 | - | 9,094 |
| Interest payable | - | - | - | - |
| Intergovernmental payables | 3,586 | - | 224 | - |
| Due to other funds | 85,398 | 36,822 | 1,727,562 | 22,582 |
| Due to fiduciary funds | 3 | - | - | 548 |
| Unearned revenues | - | - | 9,222,129 | - |
| Other liabilities | - | - | - | - |
| <i>Short-term portion of long-term liabilities:</i> | | | | |
| Compensated absences | 749,749 | 245,080 | - | 4,777 |
| Bonds payable | - | - | - | - |
| Total current liabilities | 2,664,102 | 695,279 | 10,989,715 | 40,887 |
| Noncurrent liabilities: | | | | |
| Advances from general fund | - | - | - | 227,370 |
| Net pension obligation | 18,437,910 | 6,606,436 | - | 156,359 |
| Compensated absences | 441,569 | 100,310 | - | 1,146 |
| Bonds payable | - | - | - | - |
| Total noncurrent liabilities | 18,879,479 | 6,706,746 | - | 384,875 |
| Total liabilities | 21,543,581 | 7,402,025 | 10,989,715 | 425,762 |
| Deferred Inflows of Resources | | | | |
| Pension related amounts | 5,277,971 | 1,891,135 | - | 44,759 |
| Total deferred inflows of resources | 5,277,971 | 1,891,135 | - | 44,759 |
| Net Position | | | | |
| Net investment in capital assets | 215,004 | 25,816 | - | - |
| Restricted for workers' compensation | 38,481,574 | - | - | - |
| Restricted for regulation of business | - | - | 2,000 | - |
| Unrestricted (deficit) | (21,380,897) | (1,160,163) | 250,000 | 248,431 |
| Total net position | \$ 17,315,681 | \$ (1,134,347) | \$ 252,000 | \$ 248,431 |

| Prison Industry | Nevada Magazine | Marlette Lake Water System | Total |
|---------------------|---------------------|-------------------------------|----------------------|
| \$ 2,777,827 | \$ 164,771 | \$ 746,775 | \$ 57,178,537 |
| 100 | - | - | 218,721 |
| 469,863 | 89,927 | - | 6,486,391 |
| - | - | - | 250 |
| 176,982 | - | 79,131 | 623,261 |
| 109,595 | 4,211 | 23 | 1,129,178 |
| 9,712 | - | - | 9,712 |
| 1,293,404 | 31,886 | - | 1,515,351 |
| - | 9,058 | - | 170,669 |
| <u>4,837,483</u> | <u>299,853</u> | <u>825,929</u> | <u>67,332,070</u> |
| 15,000 | - | - | 15,000 |
| 153,140 | - | 414,672 | 567,812 |
| 2,890,227 | - | 498,613 | 3,388,840 |
| - | - | 630,647 | 630,647 |
| 1,037,007 | - | 1,464,725 | 5,361,964 |
| - | - | 10,703,713 | 10,703,713 |
| (3,411,231) | - | (2,505,357) | (8,536,000) |
| <u>684,143</u> | <u>-</u> | <u>11,207,013</u> | <u>12,131,976</u> |
| <u>5,521,626</u> | <u>299,853</u> | <u>12,032,942</u> | <u>79,464,046</u> |
| - | - | 94,412 | 94,412 |
| 249,010 | 65,905 | 28,396 | 2,990,399 |
| <u>249,010</u> | <u>65,905</u> | <u>122,808</u> | <u>3,084,811</u> |
| 171,933 | 33,856 | 59,067 | 1,327,404 |
| 80,514 | 33,764 | 9,017 | 1,352,270 |
| - | - | 44,315 | 44,315 |
| 30 | - | 358 | 4,198 |
| 16,505 | 5,322 | 2,465 | 1,896,656 |
| 56,705 | - | - | 57,256 |
| 73,507 | 135,307 | - | 9,430,943 |
| 10,000 | - | 2,050 | 12,050 |
| 91,664 | 19,086 | 16,887 | 1,127,243 |
| - | - | 229,358 | 229,358 |
| <u>500,858</u> | <u>227,335</u> | <u>363,517</u> | <u>15,481,693</u> |
| - | - | - | 227,370 |
| 2,370,618 | 627,430 | 270,331 | 28,469,084 |
| 104,021 | 4,579 | 6,743 | 658,368 |
| - | - | 8,496,953 | 8,496,953 |
| <u>2,474,639</u> | <u>632,009</u> | <u>8,774,027</u> | <u>37,851,775</u> |
| <u>2,975,497</u> | <u>859,344</u> | <u>9,137,544</u> | <u>53,333,468</u> |
| 678,605 | 179,606 | 77,384 | 8,149,460 |
| <u>678,605</u> | <u>179,606</u> | <u>77,384</u> | <u>8,149,460</u> |
| 669,143 | - | 2,480,702 | 3,390,665 |
| - | - | - | 38,481,574 |
| - | - | - | 2,000 |
| 1,447,391 | (673,192) | 460,120 | (20,808,310) |
| <u>\$ 2,116,534</u> | <u>\$ (673,192)</u> | <u>\$ 2,940,822</u> | <u>\$ 21,065,929</u> |

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

For the Fiscal Year Ended June 30, 2015

| | Workers' Compensation and Safety | Insurance Admin and Enforcement | Gaming Investigative | Forestry Nurseries |
|---|--|---------------------------------------|-------------------------|-----------------------|
| Operating Revenues | | | | |
| Sales | \$ - | \$ - | \$ - | \$ 456,719 |
| Assessments | - | 300,596 | - | - |
| Charges for services | 7,195 | 2,288 | 12,547,166 | - |
| Rental income | - | - | - | - |
| Licenses, fees and permits | 27,254,067 | 11,346,714 | - | - |
| Fines | 3,382,655 | 53,545 | - | - |
| Other | 4,159,772 | - | - | 75,807 |
| Total operating revenues | 34,803,689 | 11,703,143 | 12,547,166 | 532,526 |
| Operating Expenses | | | | |
| Salaries and benefits | 15,862,401 | 5,759,898 | 10,390,162 | 112,272 |
| Operating | 5,249,985 | 4,452,720 | 932,180 | 57,849 |
| Claims and benefits expense | 5,884,877 | - | - | - |
| Materials or supplies used | - | - | - | 204,163 |
| Depreciation | 118,091 | 48,118 | - | - |
| Total operating expenses | 27,115,354 | 10,260,736 | 11,322,342 | 374,284 |
| Operating income (loss) | 7,688,335 | 1,442,407 | 1,224,824 | 158,242 |
| Nonoperating Revenues (Expenses) | | | | |
| Interest and investment income | 1,293,652 | 71,388 | - | - |
| Interest expense | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Federal grants | 2,442,451 | 815,034 | - | - |
| Total nonoperating revenues (expenses) | 3,736,103 | 886,422 | - | - |
| Income (loss) before transfers | 11,424,438 | 2,328,829 | 1,224,824 | 158,242 |
| Transfers | | | | |
| Transfers in | - | 13,720 | - | - |
| Transfers out | (10,094,133) | (968,150) | (1,224,824) | - |
| Change in net position | 1,330,305 | 1,374,399 | - | 158,242 |
| Net position, July 1 (as restated) | 15,985,376 | (2,508,746) | 252,000 | 90,189 |
| Net position, June 30 | \$ 17,315,681 | \$ (1,134,347) | \$ 252,000 | \$ 248,431 |

| <u>Prison Industry</u> | <u>Nevada Magazine</u> | <u>Marlette Lake Water System</u> | <u>Total</u> |
|------------------------|------------------------|---------------------------------------|----------------------|
| \$ 4,111,807 | \$ 1,011,446 | \$ 883,413 | \$ 6,463,385 |
| - | - | - | 300,596 |
| 531,502 | - | - | 13,088,151 |
| 106,100 | - | - | 106,100 |
| - | - | - | 38,600,781 |
| - | - | - | 3,436,200 |
| 110,715 | 11,680 | 145,188 | 4,503,162 |
| <u>4,860,124</u> | <u>1,023,126</u> | <u>1,028,601</u> | <u>66,498,375</u> |
| 1,595,484 | 570,469 | 189,430 | 34,480,116 |
| 2,113,590 | 169,669 | 259,154 | 13,235,147 |
| - | - | - | 5,884,877 |
| 2,375,577 | 296,551 | - | 2,876,291 |
| 113,266 | - | 30,776 | 310,251 |
| <u>6,197,917</u> | <u>1,036,689</u> | <u>479,360</u> | <u>56,786,682</u> |
| <u>(1,337,793)</u> | <u>(13,563)</u> | <u>549,241</u> | <u>9,711,693</u> |
| 36,949 | - | - | 1,401,989 |
| - | - | (381,198) | (381,198) |
| - | - | (12,300) | (12,300) |
| 1,989,738 | - | - | 5,247,223 |
| <u>2,026,687</u> | <u>-</u> | <u>(393,498)</u> | <u>6,255,714</u> |
| 688,894 | (13,563) | 155,743 | 15,967,407 |
| - | - | 1,606 | 15,326 |
| (32,167) | - | - | (12,319,274) |
| <u>656,727</u> | <u>(13,563)</u> | <u>157,349</u> | <u>3,663,459</u> |
| 1,459,807 | (659,629) | 2,783,473 | 17,402,470 |
| <u>\$ 2,116,534</u> | <u>\$ (673,192)</u> | <u>\$ 2,940,822</u> | <u>\$ 21,065,929</u> |

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2015

| | Workers' Compensation and Safety | Insurance Admin and Enforcement | Gaming Investigative |
|---|---|--|---------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and users | \$ 50,682,079 | \$ 10,628,533 | \$ 12,379,489 |
| Receipts for interfund services provided | 57,528 | 893,361 | - |
| Payments to suppliers, other governments and beneficiaries | (33,844,575) | (2,458,649) | (895,143) |
| Payments to employees | (15,232,926) | (5,618,778) | (11,090,162) |
| Payments for interfund services used | (3,545,607) | (2,275,532) | (39,434) |
| Payments to component units | (215) | - | - |
| Net cash provided by (used for) operating activities | <u>(1,883,716)</u> | <u>1,168,935</u> | <u>354,750</u> |
| Cash flows from noncapital financing activities | | | |
| Grant receipts | 2,150,337 | 740,000 | - |
| Transfers and advances from other funds | - | 13,720 | - |
| Transfers and advances to other funds | (10,475,622) | (968,150) | (1,183,212) |
| Net cash provided by (used for) noncapital financing activities | <u>(8,325,285)</u> | <u>(214,430)</u> | <u>(1,183,212)</u> |
| Cash flows from capital and related financing activities | | | |
| Proceeds from capital debt | - | - | - |
| Purchase of capital assets | (81,706) | - | - |
| Principal paid on capital debt | - | - | - |
| Interest paid on capital debt | - | - | - |
| Bond issuance costs | - | - | - |
| Payments on construction projects | - | - | - |
| Net cash provided by (used for) capital and related financing activities | <u>(81,706)</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities | | | |
| Interest, dividends and gains (losses) | 1,368,724 | 76,424 | - |
| Net cash provided by (used for) investing activities | <u>1,368,724</u> | <u>76,424</u> | <u>-</u> |
| Net increase (decrease) in cash | (8,921,983) | 1,030,929 | (828,462) |
| Cash and cash equivalents, July 1 | 44,124,025 | 5,872,539 | 11,966,382 |
| Cash and cash equivalents, June 30 | <u>\$ 35,202,042</u> | <u>\$ 6,903,468</u> | <u>\$ 11,137,920</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities | | | |
| Operating income (loss) | \$ 7,688,335 | \$ 1,442,407 | \$ 1,224,824 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | |
| Depreciation | 118,091 | 48,118 | - |
| Decrease (increase) in accrued interest and receivables | 974,571 | (181,249) | 36,871 |
| Decrease (increase) in inventory, deferred charges, other assets | 136,297 | (100,615) | 19,769 |
| Decrease (increase) in deferred outflows of resources | (53,769) | 19,406 | - |
| Increase (decrease) in accounts payable, accruals, other liabilities | (11,199,272) | (221,098) | (926,714) |
| Increase (decrease) in unearned revenue | - | - | - |
| Increase (decrease) in net pension liability | (4,825,940) | (1,729,169) | - |
| Increase (decrease) in deferred inflows of resources | 5,277,971 | 1,891,135 | - |
| Total adjustments | <u>(9,572,051)</u> | <u>(273,472)</u> | <u>(870,074)</u> |
| Net cash provided by (used for) operating activities | <u>\$ (1,883,716)</u> | <u>\$ 1,168,935</u> | <u>\$ 354,750</u> |

| Forestry Nurseries | Prison Industry | Nevada Magazine | Marlette Lake Water System | Total |
|--------------------|-----------------|-----------------|----------------------------|---------------|
| \$ 223,263 | \$ 3,364,633 | \$ 694,094 | \$ 1,028,353 | \$ 79,000,444 |
| 371,293 | 1,651,728 | 319,481 | - | 3,293,391 |
| (247,895) | (2,939,699) | (410,153) | (141,746) | (40,937,860) |
| (115,697) | (1,538,625) | (539,632) | (176,330) | (34,312,150) |
| (22,440) | (1,663,427) | (42,087) | (64,377) | (7,652,904) |
| - | (185) | - | (3,514) | (3,914) |
| 208,524 | (1,125,575) | 21,703 | 642,386 | (612,993) |
| - | 1,981,014 | - | - | 4,871,351 |
| - | - | - | 1,606 | 15,326 |
| - | (32,167) | - | - | (12,659,151) |
| - | 1,948,847 | - | 1,606 | (7,772,474) |
| - | - | - | 1,020,000 | 1,020,000 |
| - | (63,675) | - | - | (145,381) |
| (20,670) | - | - | (1,170,000) | (1,190,670) |
| - | - | - | (461,454) | (461,454) |
| - | - | - | (12,300) | (12,300) |
| - | - | - | (365,639) | (365,639) |
| (20,670) | (63,675) | - | (989,393) | (1,155,444) |
| - | 34,603 | - | - | 1,479,751 |
| - | 34,603 | - | - | 1,479,751 |
| 187,854 | 794,200 | 21,703 | (345,401) | (8,061,160) |
| 276,501 | 1,983,727 | 143,068 | 1,092,176 | 65,458,418 |
| \$ 464,355 | \$ 2,777,927 | \$ 164,771 | \$ 746,775 | \$ 57,397,258 |
| \$ 158,242 | \$ (1,337,793) | \$ (13,563) | \$ 549,241 | \$ 9,711,693 |
| - | 113,266 | - | 30,776 | 310,251 |
| 54,939 | 193,441 | 17,854 | (248) | 1,096,179 |
| 571 | (97,974) | 26,122 | 1,490 | (14,340) |
| (1,585) | (7,696) | 6,821 | (325) | (37,148) |
| (7,477) | (46,938) | (3,509) | 54,824 | (12,350,184) |
| - | - | (27,405) | - | (27,405) |
| (40,925) | (620,486) | (164,223) | (70,756) | (7,451,499) |
| 44,759 | 678,605 | 179,606 | 77,384 | 8,149,460 |
| 50,282 | 212,218 | 35,266 | 93,145 | (10,324,686) |
| \$ 208,524 | \$ (1,125,575) | \$ 21,703 | \$ 642,386 | \$ (612,993) |



INTERNAL SERVICE FUNDS

Self-Insurance Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

Buildings and Grounds Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

Fleet Services Accounts for the operations of the State vehicle fleet (NRS 336.110).

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 378.143).

Insurance Premiums Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

Administrative Services Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

Personnel Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

Purchasing Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

Information Services Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

Printing Accounts for the operation of the State printing facilities (NRS 344.090).

Combining Statement of Net Position Internal Service Funds

June 30, 2015

| | Self-Insurance | Buildings and Grounds | Fleet Services | Communications |
|---|----------------------|--------------------------|---------------------|---------------------|
| Assets | | | | |
| Current assets: | | | | |
| <i>Cash and pooled investments:</i> | | | | |
| Cash with treasurer | \$ 143,287,592 | \$ 4,374,940 | \$ 1,330,326 | \$ 383,376 |
| <i>Receivables:</i> | | | | |
| Accounts receivable | 548,971 | 8,947 | 1,940 | - |
| Intergovernmental receivables | 2,963,060 | - | 1,685 | 1,210 |
| Notes receivable | - | - | - | - |
| Due from other funds | 4,953,747 | 690,167 | 442,821 | 630,687 |
| Due from fiduciary funds | 2,892,614 | - | - | 89 |
| Due from component units | 15,321 | - | 12,699 | 115 |
| Inventory | - | - | - | - |
| Prepaid items | - | - | - | - |
| Total current assets | 154,661,305 | 5,074,054 | 1,789,471 | 1,015,477 |
| Noncurrent assets: | | | | |
| Notes receivable | - | - | - | - |
| Other assets | - | - | - | - |
| <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 | 355,040 | 747,041 | 17,606,702 | 1,082,604 |
| Software costs | - | - | - | - |
| Less accumulated depreciation/amortization | (317,876) | (2,281,447) | (13,641,235) | (1,205,435) |
| Total noncurrent assets | 37,164 | 1,045,278 | 7,344,212 | 299,620 |
| Total assets | 154,698,469 | 6,119,332 | 9,133,683 | 1,315,097 |
| Deferred Inflows of Resources | | | | |
| Pension contributions | 281,658 | 687,858 | 90,454 | 130,530 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| <i>Accounts payable and accruals:</i> | | | | |
| Accounts payable | 6,233,685 | 1,184,506 | 213,891 | 5,390 |
| Accrued payroll and related liabilities | 129,761 | 277,730 | 48,272 | 55,345 |
| Intergovernmental payables | - | 40,787 | 332 | - |
| Bank overdraft | 4,000,485 | - | - | - |
| Due to other funds | 10,155 | 83,391 | 188,378 | 28,514 |
| Due to fiduciary funds | 702 | 6,849 | 211 | - |
| Due to component units | - | 12 | - | - |
| Unearned revenues | 298,605 | - | - | - |
| <i>Short-term portion of long-term liabilities:</i> | | | | |
| Reserve for losses | 60,658,342 | - | - | - |
| Compensated absences | 119,712 | 250,491 | 43,298 | 59,324 |
| Bonds payable | - | - | - | - |
| Obligations under capital leases | - | - | - | - |
| Total current liabilities | 71,451,447 | 1,843,766 | 494,382 | 148,573 |
| Noncurrent liabilities: | | | | |
| <i>Advances:</i> | | | | |
| Advances from general fund | - | - | 2,187,500 | - |
| Advances from debt service fund | - | - | - | - |
| Reserve for losses | - | - | - | - |
| Net pension obligation | 2,681,426 | 6,548,516 | 861,143 | 1,242,666 |
| Compensated absences | 69,693 | 127,611 | 50,179 | 51,673 |
| Bonds payable | - | - | - | - |
| Obligations under capital leases | - | - | - | - |
| Total noncurrent liabilities | 2,751,119 | 6,676,127 | 3,098,822 | 1,294,339 |
| Total liabilities | 74,202,566 | 8,519,893 | 3,593,204 | 1,442,912 |
| Deferred Inflows of Resources | | | | |
| Pension related amounts | 767,576 | 1,874,555 | 246,507 | 355,721 |
| Net Position | | | | |
| Net investment in capital assets | 37,164 | 1,045,278 | 7,344,212 | 299,620 |
| Unrestricted (deficit) | 79,972,821 | (4,632,536) | (1,959,786) | (652,626) |
| Total net position | \$ 80,009,985 | \$ (3,587,258) | \$ 5,384,426 | \$ (353,006) |

| Insurance Premiums | Administrative Services | Personnel | Purchasing | Information Services | Printing | Total |
|------------------------|----------------------------|-----------------------|-----------------------|-------------------------|---------------------|---------------------|
| \$ 14,073,447 | \$ 731,023 | \$ 1,331,102 | \$ 499,017 | \$ 3,526,532 | \$ 1,100,736 | \$ 170,638,091 |
| 574 | - | - | - | 13,828 | 39,904 | 614,164 |
| - | - | - | 25 | 58,384 | - | 3,024,364 |
| 5,000 | - | - | - | - | - | 5,000 |
| 1,201,701 | - | 3,127 | 39 | 2,641,859 | 312,083 | 10,876,231 |
| - | - | - | - | - | - | 2,892,703 |
| 44 | - | - | - | 1,804 | - | 29,983 |
| - | - | - | - | - | 275,320 | 275,320 |
| 186,992 | - | 5,278 | - | - | - | 192,270 |
| <u>15,467,758</u> | <u>731,023</u> | <u>1,339,507</u> | <u>499,081</u> | <u>6,242,407</u> | <u>1,728,043</u> | <u>188,548,126</u> |
| 80,000 | - | - | - | - | - | 80,000 |
| - | - | - | - | 4,445 | - | 4,445 |
| - | - | - | 95,554 | 15,000 | - | 1,032,737 |
| - | - | - | 140,000 | 14,762,838 | 744,617 | 20,392,485 |
| - | - | - | - | - | 3,125,954 | 3,839,621 |
| 36,877 | 52,240 | 161,062 | 152,380 | 30,274,863 | 3,870,870 | 54,339,679 |
| - | - | 15,323,810 | - | - | - | 15,323,810 |
| (32,848) | (52,064) | (15,465,166) | (292,380) | (32,601,561) | (4,994,387) | (70,884,399) |
| <u>84,029</u> | <u>176</u> | <u>19,706</u> | <u>95,554</u> | <u>12,455,585</u> | <u>2,747,054</u> | <u>24,128,378</u> |
| <u>15,551,787</u> | <u>731,199</u> | <u>1,359,213</u> | <u>594,635</u> | <u>18,697,992</u> | <u>4,475,097</u> | <u>212,676,504</u> |
| 86,662 | 273,054 | 688,134 | 290,536 | 2,021,811 | 120,718 | 4,671,415 |
| 514,998 | 4,112 | 39,730 | 14,508 | 586,526 | 11,917 | 8,809,263 |
| 47,720 | 113,641 | 294,380 | 109,233 | 816,543 | 74,539 | 1,967,164 |
| - | - | - | 35 | 6,832 | - | 47,986 |
| - | - | - | - | - | - | 4,000,485 |
| 16,323 | 14,446 | 318,140 | 21,201 | 636,659 | 7,148 | 1,324,355 |
| - | - | - | - | 12 | 5,949 | 13,723 |
| 17,846 | - | - | - | - | - | 17,858 |
| - | - | - | - | - | - | 298,605 |
| 16,712,388 | - | - | - | - | - | 77,370,730 |
| 36,206 | 113,260 | 311,541 | 115,483 | 792,676 | 74,347 | 1,916,338 |
| - | - | - | - | 513,323 | - | 513,323 |
| - | - | - | - | 689,650 | - | 689,650 |
| <u>17,345,481</u> | <u>245,459</u> | <u>963,791</u> | <u>260,460</u> | <u>4,042,221</u> | <u>173,900</u> | <u>96,969,480</u> |
| - | - | - | - | 383,185 | - | 2,570,685 |
| - | - | - | - | 753,183 | - | 753,183 |
| 48,026,180 | - | - | - | - | - | 48,026,180 |
| 825,038 | 2,599,515 | 6,551,158 | 2,765,945 | 19,247,972 | 1,032,823 | 44,356,202 |
| 24,348 | 56,905 | 249,570 | 103,448 | 617,661 | 70,180 | 1,421,268 |
| - | - | - | - | 4,736,249 | - | 4,736,249 |
| - | - | - | - | 648,976 | - | 648,976 |
| <u>48,875,566</u> | <u>2,656,420</u> | <u>6,800,728</u> | <u>2,869,393</u> | <u>26,387,226</u> | <u>1,103,003</u> | <u>102,512,743</u> |
| <u>66,221,047</u> | <u>2,901,879</u> | <u>7,764,519</u> | <u>3,129,853</u> | <u>30,429,447</u> | <u>1,276,903</u> | <u>199,482,223</u> |
| 236,173 | 744,128 | 1,875,311 | 791,769 | 5,509,857 | 291,424 | 12,693,021 |
| 4,029 | 176 | 19,706 | 95,554 | 5,979,413 | 2,747,054 | 17,572,206 |
| (50,822,800) | (2,641,930) | (7,612,189) | (3,132,005) | (21,198,914) | 280,434 | (12,399,531) |
| <u>\$ (50,818,771)</u> | <u>\$ (2,641,754)</u> | <u>\$ (7,592,483)</u> | <u>\$ (3,036,451)</u> | <u>\$ (15,219,501)</u> | <u>\$ 3,027,488</u> | <u>\$ 5,172,675</u> |

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

For the Fiscal Year Ended June 30, 2015

| | Self-Insurance | Buildings and Grounds | Fleet Services | Communications |
|---|----------------------|--------------------------|---------------------|---------------------|
| Operating Revenues | | | | |
| Net premium income | \$ 318,205,286 | \$ - | \$ - | \$ - |
| Sales | - | - | - | - |
| Charges for services | - | 1,234,060 | 59,288 | 6,687,280 |
| Rental income | - | 14,676,028 | 4,880,387 | - |
| Other | 282,212 | 60,967 | - | - |
| Total operating revenues | 318,487,498 | 15,971,055 | 4,939,675 | 6,687,280 |
| Operating Expenses | | | | |
| Salaries and benefits | 2,175,236 | 5,459,454 | 887,607 | 1,037,026 |
| Operating | 6,999,305 | 10,945,964 | 2,099,234 | 5,727,903 |
| Claims expense | 221,214,737 | - | - | - |
| Materials or supplies used | - | - | 261,241 | - |
| Depreciation | 19,751 | 121,174 | 1,348,252 | 37,158 |
| Insurance premiums | 122,796,623 | - | - | - |
| Total operating expenses | 353,205,652 | 16,526,592 | 4,596,334 | 6,802,087 |
| Operating income (loss) | (34,718,154) | (555,537) | 343,341 | (114,807) |
| Nonoperating Revenues (Expenses) | | | | |
| Interest and investment income | 3,147,036 | - | - | - |
| Interest expense | - | - | - | - |
| Gain (loss) on disposal of assets | - | 2,366 | 122,876 | - |
| Total nonoperating revenues (expenses) | 3,147,036 | 2,366 | 122,876 | - |
| Income (loss) before transfers | (31,571,118) | (553,171) | 466,217 | (114,807) |
| Transfers | | | | |
| Transfers in | - | 332 | 891,319 | - |
| Transfers out | - | - | - | - |
| Change in net position | (31,571,118) | (552,839) | 1,357,536 | (114,807) |
| Net position, July 1 (as restated) | 111,581,103 | (3,034,419) | 4,026,890 | (238,199) |
| Net position, June 30 | \$ 80,009,985 | \$ (3,587,258) | \$ 5,384,426 | \$ (353,006) |

| Insurance Premiums | Administrative Services | Personnel | Purchasing | Information Services | Printing | Total |
|------------------------|-------------------------|-----------------------|-----------------------|------------------------|---------------------|---------------------|
| \$ 23,921,110 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 342,126,396 |
| - | - | - | - | - | 2,433,621 | 2,433,621 |
| - | 2,469,094 | 7,323,870 | 2,691,102 | 24,943,869 | - | 45,408,563 |
| - | - | - | - | 203,544 | - | 19,759,959 |
| 93,632 | - | 31,553 | 24 | 1,174 | 14,009 | 483,571 |
| <u>24,014,742</u> | <u>2,469,094</u> | <u>7,355,423</u> | <u>2,691,126</u> | <u>25,148,587</u> | <u>2,447,630</u> | <u>410,212,110</u> |
| 693,647 | 2,085,743 | 5,099,655 | 1,955,841 | 15,141,401 | 1,358,071 | 35,893,681 |
| 2,015,206 | 313,856 | 2,873,540 | 725,334 | 7,479,029 | 488,229 | 39,667,600 |
| 11,898,923 | - | - | - | - | - | 233,113,660 |
| - | - | - | - | - | 464,801 | 726,042 |
| 800 | 1,018 | 10,475 | 316 | 3,841,230 | 271,354 | 5,651,528 |
| 5,045,782 | - | - | - | - | - | 127,842,405 |
| <u>19,654,358</u> | <u>2,400,617</u> | <u>7,983,670</u> | <u>2,681,491</u> | <u>26,461,660</u> | <u>2,582,455</u> | <u>442,894,916</u> |
| <u>4,360,384</u> | <u>68,477</u> | <u>(628,247)</u> | <u>9,635</u> | <u>(1,313,073)</u> | <u>(134,825)</u> | <u>(32,682,806)</u> |
| 430 | - | - | - | - | - | 3,147,466 |
| - | - | - | - | (4,848) | - | (4,848) |
| - | - | - | - | (1,766,718) | - | (1,641,476) |
| <u>430</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,771,566)</u> | <u>-</u> | <u>1,501,142</u> |
| <u>4,360,814</u> | <u>68,477</u> | <u>(628,247)</u> | <u>9,635</u> | <u>(3,084,639)</u> | <u>(134,825)</u> | <u>(31,181,664)</u> |
| - | - | - | - | 688,430 | 159,280 | 1,739,361 |
| (50,000) | - | - | - | (41,132) | - | (91,132) |
| <u>4,310,814</u> | <u>68,477</u> | <u>(628,247)</u> | <u>9,635</u> | <u>(2,437,341)</u> | <u>24,455</u> | <u>(29,533,435)</u> |
| <u>(55,129,585)</u> | <u>(2,710,231)</u> | <u>(6,964,236)</u> | <u>(3,046,086)</u> | <u>(12,782,160)</u> | <u>3,003,033</u> | <u>34,706,110</u> |
| <u>\$ (50,818,771)</u> | <u>\$ (2,641,754)</u> | <u>\$ (7,592,483)</u> | <u>\$ (3,036,451)</u> | <u>\$ (15,219,501)</u> | <u>\$ 3,027,488</u> | <u>\$ 5,172,675</u> |

Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 2015

| | Self- Insurance | Buildings and Grounds | Fleet Services | Communications |
|---|------------------------|--------------------------|---------------------|-------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 51,278,488 | \$ 22,690 | \$ 1,393 | \$ 9,533 |
| Receipts for interfund services provided | 176,065,722 | 15,816,414 | 4,814,503 | 6,679,147 |
| Receipts from component units | 70,719,703 | - | 90,489 | 5,293 |
| Receipts of principal on loans and notes | - | - | - | - |
| Payments to suppliers, other governments and beneficiaries | (334,667,160) | (8,781,093) | (1,369,951) | (5,319,670) |
| Payments to employees | (2,085,929) | (5,324,056) | (848,587) | (983,396) |
| Payments for interfund services used | (1,189,570) | (1,925,345) | (894,533) | (400,411) |
| Payments to component units | - | (156) | - | - |
| Net cash provided by (used for) operating activities | <u>(39,878,746)</u> | <u>(191,546)</u> | <u>1,793,314</u> | <u>(9,504)</u> |
| Cash flows from noncapital financing activities | | | | |
| Transfers and advances from other funds | - | 77,910 | 761,976 | - |
| Transfers and advances to other funds | - | - | (187,500) | - |
| Net cash provided by (used for) noncapital financing activities | <u>-</u> | <u>77,910</u> | <u>574,476</u> | <u>-</u> |
| Cash flows from capital and related financing activities | | | | |
| Proceeds from sale of capital assets | - | 2,366 | 128,241 | - |
| Purchase of capital assets | (5,160) | (42,729) | (2,074,403) | (11,435) |
| Principal paid on capital debt | - | - | - | - |
| Interest paid on capital debt | - | - | - | - |
| Net cash provided by (used for) capital and related financing activities | <u>(5,160)</u> | <u>(40,363)</u> | <u>(1,946,162)</u> | <u>(11,435)</u> |
| Cash flows from investing activities | | | | |
| Interest, dividends and gains (losses) | 3,328,721 | - | - | - |
| Net cash provided by (used for) investing activities | <u>3,328,721</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash | (36,555,185) | (153,999) | 421,628 | (20,939) |
| Cash and cash equivalents, July 1 | 179,842,777 | 4,528,939 | 908,698 | 404,315 |
| Cash and cash equivalents, June 30 | <u>\$ 143,287,592</u> | <u>\$ 4,374,940</u> | <u>\$ 1,330,326</u> | <u>\$ 383,376</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities | | | | |
| Operating income (loss) | \$ (34,718,154) | \$ (555,537) | \$ 343,341 | \$ (114,807) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | | | |
| Depreciation | 19,751 | 121,174 | 1,348,252 | 37,158 |
| Decrease (increase) in loans and notes receivable | - | - | - | - |
| Decrease (increase) in accrued interest and receivables | (6,781,676) | (131,951) | (33,290) | 6,268 |
| Decrease (increase) in inventory, deferred charges, other assets | 22,344 | 58,094 | 9,682 | 13,406 |
| Decrease (increase) in deferred outflows of resources | 164 | 86,287 | (8,411) | 9,691 |
| Increase (decrease) in accounts payable, accruals, other liabilities | 15,154,995 | 69,840 | 112,628 | 8,314 |
| Increase (decrease) in unearned revenue | (13,641,909) | - | - | - |
| Increase (decrease) in net pension liability | (701,837) | (1,714,008) | (225,395) | (325,255) |
| Increase (decrease) in deferred inflows of resources | 767,576 | 1,874,555 | 246,507 | 355,721 |
| Total adjustments | <u>(5,160,592)</u> | <u>363,991</u> | <u>1,449,973</u> | <u>105,303</u> |
| Net cash provided by (used for) operating activities | <u>\$ (39,878,746)</u> | <u>\$ (191,546)</u> | <u>\$ 1,793,314</u> | <u>\$ (9,504)</u> |

| Insurance Premiums | Administrative Services | Personnel | Purchasing | Information Services | Printing | Total |
|----------------------|-------------------------|---------------------|-------------------|-----------------------|---------------------|------------------------|
| \$ 197,598 | \$ - | \$ 12,001 | \$ 939 | \$ 703,280 | \$ 235,896 | \$ 52,461,818 |
| 23,590,917 | 2,469,094 | 7,243,786 | 2,702,355 | 24,200,951 | 1,997,519 | 265,580,408 |
| 244,024 | - | 246,442 | - | - | - | 71,305,951 |
| 5,000 | - | - | - | - | - | 5,000 |
| (8,675,106) | (44,154) | (804,958) | (86,706) | (6,794,338) | (794,006) | (367,337,142) |
| (654,425) | (1,979,111) | (4,831,700) | (1,880,464) | (14,422,774) | (1,314,735) | (34,325,177) |
| (11,128,052) | (267,605) | (2,180,828) | (702,985) | (258,726) | (348,285) | (19,296,340) |
| (86,071) | - | (14,563) | - | (78,293) | - | (179,083) |
| <u>3,493,885</u> | <u>178,224</u> | <u>(329,820)</u> | <u>33,139</u> | <u>3,350,100</u> | <u>(223,611)</u> | <u>(31,784,565)</u> |
| - | - | - | - | 754,992 | 159,280 | 1,754,158 |
| (50,000) | - | - | - | (41,132) | - | (278,632) |
| <u>(50,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>713,860</u> | <u>159,280</u> | <u>1,475,526</u> |
| - | - | - | - | - | - | 130,607 |
| - | - | - | - | (3,885,579) | (6,675) | (6,025,981) |
| - | - | (202,987) | - | (1,277,345) | - | (1,480,332) |
| - | - | - | - | (4,848) | - | (4,848) |
| <u>-</u> | <u>-</u> | <u>(202,987)</u> | <u>-</u> | <u>(5,167,772)</u> | <u>(6,675)</u> | <u>(7,380,554)</u> |
| 430 | - | - | - | - | - | 3,329,151 |
| <u>430</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,329,151</u> |
| 3,444,315 | 178,224 | (532,807) | 33,139 | (1,103,812) | (71,006) | (34,360,442) |
| 10,629,132 | 552,799 | 1,863,909 | 465,878 | 4,630,344 | 1,171,742 | 204,998,533 |
| <u>\$ 14,073,447</u> | <u>\$ 731,023</u> | <u>\$ 1,331,102</u> | <u>\$ 499,017</u> | <u>\$ 3,526,532</u> | <u>\$ 1,100,736</u> | <u>\$ 170,638,091</u> |
| | | | | | | |
| <u>\$ 4,093,384</u> | <u>\$ 68,477</u> | <u>\$ (628,247)</u> | <u>\$ 9,635</u> | <u>\$ (1,313,073)</u> | <u>\$ (134,825)</u> | <u>\$ (32,949,806)</u> |
| 800 | 1,018 | 10,475 | 316 | 3,841,230 | 271,354 | 5,651,528 |
| 5,000 | - | - | - | - | - | 5,000 |
| 17,797 | - | 146,806 | 12,168 | (241,414) | (214,215) | (7,219,507) |
| 6,378 | 23,833 | 55,218 | 17,875 | 118,032 | (544) | 324,318 |
| 1,544 | 24,822 | 8,173 | 8,322 | 60,828 | (11,240) | 180,180 |
| (651,245) | (3,657) | (82,856) | (82,988) | 412,605 | (155,235) | 14,782,401 |
| - | - | - | - | - | - | (13,641,909) |
| (215,946) | (680,397) | (1,714,700) | (723,958) | (5,037,965) | (270,330) | (11,609,791) |
| 236,173 | 744,128 | 1,875,311 | 791,769 | 5,509,857 | 291,424 | 12,693,021 |
| <u>(599,499)</u> | <u>109,747</u> | <u>298,427</u> | <u>23,504</u> | <u>4,663,173</u> | <u>(88,786)</u> | <u>1,165,241</u> |
| <u>\$ 3,493,885</u> | <u>\$ 178,224</u> | <u>\$ (329,820)</u> | <u>\$ 33,139</u> | <u>\$ 3,350,100</u> | <u>\$ (223,611)</u> | <u>\$ (31,784,565)</u> |



FIDUCIARY FUNDS

PENSION AND OTHER EMPLOYEE BENEFIT TRUST

Public Employees' Retirement Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

Legislators' Retirement Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

Judicial Retirement Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court and district judges (NRS 1A.160).

State Retirees' Fund Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB). Funding comes from employer contributions and investment earnings (NRS 287.0436).

INVESTMENT TRUST

Local Government Investment Pool Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

Nevada Enhanced Savings Term Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

Retirement Benefits Investment Fund Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

PRIVATE PURPOSE TRUST

Prisoners' Personal Property Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

Nevada College Savings Plan Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

AGENCY

Intergovernmental Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

State Agency Fund for Bonds Accounts for surety bonds and deposits held by the State (NRS 353.251).

Motor Vehicle Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

Child Support Disbursement Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

Child Welfare Trust Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

Restitution Trust Accounts for money received from parolees making restitution (NRS 213.126).

State Payroll Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc. (NRS 227.130).

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds

June 30, 2015

| | Pension Trust Funds | | | Other Employee Benefit Trust Fund - State Retirees' Fund | Total |
|---------------------------------------|------------------------------------|----------------------------|------------------------|--|--------------------------|
| | Public Employees' Retirement | Legislators' Retirement | Judicial Retirement | | |
| Assets | | | | | |
| <i>Cash and pooled investments:</i> | | | | | |
| Cash with treasurer | \$ - | \$ - | \$ - | \$ 4,971,859 | \$ 4,971,859 |
| Cash in custody of other officials | 264,196,276 | 65,098 | 357,490 | - | 264,618,864 |
| <i>Investments:</i> | | | | | |
| Investments | - | - | - | 1,296,388 | 1,296,388 |
| Fixed income securities | 9,449,725,984 | 1,369,342 | 27,677,905 | - | 9,478,773,231 |
| Marketable equity securities | 14,600,247,164 | 3,362,231 | 68,094,094 | - | 14,671,703,489 |
| International securities | 7,324,919,557 | 115,609 | 2,325,519 | - | 7,327,360,685 |
| Real estate | 1,454,303,113 | - | - | - | 1,454,303,113 |
| Alternative investments | 1,319,000,149 | - | - | - | 1,319,000,149 |
| Collateral on loaned securities | 373,833,323 | - | - | - | 373,833,323 |
| <i>Receivables:</i> | | | | | |
| Accounts receivable | - | - | - | - | - |
| Accrued interest and dividends | 91,334,239 | 9,755 | 277,119 | - | 91,621,113 |
| Trades pending settlement | 129,448,044 | 15,086 | 336 | - | 129,463,466 |
| Intergovernmental receivables | 101,981,995 | - | 316,760 | 9,996 | 102,308,751 |
| Contributions receivable | - | - | - | - | - |
| Other receivables | - | - | 194,495 | - | 194,495 |
| Due from other funds | - | - | - | 122,332 | 122,332 |
| Due from fiduciary funds | 19,306,997 | - | - | - | 19,306,997 |
| Due from component units | - | - | - | 1,488,231 | 1,488,231 |
| Other assets | 3,633,781 | - | - | - | 3,633,781 |
| Furniture and equipment | 40,412,280 | - | - | - | 40,412,280 |
| Accumulated depreciation | (36,462,089) | - | - | - | (36,462,089) |
| Total assets | 35,135,880,813 | 4,937,121 | 99,243,718 | 7,888,806 | 35,247,950,458 |
| Liabilities | | | | | |
| <i>Accounts payable and accruals:</i> | | | | | |
| Accounts payable | 10,447,810 | 1,874 | 4,566 | - | 10,454,250 |
| Intergovernmental payables | - | - | - | - | - |
| Redemptions payable | - | - | - | - | - |
| Trades pending settlement | 140,879,407 | 21,724 | 294,453 | - | 141,195,584 |
| Bank overdraft | - | - | - | - | - |
| Obligations under securities lending | 373,833,323 | - | - | - | 373,833,323 |
| Due to other funds | 89 | - | - | 2,892,614 | 2,892,703 |
| Due to fiduciary funds | - | - | - | - | - |
| Other liabilities | - | 178,709 | - | - | 178,709 |
| Total liabilities | 525,160,629 | 202,307 | 299,019 | 2,892,614 | 528,554,569 |
| Net Position | | | | | |
| <i>Restricted for:</i> | | | | | |
| Employees' pension benefits | 34,610,720,184 | 4,734,814 | 98,944,699 | - | 34,714,399,697 |
| OPEB benefits | - | - | - | 4,996,192 | 4,996,192 |
| Pool participants | - | - | - | - | - |
| Individuals | - | - | - | - | - |
| Total net position | \$ 34,610,720,184 | \$ 4,734,814 | \$ 98,944,699 | \$ 4,996,192 | \$ 34,719,399,889 |

| Investment Trust Funds | | | | Private Purpose Trust Funds | | |
|----------------------------------|------------------------------|-------------------------------------|-----------------------|------------------------------|-----------------------------|--------------------------|
| Local Government Investment Pool | Nevada Enhanced Savings Term | Retirement Benefits Investment Fund | Total | Prisoners' Personal Property | Nevada College Savings Plan | Total |
| \$ - | \$ 10,612 | \$ - | \$ 10,612 | \$ 6,597,414 | \$ - | \$ 6,597,414 |
| - | - | 7,011,215 | 7,011,215 | - | 17,282,677 | 17,282,677 |
| 406,997,401 | 253,988,957 | 282,877,276 | 943,863,634 | - | 15,857,000,441 | 15,857,000,441 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 8,734 | - | 8,734 | 84,858 | - | 84,858 |
| 222,200 | 463,108 | 1,625,028 | 2,310,336 | - | 3,488,328 | 3,488,328 |
| - | - | - | - | - | 3,976,716 | 3,976,716 |
| - | - | - | - | 89,585 | - | 89,585 |
| - | - | - | - | - | 12,857,154 | 12,857,154 |
| - | - | - | - | - | - | - |
| 17,216 | 135 | - | 17,351 | 172,939 | - | 172,939 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 48,222 | - | 48,222 |
| - | - | - | - | (48,222) | - | (48,222) |
| <u>407,236,817</u> | <u>254,471,546</u> | <u>291,513,519</u> | <u>953,221,882</u> | <u>6,944,796</u> | <u>15,894,605,316</u> | <u>15,901,550,112</u> |
| - | 78,166 | 29,578 | 107,744 | 118,991 | 2,745,320 | 2,864,311 |
| 33,588 | - | - | 33,588 | 8,591 | - | 8,591 |
| - | - | - | - | - | 5,789,195 | 5,789,195 |
| - | - | 2,490,065 | 2,490,065 | - | 12,905,426 | 12,905,426 |
| - | - | - | - | - | 3,061,000 | 3,061,000 |
| - | - | - | - | - | - | - |
| 9,743 | 30,618 | - | 40,361 | 1,348,374 | - | 1,348,374 |
| - | - | - | - | 26,840 | - | 26,840 |
| - | - | - | - | - | - | - |
| <u>43,331</u> | <u>108,784</u> | <u>2,519,643</u> | <u>2,671,758</u> | <u>1,502,796</u> | <u>24,500,941</u> | <u>26,003,737</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 407,193,486 | 254,362,762 | 288,993,876 | 950,550,124 | - | - | - |
| - | - | - | - | 5,442,000 | 15,870,104,375 | 15,875,546,375 |
| <u>\$ 407,193,486</u> | <u>\$ 254,362,762</u> | <u>\$ 288,993,876</u> | <u>\$ 950,550,124</u> | <u>\$ 5,442,000</u> | <u>\$15,870,104,375</u> | <u>\$ 15,875,546,375</u> |

Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds

For the Fiscal Year Ended June 30, 2015

| | Pension Trust Funds | | | | Other Employee Benefit Trust Fund - State Retirees' Fund | Total |
|---|---------------------------------|----------------------------|------------------------|---------------------|--|-------|
| | Public Employees' Retirement | Legislators' Retirement | Judicial Retirement | | | |
| Additions | | | | | | |
| <i>Contributions:</i> | | | | | | |
| Employer | \$ 1,436,652,815 | \$ 155,855 | \$ 8,511,779 | \$ 37,758,981 | \$ 1,483,079,430 | |
| Plan members | 114,302,545 | 22,854 | - | - | 114,325,399 | |
| Participants | - | - | - | - | - | |
| Repayment and purchase of service | 82,485,688 | - | 95,812 | - | 82,581,500 | |
| Total contributions | 1,633,441,048 | 178,709 | 8,607,591 | 37,758,981 | 1,679,986,329 | |
| <i>Investment income:</i> | | | | | | |
| Net increase (decrease) in fair value of investments | 520,754,925 | 124,110 | 2,111,876 | 31,512 | 523,022,423 | |
| Interest, dividends | 784,929,413 | 56,352 | 1,114,177 | 45,152 | 786,145,094 | |
| Securities lending | 4,694,725 | - | - | - | 4,694,725 | |
| Other | 124,491,007 | - | - | - | 124,491,007 | |
| | 1,434,870,070 | 180,462 | 3,226,053 | 76,664 | 1,438,353,249 | |
| Less investment expense: | | | | | | |
| Other | (39,577,974) | (1,096) | (19,994) | (405) | (39,599,469) | |
| Net investment income | 1,395,292,096 | 179,366 | 3,206,059 | 76,259 | 1,398,753,780 | |
| <i>Other:</i> | | | | | | |
| Investment from local governments | - | - | - | - | - | |
| Reinvestment from interest income | - | - | - | - | - | |
| Other | 2,786,066 | 85,697 | - | - | 2,871,763 | |
| Total other | 2,786,066 | 85,697 | - | - | 2,871,763 | |
| Total additions | 3,031,519,210 | 443,772 | 11,813,650 | 37,835,240 | 3,081,611,872 | |
| Deductions | | | | | | |
| Principal redeemed | - | - | - | - | - | |
| Benefit payments | 1,958,237,104 | 497,304 | 4,896,513 | 34,362,539 | 1,997,993,460 | |
| Refunds | 25,637,753 | - | - | - | 25,637,753 | |
| Contribution distributions | 2,356,700 | - | - | - | 2,356,700 | |
| Dividends to investors | - | - | - | - | - | |
| Administrative expense | 9,648,626 | 84,654 | 85,650 | - | 9,818,930 | |
| Total deductions | 1,995,880,183 | 581,958 | 4,982,163 | 34,362,539 | 2,035,806,843 | |
| Change in net position | 1,035,639,027 | (138,186) | 6,831,487 | 3,472,701 | 1,045,805,029 | |
| Net position, July 1 | 33,575,081,157 | 4,873,000 | 92,113,212 | 1,523,491 | 33,673,590,860 | |
| Net position, June 30 | \$ 34,610,720,184 | \$ 4,734,814 | \$ 98,944,699 | \$ 4,996,192 | \$ 34,719,395,889 | |

| Investment Trust Funds | | | | Private Purpose Trust Funds | | |
|----------------------------------|------------------------------|-------------------------------------|----------------|------------------------------|-----------------------------|------------------|
| Local Government Investment Pool | Nevada Enhanced Savings Term | Retirement Benefits Investment Fund | Total | Prisoners' Personal Property | Nevada College Savings Plan | Total |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | 19,711,461 | 3,983,442,252 | 4,003,153,713 |
| - | - | - | - | - | - | - |
| - | - | - | - | 19,711,461 | 3,983,442,252 | 4,003,153,713 |
| 38,394 | (4,518,778) | 1,966,895 | (2,513,489) | - | 77,529,742 | 77,529,742 |
| 608,160 | 6,625,742 | 6,423,884 | 13,657,786 | - | 336,462,462 | 336,462,462 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 646,554 | 2,106,964 | 8,390,779 | 11,144,297 | - | 413,992,204 | 413,992,204 |
| - | - | (48,666) | (48,666) | - | - | - |
| 646,554 | 2,106,964 | 8,342,113 | 11,095,631 | - | 413,992,204 | 413,992,204 |
| 948,724,944 | 7,849,718 | 44,913,500 | 1,001,488,162 | - | - | - |
| 494,725 | - | - | 494,725 | - | - | - |
| - | - | 385 | 385 | - | - | - |
| 949,219,669 | 7,849,718 | 44,913,885 | 1,001,983,272 | - | - | - |
| 949,866,223 | 9,956,682 | 53,255,998 | 1,013,078,903 | 19,711,461 | 4,397,434,456 | 4,417,145,917 |
| 969,947,250 | 162,255,353 | - | 1,132,202,603 | - | 2,732,372,357 | 2,732,372,357 |
| - | - | - | - | 19,599,236 | - | 19,599,236 |
| - | - | - | - | - | - | - |
| - | - | 200,000 | 200,000 | - | - | - |
| 580,755 | - | - | 580,755 | - | - | - |
| 27,405 | 394,188 | 33,585 | 455,178 | - | 28,703,974 | 28,703,974 |
| 970,555,410 | 162,649,541 | 233,585 | 1,133,438,536 | 19,599,236 | 2,761,076,331 | 2,780,675,567 |
| (20,689,187) | (152,692,859) | 53,022,413 | (120,359,633) | 112,225 | 1,636,358,125 | 1,636,470,350 |
| 427,882,673 | 407,055,621 | 235,971,463 | 1,070,909,757 | 5,329,775 | 14,233,746,250 | 14,239,076,025 |
| \$ 407,193,486 | \$ 254,362,762 | \$ 288,993,876 | \$ 950,550,124 | \$ 5,442,000 | \$ 15,870,104,375 | \$15,875,546,375 |

Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2015

| | <u>Intergovernmental</u> | <u>State Agency Fund for Bonds</u> | <u>Motor Vehicle</u> | <u>Child Support Disbursement</u> |
|---|--------------------------|--|----------------------|---------------------------------------|
| Assets | | | | |
| <i>Cash and pooled investments:</i> | | | | |
| Cash with treasurer | \$ 11,207,370 | \$ 23,385,174 | \$ 34,478,187 | \$ - |
| Cash in custody of other officials | - | 21,839,680 | 6,103,919 | 3,207,217 |
| Investments | - | 222,312,599 | - | - |
| <i>Receivables:</i> | | | | |
| Taxes receivable | 10,255,493 | - | 48,078,572 | - |
| Intergovernmental receivables | - | - | - | - |
| Other receivables | - | - | 99,064 | - |
| Due from other funds | 492,659,580 | 33,221,865 | 453,417 | - |
| Due from fiduciary funds | 13,293,048 | - | 1,101 | - |
| Due from component units | - | - | - | - |
| Prepaid items | - | - | - | - |
| Total assets | <u>\$ 527,415,491</u> | <u>\$ 300,759,318</u> | <u>\$ 89,214,260</u> | <u>\$ 3,207,217</u> |
| Liabilities | | | | |
| <i>Accounts payable and accruals:</i> | | | | |
| Accrued payroll and related liabilities | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental payables | 527,415,491 | - | 68,096,487 | - |
| Due to fiduciary funds | - | - | 13,293,048 | - |
| <i>Other liabilities:</i> | | | | |
| Deposits | - | 300,759,318 | 7,705,809 | - |
| Other liabilities | - | - | 118,916 | 3,207,217 |
| Total liabilities | <u>\$ 527,415,491</u> | <u>\$ 300,759,318</u> | <u>\$ 89,214,260</u> | <u>\$ 3,207,217</u> |

| <u>Child Welfare Trust</u> | <u>Restitution Trust</u> | <u>State Payroll</u> | <u>Total</u> |
|----------------------------|--------------------------|----------------------|-----------------------|
| \$ 89,788 | \$ 1,660,281 | \$ 9,896,401 | \$ 80,717,201 |
| - | - | - | 31,150,816 |
| - | - | - | 222,312,599 |
| - | - | - | 58,334,065 |
| - | - | 20,178 | 20,178 |
| - | - | - | 99,064 |
| 265 | 20 | 7,207,194 | 533,542,341 |
| - | 25,739 | - | 13,319,888 |
| - | - | 2,263,225 | 2,263,225 |
| - | - | - | - |
| <u>\$ 90,053</u> | <u>\$ 1,686,040</u> | <u>\$ 19,386,998</u> | <u>\$ 941,759,377</u> |
| \$ - | \$ - | \$ 80,001 | \$ 80,001 |
| - | - | - | 595,511,978 |
| - | - | 19,306,997 | 32,600,045 |
| - | - | - | 308,465,127 |
| 90,053 | 1,686,040 | - | 5,102,226 |
| <u>\$ 90,053</u> | <u>\$ 1,686,040</u> | <u>\$ 19,386,998</u> | <u>\$ 941,759,377</u> |

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2015

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| Intergovernmental | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 14,821,002 | \$ 3,197,118,944 | \$ 3,200,732,576 | \$ 11,207,370 |
| Taxes receivable | 10,184,131 | 41,266,636 | 41,195,274 | 10,255,493 |
| Due from other funds | 465,946,223 | 492,657,050 | 465,943,693 | 492,659,580 |
| Due from fiduciary funds | 11,468,873 | 13,293,048 | 11,468,873 | 13,293,048 |
| Total assets | \$ 502,420,229 | \$ 3,744,335,678 | \$ 3,719,340,416 | \$ 527,415,491 |
| Liabilities | | | | |
| Intergovernmental payables | \$ 502,420,229 | \$ 3,745,904,015 | \$ 3,720,908,753 | \$ 527,415,491 |
| Total liabilities | \$ 502,420,229 | \$ 3,745,904,015 | \$ 3,720,908,753 | \$ 527,415,491 |
| State Agency Fund for Bonds | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 24,979,085 | \$ 8,098,283 | \$ 9,692,194 | \$ 23,385,174 |
| Cash in custody of other officials | 23,371,884 | 3,846,903 | 5,379,107 | 21,839,680 |
| Investments | 216,538,645 | 42,843,500 | 37,069,546 | 222,312,599 |
| Due from other funds | 32,221,701 | 1,444,253 | 444,089 | 33,221,865 |
| Total assets | \$ 297,111,315 | \$ 56,232,939 | \$ 52,584,936 | \$ 300,759,318 |
| Liabilities | | | | |
| Deposits | \$ 297,111,315 | \$ 56,246,748 | \$ 52,598,745 | \$ 300,759,318 |
| Total liabilities | \$ 297,111,315 | \$ 56,246,748 | \$ 52,598,745 | \$ 300,759,318 |
| Motor Vehicle | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 25,881,768 | \$ 1,236,477,560 | \$ 1,227,881,141 | \$ 34,478,187 |
| Cash in custody of other officials | 5,741,705 | 563,469 | 201,255 | 6,103,919 |
| Taxes receivable | 45,507,803 | 39,214,306 | 36,643,537 | 48,078,572 |
| Other receivables | 96,690 | 2,374 | - | 99,064 |
| Due from other funds | 884,880 | 453,417 | 884,880 | 453,417 |
| Due from fiduciary funds | 774 | 1,101 | 774 | 1,101 |
| Total assets | \$ 78,113,620 | \$ 1,276,712,227 | \$ 1,265,611,587 | \$ 89,214,260 |
| Liabilities | | | | |
| Intergovernmental payables | \$ 59,202,069 | \$ 1,260,368,051 | \$ 1,251,473,633 | \$ 68,096,487 |
| Due to fiduciary funds | 11,468,873 | 13,293,048 | 11,468,873 | 13,293,048 |
| Deposits | 7,323,762 | 722,001 | 339,954 | 7,705,809 |
| Other liabilities | 118,916 | - | - | 118,916 |
| Total liabilities | \$ 78,113,620 | \$ 1,274,383,100 | \$ 1,263,282,460 | \$ 89,214,260 |
| Child Support Disbursement | | | | |
| Assets | | | | |
| Cash in custody of other officials | \$ 3,636,326 | \$ 210,599,817 | \$ 211,028,926 | \$ 3,207,217 |
| Total assets | \$ 3,636,326 | \$ 210,599,817 | \$ 211,028,926 | \$ 3,207,217 |
| Liabilities | | | | |
| Other liabilities | \$ 3,636,326 | \$ 210,924,991 | \$ 211,354,100 | \$ 3,207,217 |
| Total liabilities | \$ 3,636,326 | \$ 210,924,991 | \$ 211,354,100 | \$ 3,207,217 |
| Child Welfare Trust | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 45,714 | \$ 493,114 | \$ 449,040 | \$ 89,788 |
| Due from other funds | 629 | 265 | 629 | 265 |
| Total assets | \$ 46,343 | \$ 493,379 | \$ 449,669 | \$ 90,053 |
| Liabilities | | | | |
| Intergovernmental payables | \$ 1,432 | \$ - | \$ 1,432 | \$ - |
| Other liabilities | 44,911 | 494,227 | 449,085 | 90,053 |
| Total liabilities | \$ 46,343 | \$ 494,227 | \$ 450,517 | \$ 90,053 |

(Continued)

| | Balance July 1, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|-------------------------|-------------------------|-------------------------|--------------------------|
| Restitution Trust | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 1,392,695 | \$ 3,291,605 | \$ 3,024,019 | \$ 1,660,281 |
| Due from other funds | 100 | 20 | 100 | 20 |
| Due from fiduciary funds | 24,742 | 25,739 | 24,742 | 25,739 |
| Total assets | \$ 1,417,537 | \$ 3,317,364 | \$ 3,048,861 | \$ 1,686,040 |
| Liabilities | | | | |
| Other liabilities | \$ 1,417,537 | \$ 3,170,822 | \$ 2,902,319 | \$ 1,686,040 |
| Total liabilities | \$ 1,417,537 | \$ 3,170,822 | \$ 2,902,319 | \$ 1,686,040 |
| State Payroll | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 19,358,207 | \$ 707,245,964 | \$ 716,707,770 | \$ 9,896,401 |
| Intergovernmental receivables | 16,521 | 20,178 | 16,521 | 20,178 |
| Due from other funds | 2,510,192 | 7,207,194 | 2,510,192 | 7,207,194 |
| Due from fiduciary funds | 41,991 | - | 41,991 | - |
| Due from component unit | 1,202,326 | 2,263,225 | 1,202,326 | 2,263,225 |
| Total assets | \$ 23,129,237 | \$ 716,736,561 | \$ 720,478,800 | \$ 19,386,998 |
| Liabilities | | | | |
| Accrued payroll and related liabilities | \$ 1,025,191 | \$ 374,245,785 | \$ 375,190,975 | \$ 80,001 |
| Due to fiduciary funds | 19,120,277 | 252,694,321 | 252,507,601 | 19,306,997 |
| Deposits | 2,983,769 | 90,093,743 | 93,077,512 | - |
| Total liabilities | \$ 23,129,237 | \$ 717,033,849 | \$ 720,776,088 | \$ 19,386,998 |
| Totals - All Agency Funds | | | | |
| Assets | | | | |
| Cash with treasurer | \$ 86,478,471 | \$ 5,152,725,470 | \$ 5,158,486,740 | \$ 80,717,201 |
| Cash in custody of other officials | 32,749,915 | 215,010,189 | 216,609,288 | 31,150,816 |
| Investments | 216,538,645 | 42,843,500 | 37,069,546 | 222,312,599 |
| Taxes receivable | 55,691,934 | 80,480,942 | 77,838,811 | 58,334,065 |
| Intergovernmental receivables | 16,521 | 20,178 | 16,521 | 20,178 |
| Other receivables | 96,690 | 2,374 | - | 99,064 |
| Due from other funds | 501,563,725 | 501,762,199 | 469,783,583 | 533,542,341 |
| Due from fiduciary funds | 11,536,380 | 13,319,888 | 11,536,380 | 13,319,888 |
| Due from component unit | 1,202,326 | 2,263,225 | 1,202,326 | 2,263,225 |
| Total assets | \$ 905,874,607 | \$ 6,008,427,965 | \$ 5,972,543,195 | \$ 941,759,377 |
| Liabilities | | | | |
| Accrued payroll and related liabilities | \$ 1,025,191 | \$ 374,245,785 | \$ 375,190,975 | \$ 80,001 |
| Intergovernmental payables | 561,623,730 | 5,006,272,066 | 4,972,383,818 | 595,511,978 |
| Due to fiduciary funds | 30,589,150 | 265,987,369 | 263,976,474 | 32,600,045 |
| Deposits | 307,418,846 | 147,062,492 | 146,016,211 | 308,465,127 |
| Other liabilities | 5,217,690 | 214,590,040 | 214,705,504 | 5,102,226 |
| Total liabilities | \$ 905,874,607 | \$ 6,008,157,752 | \$ 5,972,272,982 | \$ 941,759,377 |

Heli Skiing
Ruby Mountains



Spoooner Summit
Lake Tahoe



Wildhorse State
Recreation Area



STATISTICAL SECTION

This part of the State of Nevada’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

| <u>TABLES</u> | <u>PAGES</u> |
|---|---------------------|
| FINANCIAL TRENDS | |
| These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time. | 154 |
| REVENUE CAPACITY | |
| These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales. | 158 |
| DEBT CAPACITY | |
| 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. | 159 |
| DEMOGRAPHIC AND ECONOMIC INFORMATION | |
| These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place. | 163 |
| OPERATING INFORMATION | |
| 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. | 166 |

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)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 3,445,629 | \$ 3,486,155 | \$ 3,522,177 | \$ 3,492,205 | \$ 3,622,787 | \$ 3,875,141 | \$ 4,017,147 | \$ 4,357,735 | \$ 4,672,738 | \$ 4,895,213 |
| Restricted | 675,966 | 613,375 | 697,168 | 702,743 | 683,526 | 749,818 | 700,341 | 741,250 | 866,071 | 976,650 |
| Unrestricted (deficit) | 504,541 | 623,787 | 289,123 | (236,912) | (224,799) | (276,924) | (59,069) | (3,135) | (124,344) | (2,223,609) |
| Total governmental activities net position | \$ 4,626,136 | \$ 4,723,317 | \$ 4,508,468 | \$ 3,958,036 | \$ 4,081,514 | \$ 4,348,035 | \$ 4,658,419 | \$ 5,095,850 | \$ 5,414,465 | \$ 3,648,254 |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 2,824 | \$ 2,783 | \$ 3,393 | \$ 3,286 | \$ 3,615 | \$ 3,120 | \$ 3,076 | \$ 3,422 | \$ 3,434 | \$ 3,791 |
| Restricted | 1,143,248 | 1,293,737 | 1,297,613 | 819,348 | 464,346 | 503,090 | 538,143 | 560,410 | 599,806 | 651,863 |
| Unrestricted (deficit) | 6,428 | 9,441 | 10,206 | (5,466) | (303,705) | (558,265) | (544,418) | (360,488) | (223,987) | 88,253 |
| Total business-type activities net position | \$ 1,152,500 | \$ 1,305,961 | \$ 1,311,212 | \$ 817,168 | \$ 164,256 | \$ (52,055) | \$ (3,199) | \$ 203,344 | \$ 379,253 | \$ 743,907 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 3,448,453 | \$ 3,488,938 | \$ 3,525,570 | \$ 3,495,491 | \$ 3,626,402 | \$ 3,878,261 | \$ 4,020,223 | \$ 4,361,157 | \$ 4,676,172 | \$ 4,899,004 |
| Restricted | 1,819,214 | 1,907,112 | 1,994,781 | 1,522,091 | 1,147,872 | 1,252,908 | 1,238,484 | 1,301,660 | 1,465,877 | 1,628,513 |
| Unrestricted (deficit) | 510,969 | 633,228 | 299,329 | (242,378) | (528,504) | (835,189) | (603,487) | (363,623) | (348,331) | (2,135,356) |
| Total primary government net position | \$ 5,778,636 | \$ 6,029,278 | \$ 5,819,680 | \$ 4,775,204 | \$ 4,245,770 | \$ 4,295,980 | \$ 4,655,220 | \$ 5,299,194 | \$ 5,793,718 | \$ 4,392,161 |

Table 2 - Changes in Net Position

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 349,224 | \$ 421,291 | \$ 439,682 | \$ 389,943 | \$ 375,219 | \$ 334,616 | \$ 240,417 | \$ 229,136 | \$ 202,620 | \$ 280,465 |
| Health and social services | 2,198,551 | 2,340,894 | 2,454,843 | 2,667,419 | 3,017,013 | 3,209,237 | 3,250,926 | 3,464,334 | 3,784,055 | 4,887,130 |
| Education - K to 12 (b) | 1,261,533 | 1,547,378 | 1,663,725 | 1,770,627 | 1,810,353 | 1,818,869 | 1,794,579 | 1,812,992 | 1,830,605 | 1,892,519 |
| Education - higher education (b) | 568,703 | 707,248 | 718,006 | 704,789 | 620,570 | 574,667 | 486,320 | 477,852 | 495,893 | 490,407 |
| Law, justice and public safety | 578,049 | 624,149 | 650,657 | 687,410 | 690,104 | 667,598 | 646,701 | 657,728 | 662,330 | 695,023 |
| Regulation of business | 101,857 | 104,385 | 114,786 | 118,086 | 100,380 | 122,679 | 101,687 | 85,688 | 303,020 | 259,106 |
| Transportation | 508,569 | 680,281 | 576,610 | 762,610 | 644,976 | 630,657 | 801,797 | 505,354 | 327,519 | 462,386 |
| Recreation and resource development | 156,933 | 173,037 | 167,627 | 165,741 | 161,048 | 153,404 | 138,599 | 134,578 | 139,188 | 145,000 |
| Interest on long-term debt | 132,969 | 150,486 | 146,312 | 138,304 | 132,238 | 128,606 | 122,080 | 106,126 | 121,224 | 94,987 |
| Unallocated depreciation | 1,513 | 720 | 992 | 976 | 1,448 | 1,402 | 1,755 | 2,023 | 2,150 | 2,137 |
| Total governmental activities expenses | 5,857,901 | 6,749,859 | 6,933,445 | 7,405,905 | 7,553,349 | 7,641,735 | 7,584,861 | 7,475,811 | 7,868,604 | 9,209,160 |
| Business-type activities: | | | | | | | | | | |
| Unemployment insurance | 239,232 | 296,784 | 439,632 | 1,336,043 | 2,233,382 | 1,767,632 | 1,286,839 | 867,600 | 552,246 | 380,166 |
| Housing | 45,397 | 46,152 | 43,953 | 44,382 | 57,342 | 83,467 | 50,979 | 34,247 | 31,954 | 23,442 |
| Water loans | 8,226 | 7,885 | 6,836 | 6,218 | 14,697 | 16,476 | 8,249 | 8,942 | 7,837 | 6,372 |
| Workers' compensation and safety | 23,991 | 25,381 | 26,258 | 26,801 | 26,084 | 29,642 | 27,706 | 28,685 | 26,715 | 27,644 |
| Higher education tuition | 18,940 | 10,504 | 8,109 | 13,103 | 14,051 | 18,959 | 26,067 | 25,081 | 21,325 | 25,768 |
| Other | 15,601 | 16,424 | 20,486 | 16,967 | 23,175 | 28,905 | 26,187 | 32,107 | 32,944 | 30,263 |
| Total business-type activities expenses | 351,387 | 403,130 | 545,284 | 1,443,514 | 2,368,731 | 1,945,081 | 1,426,027 | 996,662 | 673,021 | 493,655 |
| Total primary government expenses | \$ 6,209,288 | \$ 7,152,989 | \$ 7,478,729 | \$ 8,849,419 | \$ 9,922,080 | \$ 9,586,816 | \$ 9,010,888 | \$ 8,472,473 | \$ 8,541,625 | \$ 9,702,815 |

Table 3 - Fund Balances of Governmental Funds

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 35,336 | \$ 17,585 | \$ 15,088 | \$ 13,512 | \$ 12,463 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 486,160 | 427,506 | 384,663 | 179,310 | 222,095 | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | 18,456 | 23,801 | 33,113 | 39,255 | 35,134 |
| Restricted | - | - | - | - | - | 73,687 | 61,049 | 59,359 | 65,342 | 62,114 |
| Committed | - | - | - | - | - | 270,568 | 281,751 | 345,248 | 306,050 | 315,131 |
| Unassigned | - | - | - | - | - | (115,965) | (96,272) | (66,701) | (135,789) | (205,092) |
| Total General fund | \$ 521,496 | \$ 445,091 | \$ 399,751 | \$ 192,822 | \$ 234,558 | \$ 246,746 | \$ 270,329 | \$ 371,019 | \$ 274,858 | \$ 207,287 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 1,004,407 | \$ 1,244,430 | \$ 1,311,024 | \$ 947,719 | \$ 1,078,045 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 1,038,753 | 771,887 | 403,715 | 396,520 | 203,466 | - | - | - | - | - |
| Capital projects funds | 39,365 | 87,057 | 17,402 | 73,892 | 59,944 | - | - | - | - | - |
| Permanent funds | 21 | 22 | 22 | 20 | 20 | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | 607,134 | 614,697 | 604,111 | 599,746 | 578,695 |
| Restricted | - | - | - | - | - | 414,040 | 276,666 | 324,473 | 597,389 | 544,993 |
| Committed | - | - | - | - | - | 188,796 | 212,311 | 245,888 | 235,265 | 232,070 |
| Unassigned | - | - | - | - | - | (191) | - | - | - | - |
| Total all other governmental funds | \$ 2,082,546 | \$ 2,103,396 | \$ 1,732,163 | \$ 1,418,151 | \$ 1,341,475 | \$ 1,209,779 | \$ 1,103,674 | \$ 1,174,472 | \$ 1,432,400 | \$ 1,355,758 |

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

Table 4 - Changes in Fund Balances of Governmental Funds

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | | | | | | |
| Gaming taxes, fees, licenses | \$ 1,003,111 | \$ 1,028,663 | \$ 1,008,516 | \$ 880,573 | \$ 842,359 | \$ 849,733 | \$ 884,331 | \$ 896,685 | \$ 927,824 | \$ 908,491 |
| Sales taxes | 1,099,483 | 1,132,418 | 1,088,024 | 953,112 | 870,539 | 925,899 | 965,060 | 1,024,624 | 1,081,735 | 1,161,893 |
| Modified business taxes | 255,252 | 278,953 | 284,600 | 277,516 | 385,110 | 381,901 | 369,661 | 386,610 | 384,886 | 411,914 |
| Insurance premium taxes | 238,297 | 259,275 | 256,693 | 238,524 | 233,906 | 234,831 | 236,787 | 248,512 | 263,532 | 292,665 |
| Property and transfer taxes | 318,941 | 296,498 | 280,895 | 278,881 | 266,878 | 231,758 | 215,649 | 215,211 | 209,784 | 219,189 |
| Motor and special fuel taxes | 297,383 | 300,182 | 297,088 | 272,614 | 268,554 | 267,649 | 267,181 | 269,232 | 269,543 | 277,305 |
| Other taxes | 343,292 | 373,436 | 372,652 | 387,449 | 620,543 | 664,427 | 657,138 | 685,948 | 692,192 | 835,552 |
| Intergovernmental | 1,972,799 | 2,108,916 | 2,058,071 | 2,672,751 | 3,273,266 | 3,372,565 | 3,335,558 | 3,340,627 | 3,552,327 | 4,518,221 |
| Licenses, fees and permits | 422,934 | 429,501 | 432,729 | 419,514 | 452,838 | 497,847 | 490,240 | 487,123 | 508,401 | 536,486 |
| Sales and charges for services | 80,134 | 97,408 | 95,407 | 85,401 | 84,422 | 81,923 | 85,211 | 87,595 | 90,322 | 105,241 |
| Interest and investment income | 152,801 | 239,651 | 185,006 | 44,831 | 37,855 | 31,853 | 22,599 | 23,496 | 25,397 | 22,082 |
| Settlement income | 35,685 | 37,351 | 45,976 | 50,062 | 41,963 | 39,517 | 40,291 | 147,071 | 40,120 | 39,788 |
| Land sales | 71,231 | 5,756 | 2,503 | 663 | 965 | 560 | 397 | 632 | 1,933 | 4,922 |
| Other | 88,006 | 91,086 | 105,475 | 141,808 | 112,728 | 143,461 | 160,921 | 151,708 | 83,277 | 112,395 |
| Total revenues | 6,379,349 | 6,679,094 | 6,513,635 | 6,703,699 | 7,491,926 | 7,723,924 | 7,731,024 | 7,965,074 | 8,131,273 | 9,446,144 |

Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxable Sales by County: | | | | | | | | | | |
| Carson City | \$1,021,210 | \$ 991,893 | \$ 919,266 | \$ 761,379 | \$ 678,626 | \$ 735,161 | \$ 756,079 | \$ 779,297 | \$ 804,368 | \$ 892,530 |
| Churchill | 331,338 | 306,426 | 294,411 | 321,713 | 251,257 | 249,112 | 320,188 | 387,570 | 252,675 | 283,497 |
| Clark | 35,604,392 | 36,262,388 | 35,930,374 | 31,378,242 | 27,969,288 | 29,046,720 | 31,080,881 | 32,566,665 | 35,040,892 | 37,497,074 |
| Douglas | 815,590 | 765,218 | 691,609 | 584,679 | 537,187 | 532,984 | 557,660 | 592,823 | 599,623 | 653,187 |
| Elko | 1,029,763 | 1,193,449 | 1,148,379 | 1,101,164 | 1,093,158 | 1,477,347 | 1,545,691 | 1,595,351 | 1,426,133 | 1,437,625 |
| Esmeralda | 8,598 | 16,523 | 12,645 | 9,226 | 6,551 | 11,832 | 20,399 | 19,806 | 16,826 | 18,193 |
| Eureka | 315,450 | 501,077 | 328,505 | 285,942 | 266,356 | 304,276 | 367,340 | 370,492 | 315,756 | 260,130 |
| Humboldt | 483,366 | 474,811 | 508,713 | 498,791 | 533,667 | 748,153 | 740,656 | 921,112 | 780,774 | 577,537 |
| Lander | 170,539 | 280,378 | 228,213 | 264,109 | 220,348 | 249,321 | 443,458 | 440,677 | 302,691 | 308,198 |
| Lincoln | 31,529 | 15,398 | 26,967 | 25,257 | 25,871 | 33,116 | 50,417 | 30,055 | 29,501 | 28,955 |
| Lyon | 441,896 | 375,523 | 385,591 | 340,284 | 290,241 | 300,843 | 346,511 | 305,525 | 356,890 | 396,525 |
| Mineral | 33,445 | 35,679 | 38,843 | 37,247 | 36,280 | 42,181 | 57,696 | 66,463 | 62,661 | 74,178 |
| Nye | 522,296 | 540,377 | 473,291 | 427,505 | 397,570 | 466,836 | 498,130 | 832,077 | 624,761 | 497,920 |
| Pershing | 62,992 | 68,332 | 67,279 | 62,892 | 65,681 | 78,096 | 106,443 | 96,442 | 82,473 | 82,473 |
| Storey | 109,411 | 204,717 | 121,244 | 59,578 | 48,299 | 61,863 | 70,859 | 77,729 | 108,434 | 246,041 |
| Washoe | 7,245,525 | 7,202,641 | 6,823,701 | 5,707,791 | 5,176,982 | 5,282,935 | 5,522,605 | 5,824,726 | 6,370,685 | 6,817,589 |
| White Pine | 175,147 | 192,877 | 197,818 | 220,815 | 174,705 | 314,235 | 469,737 | 296,598 | 253,042 | 275,884 |
| Total | \$ 48,402,487 | \$ 49,427,707 | \$ 48,196,849 | \$ 42,086,614 | \$ 37,772,067 | \$ 39,935,011 | \$ 42,954,750 | \$ 45,203,408 | \$ 47,440,345 | \$ 50,347,536 |

The State receives a portion of sales taxes at a rate of 2% on taxable sales.

Source: Department of Taxation

Table 6 - Principal Sales Tax Payers by Business Type

Current Year and Nine Years Ago, (Expressed in Thousands)

| | Fiscal Year 2006 | | | Fiscal Year 2015 | | |
|---|----------------------|-----------------------------------|-------------------|----------------------|-----------------------------------|-------------------|
| | Taxable Sales | Percentage of Total Taxable Sales | Tax Liability | Taxable Sales | Percentage of Total Taxable Sales | Tax Liability |
| Business Type: | | | | | | |
| Food services and drinking places | \$ 8,547,579 | 17.6% | \$ 170,952 | \$ 11,126,123 | 22.1% | \$ 222,523 |
| Motor vehicle and parts dealers | 6,637,760 | 13.7% | 132,755 | 5,859,347 | 11.6% | 117,187 |
| General merchandise stores | 4,091,513 | 8.4% | 81,830 | 4,471,399 | 8.9% | 89,428 |
| Clothing and clothing accessories stores | 2,295,114 | 4.7% | 45,902 | 4,028,614 | 8.0% | 80,572 |
| Merchant wholesalers, durable goods | 3,476,211 | 7.2% | 69,524 | 3,350,522 | 6.7% | 67,010 |
| Building material, garden equipment, supplies | 3,472,454 | 7.1% | 69,449 | 2,026,768 | 4.0% | 40,535 |
| Food and beverage stores | 1,607,134 | 3.3% | 32,143 | 1,694,621 | 3.4% | 33,893 |
| Rental and leasing services | - | - | - | 1,631,108 | 3.2% | 32,622 |
| Electronics and appliance stores | - | - | - | 1,556,844 | 3.1% | 31,137 |
| Miscellaneous retail | 4,842,993 | 10.0% | 96,860 | 1,035,644 | 2.1% | 20,713 |
| Furniture and home furnishings stores | 2,639,849 | 5.4% | 52,797 | - | - | - |
| Administrative and support services | 1,439,884 | 3.0% | 28,798 | - | - | - |
| Total | \$ 39,050,491 | 80.4% | \$ 781,010 | \$ 36,780,990 | 73.1% | \$ 735,620 |

Source: Department of Taxation

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the source of the State's revenue.

Table 7 - Ratios of Outstanding Debt by Type

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | | | | | | |
| General obligation bonds | \$ 2,075,758 | \$ 1,964,616 | \$ 1,909,725 | \$ 2,079,805 | \$ 2,067,615 | \$ 1,952,885 | \$ 1,870,455 | \$ 1,754,520 | \$ 1,703,840 | \$ 1,607,930 |
| Special obligation bonds | 541,680 | 693,285 | 774,300 | 722,880 | 668,840 | 612,045 | 557,735 | 497,650 | 527,450 | 486,140 |
| Premiums (discounts) | 81,601 | 91,543 | 100,771 | 109,407 | 103,270 | 104,921 | 118,509 | 143,968 | 146,792 | 176,725 |
| Total bonds payable | 2,699,039 | 2,749,444 | 2,784,796 | 2,912,092 | 2,839,725 | 2,669,851 | 2,546,699 | 2,396,138 | 2,378,082 | 2,270,795 |
| Certificates of participation | 55,680 | 60,455 | 59,320 | 58,030 | 56,080 | 55,475 | 53,815 | 52,000 | 94,455 | 91,935 |
| Premiums (discounts) | - | - | - | - | 690 | 591 | 492 | 339 | 2,956 | 2,720 |
| Total certificates of participation | 55,680 | 60,455 | 59,320 | 58,030 | 56,770 | 56,066 | 54,307 | 52,339 | 97,411 | 94,655 |
| Obligations under capital leases | 9,866 | 15,955 | 19,891 | 17,916 | 33,846 | 30,970 | 28,395 | 25,096 | 25,094 | 22,826 |
| Total governmental activities | 2,764,585 | 2,825,854 | 2,864,007 | 2,988,038 | 2,930,341 | 2,756,887 | 2,629,401 | 2,473,573 | 2,500,587 | 2,388,276 |
| Business-type Activities | | | | | | | | | | |
| General obligation bonds | 118,540 | 117,310 | 115,805 | 113,055 | 105,060 | 108,975 | 101,680 | 90,720 | 83,025 | 73,370 |
| Special obligation bonds | 745,780 | 782,307 | 886,195 | 911,783 | 994,044 | 920,508 | 810,892 | 739,797 | 1,156,634 | 1,008,858 |
| Premiums (discounts) | 2,242 | 2,221 | 2,090 | 1,987 | 1,971 | 2,465 | 4,984 | 5,942 | 55,914 | 42,691 |
| Total business-type activities | 866,562 | 901,838 | 1,004,090 | 1,026,825 | 1,101,075 | 1,031,948 | 917,556 | 836,459 | 1,295,573 | 1,124,919 |
| Total primary government | \$ 3,631,147 | \$ 3,727,692 | \$ 3,868,097 | \$ 4,014,863 | \$ 4,031,416 | \$ 3,788,835 | \$ 3,546,957 | \$ 3,310,032 | \$ 3,796,160 | \$ 3,513,195 |
| Debt as a Percentage of Personal Income | 4.19% | 4.03% | 3.72% | 3.79% | 4.18% | 3.82% | 3.46% | 3.05% | 3.47% | 3.04% |
| Amount of Debt per Capita | \$ 1,504 | \$ 1,493 | \$ 1,508 | \$ 1,513 | \$ 1,501 | \$ 1,402 | \$ 1,305 | \$ 1,201 | \$ 1,360 | \$ 1,237 |

Notes: Details regarding the State's debt can be found in the notes to the financial statements.

See table 11 for personal income and population data.

Debt as a Percentage of Personal Income is based on prior year Personal Income.

Amount of Debt per Capita is based on prior year Population.

Table 8 - Ratios of General Bonded Debt Outstanding

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities: | | | | | | | | | | |
| General obligation bonds | \$ 2,075,758 | \$ 1,964,616 | \$ 1,909,725 | \$ 2,079,805 | \$ 2,067,615 | \$ 1,952,885 | \$ 1,870,455 | \$ 1,754,520 | \$ 1,703,840 | \$ 1,607,930 |
| Premiums (discounts) | 42,449 | 49,165 | 56,770 | 69,950 | 68,356 | 74,551 | 86,292 | 96,909 | 92,714 | 129,441 |
| Subtotal | 2,118,207 | 2,013,781 | 1,966,495 | 2,149,755 | 2,135,971 | 2,027,436 | 1,956,747 | 1,851,429 | 1,796,554 | 1,737,371 |
| Certificates of participation | 11,695 | 10,940 | 10,155 | 9,335 | 7,900 | 7,900 | 6,935 | 5,920 | 4,855 | 3,730 |
| Premiums (discounts) | - | - | - | - | 689 | 591 | 492 | 394 | 295 | 197 |
| Subtotal | 11,695 | 10,940 | 10,155 | 9,335 | 8,589 | 8,491 | 7,427 | 6,314 | 5,150 | 3,927 |
| Business-type activities: | | | | | | | | | | |
| General obligation bonds | 118,540 | 117,310 | 115,805 | 113,055 | 105,060 | 108,975 | 101,680 | 90,720 | 83,025 | 73,370 |
| Premiums (discounts) | 2,242 | 2,221 | 2,090 | 1,987 | 1,822 | 2,338 | 4,870 | 5,853 | 5,091 | 4,209 |
| Subtotal | 120,782 | 119,531 | 117,895 | 115,042 | 106,882 | 111,313 | 106,550 | 96,573 | 88,116 | 77,579 |
| Total general bonded debt | \$ 2,250,684 | \$ 2,144,252 | \$ 2,094,545 | \$ 2,274,132 | \$ 2,251,442 | \$ 2,147,240 | \$ 2,070,724 | \$ 1,954,316 | \$ 1,889,820 | \$ 1,818,877 |
| Actual Taxable Property | | | | | | | | | | |
| Value | \$ 245,075,283 | \$ 327,140,473 | \$ 383,571,013 | \$ 410,130,698 | \$ 341,886,423 | \$ 264,840,276 | \$ 246,391,220 | \$ 234,900,598 | \$ 239,048,328 | \$ 260,130,702 |
| Percentage of Actual Taxable Value of Property (b) | 0.92% | 0.66% | 0.55% | 0.55% | 0.66% | 0.81% | 0.84% | 0.83% | 0.79% | 0.70% |
| Debt Per Capita (a) (b) | \$ 932 | \$ 859 | \$ 817 | \$ 857 | \$ 839 | \$ 794 | \$ 762 | \$ 709 | \$ 677 | \$ 641 |

Note: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

Only the general obligation certificates of participation subject to the debt limitation are included above.

(a) See Table 11 for population data.**(b)** Revised for fiscal years 2006 through 2014 to exclude special obligation bonds.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt limit | \$ 2,339,593 | \$ 2,756,849 | \$ 2,963,124 | \$ 2,482,138 | \$ 1,900,366 | \$ 1,756,111 | \$ 1,671,513 | \$ 1,701,164 | \$ 1,854,550 | \$ 2,028,293 |
| Total debt applicable to limit | 920,737 | 1,015,375 | 1,214,991 | 1,405,781 | 1,410,211 | 1,342,660 | 1,293,386 | 1,178,185 | 1,151,010 | 1,127,220 |
| Legal debt margin | \$ 1,418,856 | \$ 1,741,474 | \$ 1,748,133 | \$ 1,076,357 | \$ 490,155 | \$ 413,451 | \$ 378,127 | \$ 522,979 | \$ 703,540 | \$ 901,073 |
| Legal debt margin as a percentage of the debt limit | 60.65% | 63.17% | 59.00% | 43.36% | 25.79% | 23.54% | 22.62% | 30.74% | 37.94% | 44.43% |

Computation of Legal Debt Margin at June 30, 2015:

| | |
|---|-------------------|
| Assessed value of taxable property at June 30, 2015 (a) | \$ 101,414,649 |
| Debt limitation (2% of assessed value) | \$ 2,028,293 |
| General Obligation Bonds subject to limit | \$ 1,123,490 |
| Certificates of participation | 91,935 |
| Less obligations exempt from debt margin: | (88,205) |
| Lease revenue certificates of participation | (1,127,220) |
| Debt subject to debt limitation | \$ 901,073 |
| Legal debt margin at June 30, 2015 | \$ 901,073 |

Note:

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.

Table 10 - Pledged Revenue Coverage

Last Ten Fiscal Years, (Expressed in Thousands)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Highway Improvement Revenue Bonds | | | | | | | | | | |
| Revenue - fuel taxes | \$ 294,348 | \$ 297,142 | \$ 293,941 | \$ 269,479 | \$ 265,487 | \$ 264,699 | \$ 264,369 | \$ 266,564 | \$ 266,872 | \$ 274,838 |
| Debt service | | | | | | | | | | |
| Principal | \$ 30,710 | \$ 41,125 | \$ 48,955 | \$ 51,420 | \$ 54,040 | \$ 56,795 | \$ 120,800 | \$ 191,330 | \$ 56,220 | \$ 41,310 |
| Interest | 23,739 | 30,106 | 32,727 | 37,157 | 33,876 | 31,136 | 28,450 | 25,011 | 22,422 | 24,345 |
| Total | \$ 54,449 | \$ 71,231 | \$ 81,682 | \$ 88,577 | \$ 87,916 | \$ 87,931 | \$ 149,250 | \$ 216,341 | \$ 78,642 | \$ 65,655 |
| Coverage (c) | 5.41 | 4.17 | 3.60 | 3.04 | 3.02 | 3.01 | 1.77 | 1.23 | 3.39 | 4.19 |
| Unemployment Compensation Bonds | | | | | | | | | | |
| Revenue - special bond contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 58,003 | \$ 191,548 |
| Debt service | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 138,590 |
| Interest | - | - | - | - | - | - | - | - | 13,644 | 23,360 |
| Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,644 | \$ 161,950 |
| Coverage (c) | N/A | 4.25 | 1.18 |
| Mortgage Revenue Bonds | | | | | | | | | | |
| Revenue (a) | \$ 435,332 | \$ 355,328 | \$ 129,286 | \$ 70,051 | \$ 42,123 | \$ 126,957 | \$ 109,194 | \$ 83,366 | \$ 100,729 | \$ 58,737 |
| Expenses (b) | 6,720 | 4,595 | 4,368 | 5,277 | 6,548 | 7,610 | 15,751 | 8,867 | 9,481 | 4,043 |
| Net available revenues | \$ 428,612 | \$ 350,733 | \$ 124,918 | \$ 64,774 | \$ 35,575 | \$ 119,347 | \$ 93,443 | \$ 74,499 | \$ 91,248 | \$ 54,694 |
| Debt service | | | | | | | | | | |
| Principal (d) | \$ 136,186 | \$ 51,003 | \$ 37,897 | \$ 33,592 | \$ 67,079 | \$ 132,536 | \$ 157,962 | \$ 71,095 | \$ 151,432 | \$ 80,745 |
| Interest | 38,644 | 37,002 | 38,051 | 36,354 | 33,236 | 29,111 | 26,444 | 23,226 | 17,882 | 15,149 |
| Total | \$ 174,830 | \$ 88,005 | \$ 75,948 | \$ 69,946 | \$ 100,315 | \$ 161,647 | \$ 184,406 | \$ 94,321 | \$ 169,314 | \$ 95,894 |
| Coverage (c) | 2.45 | 3.99 | 1.64 | 0.93 | 0.36 | 0.74 | 0.51 | 0.79 | 0.54 | 0.57 |
| Lease Revenue Certificates of Participation | | | | | | | | | | |
| Revenue - lease rent (net) | \$ 900 | \$ 2,088 | \$ 2,867 | \$ 1,614 | \$ 2,961 | \$ 3,045 | \$ 2,878 | \$ 2,972 | \$ 4,098 | \$ 2,996 |
| Assets - held by the trustee (e) | 4,926 | 4,712 | 4,948 | 4,779 | 4,837 | 4,643 | 4,709 | 4,558 | 46,902 | 12,442 |
| Total | \$ 5,826 | \$ 6,800 | \$ 7,815 | \$ 6,393 | \$ 7,798 | \$ 7,688 | \$ 7,587 | \$ 7,530 | \$ 51,000 | \$ 15,438 |
| Debt service | | | | | | | | | | |
| Principal | \$ - | \$ 230 | \$ 350 | \$ 470 | \$ 515 | \$ 605 | \$ 695 | \$ 800 | \$ 1,795 | \$ 1,395 |
| Interest | 2,021 | 2,150 | 2,256 | 2,245 | 2,229 | 2,212 | 2,188 | 2,163 | 3,418 | 4,128 |
| Total | \$ 2,021 | \$ 2,380 | \$ 2,606 | \$ 2,715 | \$ 2,744 | \$ 2,817 | \$ 2,883 | \$ 2,963 | \$ 5,213 | \$ 5,523 |
| Coverage (c) | 2.88 | 2.86 | 3.00 | 2.35 | 2.84 | 2.73 | 2.63 | 2.54 | 9.78 | 2.80 |

Notes: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.

(b) Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.

(c) Coverage equals net available revenues divided by total debt service.

(d) Principal paid on mortgage revenue bonds is updated for years 2010 and 2011. There is no change to coverage ratio.

(e) Assets - held by the trustee are the combination of additional lease rent, investment income, and bond proceeds.

Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Population | | | | | | | | | | |
| Nevada (a) | 2,414,807 | 2,495,529 | 2,565,382 | 2,653,630 | 2,684,665 | 2,703,230 | 2,718,586 | 2,755,245 | 2,791,494 | 2,839,099 |
| Percentage change | 3.5% | 3.3% | 2.8% | 3.4% | 1.2% | 0.7% | 0.6% | 1.3% | 1.3% | 1.7% |
| United States (a) | 296,410,404 | 299,398,484 | 301,621,157 | 304,093,966 | 306,771,529 | 309,326,295 | 311,721,632 | 314,112,078 | 316,497,531 | 318,857,056 |
| Percentage change | 0.9% | 1.0% | 0.7% | 0.8% | 0.9% | 0.8% | 0.8% | 0.8% | 0.8% | 0.7% |
| Total Personal Income | | | | | | | | | | |
| Nevada (in millions) (a) | \$ 86,650 | \$ 92,557 | \$ 103,847 | \$ 105,824 | \$ 96,430 | \$ 99,092 | \$ 102,612 | \$ 108,657 | \$ 109,490 | \$ 115,672 |
| Percentage change | 9.9% | 6.8% | 12.2% | 1.9% | -8.9% | 2.8% | 3.6% | 5.9% | 0.8% | 5.6% |
| United States (in millions) (a) | \$10,251,639 | \$10,860,917 | \$11,645,882 | \$12,451,660 | \$11,852,715 | \$12,417,659 | \$13,233,436 | \$13,904,485 | \$14,064,468 | \$14,683,147 |
| Percentage change | 5.6% | 5.9% | 7.2% | 6.9% | -4.8% | 4.8% | 6.6% | 5.1% | 1.2% | 4.4% |
| Per Capita Personal Income | | | | | | | | | | |
| Nevada (a) | \$ 35,883 | \$ 37,089 | \$ 40,480 | \$ 39,879 | \$ 35,919 | \$ 36,657 | \$ 37,745 | \$ 39,436 | \$ 39,223 | \$ 40,742 |
| Percentage change | 6.2% | 3.4% | 9.1% | -1.5% | -9.9% | 2.1% | 3.0% | 4.5% | -0.5% | 3.9% |
| United States (a) | \$ 34,586 | \$ 36,276 | \$ 38,611 | \$ 40,947 | \$ 38,637 | \$ 40,144 | \$ 42,453 | \$ 44,266 | \$ 44,438 | \$ 46,049 |
| Percentage change | 4.6% | 4.9% | 6.4% | 6.1% | -5.6% | 3.9% | 5.8% | 4.3% | 0.4% | 3.6% |
| Labor Force and Employment | | | | | | | | | | |
| Nevada Labor Force | 1,218,525 | 1,295,085 | 1,335,852 | 1,373,462 | 1,369,891 | 1,350,309 | 1,385,872 | 1,378,876 | 1,372,862 | 1,393,639 |
| Unemployed | 49,002 | 54,217 | 64,380 | 91,450 | 161,270 | 200,772 | 187,732 | 152,468 | 135,071 | 107,856 |
| Unemployment Rate | 4.0% | 4.2% | 4.8% | 6.7% | 11.8% | 14.9% | 13.5% | 11.1% | 9.8% | 7.7% |
| United States Labor Force | 149,320,000 | 151,428,000 | 153,124,000 | 154,287,000 | 154,142,000 | 153,889,000 | 153,617,000 | 154,975,000 | 155,389,000 | 155,922,000 |
| Unemployed | 7,591,000 | 7,001,000 | 7,078,000 | 8,924,000 | 14,265,000 | 14,825,000 | 13,747,000 | 12,506,000 | 11,460,000 | 9,617,000 |
| Unemployment Rate | 5.1% | 4.6% | 4.6% | 5.8% | 9.3% | 9.6% | 8.9% | 8.1% | 7.4% | 6.2% |

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation

Note: Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.

(a) Revised estimates for 2011 through 2013

Table 12 - Principal Employers

Current Year and Nine Years Ago

| Employer: | Calendar Year 2005 | | | Calendar Year 2014 | | |
|-------------------------------|--------------------------|------|--------------------------------------|--------------------------|------|--------------------------------------|
| | Employees | Rank | Percentage of Total State Employment | Employees | Rank | Percentage of Total State Employment |
| Clark County School District | 30,000 - 39,999 | 1 | 2.87% | 30,000 - 39,999 | 1 | 2.51% |
| State of Nevada | 20,000 - 29,999 | 2 | 2.05% | 20,000 - 29,999 | 2 | 1.79% |
| Washoe County School District | 8,000 - 8,499 | 6 | 0.68% | 8,500 - 8,999 | 3 | 0.63% |
| Clark County | 9,000 - 9,499 | 4 | 0.76% | 8,500 - 8,999 | 4 | 0.63% |
| Wynn Las Vegas | 9,000 - 9,499 | 5 | 0.76% | 8,000 - 8,499 | 5 | 0.59% |
| Bellagio, LLC | 9,500 - 9,999 | 3 | 0.80% | 8,000 - 8,499 | 6 | 0.59% |
| MGM Grand Hotel/Casino | 8,000 - 8,499 | 7 | 0.68% | 8,000 - 8,499 | 7 | 0.59% |
| Aria Resort & Casino, LLC | - | - | - | 7,500 - 7,999 | 8 | 0.56% |
| Mandalay Bay Resort & Casino | 8,000 - 8,499 | 8 | 0.68% | 7,000 - 7,499 | 9 | 0.52% |
| Caesar's Palace | 4,500 - 4,999 | 10 | 0.39% | 6,000 - 6,499 | 10 | 0.45% |
| Mirage Casino-Hotel | 5,500 - 5,999 | 9 | 0.47% | - | - | - |
| Total | 111,500 - 135,490 | | 10.14% | 111,500 - 135,490 | | 8.86% |

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Administration

Note: Percentage of total state employment is based on the midpoints in the ranges given.

Table 13 - School Enrollment

Last Ten Fiscal Years

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Public School Enrollment | | | | | | | | | | |
| Primary (Pre-K - 6) | 201,465 | 239,418 | 240,453 | 235,295 | 239,723 | 240,774 | 243,668 | 244,425 | 253,230 | 258,617 |
| Secondary (7 - 12) | 189,501 | 193,822 | 196,325 | 196,014 | 196,921 | 198,092 | 200,335 | 200,095 | 205,922 | 208,910 |
| Total | 390,966 | 433,240 | 436,778 | 431,309 | 436,644 | 438,866 | 444,003 | 444,520 | 459,152 | 467,527 |
| Public Higher Education Enrollment | | | | | | | | | | |
| University of Nevada, Reno | 12,444 | 12,429 | 12,709 | 12,889 | 13,601 | 14,025 | 14,330 | 14,830 | 16,240 | 17,380 |
| University of Nevada, Las Vegas | 20,180 | 20,007 | 20,297 | 20,670 | 20,160 | 19,217 | 19,142 | 19,848 | 21,012 | 21,724 |
| Nevada State College | 1,310 | 1,418 | 1,340 | 1,622 | 1,867 | 1,963 | 2,045 | 2,061 | 2,218 | 2,248 |
| College of Southern Nevada | 18,320 | 19,501 | 20,906 | 21,751 | 22,286 | 20,231 | 19,536 | 18,904 | 19,141 | 18,445 |
| Great Basin College | 1,584 | 1,613 | 1,781 | 2,002 | 1,996 | 1,826 | 1,743 | 1,796 | 1,753 | 1,853 |
| Truckee Meadows Community College | 6,210 | 6,454 | 6,800 | 7,312 | 7,143 | 6,262 | 6,499 | 6,249 | 6,144 | 6,350 |
| Western Nevada College | 2,463 | 2,427 | 2,438 | 2,908 | 2,960 | 2,380 | 2,283 | 2,248 | 2,353 | 2,375 |
| Total | 62,511 | 63,849 | 66,271 | 69,154 | 70,013 | 65,904 | 65,578 | 65,936 | 68,861 | 70,375 |

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

Note: Public higher education enrollment represents full-time equivalent students at fall enrollment.

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

Last Ten Fiscal Years

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function | | | | | | | | | | |
| General government | 1,536 | 1,558 | 1,570 | 1,539 | 1,487 | 1,443 | 1,445 | 1,548 | 1,539 | 1,633 |
| Health and social services | 5,364 | 5,773 | 6,145 | 5,823 | 6,151 | 6,061 | 5,937 | 5,925 | 6,239 | 6,394 |
| Education and support services | 8,118 | 8,670 | 9,030 | 8,930 | 8,670 | 8,383 | 8,015 | 7,663 | 8,380 | 8,647 |
| Law, justice and public safety | 5,654 | 5,946 | 5,924 | 5,815 | 5,812 | 5,707 | 5,760 | 5,838 | 5,831 | 5,846 |
| Regulation of business | 1,331 | 1,412 | 1,390 | 1,363 | 1,374 | 1,309 | 1,284 | 1,289 | 1,363 | 1,338 |
| Transportation | 1,771 | 1,792 | 1,829 | 1,810 | 1,776 | 1,769 | 1,797 | 1,776 | 1,770 | 1,793 |
| Recreation and resource development | 1,479 | 1,403 | 1,186 | 1,172 | 1,172 | 1,142 | 1,134 | 1,145 | 1,181 | 1,169 |
| Total | 25,253 | 26,554 | 27,074 | 26,452 | 26,442 | 25,814 | 25,372 | 25,184 | 26,303 | 26,820 |

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

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| General Government | | | | | | | | | | |
| <i>Department of Taxation</i> | | | | | | | | | | |
| Number of sales and use tax audits | 1,668 | 1,994 | 1,346 | 1,397 | 1,254 | 1,066 | 950 | 1,461 | 1,198 | N/A |
| <i>Public Employees Benefits Program</i> | | | | | | | | | | |
| Number of plan participants | 35,049 | 38,936 | 42,049 | 44,232 | 43,943 | 42,830 | 40,615 | 40,176 | 40,635 | 41,449 |
| Generic drug utilization (b) | 59% | 65% | 65% | 72% | 72% | 78% | 78% | 72% | 82% | 22% |
| <i>Department of Administration</i> | | | | | | | | | | |
| Square feet of non-state owned space leased (major urban areas) (i) | 1,377,525 | 1,547,467 | 1,547,467 | 1,393,872 | 1,393,872 | 1,466,102 | 1,408,617 | 1,511,207 | 1,526,579 | 1,606,012 |
| Job applications processed | 54,378 | 92,353 | 66,041 | 68,552 | 76,129 | 77,428 | 88,394 | 101,062 | 81,916 | 85,578 |
| <i>Nevada State Library and Archives</i> | | | | | | | | | | |
| Volumes (excludes documents and microfilm) | 76,527 | 79,917 | 82,913 | 81,368 | 82,848 | 84,460 | 86,231 | 87,942 | 89,785 | 91,497 |
| Government publications (U.S., Nevada and California) | 798,013 | 813,142 | 827,697 | 833,705 | 849,112 | 851,855 | 854,727 | 862,764 | 864,898 | 869,670 |
| Health and Social Services | | | | | | | | | | |
| <i>Health Care Financing & Policy</i> | | | | | | | | | | |
| Nevada Medicaid - average monthly eligibles | 172,685 | 168,197 | 180,369 | 197,313 | 240,528 | 279,840 | 303,214 | 315,434 | 392,315 | 558,787 |
| NV Check-Up Program - average monthly enrollment (f) | 27,492 | 29,075 | 29,075 | 21,713 | 21,713 | 21,193 | 21,296 | 21,132 | 21,771 | 22,606 |
| <i>Health Division</i> | | | | | | | | | | |
| Women, Infants and Children Program participants (FFY) | 602,100 | 602,784 | 711,018 | 793,166 | 870,398 | 887,796 | 896,465 | 884,946 | 874,462 | 860,468 |
| <i>Welfare Division</i> | | | | | | | | | | |
| Average monthly number of TANF recipients | 19,880 | 17,706 | 21,022 | 22,556 | 29,084 | 30,854 | 29,331 | 28,837 | 32,239 | 31,928 |
| Average monthly number of Mental Health clients | 14,655 | 13,249 | 14,582 | 15,575 | 15,160 | 15,138 | 14,058 | 14,414 | 14,238 | 13,585 |
| Average monthly number of Mental Health inpatients | 198 | 246 | 265 | 253 | 225 | 211 | 209 | 221 | 277 | 301 |
| Average monthly number of SNAP (Food Stamp) recipients | 118,474 | 119,596 | 137,589 | 179,790 | 260,417 | 323,290 | 352,156 | 358,611 | 375,506 | 411,447 |
| Average monthly number of Developmental Services clients | 4,057 | 4,387 | 4,672 | 4,876 | 5,086 | 5,346 | 5,550 | 5,694 | 5,865 | 6,184 |
| Percent of current child support owed that is collected (FFY) (f) | 46% | 48% | 48% | 48% | 49% | 51% | 56% | 58% | 60% | N/A |
| TANF recipient children receiving child care | 17,977 | 16,797 | 24,705 | 19,119 | 17,407 | 20,269 | 19,883 | 18,742 | 20,122 | 23,346 |
| Non-TANF children receiving child care | 104,463 | 112,452 | 113,426 | 84,517 | 69,541 | 83,399 | 67,955 | 43,215 | 39,309 | 44,725 |
| Applications for energy assistance received | 24,846 | 27,515 | 27,515 | 38,674 | 38,674 | 42,611 | 38,643 | 36,764 | 41,190 | 40,726 |
| Households served with energy assistance | 14,552 | 16,846 | 16,846 | 25,458 | 25,458 | 32,544 | 20,484 | 25,631 | 22,463 | 26,228 |
| Education and Support Services | | | | | | | | | | |
| <i>Nevada Department of Education (a)</i> | | | | | | | | | | |
| Percent of occupational education students receiving a diploma | 88% | N/A | 93% | 95% | 88% | 85% | 75% | 70% | 85% | 74% |
| Number of special education students receiving a high school diploma | 503 | 458 | 437 | 703 | 560 | 747 | 725 | 677 | 745 | 799 |
| Law, Justice and Public Safety | | | | | | | | | | |
| <i>The Supreme Court of Nevada</i> | | | | | | | | | | |
| Cases filed (c) | 2,171 | 2,124 | 2,212 | 2,169 | 2,267 | 2,514 | 2,406 | 2,362 | 2,426 | N/A |
| Cases disposed (c) | 2,387 | 1,976 | 2,058 | 2,238 | 2,468 | 2,217 | 2,248 | 2,392 | 2,582 | N/A |
| Number of opinions written (c) | 121 | 61 | 103 | 63 | 57 | 87 | 71 | 104 | 99 | N/A |
| <i>Nevada Department of Corrections</i> | | | | | | | | | | |
| Total admissions (e) | 6,292 | 6,016 | N/A | 5,781 | 5,801 | 5,971 | 5,818 | 5,666 | 5,749 | 5,937 |
| Total releases (e) | 5,162 | 5,308 | N/A | 6,120 | 6,056 | 6,098 | 5,678 | 5,614 | 5,672 | 5,750 |
| In-house population at year-end (e) | 12,816 | 12,967 | 12,853 | 12,742 | 12,591 | 12,458 | 12,564 | 12,665 | 12,824 | 12,999 |
| <i>Department of Public Safety, Highway Patrol Division</i> | | | | | | | | | | |
| Total number of DUI arrests (g) | 4,264 | 5,093 | 4,720 | 4,676 | 3,981 | 3,846 | 3,286 | 3,177 | 2,977 | 3,156 |
| Total number of safety inspections (g) | 24,714 | 24,227 | 22,669 | 26,478 | 26,056 | 25,491 | 27,492 | 28,737 | 25,923 | 33,570 |
| <i>Department of Motor Vehicles</i> | | | | | | | | | | |
| Motor vehicle registrations | 2,262,743 | 2,351,581 | 2,345,500 | 2,335,778 | 2,284,437 | 2,153,918 | 2,119,167 | 2,190,660 | 2,259,552 | 2,326,319 |

Regulation of Business

Nevada Department of Agriculture

Number of meals served in the Children & Adult Food Care Program **(f)** 4,256,701 3,093,889 3,093,889 4,330,289 4,330,289 4,063,461 4,592,266 4,724,529 4,800,386 4,527,435
 Percent of K-12 students participating in the Nat'l School Lunch Program **(b) (f)** 41% 43% 43% 42% 42% 47% 52% 54% 54% 54%

Nevada Gaming Commission

Licenses issued & active at fiscal year-end 2,924 2,961 2,933 2,882 2,827 2,875 2,859 2,933 2,981 2,961
 Licensed devices at fiscal year-end:
 Games 6,232 6,133 6,135 6,019 5,985 5,948 5,887 5,676 5,731 5,818
 Tables 1,098 1,102 1,001 1,063 1,132 1,070 1,016 902 848 871
 Slots 207,569 202,362 198,080 194,180 190,135 190,217 184,150 179,776 176,073 174,548

Department of Business and Industry

Units of affordable housing produced **(b) (f)** 236 403 403 792 792 773 592 727 1,117 848
 Taxicab Authority notices of violation issued 3,290 3,129 4,066 4,292 3,474 3,453 3,128 4,419 3,306 3,672
 Taxicab Authority vehicle inspections made 6,627 6,486 7,025 7,507 7,471 7,165 7,693 6,849 7,374 9,210
 Number of worksite safety & health inspections 2,594 2,399 2,566 2,835 2,040 1,223 1,322 1,272 1,659 1,131
 Number of boiler and elevator inspections 20,606 18,323 19,233 21,200 16,382 19,701 14,890 14,564 13,061 12,306
 Insurance license and renewal applications processed **(b) (f)** 41,646 44,765 44,765 39,065 39,065 42,506 42,748 41,382 66,763 51,006

Transportation

Nevada Department of Transportation

Miles of highways - rural **(e)** 4,741 4,757 4,736 4,802 4,782 4,782 4,750 4,726 4,726 4,735
 Miles of highways - urban **(e)** 658 665 662 618 618 618 633 654 667 662

Recreation and Resource Development

Commission on Tourism

Inquiries from advertising campaign **(d)** 162,592 301,223 417,269 363,677 196,058 199,471 222,197 162,117 31,998 23,542
 Tourism web site visitors **(d)** 1,405,972 1,951,193 3,459,745 1,685,237 2,056,349 2,424,567 2,422,893 1,249,030 1,226,380 708,795

Commission on Economic Development

Number of projects requesting Community Development Block Grants 57 42 37 21 46 28 42 35 40 36
 Number of projects funded 27 27 26 20 38 24 31 27 24 20

Department of Conservation and Natural Resources

Percent of human caused wildland fires in NDF's jurisdiction investigated 97% 100% 100% 100% 100% 100% 100% 100% 100% 100%
 Number of State Park users **(h)** 3,215,606 3,343,053 3,004,037 3,150,693 3,008,942 3,030,364 3,093,257 3,046,049 2,999,315 3,028,859

N/A = not available

Sources: Nevada Departments of Taxation, Administration, Health and Human Services, Education, Agriculture, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

Notes:

- (a)** See table 13 for public school enrollment.
- (b)** The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Base year figures have been used for odd numbered years in this table.
- (c)** Data based on calendar year.
- (d)** Revised figures provided by Commission on Tourism for 2006 and 2009.
- (e)** Data prior to 2009 was based on calendar year.
- (f)** Revised figures for 2007, 2008, 2010, 2011
- (g)** Revised figures for 2011, 2012
- (h)** 2006 through 2011 data based on calendar year. 2012 through 2015 data is fiscal year.
- (i)** Data from Executive Budget prior to 2011
- (j)** Data from Executive Budget prior to 2012

Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Government | | | | | | | | | | |
| State owned office space (square feet) | 214,747 | 215,867 | 201,688 | 201,688 | 202,229 | 214,611 | 219,927 | 215,416 | 213,896 | 213,896 |
| Vehicles (motor pool) | 824 | 790 | 849 | 851 | 828 | 798 | 775 | 777 | 865 | 909 |
| Health and Social Services | | | | | | | | | | |
| State owned office space (square feet) | 122,415 | 52,626 | 33,093 | 33,344 | 70,939 | 70,770 | 64,506 | 68,648 | 68,648 | 68,648 |
| Mental health centers | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Veterans' home | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Youth correctional centers | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 3 | 3 |
| Vehicles | 241 | 240 | 225 | 232 | 219 | 193 | 183 | 167 | 155 | 147 |
| Education and Support Services | | | | | | | | | | |
| State owned office space (square feet) | 28,200 | 28,200 | 28,200 | 27,949 | 28,031 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 |
| Number of State museums | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| State library | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Law, Justice and Public Safety | | | | | | | | | | |
| State owned office space (square feet) | 550,648 | 540,125 | 596,564 | 596,564 | 646,446 | 646,223 | 645,775 | 645,322 | 645,322 | 645,322 |
| Supreme Court building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Department of Corrections facilities | 21 | 21 | 19 | 20 | 20 | 20 | 19 | 19 | 19 | 19 |
| Vehicles | 1,091 | 1,067 | 1,172 | 1,217 | 1,199 | 1,161 | 1,191 | 1,118 | 1,128 | 1,088 |
| Regulation of Business | | | | | | | | | | |
| State owned office space (square feet) | 107,547 | 107,547 | 107,547 | 107,547 | 106,027 | 102,038 | 102,478 | 102,245 | 103,765 | 103,765 |
| Vehicles | 279 | 285 | 292 | 293 | 323 | 263 | 253 | 242 | 259 | 249 |
| Transportation | | | | | | | | | | |
| State owned office space (square feet) | 184,988 | 251,658 | 251,658 | 251,658 | 258,056 | 280,728 | 273,327 | 308,532 | 308,532 | 337,094 |
| NDOT lane miles | 13,087 | 13,131 | 13,137 | 13,055 | 13,055 | 13,055 | 13,368 | 13,613 | 13,622 | 13,628 |
| NDOT bridges | 1,025 | 1,045 | 1,092 | 1,092 | 1,092 | 1,109 | 1,116 | 1,101 | 1,154 | 1,164 |
| NDOT vehicles | 872 | 864 | 901 | 826 | 625 | 538 | 628 | 633 | 631 | 639 |
| NDOT heavy equipment | 1,875 | 1,900 | 1,913 | 1,886 | 2,033 | 2,058 | 1,943 | 1,931 | 1,918 | 1,926 |
| NDOT maintenance stations (staffed) | 41 | 51 | 48 | 45 | 45 | 42 | 42 | 42 | 44 | 44 |
| Recreation and Resource Development | | | | | | | | | | |
| State owned office space (square feet) | 146,982 | 137,353 | 139,874 | 139,874 | 140,998 | 142,638 | 142,140 | 143,150 | 143,150 | 143,150 |
| Number of State Parks | 26 | 24 | 25 | 24 | 24 | 24 | 24 | 24 | 23 | 23 |
| Acres of State Parks | 132,800 | 132,800 | 132,117 | 145,750 | 145,750 | 145,750 | 145,745 | 145,760 | 146,225 | 146,225 |
| Number of Fish Hatcheries | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Wildlife Management Areas | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Acres of Wildlife Management Areas | 117,959 | 117,959 | 117,959 | 116,888 | 118,993 | 118,993 | 120,254 | 121,086 | 119,212 | 119,212 |
| Vehicles | 998 | 803 | 811 | 854 | 919 | 805 | 797 | 790 | 826 | 850 |

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

COMPLIANCE SECTION



Cyclists explore Bloody Shins Trail
Winnemucca, NV





CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Ronald Knecht, MS, JD & PE
State Controller
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated December 21, 2015. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund – Investment Trust Fund, and the Division of Museums and History Dedicated Trust Fund, as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Nevada's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Findings 2015-A and 2015-B that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Nevada's Response to Findings

The State of Nevada's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The State of Nevada's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
December 21, 2015

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

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

Finding 2015-A

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting the gain/loss on refunding transactions is a key component of effective internal control over financial reporting.

A prior period adjustment of approximately \$38,000,000 was required to correct the amortization of the gain/loss on the refunding of certain bonds. The State of Nevada amortized the gain/loss on refunding transactions over the shorter of the life of the old debt or the life of the new debt, as required. Because it was the State of Nevada's policy to refund debt on the first available call date, the State of Nevada calculated the life of the old debt as ending on the call date. However, during the year, the State of Nevada became aware of a recently issued Question and Answer that clarified that the life of the old debt should run through the original end date of the issue.

Effect: In prior years, net position in the government wide financial statements was understated by approximately \$38,000,000 and amortization expense was overstated by a like amount.

Cause: The State of Nevada calculated the life of the old debt as ending on the call date of the issue, rather than on the end date of the original issue.

Recommendation: We recommend the State of Nevada enhance internal controls to ensure the correct end date is used when recording amortization of gain/loss on refunding transactions.

Views of Responsible Officials and planned corrective action: The State of Nevada Controller's office is in agreement that the internal controls need to be enhanced to ensure the correct end date is used for amortization of gain/loss on refunding transactions. This has already been implemented by the Controller's office, both with the identification and correction of the error, and with updating procedures to

calculate the life of the old debt by using the original end date of the issue.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

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

Finding 2015-B

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly capitalizing assets in the government-wide financial statements is a key component of effective internal control over financial reporting.

A journal entry was required to properly report a capital asset addition during the year. Land in the approximate amount of \$10,000,000 was recorded as an asset in 2012 and inadvertently recorded again in 2015 as part of the completed project.

Effect: Capital assets were overstated before the adjustment.

Cause: The State of Nevada Controller's office did not have adequate review procedures over multi-year construction projects to identify that an asset had been previously recorded.

Recommendation: We recommend the State of Nevada enhance review procedures over multi-year construction projects to ensure all components in the project are capitalized only once.

Views of Responsible Officials and planned corrective action:

The State of Nevada Controller's office is in agreement with the need for enhanced review procedures over multi-year construction projects. Therefore, additional procedures will be added to the review process in order to ensure that all components of multi-year construction projects are properly capitalized.