

# REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - General Fund and Major Special Revenue Funds

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# REQUIRED SUPPLEMENTAL INFORMATION

## Alamo

If you're heading out Alamo way, be ready to get off the pavement. There are hundreds of miles of trails for off-road vehicles open to the public. And if you're a birder, bring your binoculars – the specimens out here are amazing.

Alamo's also home to the Pahrnatagat National Wildlife Refuge – 5,000 acres of open wetlands and lush grasslands. This quaint community, founded in 1901, also includes homey services like cafes, a grocery store, churches, motels – even a landing strip for your private plane if you happen to have one. And as one of the closest towns to the legendary Area 51, planes might not be the only thing you spot in the sky.

Photo by Chris Moran/TravelNevada



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# Budgetary Comparison Schedule

## General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>				
Fund balances, July 1	\$ 851,139,584	\$ 851,139,584	\$ 851,139,584	\$ -
<b>Revenues:</b>				
Sales taxes	1,158,317,800	1,129,808,000	1,133,715,143	3,907,143
Gaming taxes, fees, licenses	884,915,758	880,352,771	857,544,083	(22,808,688)
Intergovernmental	3,613,556,943	4,338,719,056	3,907,217,245	(431,501,811)
Other taxes	1,762,312,173	1,965,910,307	2,030,617,904	64,707,597
Sales, charges for services	268,365,798	297,688,382	242,820,976	(54,867,406)
Licenses, fees and permits	677,050,967	728,456,803	715,377,434	(13,079,369)
Interest	11,089,989	12,970,424	8,367,997	(4,602,427)
Other	365,791,815	403,730,428	376,582,977	(27,147,451)
<b>Other financing sources:</b>				
Proceeds from sale of bonds	-	2,000,000	1,998,977	(1,023)
Transfers	637,983,572	945,193,061	776,714,697	(168,478,364)
Reversions from other funds	-	-	1,552,122	1,552,122
<b>Total sources</b>	<b>10,230,524,399</b>	<b>11,555,968,816</b>	<b>10,903,649,139</b>	<b>(652,319,677)</b>
<b>Uses of Financial Resources</b>				
<b>Expenditures and encumbrances:</b>				
Elected officials	139,178,237	174,369,213	125,508,889	48,860,324
Legislative and judicial	148,914,741	201,460,808	103,664,789	97,796,019
Finance and administration	102,512,166	116,549,811	79,990,289	36,559,522
Education - K to 12	2,225,947,601	2,469,211,598	2,263,277,591	205,934,007
Education - higher education	869,806,939	898,860,433	890,156,327	8,704,106
Human services	5,054,864,095	5,744,252,878	5,282,071,838	462,181,040
Commerce and industry	347,955,920	481,612,738	347,950,603	133,662,135
Public safety	427,447,393	468,576,824	412,095,768	56,481,056
Infrastructure	371,101,546	436,710,521	193,507,654	243,202,867
Special purpose agencies	74,280,464	85,098,813	52,616,248	32,482,565
<b>Other financing uses:</b>				
Transfers to other funds	31,749,013	121,261,261	121,261,261	-
Reversions to other funds	-	-	16,561,096	(16,561,096)
<b>Projected reversions</b>	<b>(40,000,000)</b>	<b>(40,000,000)</b>	<b>-</b>	<b>(40,000,000)</b>
<b>Total uses</b>	<b>9,753,758,115</b>	<b>11,157,964,898</b>	<b>9,888,662,353</b>	<b>1,269,302,545</b>
<b>Fund balances, June 30</b>	<b>\$ 476,766,284</b>	<b>\$ 398,003,918</b>	<b>\$ 1,014,986,786</b>	<b>\$ 616,982,868</b>

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 518,618,773	\$ 518,618,773	\$ 518,618,773	\$ -	\$ 1,203	\$ 1,203	\$ 1,203	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
321,806,880	388,472,543	387,571,479	(901,064)	-	-	-	-
347,719,546	383,153,944	384,994,707	1,840,763	-	-	-	-
18,724,306	21,335,947	18,429,482	(2,906,465)	-	-	-	-
222,630,827	231,179,792	227,592,851	(3,586,941)	-	-	-	-
709,094	4,459,019	5,224,064	765,045	10,094,931	10,094,931	3,510,793	(6,584,138)
46,151,587	45,905,091	31,620,535	(14,284,556)	16,322,047	16,322,047	4,540,000	(11,782,047)
150,000,000	190,000,000	185,001,083	(4,998,917)	-	-	-	-
15,592,929	22,282,478	39,272,599	16,990,121	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,641,953,942</u>	<u>1,805,407,587</u>	<u>1,798,325,573</u>	<u>(7,082,014)</u>	<u>26,418,181</u>	<u>26,418,181</u>	<u>8,051,996</u>	<u>(18,366,185)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
224,352,157	255,574,723	208,139,103	47,435,620	-	-	-	-
1,019,842,931	1,297,521,075	956,221,855	341,299,220	-	-	-	-
-	-	-	-	-	-	-	-
78,896,289	105,445,166	105,445,166	-	26,416,978	26,418,181	8,051,996	18,366,185
-	-	46,440	(46,440)	-	-	-	-
(56,400,842)	(86,400,842)	-	(86,400,842)	-	-	-	-
<u>1,266,690,535</u>	<u>1,572,140,122</u>	<u>1,269,852,564</u>	<u>302,287,558</u>	<u>26,416,978</u>	<u>26,418,181</u>	<u>8,051,996</u>	<u>18,366,185</u>
<u>\$ 375,263,407</u>	<u>\$ 233,267,465</u>	<u>\$ 528,473,009</u>	<u>\$295,205,544</u>	<u>\$ 1,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# BELMONT



Belmont is what's called a "semi-ghost town." A few residents remain, but the town is populated mostly by historical buildings. Founded in 1865, Belmont's original brick courthouse still stands – now a State Historical Monument and part of the Nevada State Park system. The historic cemetery is pretty much the same way you would've found it had you ridden into town 100 years ago. Today, modern amenities include a bed and breakfast, a saloon and Pine Creek Campground, located some 20 miles to the north.

Photos by Sydney Martinez/TravelNevada



## Notes to Required Supplementary Information Budgetary Reporting

NEVADA

For the Fiscal Year Ended June 30, 2017

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 24<sup>th</sup> are reported instead of the amounts disclosed in the original budget. The August 24, 2017 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, 2017 budget as permitted by NRS 353.220.

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

	General Fund	State Highway	Municipal Bond Bank
<b>Fund balances (budgetary basis) June 30, 2017</b>	\$ 1,014,987	\$ 528,473	\$ -
<b>Adjustments:</b>			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	4,814	195	-
Investments not recorded on the budgetary basis	772	-	-
Loans not recorded on the budgetary basis	-	-	89,700
Accrual of certain other receivables	294,673	7,135	1,078
Inventory	7,585	15,129	-
Advances to other funds	4,646	3,900	-
Accrual of certain accounts payable and other liabilities	(473,386)	(8,537)	-
Unearned revenues	(113,049)	-	-
Deferred inflows - unavailable	(204,832)	(2,649)	-
Encumbrances	6,617	3,463	-
Other	(2,745)	(1,828)	-
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	16,605	-	-
<b>Fund balances (GAAP basis) June 30, 2017</b>	<u>\$ 556,687</u>	<u>\$ 545,281</u>	<u>\$ 90,778</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2017, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	\$ 1,014,987
Restricted funds	(587,927)
<b>Unrestricted fund balance (budgetary basis)</b>	<u>\$ 427,060</u>

During the fiscal year ended June 30, 2017, two instances of excesses of expenditures over appropriations occurred at the category level in budget accounts within the General Fund. These were corrected prior to the end of the fiscal year, and a corrective action plan was implemented to prevent overspending of appropriations in the future.

## Pension Plan Information

For the Fiscal Year Ended June 30, 2017

### 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, 2016 (expressed in thousands):

	2016	2015	2014
State's proportion of the net pension liability	16.3%	16.4%	16.6%
State's proportionate share of the net pension liability	\$ 2,187,213	\$ 1,879,626	\$ 1,730,601
State's covered payroll	\$ 906,687	\$ 874,098	\$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	241%	215%	198%
Plan fiduciary net position as a percentage of the total pension liability	72%	75%	76%

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Statutorily required contributions	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959	\$ 164,630	\$ 153,768	\$ 146,754
Contributions in relation to the										
statutorily required contribution	151,492	190,528	176,579	174,712	162,484	163,219	160,959	164,630	153,768	146,754
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Covered payroll	984,131	906,687	874,098	872,316	855,179	859,047	946,818	968,412	961,050	917,213
Contributions as a percentage of covered payroll	15%	21%	20%	20%	19%	19%	17%	17%	16%	16%

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

### B. Single-employer Plan

The following schedule presents the changes in the net pension liability for the Legislators' Retirement System for the year ended June 30, 2016 (expressed in thousands):

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

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

(Continued)

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

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

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

### C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System for the year ended June 30, 2016 (expressed in thousands):

	2016	2015	2014
<b>Total pension liability</b>			
Service cost	\$ 3,828	\$ 3,593	\$ 3,411
Interest	9,677	8,876	8,367
Differences between expected and actual experience	(4,211)	1,250	(2,666)
Benefit payments, including refunds	(5,351)	(4,896)	(4,295)
Other	-	2,357	990
Net change in total pension liability	3,943	11,180	5,807
Total pension liability - beginning	119,810	108,630	102,823
<b>Total pension liability - ending (a)</b>	<b>\$ 123,753</b>	<b>\$ 119,810</b>	<b>\$ 108,630</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 5,773	\$ 6,155	\$ 6,002
Contributions - employee	269	96	-
Net investment income	1,556	3,206	14,252
Benefit payments, including refunds	(5,351)	(4,896)	(4,295)
Administrative expense	(90)	(86)	(83)
Other	-	2,357	990
Net change in plan fiduciary net position	2,157	6,832	16,866
Plan fiduciary net position - beginning	98,945	92,113	75,247
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 101,102</b>	<b>\$ 98,945</b>	<b>\$ 92,113</b>
<b>Net pension liability - beginning</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>	<b>\$ 27,576</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 22,651</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>
Plan fiduciary net position as a percentage of total pension liability	82%	83%	85%
Covered payroll (measurement as of end of fiscal year)	\$ 20,154	\$ 19,930	\$ 18,934
Net pension liability as a percentage of covered payroll	112%	105%	87%

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

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

	2017	2016	2015
Actuarially determined contribution	\$ 5,138	\$ 5,443	\$ 5,266
Contributions in relation to the actuarially determined contribution	\$ 5,262	\$ 5,227	\$ 5,535
Contribution (deficiency) excess	\$ 124	\$ (216)	\$ 269
Covered payroll	\$ 18,195	\$ 17,425	\$ 17,132
Contributions as a percentage of covered payroll	29%	30%	32%

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

*Notes to Required Supplementary Information* – actuarial assumptions used in calculating the actuarially determined contributions can be found in Note 11C.



# Schedule of Infrastructure Condition and Maintenance Data

NEVADA

For the Fiscal Year Ended June 30, 2017

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 expends certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of 5,400 centerline miles of roads and 1,170 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. In 2016, the State realigned its goals and has set a policy to maintain each category of its roadways with an IRI of 95 or less. The prior policy was to maintain each category with an IRI of 80 or less. The 2014 assessment results are based on the previous rating system. Results of condition assessments from 2015 and 2016 under the new rating system policy provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for all road categories. The following tables show the State's condition level of roadways under the current and previous policies.

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

Condition Level of the 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%

The State has set a policy to maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following table shows the State's policy and condition level of the bridges.

Condition Level of the Bridges			
Percentage of substandard bridges			
	2016	2012	2011
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	2%	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)					
	2017	2016	2015	2014	2013
Estimated	\$ 171,755	\$ 306,532	\$ 386,093	\$ 433,338	\$ 402,650
Actual	157,670	295,244	329,677	360,510	325,313

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.