OFFICIAL STATEMENT

$29,475,000

State of Nevada
Colorado River Commission of Nevada
Taxable General Obligation (Limited Tax)
(Subordinate Revenue Supported) Refunding Bonds
Series 2014E

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

In the opinion of Bond Counsel, interest on the Bonds is included in gross income pursuant to the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"). In the opinion of Bond Counsel, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State of Nevada or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS" in Part I of this Official Statement.

NEW ISSUE — BOOK-ENTRY ONLY

DAC Bond

	RATINGS
Fitch	AA+
Moody's	Aa2
Standard & Poor's	AA

See "RATINGS."

$29,475,000
STATE OF NEVADA
COLORADO RIVER COMMISSION OF NEVADA
TAXABLE GENERAL OBLIGATION (LIMITED TAX)
(SUBORDINATE REVENUE SUPPORTED) REFUNDING BONDS
SERIES 2014E

DATED: Date of Delivery **DUE: See inside of this cover page**

Interest on the Bonds is payable on April 1 and October 1 of each year, commencing on October 1, 2014.

The Bonds may be purchased in book–entry form only, in the principal amount of $5,000 or any integral multiple thereof. See "Appendix C—BOOK-ENTRY SYSTEM" in Part I of this Official Statement.

The Bonds or portions thereof, will be subject to optional redemption prior to maturity as set forth herein. A bidder may request that the Bonds maturing on or after October 1, 2025, be included in one or more term bonds, and be subject to mandatory sinking fund redemption, subject to the terms and conditions set forth under the heading "Mandatory Sinking Fund Redemption" in the "OFFICIAL NOTICE OF BOND SALE" referred to below.

The Bonds are direct general obligations of the State of Nevada (the "State") to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "DESCRIPTION OF THE BONDS—Security for the Bonds" in Part I of this Official Statement. The Bonds are also payable from and secured by a pledge of certain net pledged revenues described in the Bond Resolution that is junior and subordinate in certain respects to the pledge thereof securing certain senior lien bonds. See Part III of this Official Statement for a summary of net pledged revenues securing the Bonds.

For maturity dates and interest rates, see the inside cover of this Official Statement.

The Bonds are offered when, as and if issued by the State and accepted by the successful bidder, and subject to the approval of legality and certain other legal matters by Sherman & Howard L.L.C., Bond Counsel. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the State. The Bonds are expected to be available for book–entry delivery on or about June 24, 2014.

This page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Official Statement Dated: June 3, 2014

Maturity Schedule

$29,475,000
State of Nevada
Colorado River Commission of Nevada
Taxable General Obligation (Limited Tax)
(Subordinate Revenue Supported) Refunding Bonds
Series 2014E

Base CUSIP†: 641461

Maturity Date (October 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP† Suffix
2015	$ 420,000	0.250%	100%	H76
2016	420,000	0.500	0.590	H84
2017	425,000	0.900	1.020	H92
2018	730,000	1.400	1.470	J25
2019	740,000	2.050	2.070	J33
2020	755,000	2.300	2.350	J41
2021	770,000	2.600	2.650	J58
2022	800,000	2.800	2.860	J66
2023	815,000	2.900	2.960	J74
2024	835,000	3.300	3.360	J82
2025	865,000	3.400	3.460	J90
2026	900,000	3.500	3.560	K23
2027	925,000	3.600	3.660	K31
2028	965,000	3.700	3.760	K49
2029	1,000,000	3.800	3.860	K56
2030	1,035,000	3.900	3.960	K64
2031	1,075,000	4.000	4.060	K72

$16,000,000 4.250% Term Bond due October 1, 2043 Yield: 4.290% CUSIP: K80

STATE OF NEVADA

Brian Sandoval, Governor
Brian K. Krolicki, Lieutenant Governor
Ross Miller, Secretary of State
Kate Marshall, State Treasurer
Kim R. Wallin, State Controller
Catherine Cortez Masto, Attorney General

FINANCIAL ADVISOR

JNA Consulting Group, LLC
1400 Wyoming Street, Suite 3
Boulder City, Nevada 89005
(702) 294-5100

BOND COUNSEL
Sherman & Howard L.L.C.
50 West Liberty Street, Suite 1000
Reno, Nevada 89501
(775) 323-1980

DISCLOSURE COUNSEL
Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
(415) 773-5700

REGISTRAR AND PAYING AGENT
U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003
(800) 934-6802

No dealer, broker, salesperson or other person has been authorized by the State of Nevada (the "State") to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the State or the successful bidder for the Bonds. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Any information, estimates and expressions of opinion herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the State since the date hereof.

The information set forth herein has been furnished by the State and includes information obtained from other sources. Such other sources are believed to be reliable, but the information derived from such sources is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other person.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend" and "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the State's financial results could cause actual results to differ materially from those stated in the forward-looking statements. The presentation of information, including tables of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the State. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

In connection with this offering the successful bidder may over allot or effect transactions that stabilize or maintain the market prices of the Bonds offered hereby at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

---

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the applicable Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.*

TABLE OF CONTENTS

Page

INTRODUCTION

General 1
Part I – Information Concerning the Bonds 1
Part II – Information Concerning the State of Nevada 1
Part III – Information Concerning Additional Source of Payment for the Bonds 1
Tax Status 1
Miscellaneous 2

PART I INFORMATION CONCERNING THE BONDS

DESCRIPTION OF THE BONDS I-1
General I-1
Interest I-1
Redemption of Bonds I-1
Authorization and Purpose of Bonds I-3
Plan of Refunding I-3
Sources and Uses of Proceeds of the Bonds I-3
Security for the Bonds I-3
Additional Source of Payment for the Bonds I-4
Summary of Certain Provisions of the Bond Resolution I-5
Continuing Disclosure Undertaking I-5
LEGAL MATTERS I-5
ABSENCE OF LITIGATION RELATING TO THE BONDS I-6
TAX MATTERS I-6
Federal Tax Matters I-6
State Tax Exemption I-7
FINANCIAL STATEMENTS I-7
RATINGS I-7
UNDERWRITING I-7
FINANCIAL ADVISOR I-7
AUTHORIZATION I-7

PART I – SCHEDULE I – REFUNDED BONDS I-S-1
PART I – APPENDIX A – FORM OF APPROVING OPINION OF BOND COUNSEL I-A-1
PART I – APPENDIX B – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT I-B-1
PART I – APPENDIX C – BOOK-ENTRY SYSTEM I-C-1
PART I – APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION 1-D-1

PART II – INFORMATION CONCERNING THE STATE OF NEVADA

Page

GOVERNMENT STRUCTURE II-1
DEBT STRUCTURE II-1
Constitutional Debt Limitation II-1
Outstanding General Obligation Bonds II-3
Debt Service on General Obligation Bonds II-7
Authorized but Unissued General Obligation Bonds II-9
Lease-Backed Financings II-12
Security for State General Obligation Bonds II-12
Build America Bonds II-13
PROPERTY TAXATION II-14
Property Tax Base and Tax Roll Collection II-14
Property Tax Limitations II-17
State Tax Rates for Repayment of General Obligation Bonds II-20
FINANCIAL INFORMATION II-23
Financial Statements II-23
Budget Procedure II-23
General Fund II-24
State General Fund Revenue Sources II-24
General Fund Balance II-29
Account to Stabilize the Operation of State Government II-31
2011-2013 Biennium Budget II-31
2013-2015 Biennium Budget II-33
Pension Plans II-34
Public Employees' Benefits Program II-35
Insurance Premium Fund II-37
Unemployment Insurance Benefit Fund II-38
Budget Control Act of 2011 ..... II-38
STATE LITIGATION II-39
ECONOMIC AND DEMOGRAPHIC INFORMATION II-42
General II-42
Population and Age Distribution II-42
Income II-43
Employment II-44
Educational Attainment II-45
Sales and Use Tax II-46
Gaming and Tourism II-46
Transportation II-48
Economic Development II-49
Warehousing II-49
Federal Activities II-49
Mining II-50
Electric Utilities II-51
Water II-51

TABLES

				PAGE
*	Table 1	-	Constitutional Debt Limitation	II-3
*	Table 2	-	Outstanding General Obligation Bonds	II-4
*	Table 3	-	Annual Debt Service Requirements	II-7
*	Table 4	-	Direct General Obligation Debt Ratios	II-8
	Table 5	-	County Assessed Valuations	II-15
*	Table 6	-	Ten Largest Taxable Property Owners	II-16
*	Table 7	-	Tax Levies, Collections and Delinquencies Clark County, Nevada	II-17
*	Table 8	-	Tax Levies, Collections and Delinquencies Washoe County, Nevada	II-17
*	Table 9	-	State Debt Service on Outstanding Bonds Paid with State-Wide Property Tax	II-20
*	Table 10	-	Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds	II-21
	Table 11	-	Overlapping Tax Rates: State-Wide Average, Las Vegas and Reno	II-22
*	Table 12	-	General Fund Revenues	II-27
*	Table 13	-	General Fund Appropriations	II-28
*	Table 14	-	General Fund Unappropriated Balances	II-29
	Table 15	-	General Fund Balance	II-31
	Table 16	-	Nevada Population by County	II-42
	Table 17	-	Age Distribution	II-43
	Table 18	-	Per Capita Personal Income Groups	II-43
	Table 19	-	Median Household Income	II-44
	Table 20	-	Percent of Household by Income Groups	II-44
	Table 21	-	Average Annual Labor Force Summary	II-44
	Table 22	-	Average Establishment-Based Industrial Employment by Calendar Year	II-45
	Table 23	-	Educational Attainment (Civilian Labor Force Aged 16 and Older)	II-45
	Table 24	-	Transactions Taxable Under the Nevada Sales and Use Tax Laws	II-46
	Table 25	-	Gross Taxable Gaming Revenues and Total Gaming Taxes	II-46
	Table 26	-	Visitor Volume and Room Occupancy Rate Las Vegas Metropolitan Area, Nevada	II-47
	Table 27	-	Visitor Volume and Room Occupancy Rate Washoe County, Nevada	II-48
	Table 28	-	Convention and Visitor Authority Room Tax Revenue	II-48
	Table 29	-	Mineral Production	II-51
	Table 30	-	Mineral Production (By Weight)	II-51

---

* Annual financial information to be updated annually pursuant to the Disclosure Dissemination Agreement.

PART II – ATTACHMENT I – SUMMARY OF STATE OF NEVADA PENSION SYSTEMS..... II-Att. I-1

PART II – ATTACHMENT II – SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM ..... II-Att. II-1

PART II – APPENDIX A – STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2013 (EXCLUDING THE STATISTICAL SECTION)..... II-A-1

PART II – APPENDIX B – STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES II-B-1

PART II – APPENDIX C – MAY 1, 2013 ECONOMIC FORUM FORECAST II-C-1

PART III - INFORMATION CONCERNING ADDITIONAL SOURCES OF PAYMENT FOR THE BONDS

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

SUMMARY

This summary is not a complete description of the Bonds, and does not contain all of the information you should consider before making any investment decision with respect to the Bonds. Prospective purchasers of Bonds should read the more detailed information appearing in this Official Statement for a complete understanding about the offering and the terms of, security for, and sources of payment for the Bonds.

THE BONDS

Bonds Offered

State of Nevada, Colorado River Commission of Nevada, Taxable General Obligation (Limited Tax) (Subordinate Revenue Supported) Refunding Bonds, Series 2014E (the "Bonds")

Redemption

The Bonds, or portions thereof, maturing on and after October 1, 2025, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after October 1, 2024, in whole or in part at any time from any maturities selected by the State and pro rata within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

The Bonds maturing on October 1, 2043, will be subject to mandatory sinking fund redemption (pro rata) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, and accrued interest to the redemption date:

Redemption Date (October 1)	Principal Amount
2032	$1,115,000
2033	1,170,000
2034	1,215,000
2035	1,270,000
2036	1,320,000
2037	1,380,000
2038	1,280,000
2039	1,330,000
2040	1,390,000
2041	1,450,000
2042	1,510,000
2043*	1,570,000

*Maturity

PURPOSE

Purpose	The Bonds are being issued to current refund the State of Nevada, Colorado River Commission of Nevada (Limited Tax) (Subordinate Revenue Supported) Bonds, Series 2014A (the "Refunded Bonds"). The Refunded Bonds were issued for the purpose of prepaying federal debt related to Hoover Dam. See "Plan of Refunding" below.

AUTHORIZING LEGISLATION

Authorization to Issue Bonds	The Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 246, Statutes of Nevada, 2013 (the Project Act"), the Bond Act, the Supplemental Bond Act and a resolution adopted by the Colorado River Commission of Nevada on May 13, 2014 (the "Bond Resolution"). A copy of the Bond Resolution is on file with the Commission in Las Vegas, Nevada and is available for public inspection.

PLAN OF REFUNDING

Refunding	A portion of the proceeds of the sale of the Bonds will be applied to pay and redeem the Refunded Bonds in full on or prior to July 1, 2014.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation of the State	The Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "Description of the Bonds – Security for the Bonds" in Part I of this Official Statement for additional information regarding the general obligation of the State and Nevada constitutional and statutory limitations on ad valorem taxes.

Additional Source of Payment for the Bonds	Although the Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay the Bonds because the Bonds are also payable from certain net pledged revenues of the Commission derived from the electric energy output from Hoover Dam. The pledge of net pledged revenues is subordinate in certain respects to the pledge securing certain other bonds. See Part III of this Official Statement for certain information relating to the Commission and net pledged revenues.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT
$29,475,000
STATE OF NEVADA
COLORADO RIVER COMMISSION OF NEVADA
TAXABLE GENERAL OBLIGATION (LIMITED TAX)
(SUBORDINATE REVENUE SUPPORTED) REFUNDING BONDS
SERIES 2014E

INTRODUCTION

General

This Official Statement of the State of Nevada (the "State"), including the cover pages, inside cover page, appendices and exhibits, is provided for the purpose of setting forth information in connection with the sale of the bonds identified above (the "Bonds").

This Official Statement consists of the cover page and all prefatory material prior to this introduction, this introduction, Part I (including all Schedules and Appendices thereto), Part II (including all Appendices and Attachments thereto) and Part III.

Part I – Information Concerning the Bonds

Part I sets forth information concerning the Bonds, including the payment and redemption provisions, the basis of their authorization and their purpose, the security for the Bonds, the continuing disclosure undertaking, the income tax treatment of the interest on the Bonds, and certain other matters.

Part II – Information Concerning the State of Nevada

Part II sets forth certain information relating to the State, including constitutional and statutory authorizations of general obligation debt and applicable debt limitations, information related to general obligation bonds currently issued and outstanding, as well as general obligation bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information. Part II also includes as appendices (i) the Comprehensive Annual Financial Report (excluding the statistical section) of the State for FY 2013, (ii) a brief history of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2009, 2010, 2011, 2012 and 2013 and (iii) the Economic Forum forecast of general fund revenues as of May 1, 2013. The State's fiscal year (referred to herein as "FY") is the 12-month period ending on June 30.

Part III – Information Concerning Additional Source of Payment for the Bonds

Part III sets forth certain information relating to the Colorado River Commission of Nevada ("CRC" or the "Commission") and additional security that relates to the Bonds.

Tax Status

In the opinion of Bond Counsel, interest on the Bonds is included in gross income pursuant to the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"). In the opinion of Bond Counsel, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State of Nevada or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS" in Part I of this Official Statement.

Miscellaneous

Potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the State, the Bonds, and the resolution of the Commission authorizing the Bonds (the "Bond Resolution") are included in this Official Statement. All references herein to the Bonds and the Bond Resolution and other documents referred to herein are qualified in their entirety by reference to such documents and all capitalized terms used herein, which are not defined, have the meanings given such terms as set forth in the Bond Resolution.

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the purchasers or subsequent owners of the Bonds.

The summaries of certain provisions of the Bonds, the Nevada statutes, the Bond Resolution and other documents referred to in this Official Statement do not purport to be complete and reference is made to each of them for a complete statement of their provisions. The term "NRS" used herein refers to the Nevada Revised Statutes.

A wide variety of other information, including financial information, concerning the State is available from State agencies, State agency publications and State agency websites. No such information is a part of or incorporated into this Official Statement.

PART I

INFORMATION CONCERNING THE BONDS

DESCRIPTION OF THE BONDS

General

The Bonds will be dated their date of delivery and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Beneficial interests in the Bonds may be purchased in book-entry form only, in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds purchased. The record date for the payment of interest on the Bonds (the "Regular Record Date") is the close of business on the 15th day of the calendar month preceding an interest payment date. Interest will be paid by U.S. Bank National Association, Paying Agent and Registrar (the "Paying Agent" and "Registrar"), on the interest payment date (or if such day is not a business day, on the next succeeding business day) to DTC or its nominee as registered owner of the Bonds. Disbursement of interest, principal and redemption payments is the responsibility of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references in this Official Statement to the registered owners of the Bonds will mean Cede & Co., and will not mean the beneficial owners. See "APPENDIX C—BOOK-ENTRY SYSTEM" in Part I of this Official Statement.

Interest

Interest on the Bonds is payable on the dates and at the interest rates shown on the inside cover page of this Official Statement calculated on the basis of a 360-day year of twelve 30-day months.

Redemption of Bonds

Optional Redemption of Bonds. The Bonds, or portions thereof in Authorized Denominations, maturing on and after October 1, 2025, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after October 1, 2024, in whole or in part at any time from any maturities selected by the State and pro rata within a maturity as determined by the Paying Agent, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on October 1, 2043, will be subject to mandatory sinking fund redemption (pro rata as determined by the Paying Agent) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, and accrued interest to the redemption date:

Mandatory Sinking Fund Redemption Date (October 1)	Principal Amount
2032	$1,115,000
2033	1,170,000
2034	1,215,000
2035	1,270,000
2036	1,320,000
2037	1,380,000
2038	1,280,000
2039	1,330,000
2040	1,390,000
2041	1,450,000
2042	1,510,000
2043*	1,570,000

*Maturity

At the option of the State, acting by and through the Commission, the State may: (i) deliver to the Paying Agent for cancellation the Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State; or (ii) specify a principal amount of such Bonds, or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond so delivered or previously redeemed shall be credited by the Paying Agent at 100% of the principal amount thereof against the obligation of the State on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Commission determines.

Notice of Redemption

Notice of redemption of any Bonds will be given by electronic mail as long as Cede & Co. or a nominee of a successor depository is the owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date, to the registered owner of the Bonds called for redemption (which will be Cede & Co., as nominee of DTC) and electronically to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System ("MSRB"), and as otherwise provided in the Bond Resolution. The notice will identify the Bonds or portions thereof to be redeemed, specify the redemption date and state that on the redemption date the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the principal office of the Paying Agent or such other office as may be designated by the Paying Agent, and that after the redemption date, no further interest will accrue on the principal of any Bonds called for redemption. Actual receipt of the notice by the MSRB or the registered owner of the Bonds shall not be a condition precedent to the redemption of such Bonds. Failure to give such notice as described above to the MSRB or the registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds called for redemption. Any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was given.

Partial Redemption

Pursuant to the Bond Resolution, if less than all of the Bonds of a maturity shall be called for redemption, such Bonds of a maturity shall be redeemed in part, on a pro rata basis; provided that, so long as the Bonds are held in book-entry-only form, the selection for redemption of such Bonds of a maturity shall be made in accordance with

the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata basis, the Bonds will be selected for redemption in accordance with DTC procedures, by lot or in such other manner as is in accordance with applicable DTC operational arrangements. The State cannot provide any assurance that DTC, DTC's direct and indirect participants, or any other intermediary will allocate partial redemptions among beneficial owners of the Bonds of a maturity on a pro rata basis. See Appendix C to Part I of this Official Statement for a description of DTC and the Book-Entry System.

Authorization and Purpose of Bonds

The Bonds are being issued to current refund the State of Nevada, Colorado River Commission of Nevada Taxable General Obligation (Limited Tax) (Subordinate Revenue Supported) Bonds, Series 2014A (the "Refunded Bonds"). See "Plan of Refunding" below. The Refunded Bonds were issued for the purpose of prepaying federal debt related to Hoover Dam. The Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 246, Statute of Nevada, 2013 (the Project Act"), the Bond Act, the Supplemental Bond Act and a resolution adopted by the Colorado River Commission on May 13, 2014 (the "Bond Resolution"). A copy of the Bond Resolution is on file with the Commission in Las Vegas, Nevada, and is available for public inspection.

Plan of Refunding

A portion of the proceeds of the sale of the Bonds will be applied to pay and redeem the Refunded Bonds in full on or prior to July 1, 2014.

Sources and Uses of Proceeds of the Bonds

The sources and proposed uses of the proceeds of the Bonds are approximately as follows:

SOURCES	
Principal Amount of Bonds	$29,475,000.00
Net Original Issue Discount	(173,830.50)
TOTAL SOURCES	**$29,301,169.50**
USES	
Pay Refunded Bonds	$28,462,128.18
Capitalized Interest	379,102.06
Costs of Issuance[(1)]	459,939.26
TOTAL USES	**$29,301,169.50**

(1) Represents underwriters' discount, legal and financing fees, financial advisory fees, printing costs, rating fees, and other miscellaneous expenses relating to the issuance of the Bonds.

Security for the Bonds

The Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "INFORMATION CONCERNING THE STATE OF NEVADA—DEBT STRUCTURE—Constitutional Debt Limitation" and "—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement. The tax will be levied annually as necessary until all of the Bonds and the interest thereon are discharged, and will be levied and collected

in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State will be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in Part II of this Official Statement. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. The State Legislature has exempted $0.02 per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. If the State increases the $0.17 per $100 of assessed valuation levy, with the effect in some jurisdictions of exceeding the $3.64 statutory cap, State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, so that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness. The State has the ability to raise its levy for the general obligation bonds (including both the amount levied by the State and the applicable statutory cap) within the constraints of the Nevada constitutional cap by legislative action. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged and that any law concerning the Bonds or other state securities, taxes or pledged revenues or any combination of such securities, taxes and revenues, shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding state securities, including the Bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. Subject to any contractual limitations binding upon the holders of the Bonds contained in the Bond Resolution, State law authorizes holders of the Bonds to bring actions, at law or in equity, against the State, the Commission, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy ad valorem taxes to pay (a) general obligation bonds that are identified as self-supporting bonds because they are expected to be paid in full from sources other than property taxes (referred to herein as the "self-supporting bonds") or (b) that portion of general obligation bonds that are not identified as self-supporting bonds that is expected to be paid from sources other than property taxes. The Bonds are self-supporting bonds. The currently outstanding self-supporting bonds and bonds that are not self-supporting but partially supported with revenues received from local sources are identified in Table 2 of Part II of this Official Statement. These bonds (or self-supporting portions thereof) are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to ad valorem tax receipts as other general obligation bonds of the State.

Additional Source of Payment for the Bonds

Although the Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay the Bonds because the Bonds are payable from other revenues and are self-supporting bonds.

The Bonds are payable primarily from and secured by a pledge of certain net pledged revenues that is junior and subordinate in certain respects to the pledge thereof securing certain senior lien bonds. Part III of this Official Statement includes certain information relating to the Commission and the additional source of payment for the Bonds.

Summary of Certain Provisions of the Bond Resolution

The Bond Resolution includes provisions defining certain rights and remedies of the holders of the Bonds and of the State. These include provisions relating to events of default, bondholder rights and remedies upon default, rights of the State to amend or supplement the Bond Resolution, rights of bondholders to consent to such amendments or supplements, and defeasance of the Bonds, among other things. For a summary of these provisions, see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" in Appendix D of Part I of this Official Statement.

Continuing Disclosure Undertaking

The State has agreed to certain covenants relating to compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended ("SEC Rule 15c2-12"). The State has designated Digital Assurance Certification L.L.C. ("DAC") as its dissemination agent. See Appendix B of this Part I for the form of Disclosure Dissemination Agent Agreement to be entered into by the State.

In connection with other bonds issued by the State, the State has entered into similar continuous disclosure undertakings pursuant to which the State agrees to provide and file annual financial information and notices of specified material events with respect to the applicable bonds.

The State became aware that an annual report filing for the fiscal year ended June 30, 2009, due by March 31, 2010, for Nevada Municipal Bond Bank Project Nos. 57-64 Series June 1, 1997B was not on file with the MSRB (the annual report filings for the prior and subsequent fiscal years were properly filed). The State made a supplemental filing to remedy the omission. The State believes that it has filed all other annual reports for that bond issue and believes that the omission of the filing in 2010 was due to either a clerical error in the filing process or the result of a change in CUSIP number that was not properly recorded.

The State generally offers multiple series of bonds through a single official statement and enters into continuing disclosure arrangements through a single agreement that is applicable to all series of bonds offered under the applicable official statement. In certain instances, one or more series of bonds is secured by revenues that are not available as security for the other series of bonds offered pursuant to the same offering document. It has come to the State's attention that in several financings a continuing disclosure obligation may be applicable to an issue of bonds for which it is not intended, and that is not secured by the revenues with respect to which continuing disclosure information is required. The State has become aware of a limited number of instances of failure to update certain tables, none of which the State believes to be material because the tables update revenue sources that are not available for payment of the issue of bonds for which an update was not provided.

With respect to the State's Motor Vehicle Fuel Tax Revenue Bonds, the State learned that while annual reports were filed for fiscal years ended June 30, 2008 and 2009, updates of certain tables were omitted from the annual report. The affected bonds are no longer outstanding.

The Office of the State Treasurer believes that, except as set forth above, during the past five years the State has complied in all material respects with any prior written continuing disclosure undertaking pursuant to SEC Rule 15c2-12.

LEGAL MATTERS

The validity of the Bonds is to be approved by Sherman & Howard L.L.C. as Bond Counsel, whose approving opinion will be delivered to the State concurrently with the delivery of the Bonds. A copy of the proposed

text of the approving opinion of Bond Counsel is set forth in Appendix A to Part I of this Official Statement. Orrick, Herrington & Sutcliffe LLP is serving as Disclosure Counsel to the State with respect to the Bonds. Bond Counsel and Disclosure Counsel, respectively, undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION RELATING TO THE BONDS

No litigation is pending against the State (with service of process on the State having been accomplished) in any federal or state court, nor is the State a party in any administrative proceeding pending before any administrative body, that seeks to restrain or enjoin the sale or delivery of the Bonds or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Bonds.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, interest on the Bonds is included in gross income pursuant to the Tax Code.

The Tax Code contains numerous provisions, including provisions related to the imposition of additional taxes, which may affect an investor's decision to purchase the Bonds. Further, under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds in certain situations including: (i) an owner who fails to provide certain required information to certain persons required to collect such information; (ii) the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406; or (iii) an owner fails to provide a certificate that the owner is not subject to backup withholding when such a certificate is required by the Tax Code.

With respect to Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of the Discount Bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "de minimis original issue discount" for federal income tax purposes and will be used in determining the basis of the Discount Bonds for the purpose of determining the amount of gain or loss on such Discount Bonds on the sale or other disposition thereof. At the election of the owner of a Bond, exercised in the manner provided in the Tax Code and regulations and other official pronouncements thereunder, such de-minimis original issue discount may be treated as regular "original issue discount," a portion of which is included as interest income in the gross income of the Bond owner annually as provided in the Tax Code. Owners who desire to make such an election or who make such an election, and owners who do not purchase the Discount Bonds in the initial offering or who purchase the Bonds in the initial offering at a price different from the initial offering price of the Discount Bonds to the public, should consult their own tax advisors about the tax consequences thereof.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds. In addition, future court actions or regulatory decisions could affect the market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

Any tax advice concerning the Bonds, interest on the Bonds or any other federal income tax issues associated with the Bonds, express or implicit in the provisions of this Official Statement, is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This document supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

State Tax Exemption

The Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report (excluding the statistical section) of the State for FY 2013 is included as Appendix A to Part II of this Official Statement. Kafoury Armstrong & Co., certified public accountants and independent auditors for the State, has consented to the inclusion of such Comprehensive Annual Financial Report in this Official Statement. The history of State General Fund Revenues, Expenditures and Changes in Fund Balance for the five fiscal years ended June 30, 2013, is included as Appendix B to Part II of this Official Statement.

RATINGS

Fitch, Inc., doing business as Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") have assigned ratings of "AA+," "Aa2," and "AA," respectively, to the Bonds. An explanation of the significance of these ratings may be obtained from Fitch at One State Street Plaza, New York, New York 10004, from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from Standard & Poor's at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of the rating agencies.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their opinion, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the marketability and market price of the Bonds to which such ratings are applicable.

UNDERWRITING

The successful bidder for the Bonds was J.P. Morgan Securities LLC. The aggregate purchase price of the Bonds is $29,099,575.32, being the par amount of the Bonds less a net original issue discount of $173,830.50 and less underwriter's discount of $201,594.18.

FINANCIAL ADVISOR

JNA Consulting Group, LLC is serving as financial advisor to the State in connection with the Bonds. The financial advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the financial advisor respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

AUTHORIZATION

This Official Statement and its use in connection with the offering and sale of the Bonds have been duly authorized by the State.

STATE OF NEVADA

/s/ Kate Marshall
State Treasurer

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART I

SCHEDULE I

REFUNDED BONDS

Maturity Date	**Outstanding Aggregate Par Amount**	**CUSIP**	**Redemption Date**
March 2, 2015	$28,425,000	64146 ZY7	On or prior to July 1, 2014

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART I – APPENDIX A

FORM OF APPROVING OPINION OF BOND COUNSEL

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

FORM OF APPROVING OPINION OF BOND COUNSEL

[Closing Date], 2014

State of Nevada
c/o Colorado River Commission of Nevada
555 East Washington Avenue, Suite 3100
Las Vegas, NV 89101

$29,475,000
State of Nevada
Colorado River Commission of Nevada
Taxable General Obligation (Limited Tax)
(Subordinate Revenue Supported) Refunding Bonds
Series 2014E

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State"), acting by and through the Colorado River Commission of Nevada (the "Commission"), in connection with the issuance of the above-captioned bonds (the "Bonds") pursuant to a resolution approved by the Commission on May 14, 2014 (the "Bond Resolution"). In such capacity, we have examined the Commission's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the Commission's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the constitution and laws of the State.

3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with the limitations of NRS 361.453.

4. The Bonds are additionally secured by and payable from the Net Pledged Revenues. The Bond Resolution creates a valid lien on the Net Pledged Revenues pledged therein as security for the Bonds that is junior and subordinate to the pledge of and lien on that portion of the Net Pledged Revenues (i.e., the Senior Lien Net Pledged Revenues) that also secures the Senior Lien Bonds and is on a parity with any Parity Bonds hereafter issued. The Bond Resolution also creates a valid lien on the Parity Bond Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Net Pledged Revenues securing the Bonds or on the Parity Bond Fund created by the Bond Resolution.

5. Interest on the Bonds is included in gross income under federal income tax laws pursuant to the Internal Revenue Code of 1986, as amended to the date hereof.

6. Under laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State, acting by and through the Commission, pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

The provisions of this opinion letter concerning federal tax issues are not intended or written to be used and cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This writing supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted

PART I – APPENDIX B

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of June 24, 2014, is executed and delivered by the State of Nevada (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Treasurer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. <u>Provision of Annual Reports and Other Disclosures</u>.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2014. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. on the first business day following the Annual Filing Date for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. **"**Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds."

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of an Obligated Person;"

14. "Merger, consolidation, or acquisition of an Obligated Person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in Obligated Person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. <u>Content of Annual Reports</u>.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information in tables marked with an asterisk on page iii of the Official Statement.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP"). If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. <u>Reporting of Notice Events</u>.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bond holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the

Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filings.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make,

contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have

no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The Disclosure Dissemination Agent consents to the jurisdiction of the Nevada district courts for enforcement of this Disclosure Agreement.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By:_____
Name: _____
Title: _____

STATE OF NEVADA
as Issuer

By:_____
Name: Kate Marshall
Title: State Treasurer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

$29,475,000
State of Nevada
Colorado River Commission of Nevada
Taxable General Obligation (Limited Tax)
(Subordinate Revenue Supported) Refunding Bonds
Series 2014E

Base CUSIP: 641461

Maturity Date (October 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP† Suffix
2015	$ 420,000	0.250%	100%	H76
2016	420,000	0.500	0.590	H84
2017	425,000	0.900	1.020	H92
2018	730,000	1.400	1.470	J25
2019	740,000	2.050	2.070	J33
2020	755,000	2.300	2.350	J41
2021	770,000	2.600	2.650	J58
2022	800,000	2.800	2.860	J66
2023	815,000	2.900	2.960	J74
2024	835,000	3.300	3.360	J82
2025	865,000	3.400	3.460	J90
2026	900,000	3.500	3.560	K23
2027	925,000	3.600	3.660	K31
2028	965,000	3.700	3.760	K49
2029	1,000,000	3.800	3.860	K56
2030	1,035,000	3.900	3.960	K64
2031	1,075,000	4.000	4.060	K72

$16,000,000 4.250% Term Bond due October 1, 2043 Yield: 4.290% CUSIP: K80

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	**State of Nevada**
Name of Bond Issue:	**Colorado River Commission of Nevada, Taxable General Obligation (Limited Tax) (Subordinate Revenue Supported) Refunding Bonds, Series 2014E**
Date of Issuance:	**June 24, 2014**

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc: Issuer
Obligated Person

PART I – APPENDIX C

BOOK-ENTRY SYSTEM

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

BOOK-ENTRY SYSTEM

The information contained in this Appendix has been extracted from a document prepared by DTC, entitled "SAMPLE OFFICIAL STATEMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE."

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of Bonds, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying agent, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the State or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds certificates will be printed and delivered to DTC.

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof. The information contained in the website referred to in the preceding material or in any other website referred to therein is not incorporated be reference in this Official Statement.

PART I – APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution establishing certain of the terms and conditions of the Bonds. This summary does not purport to be complete and is qualified in its entirety by reference to the Bond Resolution for a complete statement of the provisions of the Bond Resolution.

Events of Default; Remedies

The Bond Resolution contains the following events of default: (1) payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or by proceedings for prior redemption, or otherwise; (2) payment of any installment of interest on the Bonds is not made when the same becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under the Bond Resolution; (4) the State fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to Gross Pledged Revenues, to the Hoover Powerplant, or to any combination thereof, or otherwise, including, without limitation, the Bond Resolution, and such failure continues for 60 days after receipt of notice from the holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding; (5) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for the Gross Pledged Revenues and any other moneys subject to the lien to secure payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (6) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the Bond Resolution on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 25% in principal of the Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, as provided in the Bond Resolution, then and in every case the owner or owners or not less than 25% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under the Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the Bond Resolution or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any parity securities then Outstanding.

Supplemental Bond Resolutions

The Bond Resolution may be amended or supplemented by instruments adopted by the Commission, without receipt by the State of any additional consideration, but with the written consent of the holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of the amendatory or supplemental instrument. No such instrument shall permit: (1) a change in the maturity or in the terms of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon without the consent of the holder of such Bond; (2) a reduction in the principal amount of any Bond or the rate of interest thereon without the consent of the holder of such Bond; (3) the creation of a lien upon or a pledge of revenues ranking prior to the lien of the Bond Resolution; (4) a reduction in the principal amount or percentages or otherwise affecting the description of the Bonds or the consent of the holders of Bonds which is required for any amendment or other modifications; (5) the establishment of priorities as between the Bonds issued and Outstanding under the provisions of the Bond Resolution; or (4) the modification of, or other action which materially and prejudicially affects the rights or privileges of the holders of less than all Bonds Outstanding.

Defeasance

When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations under the Bond Resolution to that Bond shall thereby be discharged and such Bond shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment of any Bond if the State has placed in escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as such requirements become due to the maturity date thereof or to any Redemption Date. The principal of and the interest on the Federal Securities when due and payable shall provide sufficient money prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the escrow agent at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to prior redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The State is obligated to contribute additional securities or monies to the escrow or trust if necessary to provide sufficient amounts to satisfy the payment obligations on the Bonds unless the Commission, on behalf and in the name of the State, has obtained an opinion of nationally recognized bond counsel to the effect that such continuing obligation to contribute additional securities is not necessary to prevent a deemed reissuance under Section 1001 of the Internal Revenue Code of 1986, as amended.

The State has generally provided in its escrow agreements for refunded or otherwise discharged bonds as described above, that if it appears to the escrow bank that the money and any interest on and principal of the Federal Securities in escrow allocable for such use will not be sufficient to make any required payment due on the discharged bonds as the same become do, the escrow bank shall notify the Treasurer of the State as soon as reasonably practicable of such fact and the amount of such deficiency. The agreement further provides that upon receipt of such notice the State shall forthwith pay to the escrow bank for deposit in the escrow account such additional moneys as may be required. No assurances can be provided that future escrow agreements will include the provisions summarized in this paragraph.

PART II

INFORMATION CONCERNING THE STATE OF NEVADA

Part II of this Official Statement contains information concerning the State, including constitutional and statutory authorizations of debt and applicable debt limitations, information related to bonds currently issued and outstanding, as well as bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information, and supplements the information contained in the other parts of this Official Statement.

The Section in this Part II titled "FINANCIAL INFORMATION" sets forth information relating to the State's recent historical and current financial condition as well as budget information and revenue forecasts for FY 2014 and FY 2015. The Section titled "FINANCIAL INFORMATION—State General Fund Revenue Sources" identifies certain revenue enhancements and reallocations that were approved by the State Legislature in the 2013-2015 biennial session (77th Session) as well as some actions taken in earlier sessions during the process of establishing a balanced budget in the face of weakened economic projections. The Section titled "FINANCIAL INFORMATION—2013-2015 Biennium Budget" summarizes the key tools used by the Governor and the State Legislature in adopting a balanced budget for the 2013-2015 Biennium. The Section titled "FINANCIAL INFORMATION—Budget Procedure" summarizes the process that is followed to adopt a balanced budget for each biennium.

Following several years of serious economic downturn during which the State experienced significant declines in its major sources of revenues, economic conditions in the State have stabilized and are improving. In FY 2013, eight of the largest General Fund revenue sources – sales and use tax receipts, gaming tax receipts, modified business tax receipts, insurance premium tax receipts, live entertainment tax receipts, cigarette tax receipts, real property transfer tax receipts, and business license fees – each posted year-over-year increases. No assurances can be made that the foregoing trends in revenue sources are predictive of continuing or future trends.

Statewide assessed values increased in FY 2014 for the first time in several years. See Table 5 for a summary of assessed valuations for fiscal years 2011-2015, and Table 12 for a summary of general fund revenues for fiscal years 2011-2013 and the May 1, 2013 Economic Forum Forecast for fiscal years 2013-2015, legislatively adjusted as set forth in the following paragraph. The State adopted a balanced budget in June 2013 for the 2013-2015 Biennium. No assurances can be made that the increase in assessed valuations in FY 2014 will be predictive of a continuing or future trend, or that the assumptions and projections set forth in the Economic Forum Forecast for 2013-2015 will be predictive of actual results.

On May 1, 2013, the Economic Forum issued its Economic Forum Forecast for fiscal years 2014 and 2015. The legislatively enacted budget, which was signed by the Governor, was balanced to this amount after statutorily enacted adjustments. The final Economic Forum Forecast for fiscal years 2014 and 2015 with legislatively approved adjustments was published in the Nevada Legislative Appropriations Report, which was released in November 2013. The May 1, 2013 Economic Forum Forecast, with legislatively approved adjustments, is attached as Appendix C to this Part II of this Official Statement. Updated revenue figures will periodically be made available by the State.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

GOVERNMENT STRUCTURE II-1
DEBT STRUCTURE II-1
Constitutional Debt Limitation II-1
Outstanding General Obligation Bonds II-3
Debt Service on General Obligation Bonds II-7
Authorized but Unissued General Obligation Bonds II-9
Lease-Backed Financings II-12
Security for State General Obligation Bonds II-12
Build America Bonds II-13
PROPERTY TAXATION II-14
Property Tax Base and Tax Roll Collection II-14
Property Tax Limitations II-17
State Tax Rates for Repayment of General Obligation Bonds II-20
FINANCIAL INFORMATION II-23
Financial Statements II-23
Budget Procedure II-23
General Fund II-24
State General Fund Revenue Sources II-24
General Fund Balance II-29
Account to Stabilize the Operation of State Government II-31
2011-2013 Biennium Budget II-31
2013-2015 Biennium Budget II-33
Pension Plans II-34
Public Employees' Benefits Program II-35
Insurance Premium Fund II-37
Unemployment Insurance Benefit Fund II-38
Budget Control Act of 2011 ..... II-38
STATE LITIGATION II-39
ECONOMIC AND DEMOGRAPHIC INFORMATION II-42
General II-42
Population and Age Distribution II-42
Income II-43
Employment II-44
Educational Attainment II-45
Sales and Use Tax II-46
Gaming and Tourism II-46
Transportation II-48
Economic Development II-49
Warehousing II-49
Federal Activities II-49
Mining II-50
Electric Utilities II-51
Water II-51

LIST OF TABLES

				PAGE
*	Table 1	-	Constitutional Debt Limitation	II-3
*	Table 2	-	Outstanding General Obligation Bonds	II-4
*	Table 3	-	Annual Debt Service Requirements	II-7
*	Table 4	-	Direct General Obligation Debt Ratios	II-8
	Table 5	-	County Assessed Valuations	II-15
*	Table 6	-	Ten Largest Taxable Property Owners	II-16
*	Table 7	-	Tax Levies, Collections and Delinquencies Clark County, Nevada	II-17
*	Table 8	-	Tax Levies, Collections and Delinquencies Washoe County, Nevada	II-17
*	Table 9	-	State Debt Service on Outstanding Bonds Paid with State-Wide Property Tax	II-20
*	Table 10	-	Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds	II-21
	Table 11	-	Overlapping Tax Rates: State-Wide Average, Las Vegas and Reno	II-22
*	Table 12	-	General Fund Revenues	II-27
*	Table 13	-	General Fund Appropriations	II-28
*	Table 14	-	General Fund Unappropriated Balances	II-29
	Table 15	-	General Fund Balance	II-31
	Table 16	-	Nevada Population by County	II-42
	Table 17	-	Age Distribution	II-43
	Table 18	-	Per Capita Personal Income Groups	II-43
	Table 19	-	Median Household Income	II-44
	Table 20	-	Percent of Households by Income Groups	II-44
	Table 21	-	Average Annual Labor Force Summary	II-44
	Table 22	-	Average Establishment-Based Industrial Employment by Calendar Year	II-45
	Table 23	-	Educational Attainment	II-45
	Table 24	-	Transactions Taxable Under the Nevada Sales and Use Tax Laws	II-46
	Table 25	-	Gross Taxable Gaming Revenues and Total Gaming Taxes	II-46
	Table 26	-	Visitor Volume and Room Occupancy Rate Las Vegas Metropolitan Area, Nevada	II-47
	Table 27	-	Visitor Volume and Room Occupancy Rate Washoe County, Nevada	II-48
	Table 28	-	Convention and Visitors Authority Room Tax Revenue	II-48
	Table 29	-	Mineral Production	II-51
	Table 30	-	Mineral Production (By Weight)	II-51

* Annual financial information to be updated annually pursuant to the Disclosure Dissemination Agreement.

PART II – ATTACHMENT I - SUMMARY OF STATE OF NEVADA PENSION SYSTEMS ..... II-Att. I-1
PART II – ATTACHMENT II - SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM ..... II-Att. II-1

PART II – APPENDIX A – STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2013 (EXCLUDING THE STATISTICAL SECTION) II-A-1
PART II – APPENDIX B – STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES II-B-1
PART II – APPENDIX C – MAY 1, 2013 ECONOMIC FORUM FORECAST WITH LEGISLATIVELY APPROVED ADJUSTMENTS II-C-1

GOVERNMENT STRUCTURE

Nevada's Constitution was approved in 1864 and has been amended from time to time. The Constitution provides for three branches of government: legislative, executive and judicial. The legislative branch is made up of a Senate and an Assembly. State Senators are elected for four-year terms, and members of the State Assembly are elected for two-year terms.

The State Legislature convenes biennially in odd-numbered years. The most recent regular (77th) biennial legislative session convened on February 4, 2013 and adjourned on June 3, 2013. A special session was convened on June 4, 2013, and was adjourned the same day. Special sessions of the State Legislature may be convened by the Governor by proclamation or by the State Legislature by a petition specifying the business to be transacted in the session and signed by two-thirds of the legislators of each house.

There are 21 Senators and 42 members of the Assembly. Nevada's elected Constitutional officers are the Governor, Lieutenant Governor, Secretary of State, Treasurer, Controller, and Attorney General, all of whom are elected for four-year terms. All Constitutional officers are limited to two terms. Supreme Court justices are elected on a non-partisan ballot for six-year terms.

Following are the State's Constitutional officers:

Office	Name	Political Party Affiliation	Term First Commenced	Term Expires
Governor	Brian Sandoval	Republican	2011	2015
Lieutenant Governor	Brian K. Krolicki	Republican	2007	2015
Secretary of State	Ross Miller	Democrat	2007	2015
Treasurer	Kate Marshall	Democrat	2007	2015
Controller	Kim R. Wallin	Democrat	2007	2015
Attorney General	Catherine Cortez Masto	Democrat	2007	2015

The Board of Finance, consisting of the Governor, the Treasurer, the Controller, and two additional members appointed by the Governor, may issue and redeem securities on behalf of the State, when authorized by law, as provided in NRS Sections 349.150 through 349.364.

County governments in Nevada are managed by boards of county commissioners or the equivalent. There are 17 counties in the State. Cities are governed by general acts, and 13 of the cities are also governed by special charters granted by the State Legislature.

Representation in the United States Congress is by two Senators and four Representatives.

As of December 31, 2013, there were approximately 16,983 permanent and non-permanent (emergency, provisional and temporary) full-time equivalent State employees excluding employees of the University System, courts and legislature. The State does not have collective bargaining agreements with employee unions. As of December 31, 2013, approximately 3,357 State employees were members of voluntary employee/labor organizations that represent the interests of their members. The State considers its relations with its employees to be satisfactory.

DEBT STRUCTURE

Constitutional Debt Limitation

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to general obligation debt that is incurred for the protection and preservation of any property or natural resources of the

State or for the purpose of obtaining the benefits thereof. The limitation does not apply to revenue bonds or contingent liabilities, nor does it apply to lease purchase arrangements the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds, more fully described in Note 8 to the State's Comprehensive Annual Financial Report for FY 2013 (excluding the statistical section) included in Appendix A to this Part II (the "2013 Financial Statements") and under the heading "DEBT STRUCTURE — Lease-Backed Financings" in this Part II. Such lease obligations are not considered debt under the Constitution and State law.

Subject to the State's constitutional debt limitation, the State Legislature may authorize the issuance of bonds or other securities by the State or any of its departments, divisions, agencies, political subdivisions, or other governmental agencies for any public purpose. In the case of the State, it is common for the State Legislature to authorize the issuance of bonds and other securities by a special act in a maximum principal amount for a specified project or projects, rather than by general act for a number of general purposes.

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval.

Debt limitation information is reported in Table 1. The assessed valuation amount effective as of June 30 of a particular year is used for purposes of determining property taxes and the applicable debt limitation for the following fiscal year. The assessed valuation constitutes 35% of the taxable value of all taxable property within the State and may be adjusted from time to time during the course of a fiscal year, and if the assessed valuation is so adjusted, the debt limitation would also be adjusted. The assessed valuation effective as of June 30, 2013 set forth in Table 1 is the most current assessed value available and will be applicable for determining the debt limitation during FY 2014, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II.

The assessed valuation set forth in Table 1 effective as of June 30 of a particular year corresponds to the assessed value set forth in Table 4 for the following fiscal year (the fiscal year to which the June 30 assessed valuations apply), adjusted for state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1 but are excluded from the assessed value amount in Table 4.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 1
Constitutional Debt Limitation[1]

Effective June 30	Assessed Valuation[2]	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2010	$95,018,324,064	$1,900,366,481	$1,383,690,000	$516,676,481
2011	87,805,540,651	1,756,110,813	1,311,690,000	444,420,813
2012	83,575,629,078	1,671,512,582	1,260,065,000	411,447,582
2013	85,058,177,087[3]	1,701,163,542	1,178,185,000	522,978,542
2014	85,058,177,087[3][5]	1,701,163,542	1,170,885,000[4]	530,278,542

(1) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2013 Financial statements and "DEBT STRUCTURE—Lease-Backed Financings" in this Part II.

(2) For purposes of calculating the State's debt limitation on June 30 of each year, the assessed valuation figures include state-wide redevelopment agency assessed valuations in the amounts of: 2010-$4,446,650,992; 2011-$2,324,227,437; 2012-$1,568,613,686, 2013-$1,360,419,727, and 2014-$1,391,049,246. 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.

(3) The assessed valuation as reported by the State Department of Taxation on June 25, 2013 is used to report fiscal years 2013 and 2014.

(4) Debt outstanding as of May 1, 2014.

(5) Based on the final assessed valuation as reported by the State Department of Taxation on April 29, 2014 (as revised on May 15, 2014), which is subject to change, the Assessed Valuation would be $92,594,755,375, Debt Limitation would be $1,851,895,108 and Remaining Constitutional Debt Capacity would be $681,010,108.

Source: State of Nevada Controller's Office.

Outstanding General Obligation Bonds

Certain general obligation indebtedness of the State is subject to the State's constitutional debt limitation and certain general obligation indebtedness of the State is exempt from the State's constitutional debt limitation. Table 2 identifies separately those bonds that are subject to the limitation and those bonds that are exempt from the limitation. See "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II for a discussion of the State's constitutional debt limitation, and bonds included and excluded therefrom.

In addition, certain general obligation indebtedness of the State (whether or not subject to the State's constitutional debt limitation) is categorized as "self-supporting" (referred to herein as the "self-supporting bonds"). The self-supporting bonds are expected to be paid in whole from revenues other than the state-wide property tax. General obligation bonds that are categorized as self-supporting bonds are identified by an asterisk in Table 2, and the outstanding balance of such bonds is identified in a subgroup in Table 2.

There are also certain general obligation bonds of the State that are expected to be paid in part from property taxes and in part from other sources. These bonds are not characterized as "self-supporting bonds" (because they are not expected to be paid in whole from other revenues) and are identified by two asterisks in Table 2.

If the revenues that are expected to be used to pay the self-supporting bonds or the portion of the bonds that are not characterized as self-supporting bonds but expected to be paid from other sources are insufficient, the State is obligated to pay any deficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the General Fund.

The State levies a state-wide property tax to repay its general obligation bonds (other than the bonds listed in Table 2 under "Self-Supporting Debt Outstanding" and the portion of the bonds that are expected to be paid from other sources but are not characterized as self-supporting bonds). See "PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in this Part II.

Table 2 presents information as of May 1, 2014 and does not include the planned issuance of the Bonds described in this Official Statement. See "DESCRIPTION OF THE BONDS—Plan of Refunding" in Part I of this Official Statement for a description of the bonds listed in Table 2 that will be refunded in whole by the Bonds.

See also "DEBT STRUCTURE—Security for State General Obligation Bonds" in this Part II.

Table 2[1]
Outstanding General Obligation Bonds
As of May 1, 2014

	Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Capital Improvement, Cultural Affairs, and Refunding Bonds	08/01/04	A	$127,955,000	$ 4,965,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	04/01/05	A	246,875,000	25,270,000
	Open Space, Parks, and Cultural Resources Bonds	04/01/05	C	6,100,000	840,000
*	University System Refunding Bonds	04/01/05	G	40,580,000	18,165,000
	Capital Improvement, Parks, and Cultural Affairs Bonds	09/14/05	J	36,000,000	1,780,000
	Cultural Affairs Bonds	07/18/06	C	2,925,000	2,085,000
	Capital Improvement Bonds	11/29/06	E	149,990,000	32,790,000
	Capital Improvement and Cultural Affairs Bonds	07/12/07	B	267,270,000	236,620,000
	Capital Improvement and Cultural Affairs Bonds	07/31/08	C	279,825,000	266,830,000
	Open Space, Parks, and Cultural Resources Bonds	07/31/08	E	7,500,000	6,785,000
	Capital Improvement Bonds[2]	11/17/09	A	68,000,000	68,000,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	11/17/09	B	34,990,000	10,645,000
	Open Space, Parks, and Cultural Resources Bonds	11/17/09	D	5,000,000	4,775,000
	Juvenile Treatment Facility Project Refunding Certificates	12/10/09		7,900,000	4,855,000
	Capital Improvement and Refunding Bonds	12/21/10	C	121,920,000	120,670,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	11/16/11	A	65,245,000	65,245,000
	Open Space, Parks, and Cultural Resources Bonds	11/16/11	D	32,835,000	32,835,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	03/22/12	B	50,800,000	50,515,000
	Capital Improvement and Cultural Affairs Refunding Bonds	04/09/13	D-1	98,015,000	98,015,000
	Capital Improvement and Cultural Affairs Refunding Bonds	04/09/13	E	64,980,000	64,150,000
	Open Space, Parks, and Cultural Resources Refunding Bonds	04/09/13	G	3,665,000	3,665,000
	Capital Improvement and Cultural Affairs Bonds	04/22/14	A	51,385,000	51,385,000
TOTAL					$1,170,885,000

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

	Exempt from Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
*	Municipal Bond Bank Project Nos. 77, 78, 79, R-7, and R-8	11/01/03	I	$35,465,000	$ 1,705,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	11/01/03	J	3,300,000	240,000
**	Natural Resources and Refunding Bonds	08/01/04	B	40,705,000	1,520,000
**	Natural Resources and Refunding Bonds	04/01/05	B	26,655,000	10,055,000
	Open Space, Parks, and Natural Resources Bonds	04/01/05	D	5,000,000	475,000
*	Safe Drinking Water Act Revolving Fund Matching and Refunding Bonds	04/01/05	E	8,085,000	3,645,000
*	Colorado River Commission Water Refunding Bonds	04/13/05	H	36,130,000	31,620,000
*	Colorado River Commission Power Delivery Project Refunding Bonds	04/13/05	I	65,300,000	47,755,000
*	Municipal Bond Bank Project Nos. R-9A, R-9B, R-9C, R-10, R-11, and R-12	05/17/05	F	272,560,000	206,770,000
	Natural Resources Bonds	09/14/05	K	7,000,000	665,000
	Open Space, Parks, and Natural Resources Bonds	09/14/05	L	2,000,000	285,000
*	Water Pollution Control Revolving Fund Matching Bonds	09/14/05	M	1,960,000	460,000
**	Natural Resources Bonds	07/18/06	B	16,000,000	8,080,000
*	Colorado River Commission Water Refunding Bonds	07/18/06	D	111,840,000	66,200,000
	Natural Resources and Refunding Bonds	11/29/06	F	12,665,000	2,110,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	11/29/06	G	3,305,000	2,485,000
	Natural Resources Bonds	07/12/07	A	19,500,000	15,570,000
	Open Space, Parks, and Natural Resources Bonds	07/12/07	C	4,500,000	3,470,000
**	Natural Resources Bonds	04/22/08	A	22,545,000	19,040,000
	Open Space, Parks, and Natural Resources Bonds	04/22/08	B	10,000,000	8,245,000
	Natural Resources Bonds	07/31/08	D	13,000,000	12,405,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	07/31/08	F	3,330,000	1,815,000
	Natural Resources and Refunding Bonds	11/17/09	C	13,765,000	12,695,000
	Open Space, Parks, and Natural Resources Bonds	11/17/09	E	8,240,000	7,865,000
	Natural Resources Bonds	06/24/10	A	3,430,000	3,430,000
*	Colorado River Commission Water Refunding Bonds	06/24/10	B	7,405,000	7,405,000
**	Natural Resources and Refunding Bonds	12/21/10	D	20,170,000	20,170,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/21/10	G	4,535,000	3,360,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	12/21/10	H-1	4,625,000	2,450,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	12/21/10	H-2	3,725,000	2,520,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/21/10	I	6,235,000	5,195,000
*	Colorado River Commission Hoover Uprating Refunding Bonds	11/16/11	B	5,545,000	5,545,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	11/16/11	C	28,460,000	26,445,000
	Open Space, Parks, and Natural Resources Refunding Bonds	11/16/11	E	14,530,000	14,530,000
*	Safe Drinking Water Revolving Fund Matching Bonds	11/16/11	F	2,820,000	1,455,000
*	Municipal Bond Bank Project Nos. 80, 81, 82, 83, and 84	03/22/12	A	25,445,000	23,760,000
**	Natural Resources Refunding Bonds	03/22/12	C	25,510,000	25,510,000
	Open Space, Parks and Natural Resources Refunding Bonds	03/22/12	D	4,245,000	4,245,000
*	Colorado River Commission Hoover Uprating Refunding Bonds	07/10/12	E	17,085,000	13,110,000
*	Municipal Bond Bank Project Nos. 84, 85, and 86	02/20/13	A	23,505,000	23,385,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	02/20/13	B	17,045,000	17,045,000
*	Water Pollution Control Revolving Fund Matching Bonds	02/20/13	C	3,000,000	2,000,000
**	Natural Resources Refunding Bonds	04/09/13	F-1	13,210,000	13,210,000
	Open Space, Parks, and Natural Resources Refunding Bonds	04/09/13	H-1	19,650,000	19,650,000
*	Colorado River Commission Hoover VC/Air Slots Interim Bonds	03/12/14		28,425,000	28,425,000
**	Natural Resources and Refunding Bonds	04/22/14	B	5,580,000	5,580,000
	Open Space, Parks, and Natural Resources Bonds	04/22/14	C	2,185,000	2,185,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	04/22/14	D	5,145,000	5,145,000
TOTAL					$740,930,000

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)		$1,911,815,000
LESS: Self-Supporting Debt Outstanding		
* University System Refunding Bonds	18,165,000	
* Colorado River Commission Refunding Bonds	152,980,000	
* Colorado River Commission Hoover Uprating Bonds	47,080,000	
* Municipal Bond Bank Bonds	255,620,000	
* Water Pollution Control Revolving Fund Bonds	54,280,000	
* Safe Drinking Water Act Revolving Fund Bonds	19,980,000	
TOTAL SELF-SUPPORTING DEBT		548,105,000
NET DIRECT DEBT		$1,363,710,000

* Self-supporting – secured by certain net pledged revenues. The State believes that the net pledged revenues will be sufficient to pay debt service on the bonds; if they are not, the State is obligated to pay the difference between the net pledged revenues and the debt service requirements of the bonds from state-wide property taxes or the State's General Fund.

** Not reflected as self-supporting bonds. These bonds are expected to be paid in part from revenues other than state-wide property taxes. If such revenues are insufficient to pay their expected portion of the debt service, the State is obligated to pay the insufficiency from state-wide property taxes or the State's General Fund.

(1) Does not include revenue bonds, contingent liabilities and lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2013 Financial Statements, and "DEBT STRUCTURE-Lease-Backed Financings" in this Part II. Also not included are the industrial development revenue bonds of the Department of Business and Industry and the Nevada Housing Division, a separate agency of the Department of Business and Industry, which bonds do not constitute a debt of the State and are self-supporting.

(2) Issued as Build America Bonds.

Source: State of Nevada Treasurer.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Debt Service on General Obligation Bonds

The following table reports the debt service requirements for all of the State's outstanding general obligation bonds, including the debt service requirements for the self-supporting bonds. This table presents information as of May 1, 2014. See Table 9 for the annual debt service requirements for only the State's outstanding general obligation bonds expected to be paid from state-wide property taxes.

Table 3
Annual Debt Service Requirements[1]
(As of May 1, 2014)

	General Obligation Bonds[2]		Self-Supporting General Obligation Bonds		
Fiscal Year	**Principal**	**Interest[3]**	**Principal**	**Interest**	**Grand Total**
2014	$ 24,315,000	$ 19,594,816	$ 945,000	$ 5,306,057	$ 50,160,874
2015	89,225,000	62,343,372	64,715,000	23,312,268	239,595,639
2016	88,885,000	58,328,079	38,505,000	21,681,808	207,399,887
2017	93,355,000	55,042,074	45,970,000	19,746,190	214,113,263
2018	97,710,000	51,295,551	40,385,000	17,694,877	207,085,429
2019	98,745,000	46,947,235	35,540,000	15,903,121	197,135,356
2020	106,075,000	42,436,945	36,360,000	14,228,566	199,100,512
2021	111,240,000	36,965,236	35,585,000	12,499,006	196,289,243
2022	108,250,000	31,395,629	32,420,000	10,870,859	182,936,489
2023	101,855,000	25,956,196	34,720,000	9,275,113	171,806,308
2024	92,230,000	20,816,635	32,720,000	7,651,363	153,417,997
2025	95,595,000	16,345,423	33,900,000	6,021,006	151,861,430
2026	95,930,000	11,441,995	36,675,000	4,305,163	148,352,157
2027	96,810,000	6,576,648	37,770,000	2,507,500	143,664,148
2028	21,450,000	3,003,027	37,915,000	886,000	63,254,027
2029	17,445,000	1,962,487	2,010,000	130,625	21,548,112
2030	5,910,000	1,057,493	1,130,000	58,956	8,156,449
2031	6,185,000	793,080	410,000	25,400	7,413,480
2032	3,605,000	575,560	430,000	8,600	4,619,160
2033	3,755,000	419,860	0	0	4,174,860
2034	1,260,000	257,605	0	0	1,517,605
2035	1,320,000	194,495	0	0	1,514,495
2036	1,385,000	128,380	0	0	1,513,380
2037	575,000	59,010	0	0	634,010
2038	600,000	30,130	0	0	630,130
Total	$1,363,710,000	$493,966,960	$548,105,000	$172,112,478	$2,577,894,438

(1) Table does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2013 Financial Statements and "STATE OF NEVADA DEBT STRUCTURE-Lease-Backed Financings" in this Part II. Numbers may not add due to rounding.

(2) This table includes debt service on the State's general obligation bonds that is expected to be paid in part from other sources and payments to be made by the State relating to the State of Nevada General Obligation Certificates (Secure Juvenile Treatment Facility Project) Series 2009 executed and delivered by the Nevada Real Property Corporation.

(3) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government. See "Build America Bonds" in this Part II.

Source: State of Nevada Treasurer.

The following table reports statistical and debt ratio information for the FY 2010, 2011, 2012, 2013, and 2014 (as of May 1, 2014 for FY 2014).

Table 4
Direct General Obligation Debt Ratios
(As of May 1, 2014 for the fiscal year ending June 30, 2014)

Fiscal Year Ended June 30	2010	2011	2012	2013	2014
Population	2,724,634	2,721,794	2,750,217[8]	2,800,967[8]	2,801,434[8]
Assessed Value (000) [1][2]	119,660,248	92,694,097	86,236,927	82,215,209	83,667,128[6]
Taxable Value (000) [1][2]	341,886,423	264,840,277	246,391,220	234,900,597	239,048,937
Gross Direct GO Debt (000) [3] [5]	2,279,505	2,167,665	2,051,945	1,921,545	1,911,815[7]
Gross G.O. Debt Relative to:					
Per Capita	836.63	796.41	746.10	686.03	682.44
Percent of Assessed Value	1.90%	2.34%	2.38%	2.34%	2.29%
Percent of Taxable Value	0.67%	0.82%	0.83%	0.82%	0.80%
Net Direct GO Debt (000) [4] [5]	1,594,530	1,517,020	1,461,215	1,369,620	1,363,710[7]
Net Direct G.O. Debt Relative to:					
Per Capita	585.23	557.36	531.31	488.98	486.79
Percent of Assessed Value	1.33%	1.64%	1.69%	1.67%	1.63%
Percent of Taxable Value	0.47%	0.57%	0.59%	0.58%	0.57%

(1) The assessed value set forth in Table 4 corresponds to the assessed value set forth in Table 1 effective as of June 30 of the prior year, but excludes state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1.

(2) See "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" in this Part II for an explanation of Assessed Value and Taxable Value. The assessed valuation of the Redevelopment Agencies is not used in calculation of debt ratios because they are not subject to State taxation for retirement of general obligation bond debt except for debt approved by the voters after 1996.

(3) Gross Direct General Obligation Debt includes all State general obligation bonds, including the self-supporting bonds and the bonds expected to be paid in part from other sources but not identified as self-supporting bonds.

(4) Net Direct General Obligation Debt does not include the self-supporting bonds, but does include the bonds that are expected to be paid in part from other sources but not identified as self-supporting bonds.

(5) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 8 to the 2013 Financial Statements and "DEBT STRUCTURE—Lease-Backed Financings" in this Part II.

(6) The assessed valuation as reported by the State Department of Taxation on June 25, 2013.

(7) Debt outstanding as of May 1, 2014.

(8) FY 2010 through FY 2013 estimates are from The Nevada State Demographer's Office. FY 2014 projections are from the most recent The Nevada State Demographer's Office report of October 1, 2013.

Note: In a new year, the only table that reports the coming FY assessed value is Table 1. All other tables use the current fiscal year assessed value, and in the case of Table 4, the current year projected population. This is because the gross direct debt is as of a current fiscal year date.

Source: State of Nevada Controller's Office.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Authorized but Unissued General Obligation Bonds

Authorizations for General Obligation Bonds That Are Not Categorized as Self-Supporting

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval. As of May 1, 2014, the State was authorized to issue the general obligation bonds described in the following paragraphs under this subheading that will be payable solely from property taxes.

Water System Projects

NRS 349.986 (AB 198) authorizes the issuance of general obligation securities for the purpose of providing grants to purveyors of water, subject to a limit of $125,000,000 in principal amount outstanding at any one time, of which $69,582,852 is currently outstanding. The amount currently available to be issued is $55,417,148.

Lake Tahoe Basin Project

The State Legislature, for the purpose of carrying out certain environmental improvement projects for the Lake Tahoe Basin provided for by the State, authorized in 2009 the issuance of general obligation bonds in the amount of $100,000,000, of which $5,875,000 has been issued.

Historic Preservation and Cultural Resource Projects

NRS 233C.225 authorizes the issuance of up to $3,000,000 in general obligation bonds annually to provide financial assistance to certain governmental entities and nonprofit organizations for preserving or protecting historical buildings to be used to develop a network of cultural centers and activities.

Open Space, Parks and Cultural and Natural Resource Projects

The registered voters of the State approved Question 1 (authorized by Assembly Bill 9 of the 17th special session) on November 5, 2002, authorizing general obligation bonds to be issued in an amount not to exceed $200,000,000 to preserve water quality; protect open space, lakes, rivers, wetlands, and wildlife habitat; and restore and improve parks, recreational areas, and historic and cultural resources ("Q1 Authorization"). The remaining portion of this authorization is $6,480,000 for the Division of State Parks, $3,260,000 for the Division of Wildlife, $2,000,000 to establish a museum at the Las Vegas Springs Preserve, $2,000,000 for the Washoe County Truckee River Project, and $21,215,000 to provide grants for agencies, local governments or qualifying private nonprofit organizations.

Authorizations for General Obligation Bonds for Revenue Generating Programs

In addition to the authorizations described above, the State is authorized to issue general obligation bonds that are payable from property taxes but are expected to be paid from sources other than property taxes, including bonds payable from water and power sales and bonds payable from loan repayments by municipalities. Table 2 reports the principal amount of bonds expected to be paid from sources other than property taxes. Substantial additional amounts of bonds expected to be paid from sources other than property taxes are expected to be issued in the future. Following are brief summaries of the major State programs that have authority to obligate the State's general obligation credit for revenue generating self-supporting programs.

Nevada Municipal Bond Bank

The State's Bond Bank Program (the "Bond Bank Program") was established to assist municipalities in undertaking local projects that foster and promote the protection and preservation of the property and natural resources of the State by making loans that might not be otherwise available to such municipalities or that might be available only at prohibitive interest rates. State general obligation securities issued for the Bond Bank Program are not subject to the Constitutional debt limit described under "DEBT STRUCTURE—Constitutional Debt Limitation"

in this Part II. The Bond Bank Act provides a statutory limitation of $1.8 billion of State general obligation securities which may be outstanding at any time to finance loans to municipalities. This limit may be increased or decreased by the State Legislature. The Board of Finance must approve the issuance of State general obligation and revenue securities under the Bond Bank Act. The outstanding principal amount of State general obligation securities issued under the Bond Bank Act was $255,620,000 as of May 1, 2014. State general obligation bonds issued pursuant to the Bond Bank Act are considered by the State to be self-supporting, as described under the heading "DEBT STRUCTURE—Outstanding General Obligation Bonds" in this Part II. Nevertheless, if revenues from the Bond Bank payers described below are insufficient to pay amounts due with respect to such bonds, the State is obligated to pay any deficiency from state-wide property taxes or the State's General Fund as described in this Part II under the heading "DEBT STRUCTURE—Security For State General Obligation Bonds."

The State Treasurer is the Administrator (the "Administrator") of the Bond Bank. Bond Bank Act loans are made by the Administrator by purchasing securities which are obligations of one of the State's "municipalities" (i.e., cities, counties, districts and certain water authorities organized as political subdivisions). A municipality must obtain whatever authorization is required by statute, including, in some cases, approval of its electorate, before it may issue general obligation securities, and such securities are subject to all statutory restrictions, including local indebtedness limitations. The Bond Bank Act does not, in and of itself, authorize the issuance of general obligation securities by the municipalities. Both State general obligation securities issued under the Bond Bank Act and municipality general obligation securities purchased in connection with a lending project may, but need not be, additionally secured with other pledged revenues.

Under the Bond Bank Act, the State is also permitted to issue general obligation bonds to purchase revenue securities issued by a water authority for a purpose related to natural resources, subject to satisfying certain conditions.

The Bond Bank Act requires that the debt service payments on local government loans be held by the Bond Bank and investment income be deposited to the general fund of the Bond Bank and applied in the following order of priority:

(a) deposited into the consolidated bond interest and redemption fund created pursuant to NRS 349.090 in amounts necessary to pay the principal of, interest on and any redemption premiums due in connection with State securities issued pursuant to the Bond Bank Act;

(b) deposited into any reserve account created for the payment of the principal of, interest on and any redemption premiums due in connection with State securities issued pursuant to the Bond Bank Act, in amounts and at times determined to be necessary;

(c) paid out for expenses of operation and maintenance; and

(d) on July 1 of each odd-numbered year, to the extent of any uncommitted balance in the fund, deposited in the State general fund.

The Bond Bank Act also authorizes the Bond Bank to issue revenue bonds to purchase local government obligations for any purpose permitted by law (subject to certain exceptions). Revenue bonds issued to acquire such local government obligations would not be general obligations of the State, and would be secured solely by repayments of local bonds and certain revenues distributable by the State to the local governments. As of the date of this Official Statement, no such revenue bonds have been issued pursuant to this program.

Water Pollution Control Revolving Fund

The State has established an enterprise fund account to provide a source of funds to make loans or to provide other assistance for certain water pollution control projects and for related purposes authorized under the State revolving loan fund provisions of the federal Clean Water Act (the "Pollution Control Projects Account"). Funding for this program (the "Pollution Control Program") is provided primarily through federal capitalization of grant money made available to the State, receipt of which is conditioned on the State's providing approximately

20% matching funds. Funds in the Pollution Control Projects Account are generally used to make loans at or below market rates to municipal recipients for purposes of paying for costs of designing and constructing publicly owned treatment works. Funds loaned to municipal recipients for eligible projects are repaid into the Pollution Control Projects Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Pollution Control Projects Account are also permitted to be applied to pay certain costs of operating the Pollution Control Program.

The Director of the State Department of Conservation and Natural Resources, with the approval of the State Department of Administration, is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Pollution Control Projects Account. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the municipal borrowers. The State has considered bonds previously issued for purposes of the Pollution Control Program to be self-supporting because State bonds issued for purposes of the Pollution Control Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Pollution Control Program.

Safe Drinking Water Revolving Fund

The State has established an enterprise fund account to provide a source of funds to make loans or to provide other assistance for certain drinking water projects and for related purposes authorized under the State revolving loan fund provisions of the federal Safe Drinking Water Act (the "Revolving Fund Account"). Funding for this program (the "Public Water System Program") is provided in a manner similar to that of the Pollution Control Program. Funds in the Revolving Fund Account are generally used to make loans to municipal recipients at or below market rates for purposes of paying for costs of designing and constructing public water systems. Funds loaned to municipal recipients for eligible projects are repaid into the Revolving Fund Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Revolving Fund Account are also permitted to be applied to pay certain costs of operating the Public Water System Program.

The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Revolving Fund Account or to provide money from the State to match federal grants as required by the federal Safe Drinking Water Act. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the borrowers. The State has considered bonds previously issued for purposes of the Public Water System Program to be self-supporting because State bonds issued for purposes of the Public Water System Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Public Water System Program.

Marlette Lake Water System

The State has established the Marlette Lake Water System, made up of water rights, easements, pipelines and related items acquired by the State and used in connection with the collection, transmission and storage of water in Carson City, Washoe County and Storey County. The Marlette Lake Water System was created to provide adequate supplies of water to the areas served, to maintain the system to assure dependable supplies of water, and to sell water under equitable and sound arrangements.

The Director of the Department of Administration may request the State Board of Finance to issue general obligation bonds of the State or revenue bonds in an aggregate principal amount not to exceed $25,000,000 to finance the capital costs of improving and modernizing the Marlette Lake Water System. The aggregate amount of bonds currently available to be issued is $15,335,000.

Nevada System of Higher Education

The 2013 State Legislature authorized in AB 501 (Chapter 514) the issuance of $85,000,000 of general obligation bonds to finance capital improvements at the University of Nevada, Las Vegas and University of Nevada, Reno campuses. In connection with this authorization, the legislation imposes a $250 annual excise tax on each slot machine operated in the State. In each year 20% of the receipts of this excise tax are to be deposited in a Special Capital Construction Fund for Higher Education (after depositing the first $5,000,000 of receipts of this excise tax in a Capital Construction Fund for Higher Education). Amounts in the Special Capital Construction Fund for Higher Education are appropriated on July 31 of each year in the amount necessary (if available) to pay the principal of and interest due in that fiscal year on bonds issued pursuant to AB 501.

Colorado River Commission

The 2013 State Legislature authorized in SB 438 (Chapter 246) the issuance by the Colorado River Commission of up to $35,000,000 of bonds for the purpose of prepaying the cost of electrical capacity and energy generated by Hoover Dam, or for the purpose of paying, financing or refinancing a portion of the capital costs which contribute to the ongoing costs of electrical capacity and energy generated from Hoover Dam. The obligations may be either general obligations payable from taxes and additionally secured with pledged revenue, special obligations payable from pledged revenue, or any combination of the foregoing. The amount currently available to be issued is $6,575,000.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued $21,550,000 in certificates of participation in 2004 to finance a State office building project, $22,435,000 in certificates of participation in 2004 to finance a State correctional facility, and $5,760,000 in certificates of participation in 2006 to finance a State printing office building. The facilities so financed are being leased to the State at rents calculated to be sufficient to pay the certificates of participation. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State's obligations to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

The proceeds of the State of Nevada Lease Revenue Refunding Certificates of Participation (Capitol Complex Building 1 Project), Series 2013 and the State of Nevada Lease Revenue Refunding Certificates of Participation (Casa Grande Project), Series 2013 were used to refund the entire outstanding balance of the certificates issued in 2004 to finance the State office building project and the State correctional facility.

In addition, a new project was financed for the benefit of Nevada State College through the issuance of the State of Nevada Lease Revenue Certificates of Participation (Nevada State College Project), Series 2013 in the amount of $50,445,000. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State's obligations to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

Security for State General Obligation Bonds

General obligation bonds of the State are direct general obligations of the State to which the full faith and credit of the State are pledged. General obligation bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "DEBT STRUCTURE—Constitutional Debt Limitation" and "PROPERTY TAXATION—Property Tax Limitations" in this Part II. The tax is required to be levied annually as necessary until all of the State's general obligation bonds and the interest thereon are discharged and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State are required to be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. A portion of this levy, $0.0145 per $100 of assessed valuation, must be used exclusively for bonds issued for purposes described under the heading "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—Authorizations for General Obligation Bonds that are Not Categorized as Self-Supporting—Open Space, Parks and Cultural and Natural Resource Projects." The State Legislature has exempted $0.02 per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. The State has the ability to raise its levy for the general obligation bonds within the constraints of the State's constitutional cap by legislative action. See "PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged, and that any law concerning State general obligation bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of general obligation bonds of the State to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy state-wide property taxes to pay (a) general obligation bonds that are identified as self-supporting bonds because they are expected to be paid in full from sources other than state-wide property taxes or (b) that portion of those general obligation bonds that are not identified as self-supporting bonds that is expected to be paid from sources other than property taxes. These self-supporting bonds and bonds that are not self-supporting but supported with revenues received from other sources are identified in Table 2 of this Part II. These bonds (or self-supporting portions thereof) are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to state-wide property tax receipts and the State's General Fund as other general obligation bonds of the State. If ad valorem tax receipts are insufficient to make payments on all bonds as a result of a failure of self-supporting bonds to generate sufficient revenues, the State will borrow the shortfall from the General Fund as described above. The availability of borrowing from the General Fund to make payments on general obligation bonds provides time for the State Legislature to legislatively adjust the ad valorem property tax rates if needed. If an increase in the State's ad valorem property tax rate results in overlapping taxes exceeding the current statutory maximum of $3.64 per $100 of assessed valuation (which maximum can also be legislatively adjusted upward subject to the constitutional limit of $5.00 per $100 of assessed valuation), the taxes levied are given a priority for payment of general obligation bonds, and revenue shortfalls resulting from the application of the overlapping property tax cap are allocated to other purposes. See "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Build America Bonds

Certain general obligation bonds of the State (Series 2009A) in the principal amount of $68,000,000 have been designated as "Build America Bonds" ("BABs") for purposes of the American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009 ("ARRA"). Subject to the limitation set forth in the last sentence of

this paragraph, the State expects to receive a cash subsidy payment, on or about each interest payment date on such BABs, equal to 35% of the interest payable on such BABs (the "BAB Credit"). The BAB Credit does not constitute a full faith and credit guarantee of the United States of America (the "United States"); but the BAB Credit is required to be paid by the United States Treasury under ARRA. BAB Credits received by the State pursuant to these provisions will be deposited in the State's Consolidated Bond Interest and Redemption Fund and will be available for payment of all general obligation bonds of the State and other obligations of the State payable from the Consolidated Bond Interest and Redemption Fund. The State is obligated to make all payments of principal of and interest on the BABs whether or not it receives the BAB Credit. Receipt of the BAB Credit is subject to the limits imposed by federal sequestration summarized under the heading "FINANCIAL INFORMATION—Budget Control Act of 2011" in this Part II.

The State is required to periodically file certain documents with the Internal Revenue Service to claim and be entitled to the BAB Credit. If the State fails to file a necessary document with the Internal Revenue Service in a timely fashion, it is possible that the State will not receive a BAB Credit. A BAB Credit is subject to offset against certain amounts that may, for reasons unrelated to the BABs, be owed by the State to an agency of the United States. The State can give no assurances regarding future changes in legislation or United States Treasury regulations or the netting of other liabilities of the State against the expected BAB Credit which may affect the amount or timely receipt of the BAB Credit.

PROPERTY TAXATION

Property Tax Base and Tax Roll Collection

County assessors are responsible for assessments of all properties in the counties except for property centrally assessed by the State and except for exempted property. In 1981, the State Legislature determined that a just valuation of real property should no longer be based strictly on the full cash value of the total property. Instead, the value of real property was bifurcated into two components: full cash value of the land and replacement cost new less depreciation of the improvements, with the rate of depreciation set by statute. The resulting "taxable value" must not exceed the full cash value of the entire property (NRS 361.227). Full cash value is defined as "the most probable price which property would bring in a competitive and open market under all conditions requisite for a fair sale" (NRS 361.025).

Replacement cost new less depreciation for real property improvements is determined by reference to a national costing service or similar sources for replacement cost. Depreciation is then subtracted from the replacement cost at a set rate of 1.5% of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years. Depreciation of improvements is therefore no greater than 75% for improvements 50 years old or older (NRS 361.227(1)(b)). Assessors then add the full cash value of land to the replacement cost new less depreciation of improvements to derive a total taxable value. The full cash value of the land is determined by applying the sales comparison approach, if there are sufficient sales, or alternative methods if there are insufficient sales (Nevada Administrative Code ("NAC") 361.118; 361.119). In communities where little growth in land value is experienced, the total assessed value may go down as a result of the statutory rate of depreciation.

Replacement cost new less depreciation for personal property is based on the taxpayer's reported acquisition cost less depreciation. Depreciation is determined using tables published by the Department of Taxation and approved by the Nevada Tax Commission. Depreciation rates vary depending on the life of the asset, but in general a declining balance method of depreciation is applied with a 5% residual (NAC 361.1351; NAC 361.1375).

If the taxable value so derived exceeds the full cash value of the property as a whole, then Nevada law requires the appraiser to measure the additional obsolescence and reduce the taxable value downward (NRS 361.227 (5). The appraiser may use the comparative sales approach, the income approach, and the cost summation approach to measure the amount of obsolescence present.

Assessors apply the sales comparison approach using mass appraisal techniques to establish the land values for various classifications of property, such as residential, commercial, or industrial properties. Land values also vary by location and other market conditions. For instance, foreclosure sales can affect the values established by

county assessors if they become a large proportion of the overall number of sales of comparable properties causing downward pressure on sales prices of similarly situated properties.

In Nevada, NRS 361.225 requires that all property subject to taxation be assessed at 35% of its taxable value. Restating the formula expressed in NRS 361.225: ***Taxable Value x Level of Assessment = Assessed Value.*** For example, if the taxable value of a single family residence is $200,000, the assessed value is $70,000 ($200,000 x 0.35 = $70,000).

Property owned by the federal government is exempt from State taxation. In addition, the State Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, is exempt. The total land area of the State that is exempted from property tax is approximately 86.6%. In addition, certain household goods and furniture, business inventories, personal property in transit, property used for the control of air or water pollution, and unpatented mining claims, are exempt, among others.

The following table provides a record of the change in assessed valuation by county within the State during FY 2011, 2012, 2013, 2014 and 2015. The total assessed valuation decrease between 2011 and 2014 was due to a variety of factors, including the current real estate market, unemployment and foreclosures.

Table 5[(1)]
County Assessed Valuations
(35% of Taxable Value)

	Fiscal Year Ended June 30 Tax Rolls				
County	**2011**	**2012**	**2013**	**2014[(2)]**	**2015[(3)]**
Carson City	$ 1,688,143,535	$ 1,506,371,935	$ 1,381,815,028	$ 1,238,756,058	$ 1,286,890,682
Churchill	813,230,612	733,286,173	694,365,680	695,624,777	701,513,275
Clark	63,926,261,627	57,878,335,897	54,195,268,097	55,220,637,749	62,904,942,089
Douglas	3,001,317,069	2,765,187,468	2,613,102,579	2,521,699,000	2,659,900,426
Elko	1,434,663,933	1,490,218,906	1,596,589,154	1,782,835,692	1,838,648,027
Esmeralda	57,372,872	48,586,553	61,798,225	73,996,871	80,030,559
Eureka	1,416,420,709	1,982,723,227	2,054,370,464	1,956,639,844	1,226,192,011
Humboldt	901,885,075	974,870,092	1,231,023,393	1,652,147,864	1,341,476,202
Lander	1,225,503,067	2,088,782,993	2,070,537,784	2,047,646,486	1,202,751,794
Lincoln	194,789,293	191,879,480	222,351,109	270,623,516	350,079,071
Lyon	1,336,287,467	1,332,206,340	1,220,795,178	1,193,638,395	1,421,732,302
Mineral	101,122,890	115,486,651	133,075,555	126,707,077	139,502,311
Nye	1,775,159,043	1,267,120,685	1,248,873,074	1,311,933,924	1,344,708,603
Pershing	205,761,093	206,416,225	236,436,666	325,501,979	283,724,599
Storey	583,920,067	547,013,474	516,836,997	497,587,121	517,931,276
Washoe	13,658,850,921	12,675,374,294	12,290,109,448	12,317,952,550	13,286,283,600
White Pine	373,407,354	433,066,572	447,860,920	433,198,938	459,439,835
TOTAL	$92,694,096,627	$86,236,926,965	$82,215,209,351	$83,667,127,841	91,045,746,662
Percent Change	-22.54%	-6.97%	-4.66%	1.77%	8.82%

(1) Includes net proceeds of minerals but excludes state-wide redevelopment agency fiscal year assessed valuation used for taxation purposes in the amounts of: 2011 - $2,324,227,437; 2012 - $1,568,613,686; 2013 - $1,360,419,727; 2014 - $1,391,049,246; and 2015 - $1,549,008,713.
(2) Assessed valuation certified June 25, 2013 and reported by the State Department of Taxation.
(3) As reported in the Final Revenue Projections dated April 29, 2014 (as revised on May 15, 2014).

Source: Property Tax Rates for Nevada Local Governments – State of Nevada – Department of Taxation.

County treasurers are responsible for the collection of property taxes and for the distribution of collections to the overlapping taxing entities within the county, including the State. Counties distribute property taxes when collected. The bulk of the property taxes are collected and distributed on a quarterly basis. Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in four installments, in which case the taxes can be paid in approximately equal installments on or before the third Monday in August and the first Mondays in October, January and March. Penalties are assessed if any taxes are not paid within 10 days after the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus

accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event the taxes remain delinquent as of the first Monday in June, the county treasurer is authorized to hold the property in trust for the benefit of the State and the county for two years, subject to redemption upon payment of taxes, penalties, interest and costs. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property. Upon receipt of a deed, the county treasurer may sell the property after giving notice of sale. Upon order of the board of county commissioners, the property cannot be sold for a total amount less than the amount of the taxes, costs, penalties and interest legally chargeable against the property. As an alternative remedy with respect to certain delinquencies over $1,000, the county's district attorney may, and shall when directed by the board of county commissioners, commence a judicial foreclosure action against the delinquent taxpayer before the expiration of the two-year redemption period.

The assessed valuations of the 10 largest owners of taxable property in the State for FY 2014 are listed in the following table. The State is not aware that any of these property owners are delinquent in the payment of property taxes.

Table 6
Ten Largest Taxable Property Owners
(FY 2014)

	Taxpayer	Type of Business	Assessed Valuation[1] (35% of Taxable Value)	Percent of Total State Assessed Valuation[2]
1.	MGM Resorts International	Hotel/Casino	$ 2,749,674,055	3.23 %
2.	Nevada Power Company	Utility	2,478,171,400	2.91
3.	Caesar's Entertainment Corp.	Hotel/Casino	1,683,481,585	1.98
4.	Las Vegas Sands Corporation	Hotel/Casino	971,098,550	1.14
5.	Wynn Resorts Limited	Hotel/Casino	760,124,769	0.89
6.	Newmont Mining Corporation	Mining	607,493,266	0.71
7.	Barrick Gold Corporation	Mining	605,498,157	0.71
8.	Ruby Pipeline LLC	Utility	570,132,900	0.67
9.	Station Casinos Incorporated	Hotel/Casino	516,085,960	0.61
10.	Southwest Gas Company	Utility	279,485,000	0.33
		Total	**$11,221,245,642**	**13.18 %**

(1) Assessed value is based on information from all Counties and the State Department of Taxation as of November 15, 2013, for the 2013-2014 secured roll plus the 2012-2013 unsecured roll for all properties.

(2) Based on assessed valuations for the State of $85,058,177,087 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on June 25, 2013, Property Tax Rates for Nevada Local Governments, 2013-2014 (Redbook).

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Clark County and Washoe County account for a significant majority of the State's real property tax collections. The following tables illustrate the ad valorem tax collection records for the two counties. While foreclosure activity is still high throughout the State, substantially all of the property taxes continue to be collected as levied.

Table 7[1]
Tax Levies, Collections and Delinquencies
Clark County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[2]	Current Tax Collections[3]	Percent of Levy Collected[4]	Delinquent Tax Collections[5]	Total Tax Collections[6]	Total Taxes Collected as % of Current Levy[7]
2010	$2,265,431,454	$2,216,527,326	97.84%	$47,259,087	$2,263,786,413	99.93%
2011	1,769,823,641	1,736,385,757	98.11	31,941,353	1,768,327,110	99.92
2012	1,600,976,031	1,576,935,410	98.50	21,003,352	1,597,938,762	99.81
2013	1,460,652,596	1,446,106,236	99.00	8,469,185	1,454,575,421	99.58
2014	1,467,016,067	1,234,259,596	84.13	-- [8]	1,234,259,596	84.13

(1) Represents the real property tax roll levies and collections as of February 28, 2014.
(2) The adjusted county tax levied for the fiscal year.
(3) The taxes collected within the fiscal year of the levy.
(4) The percentage of taxes collected within the fiscal year of the levy (calculated on the net secured roll tax levy).
(5) Tax collections in subsequent years.
(6) Total tax collections to date.
(7) The percentage of total taxes collected to date (calculated on the net secured roll tax levy).
(8) Collections still in progress.

Source: Clark County Treasurer's Office.

Table 8[1]
Tax Levies, Collections and Delinquencies
Washoe County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[2]	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy[3]
2010	$503,451,077	$492,951,230	97.91%	$8,226,613	$501,177,843	99.55%
2011	459,902,246	452,301,503	98.35	8,747,048	461,048,551	100.25
2012	424,893,854	416,848,553	98.11	(4,822,330)[5]	412,026,224	96.97
2013	410,445,682	405,976,784	98.91	(6,474,893)[5]	399,501,891	97.33
2014[6]	411,286,573	359,196,298	87.33	3,660,896	362,857,194[4]	88.22

(1) Represents the real property tax roll levies and collections.
(2) Includes Supplemental Real Estate billed in December of that tax year. Includes adjustments to levy.
(3) Figured on collections to net levy (actual levy less stricken taxes).
(4) Collections still in progress.
(5) Negative collection is direct result of Incline Village/Crystal Bay refunding (Court Ordered). Court ordered refunds were completed in June 2013.
(6) As of March 1, 2014.

Source: Washoe County Treasurer's Office.

Property Tax Limitations

Tax Relief Legislation in 2005. As of 2005, substantial increases in property values, particularly in southern Nevada, resulted in substantial increases in assessed valuation in the State (see "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" above). These increases were projected to result in

substantial increases in property taxes for property owners in 2005 and subsequent years. Legislation was enacted in 2005 that caps year-to-year property tax increases by abating taxes which exceed 3% for the primary residence of homeowners. The abatement "cap" for property other than the primary residence of homeowners and certain residential rental property varies by county and is the lesser of (a) 8%; or (b) the greater of (i) the ten-year rolling average of assessed values per county, or (ii) twice the percentage of increase in the federal Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the preceding calendar year. This abatement cap formula may also be used in lieu of the 3-percent cap for primary residences if it yields a greater reduction in the property taxes of the homeowner. These limitations applied beginning July 1, 2005 and thus affected property taxes due in July 2005 and thereafter. This legislation also provides for the recapture of previously abated property in certain limited situations.

The State levies state-wide property taxes to repay its general obligation bonds (other than self-supporting bonds and bonds expected to be paid in part with other sources) as described under "PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in this Part II, and the caps on increases in property tax revenues could limit the State's issuance of additional general obligation bonds in the future under certain circumstances. The State does not expect the 2005 changes to adversely affect the State's ability to continue to pay all of its outstanding general obligation bonds and other obligations as and when due.

During the mid-2000's there was a significant period of growth in property values throughout the State of Nevada. The property tax limits summarized above capped property tax revenues below what they otherwise would have been. Property values in the State declined during the five year period ending with Fiscal Year 2013. Therefore, during the decline, the decrease in property tax revenues did not reflect the full rate of property value decline due to the accumulated abatement. This effect has insulated the State's property tax collections somewhat from the general assessed value declines it has experienced. In most jurisdictions within the State, most of the available abatement had been extinguished by the 2012-2013 tax year. However now that property values in many areas in the State are increasing, the effect of the abatement caps in many cases is to limit increases in property tax revenues that would otherwise occur. In general, under the abatement caps, an increase in the assessed value of real property that is a result of market conditions (rather than new construction on the property) does not typically result in a proportionate increase in property tax receipts from that parcel.

Overlapping Property Tax Caps. Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental entities within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5.00 per $100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation in all counties of the State with certain statutory exceptions that (a) permit a combined overlapping tax rate of up to $5.00 per $100 of assessed valuation in certain circumstances, including severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, and (b) permit $0.02 of the state-wide property tax rate per $100 of assessed valuation to repay certain general obligation bonds not to be counted against the $3.64 cap. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, in that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness (including interest). There are a number of express statutory exceptions to the overlapping tax rate limitations summarized in this paragraph. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness. This rate is generally limited as follows: the assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This formula operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property. A local government may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed

revenue from ad valorem taxes the amount approved by the State Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. If revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation is less than the amount of money that would be generated by applying a tax rate of $1.15 per $100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals, the governing body of each local government may levy an additional tax ad valorem for operating purposes. This calculation is known as the supplemental city-county relief tax make up rate and is further explained in NRS 354.59813.

Additional Local Government Property Tax Not Subject to Local Government Property Tax Revenue Limitation. In addition to the property taxes described above under the heading "PROPERTY TAXATION," counties may levy an ad valorem tax on all taxable property at a maximum rate of $0.05 per $100 of assessed valuation of the county. The proceeds of the tax are to be distributed between the county and the cities and towns within the county based on a specific formula, except as described in the following paragraph.

For counties with a population of 100,000 or more (currently Clark County and Washoe County only), and in accordance with AB 595 (74th (2007) Session), the proceeds are further allocated as follows:

Fiscal Year	Portion Retained by County, Cities and Towns	Portions Deposited by State Highway Fund for Projects Within the County
2009-2010	76%[(1)(2)]	24%
2010-2011	64%[(1)(2)]	36%
2011-2012	52%	48%
2012-2013 and thereafter	40%	60%

(1) Pursuant to AB 543 (75th (2009) Session), these proceeds went to the State Treasurer for deposit in the State's General Fund.
(2) The redirection of proceeds for FY 2010 and FY 2011 was the subject of claims by Clark and Washoe Counties. Clark and Washoe Counties have entered into settlements with the State.

An additional tax levy (outside the annual rate increase limitation) of up to $0.05 per $100 of assessed valuation is permitted for counties to cover the expenses of maintaining a county museum, art center or historical society. This levy is allowed under NRS 244.377.

School District Property Taxes. School districts levy $0.75 per $100 of assessed valuation for operating purposes. They are allowed an additional levy for voter approved general obligation bonds and capital project tax levies.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

State Tax Rates for Repayment of General Obligation Bonds

The State levies a state-wide property tax on all taxable property to repay its outstanding general obligation bonds, other than (i) the self-supporting bonds and (ii) the bonds that are expected to be paid in part from revenue sources other than state-wide property taxes, and the State's property tax rate is not calculated to cover debt service on these bonds. Table 3 identifies, among other things, the State's general obligation bonds that are not characterized as self-supporting and that currently are being repaid with state-wide property taxes. See Table 9 below for a schedule of principal and interest payment requirements for such bonds. This table presents information as of May 1, 2014. All state-wide property taxes collected by the State for the purpose of repayment of the State's general obligation bonds are deposited in the Consolidated Bond Interest and Redemption Fund. See Table 10 for the amount of the current tax levied by the State for general obligation debt and for the amounts of state-wide property taxes deposited (or for FY 2014, estimated to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2009-2014.

Table 9
State Debt Service On Outstanding Bonds Paid With State-Wide Property Tax[1]
(As of May 1, 2014)

Fiscal Year	Principal	Interest[2]	Total Debt Service
2014	$ 22,272,321	$ 19,265,548	$ 41,537,870
2015	83,909,643	61,099,900	145,009,543
2016	84,494,643	57,303,430	141,798,073
2017	90,529,643	54,177,587	144,707,230
2018	94,774,643	50,532,765	145,307,408
2019	96,914,643	46,261,849	143,176,492
2020	104,184,643	41,806,059	145,990,702
2021	109,299,643	36,386,263	145,685,906
2022	106,400,280	30,876,281	137,276,560
2023	99,945,280	25,499,222	125,444,501
2024	90,502,766	20,420,830	110,923,596
2025	93,807,766	16,009,081	109,816,847
2026	95,479,009	11,148,665	106,627,673
2027	96,344,009	6,299,556	102,643,565
2028	21,080,000	2,741,640	23,821,640
2029	17,055,000	1,717,807	18,772,807
2030	5,505,000	832,200	6,337,200
2031	5,755,000	587,925	6,342,925
2032	3,155,000	392,000	3,547,000
2033	3,285,000	258,900	3,543,900
2034	765,000	120,250	885,250
2035	800,000	82,000	882,000
2036	840,000	42,000	882,000
Total	$1,327,098,931	$483,861,756	$1,810,960,687

(1) This table excludes debt service on self-supporting bonds and the portion of the bonds that are not characterized as self-supporting bonds but expected to be paid from sources other than state-wide property taxes.

(2) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government.

Source: State of Nevada Treasurer.

Table 10 illustrates the property tax rates levied by the State and the state-wide property tax revenues collected from such levy since 2009 to repay general obligation bonds that are not expected to be paid from other sources.

Table 10
Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds

Fiscal Year	Tax Rate Per $100 of Assessed Valuation	Property Tax Revenues[1]
2010	$0.17	$186,714,279
2011	0.17	158,172,271
2012	0.17	146,097,340
2013	0.17	138,178,568
2014	0.17	132,072,538[2]

(1) Represents the amount of property taxes deposited to the Consolidated Bond Interest and Redemption Fund.
(2) Estimated in the preparation of the State's 2013-2015 biennium budget.

Source: Property Tax Rates for Nevada Local Governments, State of Nevada Department of Taxation and the State of Nevada Treasurer's Office.

The State's current debt management policy has as an objective to have a reserve within the Consolidated Bond Interest and Redemption Fund balance at the end of each fiscal year equal to at least 50% of the next fiscal year's debt service payments on its general obligation bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues) after deducting amounts within the fund that are set aside for purposes other than payment of debt service. The projected balances are based on assumptions regarding annual property tax collections, annual debt service payments and other adjustments as warranted. As of June 30, 2013, the reserve amount in the Consolidated Bond Interest and Redemption Fund was $125,321,608, which amount is equal to approximately 89% of the debt service payments that are scheduled to be made on all general obligation bonds (and portions thereof) that are payable from property taxes during FY 2014. The actual balance in the Consolidated Bond Interest and Redemption Fund as of such date was $125,909,671.

Although the State manages its general obligation debt to ensure that the State can pay its debt service within the existing property tax rate of $0.17/$100 assessed value, the State is able to increase the $0.17 rate within the constitutional limitation on the combined overlapping tax rate of $5.00 per $100 of assessed valuation through action by the State Legislature. While the statutory maximum on the combined overlapping tax rate of $3.64 per $100 of assessed valuation may be exceeded in certain jurisdictions with any increase, the State Legislature has the ability to enact a tax that exceeds that statutory maximum but is limited to the constitutional maximum of $5.00 per $100 of assessed valuation. See Table 11 and "PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps" in this Part II.

The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory maximum. The following table shows five years of overlapping tax rates in the City of Las Vegas and the City of Reno, as well as the average state-wide rate. The overlapping rates for incorporated and unincorporated areas within the State vary, depending on the rates imposed by applicable taxing jurisdictions.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 11[1]
Overlapping Tax Rates: State-Wide Average,
Las Vegas and Reno

Fiscal Year Ended June 30	2010	2011	2012	2013	2014
AVERAGE STATE-WIDE RATE	$3.2162	$3.1320	$3.1171	$3.1304	$3.1212
CITY OF LAS VEGAS					
Clark County	$0.6541	$0.6541	$0.6541	$0.6541	$0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
Las Vegas Artesian Basin	0.0011	0.0015	0.0000	0.0000	0.0000
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.0909	0.1011	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada[2]	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.2760	$3.2866	$3.2782	$3.2782	$3.2782
CITY OF RENO					
City of Reno	$0.9456	$0.9456	$0.9456	$0.9598	$0.9598
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
Special Districts	0.0004	0.0005	0.0000	0.0000	0.0000
State of Nevada[2]	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.6462	$3.6463	$3.6458	$3.6600	$3.6600

(1) Per $100 of assessed valuation.
(2) $0.02 of the State rate is exempt from the $3.64 statutory cap. See "PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps" above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

FINANCIAL INFORMATION

Financial Statements

The State Controller prepares a comprehensive annual financial report setting forth the financial condition of the State as of June 30 of each fiscal year. Appendix A to this Part II consists of the comprehensive annual financial report (excluding the statistical section) for FY 2013. Appendix B to this Part II consists of a history of State General Fund Revenues, Expenditures and Changes in Fund Balance for FY 2009, 2010, 2011, 2012 and 2013 which is derived from the comprehensive annual financial reports for FY 2009-2013.

Budget Procedure

The State is constitutionally required to maintain a balanced budget. The Nevada Constitution also requires an affirmative vote of not less than two-thirds of the members of both houses of the State Legislature to pass a measure which (a) creates, generates or increases any public revenue in any form, including, but not limited to, taxes, fees, assessments and rates, or (b) makes changes in the computation bases for taxes, fees, assessments and rates.

On February 1 of each even-numbered year, the Governor must impanel an economic forum (the "Economic Forum") comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the speaker of the Assembly. The Economic Forum updates projections for State revenue collections (for unrestricted uses) for the final year of the biennium in which it is impaneled and establishes revenue forecasts for the next biennium. Assembly Bill 332 enacted during the 76th (2011) session of the Nevada Legislature made a number of changes to the operation of the Economic Forum. The bill requires the written report of the Economic Forum's forecasts of future State General Fund revenue to be made on or before December 3 of each even-numbered year and May 1 of each odd-numbered year. The bill also requires the Economic Forum to hold additional meetings, on or before June 10 of each even-numbered year and December 10 of each odd-numbered year. At each of these meetings, the Economic Forum receives an update on the status of actual State General Fund revenue collections compared to the Economic Forum's most recent forecast. The provisions of Assembly Bill 332 are not intended to authorize the Economic Forum to make additional forecasts of State General Fund revenue at these meetings. The Economic Forum also considers information on current economic indicators, such as employment, unemployment, personal income and any other indicators deemed appropriate by the Economic Forum. The Chair of the Economic Forum is required to provide a report of each meeting to the Interim Finance Committee and the information presented to the Interim Finance Committee must be made available on the website of the State Legislature. A seven-member Technical Advisory Committee (the "TAC") advises the Economic Forum as requested. The most recent Economic Forecast was released on May 1, 2013, and was updated in November 2013 to reflect legislatively approved adjustments. The Economic Forum Forecast is attached as Appendix C to this Part II. Such Economic Forecast provides revised revenue estimates for FY 2013 as well as for the following two fiscal years.

The Governor must use the projections and estimates prepared by the Economic Forum to prepare his recommendation for the State's two-year budget.

State statutes require all State Executive Branch agencies and departments to submit their two-year budgets to the Budget Division by the September 1 prior to the biennial meeting of the State Legislature. The Budget Division holds hearings in October on the submitted budgets and the Governor reviews the proposals in November. In mid-January, the two-year budget is finalized and submitted to the State Legislature at least fourteen days before the start of each biennial regular session. The Judicial and Legislative Branch agencies, as well as the Public Employees' Retirement System, submit their two-year budgets directly to the State Legislature.

The State Legislature holds hearings and approves or modifies the two-year budget. The budget is enacted through a General Appropriations Act, which authorizes expenditures from unrestricted revenues, and an Authorized Expenditures Act, which authorizes expenditures from revenues collected for a specific purpose. The General Appropriations Act must be balanced to the May Economic Forum forecast of General Fund revenues. The budget may be modified by other appropriations acts enacted by the State Legislature. The Interim Finance Committee is

authorized to allocate money to fund necessary expenditures between the legislative sessions in amounts determined by the State Legislature.

The budget prepared by the Governor must provide for a reserve of not less than 5% of all proposed General Fund operating appropriations and authorizations. The State Controller is also required to deposit a portion of the unrestricted balance of the State General Fund to a reserve for the stabilization of the operation of the State. See "FINANCIAL INFORMATION—Account to Stabilize the Operation of State Government" below.

General Fund

The purpose of the General Fund is to finance the ordinary operations of the State and to finance those operations not provided for by other funds. Included are all transactions pertaining to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts. As shown in the financial statements, the State has numerous other funds, including Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. Money on deposit in the Special Revenue Funds is used primarily to fund highway projects, Bond Bank Program transactions, and some of the activities of the State's regulatory agencies. Money on deposit in the Enterprise Funds is used primarily to fund housing projects, the Water Pollution Control Revolving Fund, the Safe Drinking Water Revolving Fund, and unemployment compensation.

Tables 12, 13, and 14 reflect General Fund revenues and appropriations and General Fund projections on a budgetary or cash basis. Table 12 shows actual revenues for FY 2011 through FY 2013 and the revenue forecast for FY 2013 through FY 2015 based on the May 1, 2013 Economic Forum Forecast. The data in Table 13 and Table 14 are taken from the Nevada Legislative Appropriations Reports for FY 2014 and FY 2015 published by the Fiscal Analysis Division of the Legislative Counsel Bureau in November 2013. Table 13 presents General Fund appropriations for various administrative divisions of State government and Table 14 depicts General Fund unappropriated balances and reflects revenue collections and State agency expenditure information. The information in the 2013 Financial Statements, which also include unappropriated balances (see Appendix A to this Part II), are presented on the basis of generally accepted accounting principles ("GAAP") rather than a budgetary basis. See Note 2 in the 2013 Financial Statements for reconciliation between data on a budgetary basis and a GAAP basis. Also, see the history of General Fund operations presented on a GAAP basis in the 2013 Financial Statements.

As used by the State, the term "General Fund unappropriated balance" represents unobligated and unencumbered funds available for appropriation by the State Legislature. Unspent appropriated money is not reflected as part of General Fund unappropriated balance until, there being no further obligations against the appropriation, the unexpended portion is returned to the General Fund as a reversion. Reversions are reflected as income contributed to the unappropriated balances. Reversions may not take place for several years after their appropriation, although usually they occur after the appropriated amounts are available for one year. At no time are outstanding appropriations included in General Fund unappropriated balances. This format is standard procedure for both the State Budget Division and the State Legislature.

State General Fund Revenue Sources

General. The State relies upon sales and use taxes, gaming taxes, business payroll taxes, insurance premium taxes, live entertainment taxes, cigarette taxes and real property transfer taxes for the bulk of its General Fund revenues. The State does not have a personal income tax and is constitutionally prohibited from having one. Other taxes common in many states but not levied in Nevada are franchise, corporate income, special intangible, capital stock, chain store, inventory, stock transfer, and gift taxes. The proceeds of the state-wide property tax levied for general obligation bonds are not General Fund revenue.

Portions of the operating budgets for the various local taxing units in Nevada are funded with ad valorem taxes. Provisions for debt service payable with ad valorem taxes are made prior to determining operating budgets. Total ad valorem taxes levied by all overlapping units within the boundaries of any county (i.e., the State, and any county, city, town, school district, or special district) may not exceed the statutory limitation of $3.64 per $100 of assessed valuation of property being taxed (subject to the exception for $0.02 of the state-wide property tax rate per $100 of assessed valuation that need not be counted against the $3.64 statutory cap). In the case of severe financial

emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, the State Tax Commission may order the levy of a combined overlapping tax rate of not more than the constitutionally specified limit of $5.00 per $100 of assessed valuation. See also "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Certain revenue enhancements enacted during the 75th (2009) Regular and the 26th (2010) Special Sessions of the State Legislature increased collections in FY 2010 and FY 2011 but were scheduled to sunset on June 30, 2011. However, some of these enhancements were extended by the 76th (2011) and 77th (2013) Regular Sessions of the State Legislature.

The following taxes provide the State's General Fund with its major sources of income. Table 12 sets forth the amounts of the various general fund revenues described below for FY 2011, 2012 and 2013, and the revenue forecast for FY 2013 to 2015 based on the May 1, 2013 Economic Forum Forecast as adjusted for legislatively approved changes enacted during the 2013 Regular Session of the State Legislature. Forecasts from the May 1, 2013 Economic Forum Forecast to the State Legislature are included in Appendix C to this Part II.

Sales and Use Taxes. The State receives a 2% sales tax on all taxable sales and taxable items of use. Certain sales are exempt from State sales taxation including, but not limited to, domestic fuel, prescription drugs, food for home consumption, most services, and aircraft and major components thereof based in Nevada. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Sales and Use Tax" in this Part II. The 2009 Legislature permanently lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. This legislation also permanently set the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes to 1.75%, effective July 1, 2009. Current sales and use tax rates for Clark County and Washoe County are 8.1% and 7.725% (inclusive of the 2.0% received by the State) respectively.

Gaming Taxes. Nevada's gaming establishments are subject to several different taxes at the State level. The most important among these is the monthly gross revenue license fee, which accounts for the majority of gaming tax revenues. Other taxes and fees levied by the State on gaming include license renewals and quarterly and annual license fees based upon the number of slot machines and operational table games, investigative fees, race wire fees, penalties, and interest. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Business Taxes. The State levies a tax on the privilege of conducting business in Nevada. The modified business tax is a tax levied against applicable business payrolls less a deduction for employee healthcare expenses. The rate varies depending on how a business is classified. The tax rate for financial institutions is 2%. The rate for non-financial businesses has varied over time and as of June 30, 2009 was 0.63%. The State Legislature raised the tax rate for non-financial institutions to 1.17% for payroll amounts over $250,000, effective July 1, 2009. The tax rate on payroll amounts below $250,000 was lowered to 0.5%. This revenue enhancement was scheduled to expire on June 30, 2011. However, the 2011 State Legislature extended the 1.17% tax rate for payroll amounts over $250,000, while eliminating the tax on payroll amounts up to $250,000. The 2013 State Legislature increased the amount exempted from the payroll tax to $340,000, and extended the 1.17% tax rate for payrolls in excess of $340,000. The rate is scheduled to revert to 0.63% on all payroll amounts on July 1, 2015.

Insurance Premium Taxes. The State imposes a 3.5% tax on insurance premium income covering property or risks in the State.

Live Entertainment Taxes. The State imposes a live entertainment tax on certain gaming and non-gaming establishments providing entertainment. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Cigarette Taxes. The State imposes a tax of 80 cents per package of 20 cigarettes, 70 cents of which is retained by the State. The 2009 Legislature permanently lowered the collection allowance provided to a taxpayer for collecting and remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009.

Real Property Transfer Taxes. The State levies a tax on the value of transfers of real property. The tax is paid on quarterly based on a rate of $1.30 per $500 of value.

Liquor Taxes. The liquor tax is an excise tax that is levied upon the volume of alcoholic beverages for the privilege of importing, possessing, storing or selling liquor. The tax rate varies based on alcohol content. The 2009 Legislature permanently lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009.

Business Licenses. The 2009 Legislature increased the Business License Fee by $100 to $200 during FY 2010 and FY 2011 and broadened the categories of businesses required to submit filings and pay the fees. This revenue enhancement, which was scheduled to expire on June 30, 2011, was extended by both the 2011 State Legislature and the 2013 State Legislature. Entities that operate a facility where craft shows, exhibitions, trade shows, conventions, or sporting events take place may pay the Business License Fee for participants not having a business license at the rate of $1.25 times the number of unlicensed entities times the number of days of the event, or a flat annual fee of $5,000.

Net Proceeds of Minerals Taxes. The State imposes a mineral tax based on net proceeds at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts accrues to the State General Fund. The State Legislature required the advance payment on the net proceeds of minerals tax in FY 2009 based upon estimated net proceeds for the current calendar year. The advanced payment provision of the net proceeds of minerals tax was extended through July 1, 2015 by the 2013 State Legislature.

Room Tax. The 2009 Legislature passed Initiative Petition 1, which collects up to an additional 3% in room tax in Clark County and Washoe County. This revenue is not available to the General Fund in FY 2012 and thereafter.

Other Revenues. Additional revenue enhancements passed by the 2009 Legislature include modification to the depreciation rates for automobiles and trucks for purposes of calculating the Governmental Services Tax and changes to other non-tax revenues.

One-Time Revenue Enhancements. In 2009, in addition to the above revenue enhancements, the State Legislature allocated to the General Fund some money that is normally deposited to other funds. The diversions of a portion of Clark County and Washoe County property taxes to the General Fund constitute the largest component of the one-time revenue enhancements. All but one of these revenue diversions expired on June 30, 2011. The remaining diversion from the Supplemental Account for the Support of Indigent Persons ended on June 30, 2013.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The estimates in Table 12 regarding General Fund revenues for FY 2013 through FY 2015 are based on assumptions that the State believes to be reasonable as of the date of this Official Statement; however, estimates and projections must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board. **Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.**

Actual FY 2013 General Fund revenues exceeded those originally projected in the May 1, 2013 Economic Forum Forecast for FY 2013 General Fund Revenues adjusted for legislative and court actions by $45.9 million.

Table 12[1]
General Fund Revenues
(Dollar Amounts in Thousands)

		Actual						Economic Forum Forecast					
	Fiscal Year Ended June 30 2013 Share of	2011		2012		2013		2013		2014		2015	
General Fund Revenue Sources	Total Fund[3]	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Sales and Use Tax	29.5%	826,281	5.3%	875,596	6.0%	923,199	5.4%	919,122	5.0%	969,853	5.5%	1,023,194	5.5%
Gaming Taxes	22.7%	683,717	2.3%	686,450	0.4%	710,526	3.5%	705,112	2.7%	727,181	3.1%	758,462	4.3%
Modified Business Tax	12.3%	381,901	-0.8%	369,661	-3.2%	386,610	4.6%	385,584	4.3%	382,939	-0.7%	402,113	5.0%
Insurance Premium Tax	8.0%	235,792	0.5%	237,859	0.9%	249,390	4.8%	247,227	3.9%	263,239	6.5%	285,286	8.4%
Live Entertainment Tax	4.4%	130,638	9.1%	136,982	4.9%	137,416	0.3%	132,964	-2.9%	136,078	2.3%	141,142	3.7%
Cigarette Tax	2.7%	85,961	-2.9%	82,975	-3.5%	83,018	0.1%	81,863	-1.3%	80,428	-1.8%	79,039	-1.7%
Real Property Transfer Tax	1.8%	51,552	-3.3%	48,374	-6.2%	54,990	13.7%	51,702	6.9%	52,227	1.0%	55,283	5.9%
Liquor Tax	1.3%	39,483	2.8%	40,650	3.0%	39,884	-1.9%	39,704	-2.3%	39,814	0.3%	40,056	0.6%
Business License Fee	2.2%	54,466	29.9%	64,790	19.0%	69,011	6.5%	68,367	5.5%	68,265	-0.1%	68,891	0.9%
Net Proceeds of Minerals	3.6%	129,692	68.8%	120,425	-7.1%	111,340	-7.5%	93,881	-22.0%	95,738	2.0%	101,072	5.6%
Other Taxes	2.6%	192,232	15.1%	78,681	-59.1%	81,851	4.0%	81,056	3.0%	82,007	1.2%	83,056	1.3%
Total Taxes[3]	90.9%	2,811,715	5.8%	2,742,443	-2.5%	2,847,234	3.8%	2,806,583	2.3%	2,897,769	3.2%	3,037,595	4.8%
Licenses	3.7%	122,738	9.1%	119,091	-3.0%	116,519	-2.2%	116,222	-2.4%	114,925	-1.1%	115,781	0.7%
Fees & Fines	2.1%	57,288	26.6%	58,405	1.9%	67,039	14.8%	64,322	10.1%	55,752	-13.3%	56,174	0.8%
Interest Income	0.0%	2,286	-42.7%	868	-62.0%	1,087	25.2%	908	4.6%	950	4.7%	1,016	6.9%
Other Revenue	2.6%	101,850	25.1%	141,848	39.3%	81,505	-42.5%	79,846	-43.7%	54,119	-32.2%	80,664	49.1%
Subtotal	8.5%	284,162	16.8%	320,212	12.7%	266,149	-16.9%	261,298	-18.4%	225,746	-13.6%	253,636	12.4%
One-Time Revenue Enhancements	0.6%	79,549		19,113		19,219		18,865					
Total General Fund[3]	100.0%	3,175,426	5.6%	3,081,768	-2.9%	3,132,602	1.6%	3,086,745	0.2%	3,123,515	1.2%	3,291,231	5.4%

(1) The numbers set forth in this table are prepared using a budget method of accounting and may differ from the corresponding numbers set forth in the 2013 Financial Statements.
(2) May 1, 2013 Economic Forum Forecast adjusted for measures approved by the 2013 Legislature (77th Regular Session).
(3) Totals may not add due to rounding.

Source: Nevada Legislative Appropriations Report for Fiscal Years 2013-14 and 2014-15, prepared by the Fiscal Analysis Division, Nevada Legislative Counsel Bureau, November 2013.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following table reflects General Fund appropriations and estimates of appropriations for the fiscal years shown.

Table 13
General Fund Appropriations
(Dollar Amounts in Thousands)

Fiscal Year Ended June 30	Actual Appropriations[1]					2013 Legislatively Approved Appropriations[1]	
	2009[2]	2010[3]	2011[3]	2012	2013	2014	2015
Constitutional Agencies	$ 102,613	$ 94,454	$ 94,555	$ 95,745	$ 98,018	$ 99,986	$ 101,350
Finance & Administration	71,984	62,760	36,243	40,836	57,217	39,333	52,966
Education	2,100,273	1,678,744	1,813,965	1,589,555	1,687,638	1,767,349	1,754,320
Human Services	1,008,003	886,519	945,109	977,935	986,697	1,005,148	1,046,498
Commerce & Industry	53,231	41,384	36,936	45,818	34,075	47,374	47,754
Public Safety	349,288	234,317	313,184	290,786	291,232	289,673	289,422
Infrastructure	33,537	26,916	27,100	22,678	22,802	23,532	20,904
Special Purpose Agencies	7,679	5,519	4,865	4,065	4,045	5,226	5,231
TOTAL[4]	$3,726,608	$3,030,613	$3,271,957	$3,067,420	$3,181,724	$3,277,621	$3,318,446

(1) Legislature approved appropriations, including supplemental appropriations approved by the State Legislature, subject to revision.
(2) Revised to reflect American Recovery and Reinvestment Act of 2009 funding, which provided additional operating support in lieu of General Fund dollars.
(3) Revised to reflect actions approved in Assembly Bill 6 of the 26th Special Session.
(4) Totals may not add due to rounding.

Source: Nevada Legislative Appropriations Report October 2009, November 2011, and November 2013.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 14
General Fund Unappropriated Balances
(Dollar Amounts in Thousands)

Fiscal Year Ending June 30	2009	2010	2011[1]	2012[1]	2013[1]
General Fund Resources:					
Unappropriated General Fund Balance - July 1	$315,699	$211,872	$313,494	$324,069	$335,569
Unrestricted General Fund Reversions	$83,954	$31,947	$83,776	$52,412	$133,475
Unrestricted General Fund Revenue					
Actual General Fund Revenue	$2,739,340	$3,007,020	$3,175,426	$3,081,768	$3,085,436
Transfer from Fund to Stabilize the Operation of State Government	72,000	0	41,321	0	0
Transfers and Reversions from Various Accounts	61,444	0	2,031	0	0
Budget Reserves / Reductions	398,630	2,443	5,484	0	0
24th Special Session - Revenue Enhancements[2]	19,800	0	0	0	0
25th Special Session - Revenue Enhancements[2]	95,573	0	0	0	0
26th Special Session - Revenue Enhancements[2]	0	123,974	99,251	0	0
Increased FMAP – Reserves	72,211	0	0	0	0
State Fiscal Stabilization - Reserves	128,608	0	0	0	0
Line of Credit - Local Government Pooled Investment Fund (A.B. 562)	0	0	0	0	0
Total Unrestricted General Fund Revenue[3]	$3,587,606	$3,133,436	$3,323,513	$3,081,768	$3,085,436
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	$0	$0	$0	$7,600	$7,600
Quarterly Slot Tax - Problem Gambling	1,570	1,535	1,495	742	727
Total Restricted General Fund Revenue[3]	$1,570	$1,535	$1,495	$8,342	$8,327
General Fund Resources[3]	$3,988,829	$3,378,790	$3,722,277	$3,466,591	$3,562,806
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	($3,487,133)	($3,211,465)	($3,336,977)	($3,104,727)	($3,117,408)
Supplemental Operating Appropriations	(326,974)	0	(3,744)	0	(27,008)
Operating Appropriations Transfers Between Fiscal Years 08 & 09	87,498	0	0	0	0
Operating Appropriations Transfers Between Fiscal Years 09 & 10	(19,098)	19,098	0	0	0
Operating Appropriations Transfers Between Fiscal Years 10 & 11	0	(89,818)	89,818	0	0
Operating Appropriations Transfers Between Fiscal Years 12 & 13	0	0	0	37,307	(37,307)
Operating Appropriations/Reductions-26th Special Session	0	251,571	(21,054)	0	0
One-Time Appropriations	(15,259)	(33,407)	(51,487)	(548)	(94,538)
Restoration of Fund Balances	0	0	0	0	0
Capital Improvement Program - 2007 Legislature	0	0	0	0	0
General Fund Payback - Line of Credit	0	0	(15,000)	(138)	0
Cost of Regular and Special Sessions of Legislatures	(15,000)	(350)	(18,500)	0	(18,000)
Total Unrestricted Appropriations / Transfers[3]	($3,775,965)	($3,064,370)	($3,356,944)	($3,068,106)	($3,294,262)
Restricted Transfers					
Millennium Scholarship	$0	$0	$0	($7,600)	($7,600)
Problem Gambling	(1,570)	(1,535)	(1,495)	(742)	(727)
Disaster Relief Account	(253)	(127)	(500)	(39,237)	(45,500)
Fund to Stabilize the Operation of State Government(4)	0	0	(41,321)	(1,000)	(2,000)
Total Restricted Transfers[3]	($1,823)	($1,662)	($43,316)	($48,579)	($55,827)
Adjustments to Fund Balance	$832	$735	$2,051	($14,337)	$0
Total Appropriations / Transfers[3]	($3,776,957)	($3,065,297)	($3,398,209)	($3,131,022)	($3,350,088)
Unappropriated General Fund Balance June 30[3]	$211,872	$313,494	$324,069	$335,569	$212,718
5% Minimum Ending Fund Balance	**$187,285**	**$151,531**	**$164,348**	**$153,371**	**$159,086**
Difference	$24,587	$161,963	$159,721	$182,198	$53,632

(1) Preliminary, subject to revision.
(2) Revenue enhancements include fund sweeps, reversions and revenue adjustments.
(3) Totals may not add due to rounding.
(4) Effective beginning in FY 2011, the Fund to Stabilize the Operation of State Government became an account within the State's General Fund and is now referred to as the Account to Stabilize the Operation of State Government.

Source: Nevada Legislative Appropriations Report, October 2009, November 2011 and November 2013, and State Department of Administration.

General Fund Balance

The General Fund balance presented in the preceding table represents only the unappropriated portion of the General Fund balance and is determined on the budgetary basis method of accounting. The General Fund

balance as presented in the 2013 Financial Statements in the Required Supplementary Information, Budgetary Comparison Schedule section is also determined on the budgetary basis of accounting, but includes both appropriated and unappropriated components. The fund balance for the General Fund in the Balance Sheet section of the 2013 Financial Statements is determined on a GAAP basis. The General Fund balance has been classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for fiscal years beginning with the fiscal year ending June 30, 2011. The fund balance is classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources in the fund as follows:

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).

Restricted fund balance has constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance 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.

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.

Unassigned fund balance is the residual amount of the General Fund not included in the four categories above.

Budgetary basis and GAAP basis General Fund balances as of June 30, 2012 and June 30, 2013 are reconciled as follows:

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 15[1]
General Fund Balance

	June 30, 2012	June 30, 2013
Unappropriated General Fund Balance	$ 328,469,506	$ 292,873,442
Restricted General Fund Balance, Budgetary Basis	347,599,439	430,227,487
Total General Fund Balance, Budgetary Basis	676,068,945	723,100,929
Accrued Medicaid Receivable	139,643,292	155,167,659
Receivables Recorded as Budgetary Expenditures	22,157,914	27,213,876
Encumbrances Recorded as Budgetary Expenditures	4,428,078	3,338,666
Accrued Medicaid Liability	(248,214,764)	(259,699,696)
Deferred Gaming Taxes	(100,394,997)	(104,835,117)
Deferred Revenue-Welfare Title XIX	(74,346,022)	(89,170,367)
Liabilities Recorded as Budgetary Revenues	(155,824,824)	(105,104,583)
Other	6,811,104	21,007,473
Total General Fund Balance, GAAP Basis	$ 270,328,726	$ 371,018,840
Fund Balances:		
Nonspendable	23,800,656	33,112,551
Restricted	61,049,208	59,358,721
Committed	281,751,325	345,248,424
Unassigned	(96,272,463)	(66,700,856)
Total General Fund Balance, GAAP Basis	$ 270,328,726	$ 371,018,840

[1] This table is prepared based on the Required Supplementary Information of the Comprehensive Annual Financial Report (CAFR).

Source: State of Nevada Controller's Office

Account to Stabilize the Operation of State Government

The Account to Stabilize the Operation of State Government (the "Stabilization Account") is an account in the State General Fund pursuant to NRS 353.288. Money from the Stabilization Account may be appropriated only if (i) total actual revenue of the State falls short by 5% or more of the total anticipated revenue for the biennium in which the transfer will be made, as determined by the State Legislature, or by the Interim Finance Committee if the State Legislature is not in session, or (ii) the State Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists. In addition, the money in the Stabilization Account may be allocated directly by the Legislature to be used for any other purpose.

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 the 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. As of June 30, 2013, the Stabilization Account balance was $84,737,276. The majority of this balance is expected to be spent during the 2013-2015 biennium, and will be reduced to about $10-$15 million at the end of the biennium.

Commencing with the fiscal year that begins on July 1, 2015, the State Controller is required to transfer to the Stabilization Account at the beginning of each fiscal year 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects State revenue for that fiscal year. The maximum balance allowed in the Stabilization Account is 20% of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Stabilization Account.

2011-2013 Biennium Budget

Although Nevada has yet to fully recover from the economic downturn resulting from the economic recession of the past few years, the State's General Fund revenues posted gains in FY 2013 when compared with FY 2012, and while General Fund revenues did not increase between FY 2011 and FY 2012, the decline was due to

legislative changes rather than economic conditions. Overall, General Fund revenues were $50.8 million higher in FY 2013 than in FY 2012, a rise of 1.6%. Sales and Use Tax revenues, the General Fund's largest revenue source, rose 6.0% in FY 2012 and 5.4% in FY 2013. Gaming revenues, the General Fund's second largest revenue source, posted a 0.2% increase in FY 2012 and a 3.9% increase in FY 2013. In addition, all of the largest General Fund revenue sources exceeded the Economic Forum May 1, 2013 revenue projections. Note that the data and comparisons set forth in this paragraph have been determined on a budget/cash basis and are different from comparable data set forth in the relevant Financial Statements, which have been prepared using GAAP.

The most recent projections of State revenues are reflected in the May 1, 2013 Economic Forum Forecast, updated to reflect legislatively approved adjustments, attached as Appendix C to this Part II of this Official Statement. At this time, the Economic Forum has made no revenue projections beyond June 30, 2015. No assurances can be given that the May 1, 2013 Economic Forum Forecast (as adjusted) will accurately reflect the revenues actually received by the State during the 2013-2015 biennium, or that the projections will not further change. Updated revenue figures will periodically be made available by the State. The State cannot provide assurances that those areas showing revenue slowdown or decline will reverse direction, or that other areas will not experience slowdown or decline or otherwise be affected.

In June 2011, Governor Sandoval signed into law the various bills enacting the 2011-2013 Biennium Budget approved by the 76th Regular Session of the Nevada Legislature, which began on February 7, 2011 and adjourned on June 7, 2011. A detailed summary of all budgetary and taxation actions approved by the 76th Regular Session of the Nevada Legislature was published by the Fiscal Analysis Division of the Legislative Counsel Bureau in November 2011. The budget was balanced to the Economic Forum May 2011 forecast of available General Fund revenues using a variety of measures. Overall, agency General Fund operating budgets were reduced by $98.0 million.

- The Governor and Legislature balanced the budget using a combination of across the board reduction in spending and targeted cuts. This included a wide spectrum of reductions ranging from the closure of a prison to reduction in Medicaid programs. The State also engaged in cost saving measures through consolidation and elimination of non-essential programs.

- The State Legislature has appropriated the full amount required to meet the Public Employees' Retirement System of Nevada ("PERS") statutory contribution rate (which is a rounded rate based upon the even numbered year valuation) as it applies to State employees. The rate is in place for the biennium, and is not adjusted based upon the odd numbered year valuation.

- A significant portion of the budget reduction comes through savings achieved through lower payroll costs. Although employee furlough days were reduced to 6 per year compared with the 12 furlough days per year required during the 2009-2011 Biennium, State employee salaries were permanently reduced by 2.5% while their contributions to PERS increased from 11.25% to 12.25%. In addition, the health benefits program was redesigned, moving the preferred provider organization plan to a high deductible health plan and reducing the employer subsidy to the HMO Plan. Meanwhile, merit pay and longevity pay increases continue to be frozen.

- As a consequence of the budget reductions, the State's workforce is smaller. Some positions vacated by employees voluntarily leaving State service will be abolished, while others will provide a position for employees that would otherwise be laid off. The number of employees that were required to leave involuntarily cannot be determined at this time.

- Many of the revenue enhancements enacted over the past biennium and previously scheduled to expire on June 30, 2011 were continued until June 30, 2013. Based on the Economic Forum May 2, 2011 forecast, as adjusted for legislative and court actions, these include

    - $237 million from the increased Modified Business Tax rate for non-financial institutions

    - $69 million from Net Proceeds of Minerals

- $60 million from increased Business License Fees
- $38 million from the Indigent Supplemental Account
- $2 million from the General Fund commission on the Local School Support Tax

- Major new revenue enhancements enacted to augment General Fund revenues include
  - $51 million from the Governmental Services Tax and associated penalties
  - $24 million from the adjustment to Net Proceeds of Minerals deductions
  - $16 million from unredeemed slot machine wagering vouchers
  - $9 million from Court Administrative Assessments
  - $9 million from the Short Term Auto Lease Tax

In addition to the legislation appropriating and allocating the State's fiscal resources, the 76th Regular Session of the Nevada Legislature passed and the Governor signed several bills designed to improved fiscal performance.

- **Assembly Bill 332** requires the Economic Forum to hold additional meetings to consider current economic indicators and to update the status of actual State General Fund revenue. This provision will enable the State to react more quickly to significant changes in General Fund revenue collections.

- **Assembly Bill 276** requires the State Controller to make available for public inspection on an Internet website current data concerning the expenditures and revenues of this State, thereby making the fiscal status of the State more open for review.

- **Assembly Bill 248** requires each proposed budget to include certain information regarding long-term performance goals and intermediate objectives of the Executive Department, clarifies the provisions governing certain contents of the proposed budget and requires the posting of certain information on various Internet websites maintained by the State. This "priorities of government" format provides greater clarity to how State resources are being allocated.

2013-2015 Biennium Budget[1]

The State's economy has been expanding since 2011. However, when the 2013 Legislature convened, the recovery had yet to make up for losses incurred during the 2007-2009 recession. In recognition of this, Governor Sandoval's 2013-2015 Biennium Executive Budget included provisions to extend many of the sunsets that were scheduled to occur on June 30, 2013, so that further cuts to the State's vital services would not be required. The budget bills, along with bills extending the sunsets were signed into law by the Governor in June 2013. The 2013 Legislature appropriated $6.709 billion from the State General Fund over the 2013-2015 Biennium.

Various bills, passed and signed into law during the 2013 Legislature, had significant direct impact on General Fund revenues.

- Senate Bill 475 extends to June 30, 2015 revenue enhancements that had been scheduled to sunset on June 30, 2013, including:

[1] The following is adapted from the Nevada Legislative Appropriations Report for the 75th Legislature, Fiscal Years 2013-14 and 2014-15, published by the Fiscal Analysis Division of the Legislative Counsel Bureau, November 2013.

- The 0.35 percentage point increase in the Local School Support Tax portion of the statewide sales and use tax;
- The $100 increase in the Business License Fee;
- The prepayment of the Net Proceeds of Minerals tax; and
- The exclusion of certain deductions against gross proceeds for purposes of the Net Proceeds of Minerals.

- Senate Bill 475 also extended the 1.17% Modified Business Tax rate on non-financial institutions, but increased the exemption on taxable wages from $62,500 per quarter to $85,000 per quarter. On July 1, 2015, the Modified Business Tax rate on non-financial institutions is scheduled to revert to 0.63% on all taxable payrolls with no exempted taxable wages.

- Assembly Bill 491 addressed several diversions to the General Fund that were scheduled to sunset on June 30, 2013. These include:
  - The Governmental Services Tax revenues derived by the accelerated depreciation schedule, which will continue to be deposited into the General Fund in FY 2014 and FY 2015, and be deposited into the State Highway Fund thereafter; and
  - A portion of Governmental Services Tax revenues from commissions and penalties collected by the Department of Motor Vehicles that had been deposited into the General Fund during the 2011-2013 biennium would again be deposited into the General Fund in FY 2015, but to compensate, in FY 2015 the limit on the amount of vehicle license and registration fee revenue that may be used for the administrative costs of the department were increased from 22% to 32%.

- Senate Bill 470 increases certain existing licensing and application fees collected by the Commission on Postsecondary Education and imposes a new fee on certain private postsecondary educational institutions for approval of applications to offer an alcohol awareness program. All proceeds from the licensing and application fees are deposited in the State General Fund.

Pension Plans

The following is a brief summary of the State's disclosure relating to the State's pension systems and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment I to this Part II.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to judges of courts that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. It should be noted that PERS is a multiple employer retirement system and the State's responsibility to make contributions to PERS relates only to approximately 17.1% of PERS employees. A summary description of PERS, LRS and JRS is set forth in Note 9 to the 2013 Financial Statements included in this Official Statement as Appendix A to this Part II, and the Schedule of Funding Progress for LRS and JRS is included in the Required

Supplementary Information to the 2013 Financial Statements. The most recent valuation reports for PERS and JRS were prepared as of June 30, 2013 and are described in Attachment I to this Part II. The most recent valuation for LRS was prepared as of June 30, 2012.

The largest State pension system is PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees Retirement Fund (the "PERS Retirement Fund"). PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. Employers that participate in PERS as of June 30, 2013 include the State, 20 State-related boards and agencies and 169 local governments and related districts and agencies. As of June 30, 2013, the entire PERS (of which the State participation relates to approximately 17.1% of PERS employees) includes 99,038 active members, of whom 87,193 are Regular employees and 11,845 are Police/Fire employees; 13,739 vested inactive members; and 52,430 retirees and beneficiaries, of whom 45,796 are Regular retirees, survivors or disability recipients and 6,634 are Police/Fire retirees, survivors or disability recipients.

Measured by the number of covered employees, the State was the second-largest PERS employer in the FY2013, representing approximately 17.1% of PERS employees. The State's annual contribution to PERS (relating to the State's employee members) was $153,768,000 in FY 2009, $164,630,000 in FY 2010, $160,959,000 in FY 2011, $163,219,000 in FY 2012, and $162,484,000 in FY 2013. See Note 9 to the 2013 Financial Statements and Table 2A in Attachment I to this Part II. With respect to State employees participating in PERS on a pre-tax contribution basis (the majority of State employees), half of the amount paid by the State to PERS is offset by corresponding salary reductions of those employees. With respect to State employees participating in PERS on an after-tax contribution basis, for each dollar the State pays to PERS for such employees, the employees pay a like amount directly to PERS. Legislation was enacted in 2010 modifying benefits for members first hired on or after January 1, 2010. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired after January 1, 2010.

As of June 30, 2013, PERS had total net assets (based on market value) of approximately $28.83 billion, compared to $25.90 billion as of June 30, 2012. As of June 30, 2013, the actuarial value of PERS assets was $29.11 billion (approximately 100.95% of market value), PERS was 69.3% funded and PERS' unfunded accrued actuarial liability (the "UAAL") was $ 12.88 billion. These values are for the entire PERS, of which the State is one of numerous participants.

See Attachment I to this Part II.

Public Employees' Benefits Program

The following is a brief summary of the State's disclosure relating to the State's public employees benefits program and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment II to this Part II.

The State's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of nine members, including the Director of the Department of Administration (or his designee) and eight members appointed by the Governor and administers PEBP.

PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) a self-insured preferred provider organization ("PPO Plan"), for which PEBP assumes all risk and responsibility for paying the claims by participants in the PPO Plan, (ii) Health Maintenance Organizations ("HMO Plans") that are fully insured

by outside insurance carriers and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 48% of PEBP participants participate in the PPO Plan, 29% participate in one of the HMOs and 23% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets.

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracted with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction of certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2013, the State, the Nevada System of Higher Education and 122 State and local government agencies are billed for retiree subsidies.

PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO Plan or premiums for the HMO Plans. The State subsidy from participating State agencies is deposited into the Active Employees' Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State ("Payroll Fund"). The PEBP Board determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the PPO or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the PPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2010, 2011, 2012, and 2013, the State and its component units contributed $229,628,416, $246,714,713, $212,112,683, and $227,620,765 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2014 is $237,337,524. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Significant financial deficits in 1997, 1998 and 2002 required two additional appropriations from the State Legislature in 1999 and 2002 totaling $44 million. The participating employers, with the exception of the State, are

not subject to supplemental assessment in the event of deficiencies. In July 2006, 2007 and 2008, premium holidays were awarded to draw down excess reserves created by changes in plan design in 2004 and 2005. During the budget building process in 2008 and 2010, the Department of Administration, Budget Division provided specific limits to PEBP in the amount of the State subsidy that would be provided in the subsequent biennium. Such limits resulted in reduction to benefits, reductions to employer contributions and increases to participant contributions. For example, to address budget concerns, the PEBP Board made several changes to health benefits for plan participants including changes to the subsidization of retiree premiums. Had these changes not occurred, the State's aggregate employee and retiree subsidies for the 2009-2011 and 2011-2013 biennia would have cost an additional $53 million and $83 million, respectively. In addition, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The difference was paid through monthly reductions to the Retirees' Fund balance.

The State Legislature established the Retirees' Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2013, the Retirees' Fund had total assets of $7,181,969, of which $1,060,841 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $3,748,631 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2013, after deducting $2,735,621 in liabilities, the Retirees' Fund had net assets of $4,446,348. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

In October 2013, AON Hewitt Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final for the year ending June 30, 2013 (the "2013 Valuation"). The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2013, the present value of the benefits of the Plan was $1,951,424,000 according to the 2013 Valuation. Of this amount, 68% was allocable to currently active employees (future retirees). As of June 30, 2013, the actuarial accrued liability was $1,182,766,000.

See Attachment II to this Part II.

Insurance Premium Fund

The State is self-insured for general, civil and vehicle liability. The statutory limit on the State's negligence or tort liability is $50,000 per claim for causes of action arising before October 1, 2007; $75,000 per claim effective for causes of action arising on or after October 1, 2007 but before October 1, 2011; and $100,000 for causes of action arising on or after October 1, 2011. The State is also self-insured for comprehensive and collision loss to automobiles and self-insured to $250,000 for property loss with commercial insurance purchased to cover the excess above this amount. The State currently carries commercial insurance for aircraft liability, crime, excess liability, directors' and officers' liability and workers' compensation. The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. The range of estimated losses from $13,375,700 to $51,773,300 has been determined using standard actuarial techniques.

The State pays these claims from the Insurance Premium Fund that is funded from amounts charged to each State agency. The Insurance Premium Fund is shared by both the Nevada Attorney General's Office and the Nevada Risk Management Division as claims administration is split between the two agencies. The Attorney General's Office is responsible for administering tort claims (including general, civil, vehicle liability), while the Risk Management Division administers auto, property and workers' compensation programs.

At June 30, 2012 and June 30, 2013, total liabilities exceeded total assets by $48,323,178 and $56,133,913, respectively. According to figures derived from actuarial estimates, this Fund is liable for approximately $48,000,000 and $56,000,000 as of June 30, 2012 and June 30, 2013, respectively, in potential claims settlements, which have yet to be funded through premium contributions. NRS Section 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. See Note 10B to the 2013 Financial Statements attached as Appendix A to this Part II for more information about the Insurance Premium Fund.

Unemployment Insurance Benefit Fund

The State maintains an unemployment insurance benefit fund which is funded by an unemployment tax on businesses. Due to unusually high unemployment as a result of the 2007-2009 recession, this fund was depleted in October 2009. The State has borrowed substantial amounts to pay unemployment benefits from the federal government. Until January 2011, the federal government temporarily permitted states to defer interest payments on such borrowed funds. Beginning on January 1, 2011 these borrowed funds have accrued interest on the daily loan balance, with the interest rate set each calendar year and due each September 30. The payment due September 30, 2011 was allowed to be deferred until June 30, 2012 due to the State's 12-month average unemployment rate exceeding 13.5%. That deferral was not possible for the September 30, 2012 payment due to a decline in the unemployment rate. In September, the State paid interest becoming due on September 30, 2013 in the amount of $16,658,877. The negative fund balances peaked at approximately minus $846 million in the second quarter of 2012, and the negative fund balances have been diminishing steadily on a year over year basis since then. As of October 1, 2013 the outstanding loan balance was approximately $520 million. The 2013 Legislature adopted a new law which authorizes the State to issue bonds secured by special bond contributions payable by employers to, among other things, repay the federal loans summarized above and to make deposits to the unemployment insurance fund. In November 2013, the State issued $548,900,000 of Unemployment Compensation Fund Special Revenue Bonds secured by such special bond contributions. The proceeds were applied to repay all then-outstanding advances made by the federal government to the unemployment benefit fund.

Budget Control Act of 2011

The amount of federal funding received by the State could be adversely affected by implementation of certain provisions of the Budget Control Act of 2011 (the "Budget Control Act"), which was signed into law by the President in August 2011, and modified by the American Taxpayer Relief Act of 2012 (the "Taxpayer Relief Act"), which was signed into law by the President in January 2013, and the Bipartisan Budget Act of 2013 (the "Bipartisan Budget Act"), which was signed into law by the President in December 2013. As a result of the failure of the Joint Select Committee on Deficit Reduction to reach an agreement on the deficit reduction actions as required by the Budget Control Act, sequestration – a unique budgetary feature of the Budget Control Act – has been triggered. The Budget Control Act (prior to modification by the Taxpayer Relief Act) provided that if no legislative action is taken by Congress, sequestration would begin on January 2, 2013, which would result in automatic cuts of $1.2 trillion to federal spending in designated agencies and programs. These federal spending cuts would be spread evenly over fiscal years 2013 through 2021. The Taxpayer Relief Act modified the provisions of the Budget Control Act, reducing the amount of required spending cuts by $24 billion and delaying the start of mandatory sequestration to March 1, 2013, when the mandatory sequestration became effective. The Bipartisan Budget Act provides sequestration relief for discretionary programs, but extends the sequestration imposed under the Budget Control Act for mandatory spending programs, including subsidy payments for Build America Bonds, an additional two years through FY 2023 at the same percentages as will be sequestered in 2021.

Sequestration could adversely affect the availability of certain federal funds typically received by the State (including a portion of the cash subsidy payments that the State would otherwise be entitled to with respect to the State's Build America Bonds). Portions of certain federal programs, including Medicaid and federal aid to highways to the extent otherwise subject to obligation limitations, are currently exempt from sequestration. State budget officials are of the view that reduced federal revenues resulting from the sequestration will not have a material effect on the State's ability to make payments with respect to its general obligation bonds or its lease purchase agreements that are pledged to the payment of certificates of participation.

STATE LITIGATION

The staff attorneys of the State Attorney General's Office reported that the State 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 and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State's ability to pay its general obligation bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared.

Several of the actions pending against the State are based upon the State's (or its agents') negligence or tort liability 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 claim for causes of action arising before October 1, 2007, which has increased to $75,000 per claim effective for causes of action arising on or after October 1, 2007 and to $100,000 for causes of action arising on or after October 1, 2011. Buildings and contents are self-insured on a blanket replacement cost basis for all risks except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits that have been filed under the federal civil rights statutes. The State is statutorily required to indemnify its officers and employees held liable for damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several causes of action may be filed against the State based on alleged civil rights violations by its officers and employees. The statutory limit of tort liability (discussed above) does not apply in federal civil rights, federal discrimination and certain employment cases. Accordingly, the potential liability of the State is unascertainable at the present time.

Sierra Pacific Power Company and Nevada Power Company, Jointly Doing Business as Nevada Energy v. Dept. of Taxation. Two major Nevada power companies, collectively, NV Energy, have requested refunds of approximately $26 million for use tax paid on coal that is used to produce electricity. The Department of Taxation prevailed when the matter was presented before an administrative hearing officer. The Department prevailed before the Nevada Tax Commission. The power companies were denied relief in the Second Judicial District Court for the State and have appealed to the Nevada Supreme Court.

2003 Non-Participating Manufacturers Adjustment arbitration proceeding relating to nationwide Tobacco Master Settlement Agreement (MSA). The State is involved in a nationwide arbitration with a group of tobacco companies, the Participating Manufacturers, over the tobacco Master Settlement Agreement (MSA), which the State signed along with 46 other states in 1998. The Participating Manufacturers have alleged that the State has failed to diligently enforce the provisions of NRS 370A (Qualifying Statute) as contemplated by the Master Settlement Agreement. As a result, in January 2009, the Nevada Supreme Court ordered the State to arbitrate its dispute with the Participating Manufacturers. The State's potential liability is up to the total amount of the MSA payment for calendar year 2003 which is approximately $44 million. Additional arbitrations for the succeeding calendar years were anticipated with a similar dollar amount at risk. The State entered into a settlement with the Participating Manufacturers, reflected in an agreed term sheet, in December 2012. The agreement has not yet been finalized in a formal settlement agreement, but it is anticipated that the settlement will be duly formalized. The settlement resolves the dispute for calendar 2003 and reaches subsequent years through 2014. Although not yet finalized in a formal agreement, the settlement has resulted in a release of funds by the Participating Manufacturers that increased revenue received by the state under the MSA for 2013. The settlement terms will reduce revenue from the MSA for years 2014 through 2018.

Déjà vu Showgirls of Las Vegas, et al. v. Dept. of Taxation, et al., case No. A533273, and K-Kel, Inc., dba Spearmint Rhino Gentlemen's Club, et al. v. Dept. of Taxation, et al., case No. A554970 are State district court actions against the Nevada Department of Taxation seeking declaratory and injunctive relief, damages and attorneys' fees and costs. Plaintiff sought a declaration that the Live Entertainment Tax was unconstitutional on its face and a refund of all Live Entertainment Taxes paid. On the State's motion for summary judgment, the District Court ruled that the statute was facially valid. On a separate Motion for Summary Judgment, the District Court dismissed the plaintiffs' as-applied challenge to the statute stating their claim could only be brought as a separate petition for judicial review. Pursuant to that ruling, the taxpayers filed a separate action on the as-applied challenge. The taxpayers have appealed these two rulings of the District Court judge to the Nevada Supreme Court. In FY 2006, the Nevada Department of Taxation collected approximately $8.7 million in Live Entertainment Tax. This

amount is 7.4% of the approximately $117 million collected in FY 2006 by the Nevada Department of Taxation and the Nevada Gaming Control Board, collectively. If the tax is found to be facially unconstitutional, all taxes collected since 2004, approximately $700 million, may be subject to refund.

Ellis v. Alessi Trustee Corp. Alessi Trustee Corp. was engaged in unlicensed collection activity. Rather than contesting the matter, the corporation transferred its collection activity to the law firm of Alessi and Koenig. Thereafter, the law firm was sued in a class-action lawsuit regarding the collection activities. The State's Financial Institutions Division and its deputy commissioner were made parties to the action via a third party complaint alleging 42 U.S.C. § 1983 damages and unconstitutionality of NRS 649.390. The Plaintiffs have requested damages in the amount of $10.5 million. The Division and its deputy commissioner have been dismissed from the matter by order of the court, which ruled that they have absolute immunity. It remains to be seen whether third party plaintiffs will appeal this decision when final judgment is entered on the class action lawsuit.

In *State of Nevada v. Lehman Brothers Commercial Bank*, Case No. 08 OC 00375IB, in the First Judicial District Court of the State, the State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of $20,475,000 in exchange for agreeing to purchase certain specified U.S. Treasury securities of various maturities and principal amounts at different times between June 30, 2002 and November 15, 2027. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgment action and a counterclaim requesting a judgment in favor of LBCB in the declaratory relief claim, and seeking other relief, including an award of damages against the State. LBCB's expert has stated that the contractual value of the remainder of the contract exceeds $30 million. The District Court ruled in favor of the State. LBCB has appealed that ruling to the Nevada Supreme Court.

Sierra Nevada SW Enterprises, Ltd. v. Jason King, P.E. Nevada State Engineer is a civil rights action alleging that the State Engineer denied Plaintiff's substantive and due process rights in denying a requested change in place and manner of use of a supplemental groundwater right. The claims in federal court are pending and stayed, but once the order is signed and the appeal period runs, the State will look at further actions. There appears to be only a very remote possibility of an unfavorable outcome, but worst case scenario could mean a $12 million loss plus attorneys' fees.

Southern California Edison sought a $36 million refund of use taxes paid arguing that coal used to produce electricity was not taxable. At the hearing that was held in late 2008, Southern California Edison's refund request was denied by the Nevada Tax Commission. The matter is currently proceeding as a trial de novo in the First Judicial District, where a motion to dismiss by the State has been denied. Trial was held January 21-31, 2014, and the parties are currently in post-trial briefing. There is a reasonable likelihood of an unfavorable outcome. The refund and interest is approximately $111 million.

Treasury Solutions v. State of Nevada ex rel. Board of College Savings Plans of Nevada. This matter arises out of a contract with a consultant who provided services to the State's college savings plans. Treasury Solutions claims it is owed monies that were to be paid by the program manager. Although not specified in the court pleading, Treasury Solutions has stated at various times that it is owed approximately $30 million.

Piper v. Dept. of Administration. This case involves liability and an insurance dispute over a worker's compensation claim due to a severe head injury that was suffered by a former Nevada Department of Corrections ("NDOC") inmate while working for a private employer on a work release program and a subsequent seizure and additional injuries he suffered while in NDOC custody. Four parties are involved: (1) NDOC; (2) Nevada Department of Risk Management; (3) Claimant Piper; and (4) the private employer's insurance company, York Claims Services. The claimant's ongoing medical costs are rising daily and the total liability of the State could be in the $20 million range. The State prevailed in an administrative hearing, but on judicial review, the District Court set aside the hearing officer's decision. The State has appealed the District Court's decision to the Nevada Supreme Court.

Village League v. State Board, CV-03-06922. Pursuant to an order of the Nevada Supreme Court that the State Board of Equalization provide taxpayers statewide the opportunity to testify regarding equalization, the State

Board has made a decision denying certain Incline Village residential property owners' request that values for the properties receive a rollback to 2002 values for tax years 2003-2004, 2004-2005 and 2005-2006, ordering instead that the Washoe County Assessor reappraise said properties without using certain disapproved methodologies. The property owners sought and were denied judicial review and have appealed to the Nevada Supreme Court. If the property owners were to prevail on appeal, it would be anticipated that they would be granted a refund in excess of $10 million.

Harrah's Operating Co. v. State of Nevada ex rel. Dept. of Taxation tax refund request. This matter relates to aircraft purchased by Harrah's on which it paid approximately $8.6 million in use tax. Harrah's has sought a refund of those amounts. With interest, the amount requested is over $11 million. At the administrative hearing and an administrative appeal, Harrah's refund was denied, which denial was upheld on judicial review on March 27, 2012. Harrah's appealed to the Nevada Supreme Court, which issued a decision on March 20, 2014 granting partial relief to Harrah's (deciding that Harrah's was entitled to a refund on use tax it paid on two of the four planes at issue) and remanding it for calculation. It is expected that the refund due Harrah's if the decision becomes final in its current form will be substantially less than $10 million.

City of Fernley v. State of Nevada. The City of Fernley is suing the State alleging that the manner in which the revenue from certain taxes is divided among local governments violates the Federal and State Constitutions. The complaint does not request a specific dollar amount; however, the dollar amounts at issue may exceed $10 million. As the relief involves potential redistribution of revenues among local governments, it is unclear whether, were judgment awarded to the City, it would involve a loss of revenues to the State.

Jericho Heights, adv. NDOT, Eighth Judicial District. Nevada Department of Transportation ("NDOT") brought an eminent domain proceeding against Jericho Heights in 2012 in connection with the Boulder City Bypass Project. On January 15, 2013, Jericho Heights brought a counterclaim against NDOT, alleging inverse condemnation occurred in 2005 based on alleged denial of direct access to US 95. Jericho Heights asserts damages in excess of $60 million.

Nassiri, Fred, adv. NDOT. NDOT previously settled an eminent domain action with Nassiri. Settlement included transfer by NDOT of other property to Nassiri. Nassiri has filed an action asserting inverse condemnation and other relief, based on actions (subsequently taken) by NDOT, specifically development of an overpass that blocked view of the property from the freeway, thereby allegedly impairing the property. Nassiri's claim is in excess of $40 million.

Railroad Pass Investment Group, adv. State of Nevada. The State (NDOT) brought an eminent domain proceeding in 2012 to acquire a portion of Railroad Pass's property as part of the Boulder City bypass project. Railroad Pass claims damage to its casino business due to reduced access. It will likely claim in excess of $10 million over and above the amount the State has deposited for acquisition costs.

Ad America. Ad America has filed an action against the State in inverse condemnation concerning the alleged effective taking of three parcels of property for Project Neon (widening of Interstate 15). Ad America obtained a ruling in District Court that the State is liable for inverse condemnation. The District Court has ruled on a valuation date but has not yet ruled on the amount of liability. NDOT has petitioned the Nevada Supreme Court to overturn the District Court's decision. The Nevada Supreme Court has accepted the petition. Plaintiffs have valued the alleged taking at $24 million.

State of Nevada v. Highland 2000; Highland 1980, et al. This is a direct condemnation action. As part of Project Neon, NDOT is condemning the entire one-acre parcel and the office building on it that was formerly occupied by a tenant, AMR ambulance service. NDOT filed a separate case, State v. Highland 1980, et al., to acquire adjoining parcels of land owned by an affiliated entity (the Highland entities are LLCs that have the same owner). AMR and its subtenants, as well as an attorney, occupied the 1980 parcels. NDOT filed a third case, State v. Catello, to acquire a strip of land adjoining the Highland parcels that AMR used for parking. As a result of a subsequent quiet title action between Highland and Catello, Highland is now the owner of that property. The three cases described above have been consolidated into one action. Discovery is continuing. Trial is set for May 19, 2014. Claimants' probable claim in excess of the amount budgeted for the consolidated direct condemnation action

is $11 million, plus interest. Because the highway project is partially federally funded, there will be some federal financial participation.

Wykoff Newberg Corp., adv. State of Nevada (NDOT). The State, through NDOT, brought a condemnation proceeding against Wykoff to acquire property for widening I-15 between Tropicana and Blue Diamond. NDOT valued compensation due Wykoff at $1,290,000, but Wykoff has demanded $10 million. The scheduled trial date is nearing, but there are motions pending to extend discovery and continue trial.

There are a number of other claims affecting the State, but the State estimates that its potential liability for any single claim not described above will not exceed $10 million.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

This portion of Part II of this Official Statement contains general information concerning the economic and demographic conditions in the State. It is provided so that prospective investors will be aware of factors that may affect future development and growth within the State. The information presented was obtained from the sources indicated, and the State does not guarantee or make any representation as to the accuracy or completeness of the data presented.

Population and Age Distribution

Nevada's population increased from 1,201,833 residents in 1990 to 1,998,257 residents in 2000 and to 2,724,634 residents in 2010, an increase of approximately 66% between 1990 and 2000 and approximately 127% between 1990 and 2010. In 2013, Nevada's population increased by 1.8% from the previous year. Historical and estimated State population figures, by county, are shown in the following table:

Table 16
Nevada Population by County

	1990	2000	2009	2010	2011	2012	2013
Carson City	40,443	52,457	56,506	55,850	56,066	55,441	54,668
Churchill	17,938	23,982	26,859	26,360	25,136	25,238	25,322
Clark	741,459	1,375,765	1,952,040	1,968,831	1,967,722	1,988,195	2,031,723
Douglas	27,637	41,259	51,390	49,242	47,661	48,015	48,478
Elko	33,530	45,291	51,325	52,097	49,861	51,771	53,384
Esmeralda	1,344	971	1,187	1,145	825	860	858
Eureka	1,547	1,651	1,562	1,609	1,994	2,011	2,024
Humboldt	12,844	16,106	17,690	18,364	17,135	17,384	17,457
Lander	6,266	5,794	6,003	5,992	5,988	6,221	6,343
Lincoln	3,775	4,165	4,317	4,631	5,284	5,100	5,020
Lyon	20,001	34,501	53,825	52,334	52,443	52,245	52,960
Mineral	6,475	5,071	4,474	4,471	4,601	4,679	4,662
Nye	17,781	32,485	46,360	45,459	44,513	44,292	44,749
Pershing	4,336	6,693	7,149	7,133	6,847	7,013	6,882
Storey	2,526	3,399	4,317	4,234	4,123	4,103	4,017
Washoe	254,667	339,486	416,632	417,379	421,593	442,704	432,324
White Pine	9,264	9,181	9,570	9,503	10,002	9,945	10,095
Nevada Total	1,201,833	1,998,257	2,711,206	2,724,634	2,721,794	2,750,217	2,800,967

Source: 1990 and 2000: U.S. Bureau of the Census; 2009-2013: Nevada State Demographer.

The following table sets forth a comparative age distribution profile for Clark County, Washoe County, the State and the United States:

Table 17
Age Distribution

	Percent of Population			
Age	**Clark County**	**Washoe County**	**State**	**United States**
14 and under	20.4%	19.1%	20.0%	19.5%
15-24	13.3	14.3	13.3	14.0
25-34	14.8	13.7	14.2	13.5
35-54	27.8	26.5	27.4	27.0
55 and older	23.7	26.4	25.1	26.0

Source: U.S. Census Bureau, 2012 American Community Survey.

Income

The following table sets forth annual per capita personal income levels of the Las Vegas-Paradise MSA (which consists of Clark County), the Reno-Sparks MSA (which consists of Washoe County and Storey County), the State and the United States:

Table 18
Per Capita Personal Income Groups

Year	**Las Vegas-Paradise MSA**	**Reno-Sparks MSA**	**State**	**United States**
2008	$38,742	$46,256	$39,936	$40,873
2009	35,830	41,323	36,839	39,357
2010	35,531	41,169	36,692	40,163
2011	35,896	42,524	37,396	42,298
2012	36,676	43,317	38,221	43,735

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The following tables depict Median Household Income and Percent of Households by Income Groups for Clark County, Washoe County, the State and the United States.

Table 19
Median Household Income

Year	Clark County	Washoe County	State	United States
2008	$56,696	$57,392	$56,361	$52,029
2009	53,505	52,833	53,341	50,221
2010	51,437	50,556	51,001	50,046
2011	48,215	50,733	48,927	50,502
2012	49,546	49,026	49,760	51,371

Source: U.S. Census Bureau, 2012 American Community Survey.

Table 20
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under $25,000	22.5%	27.0%	23.2%	24.4%
$25,000-$34,999	12.0	10.2	11.5	10.4
$35,000-$49,999	15.9	13.9	15.5	13.8
$50,000 and Over	49.6	48.9	49.8	51.4

Source: U.S. Census Bureau, 2012 American Community Survey.

Employment

The following tables set forth labor force and employment statistics for the State. The State experienced high rates of unemployment beginning in 2008 and continuing through 2012. In October 2010, the State's unemployment rate reached a high of 14%.

Table 21[(1)]
Average Annual Labor Force Summary

Calendar Year	2010	2011	2012	2013	2014
Total Labor Force	1,391,972	1,392,242	1,383,938	1,372,862	1,374,406
Unemployed	191,562	184,458	158,802	135,071	115,618
Unemployment Rate[(2)]	13.8%	13.3%	11.5%	9.8%	8.8%
Total Employment[(3)]	1,200,410	1,207,785	1,225,136	1,237,791	1,258,788

(1) Based on information as of May 16, 2014. Subject to revision as additional information becomes available.
(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2009 through 2013 were 9.3%, 9.6%, 8.9%, 8.1% and 7.4%, respectively.
(3) Adjusted by census relationships to reflect number of persons by place of residence.

Source: State of Nevada - Department of Employment, Training and Rehabilitation.

Table 22[1]
Average Establishment-Based Industrial Employment by Calendar Year
(Estimates in Thousands)

NAICS Classification[2]	2010	2011	2012	2013	2014[3]
Natural Resources and Mining	12.2	14.0	15.5	15.4	15.1
Construction	59.3	52.2	52.0	57.0	59.3
Manufacturing	37.9	38.3	39.2	40.5	41.0
Trade (wholesale and retail)	160.1	161.3	164.9	168.8	171.3
Transportation, Warehousing and Utilities	50.0	51.4	53.1	54.0	54.5
Information	12.5	12.6	12.7	12.8	12.6
Financial Activities	52.9	52.5	54.4	56.6	57.1
Professional and Business Services	135.7	139.7	144.7	150.0	158.0
Education and Health Services	101.5	105.4	108.5	111.7	114.6
Leisure and Hospitality (casinos excluded)	122.3	126.8	130.5	137.5	139.0
Casino Hotels and Gaming	186.7	188.8	186.5	187.2	189.1
Other Services	32.9	32.4	33.3	33.2	32.9
Government	153.8	150.3	149.4	150.9	153.2
Total all industries	1,117.8	1,125.7	1,144.8	1,175.7	1,199.1

(1) Based on information as of May 16, 2014. Subject to revision as additional information becomes available. Totals may not add due to rounding.
(2) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders.
(3) Reflects employment average for Jan and April 2014.

Source: Nevada Department of Employment, Training and Rehabilitation.

Educational Attainment

The following table sets forth educational attainment statistics for the State.

Table 23
Educational Attainment
(Civilian Labor Force Aged 25 and Older)

Nevada state-wide Educational Attainment Level	Male	Female	Total[1]
Total population	50.0%	50.0%	100.0%
Not a high school graduate	15.2%	15.0%	15.1%
High school graduate (including equivalency)	28.6%	29.0%	28.8%
Some college or associate degree	33.5%	34.0%	33.7%
Bachelor's degree	14.9%	14.7%	14.8%
Graduate or Professional Degree	7.8%	7.3%	7.5%

(1) Totals may not add exactly due to rounding.

Source: U.S. Census, 2012 American Community Survey 1-Year Estimates.

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada's counties range from 6.85% to 8.1% (Clark County). The State General Fund's share (2%) is a major source of revenue for the State's General Fund. See "FINANCIAL INFORMATION—State General Fund Revenue Sources." Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following table presents a record of taxable sales in the State:

Table 24[(1)]
Transactions Taxable Under the Nevada Sales and Use Tax Laws

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2009	$42,086,614,338	-12.68%
2010	37,772,066,777	-10.25
2011	39,935,010,577	5.73
2012	42,954,750,131	7.56
2013	45,203,408,413	5.23
July 1, 2012 - Feb. 28, 2013	29,407,871,920	
July 1, 2013 - Feb. 28, 2014	30,701,818,284	4.4%

(1) Subject to change.

Source: State of Nevada - Department of Taxation.

Gaming and Tourism

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues to the State, county and local jurisdictions in which gaming companies operate. For the past three consecutive fiscal years (2011 to 2013), taxable gaming revenue and collections have generally experienced increases that were driven primarily by increased convention attendance and visitation on the Las Vegas Strip in addition to record win amounts in baccarat. Gaming collections fell significantly in prior years due to decreased discretionary consumer spending. The following table represents a record of gross taxable gaming revenues in the State and total State gaming taxes and fees collected.

Table 25[(1)]
Gross Taxable Gaming Revenues and Total Gaming Taxes

Fiscal Year	Gross Taxable Gaming Revenue[(2)]		State Gaming Collection[(3)]	
Ended June 30	State Total	% Change	State Total	% Change
2009	$10,244,532,620	-14.1%	$858,008,122	-12.5%
2010	9,667,833,487	-5.6	829,289,514	-3.4
2011	9,836,451,902	1.7	853,455,347	2.9
2012	9,770,060,305	-0.7	864,621,791	1.3
2013	10,208,253,030	4.5	892,106,457	3.2
July 12 – Jan 13	5,930,924,634	--	453,747,788	--
July 13 – Jan 14	5,951,201,222	0.3	461,507,704	1.7

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Based upon the taxable revenues generated in the previous month. Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada - Gaming Control Board.

Gaming Is a Highly Regulated Industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses,

establish operating rules, monitor the activities of licensed establishments and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes and regulate gaming establishments and licensees. The laws, regulations and ordinances of both state and local governments regulate the licensing, operations and financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming.

The Gaming Industry Is Highly Competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming, such as pari-mutual horse, dog and jai alai betting, existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. Today, 17 states have (some in combination) land-based or river boat gaming, 14 have racetrack casinos, 28 have tribal casinos, five have card rooms and seven have electronic gaming devices. All told, some 39 states have some form of gambling operating within their borders. In addition, more than two hundred Native American tribes conduct some form of gaming on tribal lands throughout the United States. Tribal gaming in the State of California accounts for the highest Native American gaming revenue of any state within the United States. Gaming continues to expand into foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries and other forms of gaming will likely continue to increase in the future. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain.

Information relating to the occupancy rates of hotels is not available on a state-wide basis. This information is generally only available for Clark County (Las Vegas) and for Washoe County (Reno and Sparks) as provided in the following tables:

Table 26
Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[(1)]	National Occupancy Rate[(2)]
2009	36,351,469	148,941	81.5%	55.1%
2010	37,335,436	148,935	80.4	57.6
2011	38,928,708	150,161	83.8	60.1
2012	39,727,022	150,481	84.4	61.4
2013	39,668,221	150,593	84.3	62.3

(1) The sample size for this survey represents approximately 75% of the total hotel/motel rooms available.
(2) Source: 2009 through 2013 - Smith Travel Research, Lodging Outlook.

Source: Las Vegas Convention and Visitors Authority.

Table 27
Visitor Volume and Room Occupancy Rate
Washoe County, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[1]	National Occupancy Rate[2]
2009	4,354,423	25,304	60.0%	55.1%
2010	4,406,270	24,867	60.9	57.6
2011	4,345,141	24,872	60.5	60.1
2012	4,536,415	24,434	60.0	61.4
2013	4,664,514	23,957	63.2	--

(1) The rooms and units in all types of accommodation (with three or more rooms/units) licensed with the Reno-Sparks Convention and Visitors Authority to rent rooms/units on a short-term basis.
(2) Source: 2009 through 2012 - Smith Travel Research, Lodging Outlook.

Source: Reno-Sparks Convention and Visitors Authority.

Table 28
Convention and Visitors Authority Room Tax Revenue

Las Vegas Convention and Visitors Authority			Reno Sparks Convention and Visitors Authority		
Fiscal Year	Revenue[1]	% Change	Fiscal Year	Revenue[1]	% Change
2009	$171,492,792	-22.03%	2009	$16,346,211	-17.65%
2010	155,914,556	-9.08	2010	16,013,408	-2.04
2011	178,869,442	14.72	2011	15,628,489	-2.40
2012	200,701,137	12.21	2012	15,378,063	-1.60
2013	203,602,271	1.45	2013	16,724,281	8.75
July 12 – Feb 13	127,842,391	--	July 12 – Mar 13	11,992,727	--
July 13 – Feb 14	139,215,659	8.9	July 13 – Mar 14	12,366,364	3.1

(1) The Room Tax Revenue is retained locally and is not part of the State's room tax revenue.

Source: Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority.

Transportation

Reno and Las Vegas, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry. The Reno/Tahoe International Airport had an estimated 3.43 million commercial and charter passengers enplaned and deplaned in 2013, a decline from approximately 3.48 million in 2012. McCarran International Airport in Las Vegas had an estimated total of 41.86 million commercial and charter passengers enplaned and deplaned in 2013, an increase from 41.67 million in 2012. Passenger volume at McCarran is reported to be up approximately 0.5% in 2013 compared to 2012. The airports are served by scheduled airlines and supplemental charter carriers. Federal legislation has been approved to allow the sale of federal land near Las Vegas to Clark County to be used as a second major airport serving Las Vegas.

Two major railroads cross Nevada, while short lines serve as feeders. There are nine federal highways in Nevada, three of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects with the San Francisco Bay area and the Reno-Sparks area. Interstate 580 connects Reno and Carson City. Several national bus lines and trucking lines serve the State.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. 95 extends to the Mexican border, generally following the Colorado River, and U.S. 93 crosses into Arizona.

Economic Development

The State's Department of Business and Industry promotes the expansion of Nevada's business economy and administers the State's industrial development bond program designed to assist businesses to expand or relocate.

The State's Commission on Economic Development has two offices in the State, located in Carson City and Las Vegas. Both offices are primarily concerned with industrial development in the area, expansion of existing companies, and promoting motion picture production activity within the State. The Commission is the umbrella organization for twelve regional development authorities that operate as nonprofit corporations or under interlocal agreements between county, city and private sector organizations. The regional development authorities provide information to companies considering relocation to Nevada as well as to firms already doing business in Nevada. These companies are in manufacturing, warehousing/distribution, computer software, communications, electronics, data processing and sales. In addition, the development authorities have worked with local governments and others to improve the infrastructure in these communities to increase their ability to attract new businesses.

The Commission also sponsors the Nevada Film Office, which provides extensive assistance to the local and national television and film production community.

The Commission's Procurement Outreach Program provides assistance to Nevada firms that wish to compete for federal contracts. The Community Development Block Grant Program assists rural communities with grants for qualified local projects; providing financing for businesses through a revolving loan fund; and providing technical assistance to cities and counties for planning and improvement of economic conditions.

Other incentives for Nevada business include competitive wage rates, an expanding labor force, low-cost and readily available electrical power, low out-bound freight transportation costs to other prominent southwestern markets and a graduated schedule for payment of sales and use tax on new capital equipment. Nevada also has a sales and use tax abatement on capital equipment for qualified relocating or expanding companies.

Warehousing

Reno and Las Vegas are the two major trade centers of the State. Reno is the principal distribution center for northwestern Nevada and northeastern California. Las Vegas serves southern Nevada and nearby areas of California, Utah, and Arizona. Warehousing is a growing industry in the State because of Nevada's strategic location and its freeport tax exemption for goods in transit. Nevada's Freeport Law provides tax-free warehousing on goods stored, assembled, disassembled, bound, joined, processed, divided, cut, broken in bulk, relabeled, or repacked while in transit through the State. The area also has an established foreign Trade Zone.

The Reno/Sparks area is a major western U.S. distribution hub with over 200 national/international firms. Major manufacturing and distributing facilities in the Reno/Sparks area include: International Game Technology, Wal-Mart, GE Bently Nevada, American AVK, R.R. Donnelley & Sons, Leviton Manufacturing Co. Inc., Sherwin-Williams Co., J.C. Penney, Kmart, Merck & Co., Patagonia, Barnes & Noble, Amazon.com and Toys "R" Us. Besides manufacturing and distribution facilities, Washoe County has a Class A and B office market approaching seven million square feet.

Federal Activities

Operations and facilities of the federal government in the State have been significant, beginning with Hoover Dam in the 1930s, an Army Air Force gunnery school (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada National Security Site (formerly the Nevada Test Site). Currently, the following major federal activities are located in the State.

Hoover Dam. Hoover Dam, operated by the Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is one of the world's largest hydroelectric installations with a capacity of more than 2,000 megawatts. Hoover Dam also is a major tourist attraction in Clark County.

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 11,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world famous air demonstration squadron.

Nevada National Security Site. The Nevada National Security Site ("NSS") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Nevada Operations Office of the U.S. Department of Energy ("DOE"), NSS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. The NSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles north of Las Vegas, the NSS is a massive outdoor laboratory and national experimental center. NSS comprises approximately 1,350 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of approximately 5,470 square miles. Federal employees and independent contractors are employed at NSS.

Yucca Mountain. The federal government formerly planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national nuclear repository for high-level waste and spent fuel from nuclear power plants around the country. The U.S. Department of Energy submitted in 2008 a license application to the U.S. Nuclear Regulatory Commission (the "NRC") seeking authorization to construct the nuclear waste and spent fuel repository, but the NRC suspended its review. The current administration has stated that it is opposed to proceeding with this project, and the federal government has not authorized further funding for review of the license application by the NRC beyond the approximately $11 million remaining of previously appropriated funds. In August 2013, the D.C. Circuit Court of Appeals ordered the NRC to resume the statutory license review process, unless Congress declares otherwise through legislation or until appropriated funds are depleted. President Obama's proposed budget for FY 2015 contains no funding for Yucca Mountain.

Mining

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of mineral production (excluding oil, gas and geothermal) in Nevada reached $10.2 billion in 2012. Gold is the primary source of mining revenue which reached $9.3 billion in 2012. Nevada leads the nation in gold production.

Oil and natural gas exploration activity continues in Nevada. During 2012, the total net oil produced was 368,000 barrels. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on lease sites.

Gross geothermal energy production totaled 2.4 million megawatt-hours in 2012 from 21 electrical generating plants.

According to the Department of Employment, Training and Rehabilitation, in 2012, there was an average of 15,400 people employed in the mining industry at an average annual salary of $83,474.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

According to the Division of Minerals, gold and silver currently account for 92% of total value of metal and non-metal mine production in the Nevada mining industry. The following table compares the calculated value of mineral production for the periods indicated:

Table 29[1]
Mineral Production

Calendar Year Ending	Millions of Dollars	% Change
2008	6,100	13.0
2009	5,927	-2.8
2010	7,300	23.2
2011	9,600	31.5
2012	10,244	6.7

[1] Estimates. Does not include oil, gas and geothermal energy.

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

The following table presents the amount of selected mineral commodities produced in the State during the periods indicated:

Table 30
Mineral Production
(By Weight)
(In Thousands)

	2008	2009	2010	2011	2012
Gold	5,689 ozs	5,033 ozs	5,339 ozs	5,536 ozs	5,615 ozs
Silver	7,965 ozs	7,310 ozs	7,361 ozs	7,141 ozs	8,527 ozs
Gypsum	1,401 tons	1,198 tons	1,056 tons	996 tons	1,482 tons
Barite [1]	595 tons	476 tons	657 tons	698 tons	745 tons

[1] Shipped.

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

Electric Utilities

NV Energy, Inc. ("NV Energy"), formerly Sierra Pacific Resources, is a publicly traded investor-owned holding company. Through its subsidiaries, which include Sierra Pacific Power Company and Nevada Power Company (each doing business as NV Energy), NV Energy supplies electric service to Las Vegas and surrounding Clark County, and to northern Nevada. NV Energy through its subsidiaries provides electric and natural gas services to a range of over one million residential, commercial, industrial and public sector customers.

Water

Nevada is one of the eight mountain states, bordered by California, Oregon, Idaho, Utah, and Arizona. The State lies in the Great Basin, an arid region east of the Sierra Nevada Mountains, where annual rainfall averages less than ten inches. The availability of water is important to continued growth and development in the State. The two most populous counties in the State are Clark County and Washoe County. Water availability for those two counties is discussed below.

On January 16, 2014, the U.S. Department of Agriculture (USDA) announced the designation of nine counties in Nevada, including Clark County and Washoe County, as primary natural disaster areas due to ongoing drought conditions. Qualified farm operators in these areas and certain contiguous areas may be eligible for low-

interest emergency loans from the USDA. The State cannot predict the duration of the drought or the effects of the drought on the State.

Clark County

General. The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District ("LVVWD"); and Nellis Air Force Base. The LVVWD provides water service to the City of Las Vegas, the unincorporated urban areas of Clark County, Jean, Kyle Canyon, Blue Diamond, and Searchlight. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the Coyote Springs Water Resources District, operated by the LVVWD, serves the community within the Coyote Spring valley. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

In 1991, a regional water entity was created for Southern Nevada. This new entity, the Southern Nevada Water Authority ("SNWA"), was established to address water issues on a regional basis rather than an individual purveyor basis. The members of the SNWA include the cities of Boulder City, Henderson, Las Vegas and North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District (formerly Clark County Sanitation District), and the LVVWD. The SNWA works collaboratively with its member agencies to manage regional water facilities; address water resource management and water conservation on a regional basis; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA.

Conservation. The centerpiece of the SNWA's conservation efforts is the Water Smart Landscapes program, which pays existing residents to replace lawn with drought-tolerant plants. Since 1999, thousands of Southern Nevada residents have replaced more than 167 million square-feet of lawn, saving the community billions of gallons of water each year. The Water Smart Landscapes program is one of several aggressive conservation initiatives that have enabled Southern Nevada to decrease its water use by more than 29 billion gallons annually between 2002 and 2012, despite the addition of 400,000 new residents during that span.

In 2009, the SNWA member agencies implemented previously adopted drought restrictions as permanent conservation measures for the community. These regulations and land use codes include restrictions on landscape watering, vehicle washing and ornamental water features; lawn installation limits; golf course water budgets; and water waste violations. In addition, the SNWA in 2009 adopted a new conservation goal of 199 gallons per capita per day (GPCD) by the year 2035. This goal is expected to save the community approximately 276,000 acre-feet of water per year by 2035, which is nearly equivalent to the State's total annual Colorado River allocation. Available data indicate that in 2008 the SNWA achieved its previous conservation goal of 250 GPCD by 2010 – two years ahead of schedule. In 2012, demand was reduced to 219 GPCD.

SNWA Water Resource Plan. In addition to aggressive water conservation measures, the SNWA developed and maintains a comprehensive Water Resource Plan to manage current and future resources available to the Las Vegas Valley. The plan, which was first adopted in 1996, is reviewed annually and updated as needed. The Water Resource Plan provides a demand projection for Southern Nevada and outlines a portfolio of water resource options to meet projected water demands over a 50-year planning horizon. This portfolio approach enables the SNWA to quickly respond to changing conditions. The portfolio of resources as described in the SNWA Water Resource Plan includes Nevada's 300,000 acre-foot per year ("AFY") Colorado River apportionment and associated return-flow credits; Las Vegas Valley and in-state groundwater; flood control, domestic and intentionally created surplus water (intentionally created surplus water is divided into four categories: tributary, imported, system efficiency and extraordinary conservation); water resources banked in the Las Vegas Valley and the states of Arizona and California; wastewater reuse; and other current and future supplies.

While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with expected conservation gains, are designated to enable the SNWA to meet current and projected water demands over the long-term planning horizon. In 2009, the SNWA updated its drought plan, which is integrated into the 2009 Water Resource Plan, to outline the SNWA's approach to meeting demands during declared shortages in

light of new rules and agreements. Response measures include the use of Intentionally Created Surplus, banked resources, shortage-sharing agreements and heightened conservation measures, and accelerated development of in-state groundwater resources. The SNWA also continues to work with the other Colorado River Basin states to identify and explore options for long-term augmentation of Colorado River resources.

Interim Guidelines. In 2007, the Secretary of the Interior issued a Record of Decision regarding development of Lower Basin shortage guidelines and coordinated management strategies for Lake Powell and Lake Mead under low reservoir conditions (the "Interim Guidelines"). The Interim Guidelines and associated agreements among the seven states of the Colorado River Basin (the "Basin States") define new coordinated operations for lakes Powell and Mead; establish new rules for how states will share shortages on the Colorado River; modify and extend previously approved interim surplus guidelines; and create a new category of water called Intentionally Created Surplus ("ICS"). The Interim Guidelines expire in 2026.

Provisions for the coordinated operation of lakes Mead and Powell establish parameters for water releases from Lake Powell to Lake Mead under reservoir conditions through the year 2026. This will improve management of the Colorado River by considering tradeoffs between the frequency and magnitude of reductions of water deliveries; the effects of water storage in lakes Powell and Mead; water supply; power production; recreation; and environmental needs.

Under the Interim Guidelines, Nevada can consumptively use up to 400,000 acre-feet of Colorado River water annually from 2016 through the year 2026 when Lake Mead is above 1,145 feet and operating under surplus conditions. This supply, combined with the ICS, significantly extends available resources.

Provisions for ICS allow the SNWA to develop a portion of its water resources portfolio by conveying water to the Colorado River in exchange for ICS credits. The SNWA can then divert its Colorado River ICS credits from Lake Mead through existing facilities. The SNWA currently has three ICS projects, which include the Coyote Spring Valley Groundwater Imported ICS Project; the Virgin and Muddy Rivers Tributary Conservation ICS Project; and the Brock (formerly known as Drop 2) Reservoir System Efficiency ICS Project. The SNWA owns 9,000 AFY of groundwater rights in Coyote Spring Valley which are available for use as imported ICS; approximately 30,000 AFY from its Virgin and Muddy Rivers Tributary Conservation ICS Project; and 400,000 acre-feet from its Brock Reservoir System Efficiency ICS Project. The Brock Reservoir is located near the California-Mexico border. The reservoir captures unused United States Colorado River water that was ordered but not diverted and would otherwise inadvertently flow across the border into Mexico. The SNWA can use up to 40,000 AFY. This resource expires upon full use or in 2036, whichever comes sooner.

Tributary Conservation and Imported ICS credits can be created and used under any operating condition, including shortage. In addition, if the ICS credits are not used in the year they are created, they can be stored in Lake Mead; however, stored ICS is not available during declared shortages. Tributary Conservation and Imported ICS are subject to a 5% reduction for the benefit of Colorado River system storage when they are created, and ICS stored in Lake Mead is subject to a 3% annual reduction for evaporation, except during a declared shortage. The SNWA can bank up to 300,000 acre-feet of credits in Lake Mead for future use. As of 2013, the SNWA had stored approximately 138,000 acre-feet of ICS in Lake Mead.

The Interim Guidelines also establish when water supply shortages will be declared and the amount of shortage that will be incurred. As part of an interstate agreement signed in early 2007 between Arizona and Nevada, Nevada will take a smaller share of any declared shortage. As long as Lake Mead levels stay above 1,000 feet, the largest shortage Nevada will incur is 20,000 AFY. By comparison, Arizona's largest shortage is 480,000 AFY. If water levels are projected to fall below 1,000 feet, the Secretary will re-consult with the Basin States on further management strategies. These Interim Guidelines help to ensure Colorado River supplies to the Lower Colorado River Basin states, as well as protect Lake Mead water levels in the event prolonged drought conditions in the Upper Colorado River Basin were to occur. In the event of a declared shortage, the SNWA will utilize additional conservation, banked resources, and other supplies to meet water demands until other permanent resources under development are brought on-line.

Minute No. 319 to the 1944 Mexican Water Treaty. On November 20, 2012, Minute No. 319 to the 1944 Mexican Water Treaty, which addresses cooperative management strategies in the management of the Colorado

River system, was passed. Minute No. 319, along with related agreements that were executed concurrently, allows for the United States and Mexico to better assess the long-term opportunities for water conservation, management and development. Provisions include Mexico agreeing to adjust its delivery schedule during low reservoir conditions, Mexico having access to additional water during high reservoir conditions, and a commitment to work together on a five-year pilot program that includes water for the environment and water benefits for the United States and Mexico (the "Pilot Program"). The SNWA will contribute $2.5 million to the Pilot Program, resulting in the creation of 95,000 acre-feet of Binational Intentionally Created Surplus. The SNWA will receive an amount proportional to its capital contribution of 23,750 acre-feet of water to be used by 2036. The federal government will also contribute $11 million in funds in exchange for 29,000 acre-feet of water that will be dedicated to system benefits including bolstering the water elevation in Lake Mead.

Long-Term Augmentation of Colorado River Supplies. The SNWA funded the "Study of the Long-Term Augmentation Options for the Water Supply of the Colorado River System" in 2007. The independent study commissioned by the Basin States examined water resource augmentation options, evaluating their engineering feasibility, environmental viability and potential for water resource yield. This study is an important step in identifying and assessing potential actions to implement water supply augmentation on the Colorado River or exchanges of Colorado River water. The SNWA continues to pursue the development of 75,000 AFY of permanent water supplies through various augmentation options evaluated in the study.

Groundwater Development. The SNWA is engaged in the development of additional in-state groundwater resources in Clark, Lincoln and White Pine counties. The development of these in-state groundwater resources is a significant focus of the SNWA. In 2006, the SNWA participated in hearings before the State Engineer to consider the SNWA's applications for unappropriated groundwater in Spring Valley, Nevada, one of the groundwater basins comprising the project area. The Nevada State Engineer issued a ruling in 2007, granting the SNWA 60,000 AFY subject to staged development guidelines and findings of the initial staged development period. After holding hearings in early 2008, the Nevada State Engineer issued a ruling granting the SNWA 18,775 AFY of groundwater from Delamar, Dry Lake and Cave valleys, three of the other groundwater basins that constitute the project area.

The Nevada Supreme Court issued an opinion on June 17, 2010 that found that the Nevada State Engineer did not act on SNWA's above-noted applications within the appropriately mandated timeframe. The SNWA re-filed its applications. The Nevada State Engineer set a hearing on the matter, and in March 2012, issued a ruling on SNWA's applications for groundwater rights in Spring, Delamar, Dry Lake and Cave valleys, granting nearly 84,000 acre-feet of water annually. Appeals seeking judicial review of the Nevada State Engineer's decisions were filed in State district court by parties opposing the decision. In December 2013, the Seventh Judicial District Court remanded the State Engineer's rulings concerning the SNWA water rights in Spring Valley, Cave Valley, Dry Lake Valley and Delamar Valley. The court asked the State Engineer to gather additional data before rights are granted and water is developed. The SNWA has filed an appeal to this decision.

The SNWA's remaining applications in Snake Valley, Nevada (50,679 AFY of unappropriated groundwater) are pending consideration by the Nevada State Engineer. The Lincoln County Conservation, Recreation, and Development Act of 2004 requires that the states of Nevada and Utah reach an agreement regarding the division of water resources in Snake Valley before water can be diverted from the basin. The two states have been working together to reach an agreement that will allow the maximum sustainable beneficial use of the water resources and protect existing water rights. An agreement had been reached, but in April 2013, the Governor of the State of Utah announced that he has decided against signing the water sharing agreement. It is uncertain whether the agreement will be renegotiated or the issue will be litigated.

Planning and environmental compliance activities for the SNWA's Clark, Lincoln and White Pine Counties Groundwater Development Project are underway. The SNWA anticipates that up to 175,667 AFY of water could be developed from this project. Resource development will be staged with initial resources planned to come on-line in 2020; however, these resources may be developed or delayed as conditions warrant. Development of in-state groundwater resources will create additional wastewater that can be reused. The SNWA will reclaim in-state groundwater through direct reuse, or accounting for these imports as consumptive use prior to reaching Lake Mead.

Groundwater Banking. Through local and interstate arrangements, the SNWA has acquired a number of banked resources. These temporary supplies serve as an important management tool that can be used to offset

reductions in permanent supplies due to shortages, meet short-term gaps and serve as a temporary bridge to meet demands while other permanent resources are being developed. Through an agreement with the Arizona Water Banking Authority, the SNWA has the potential to store up to 1.25 million acre-feet of water from Arizona, to be delivered through Lake Mead. This water may be utilized at a maximum annual rate of 40,000 AFY of consumptive use during normal water supply conditions. The SNWA also has a banking agreement with California, where approximately 160,000 acre-feet of water is stored. Up to 30,000 acre-feet of water per year may be recovered from the California bank during normal water supply conditions. Additionally, Southern Nevada has stored approximately 340,000 acre-feet of water in its local groundwater basin.

Lake Mead Intake No. 3. In light of drought conditions and to ensure a safe and reliable water supply for the region, the SNWA is constructing a new water intake in Lake Mead. Intake No. 3 will help protect Southern Nevada's access to Colorado River resources, as well as access to better water quality as Lake Mead water levels decline in times of drought. Construction of Intake No. 3 is currently underway. The project is scheduled to be completed by 2015.

Washoe County

Water Supply. The primary source of water for Washoe County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of Washoe County.

Regional planning of water resources in certain portions of Washoe County is the responsibility of the Northern Nevada Water Planning Commission (the "Planning Commission") and the Western Regional Water Commission (the "Regional Commission"). The Regional Commission is governed by a Board of Trustees comprising representatives of the City of Reno, the City of Sparks, the Board of County Commissioners of Washoe County, the Truckee Meadows Water Authority, the Truckee Meadows Water Reclamation Facility, the South Truckee Meadows General Improvement District, and the Sun Valley General Improvement District. The Planning Commission is governed by members comprising the Director of Public Works for the City of Reno, the Director of Public Works for the City of Sparks, the Director of Water Resources for Washoe County, a member of the South Truckee Meadows General Improvement District, the General Manager of the Sun Valley General Improvement District, the General Manager of the Truckee Meadows Water Authority, the General Manager of the Truckee Meadows Water Reclamation Facility, or their respective designees, and various other members.

On January 14, 2011, the Regional Commission adopted the 2011-2030 Comprehensive Regional Water Management Plan (the "Comprehensive Plan") developed by the Planning Commission for the relevant planning area, covering such matters as supply of municipal and industrial water; quality of water; sanitary sewerage; treatment of sewage; drainage of storm waters and control of floods. The Comprehensive Plan addresses such matters as the problems and needs of the planning area; the providers of service; alternatives to reduce demand or increase water supply; identifying and providing for existing and future sources of water needed to meet present and future needs; priorities and general location for additional major facilities needed to provide services; programs to mitigate drought, conserve water and otherwise manage water; and other matters related to water supply, planning and conservation. Any facility of "regional significance" associated with water supply, wastewater treatment and stormwater drainage must be recognized in the Comprehensive Plan or presented for review by the Planning Commission and possible amendment to the Comprehensive Plan by approval of the Regional Commission.

The Truckee Meadows Water Authority ("TMWA"), a joint powers authority composed of the City of Reno, the City of Sparks and Washoe County, provides water service to the cities of Reno and Sparks, the major population centers in Washoe County, and nearby areas. The remainder of Washoe County is served either by special districts, the Washoe County Department of Water Resources, private companies and/or private wells. TMWA and the Department of Water Resources are currently evaluating the feasibility of consolidation.

Water Resource Plan. TMWA has developed a Water Resource Plan and Water Facility Plan to address the water needs of its service area through 2030.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART II

ATTACHMENT I

SUMMARY OF STATE OF NEVADA PENSION SYSTEMS

The information relating to the retirement systems summarized in this Attachment I is derived from a number of sources, including the respective comprehensive annual financial statements and actuarial valuations referred to herein. A number of these sources make and rely on assumptions and projections which may or may not be realized. No representation is made that such projections or assumptions will be realized. The retirement systems, in particular the Public Employees' Retirement System of Nevada ("PERS"), represent significant financial obligations of the State. No assurances are made that the past or present contribution levels applicable to the State will not change. It should be noted that references to the financial condition of PERS and the contribution requirements of its employer members, when referred to in its entirety, refers solely to PERS and not to the State. PERS is a multiple employer system, of which State employees comprise approximately 17.1%. The State's responsibility to make contributions is limited to its allocable share attributable to the State employee members, of which the State employees themselves contribute 50%.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to judges of courts that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems. Under Article 9 Section 2 of the Nevada Constitution, PERS is created as a trust fund and is prohibited from lending money to the State and from purchasing obligations of the State. Article 9 Section 2 also requires PERS to be governed by the Retirement Board and the Retirement Board to hire an independent actuary and an executive officer.

The independent actuary appointed by the Retirement Board provides annual valuation reports for PERS and JRS and biennial reports for LRS setting forth the contribution rates required to fund the retirement systems on an actuarial reserve basis. The Retirement Board is required to adopt tables and formulas recommended by the actuary in a valuation report prepared for each even-numbered year and for LRS and JRS to adopt the contribution rates recommended by the actuary biennially. For PERS, contribution rates are also determined based upon actuarially-determined rates but as described below are adjusted only if the increases or decreases recommended by the actuary exceed the percentages set forth in Nevada statutes. Depending upon the assumptions used in calculating rates, actuarial and statutory contribution rates may differ from rates calculated for purposes of financial disclosure set by the Governmental Accounting Standards Board ("GASB"). Currently, the independent actuary for each of the three systems is Segal Consulting, San Francisco California.

All three retirement systems are defined-benefit plans in which member benefits are specified in advance and are payable from assets, including investment income, set aside in the retirement fund. Unlike a defined contribution plan, where the employer's liability is limited to making its specified contribution and the employee takes the risk that the contributions and investment income thereon will generate sufficient retirement income, in a defined benefit plan the employers take the risk that contributions and investment income will be sufficient to pay the promised benefits in the future. In the case of PERS, for example, approximately 80% of the benefits the average member receives in retirement is funded from investment earnings and 20% from contributions made by employees and employers. Employers are not liable directly for the obligations of the retirement systems, but the employers' and employees' contribution rates may be increased if assets are not sufficient to pay promised benefits.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 9 to the 2013 Financial

Statements included in this Official Statement as Appendix A to this Part II, and the Schedule of Funding Progress for LRS and JRS is included in the Required Supplementary Information to the 2013 Financial Statements.

PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees Retirement Fund (the "PERS Retirement Fund"). The PERS Retirement Fund comprises two subfunds. The Regular subfund was established to provide retirement, disability and survivor benefits for public employees other than police officers and firefighters. The Police/Fire subfund was established to segregate accounting for retirement and survivor benefits related to members who are police officers or firefighters. Assets accounted for in one subfund, however, may be used to pay benefits accounted for in the other subfund.

PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. As of June 30, 2013, PERS includes 99,038 active members, of whom 87,193 are Regular employees and 11,845 are Police/Fire employees; 13,739 vested inactive members; and 52,430 retirees and beneficiaries, of whom 45,796 are Regular retirees, survivors or disability recipients and 6,634 are Police/Fire retirees, survivors or disability recipients. Retirement benefits include cost-of-living increases that can range from 2% per year to 5% per year (4% for employees hired after January 1, 2010), depending upon increases in the Consumer Price Index. Employers that participate in PERS as of June 30, 2013 include the State, 20 State-related boards and agencies and 169 local governments and related districts and agencies. The Board of Regents of the University of Nevada, a component unit of the State, provides a separate retirement program for its professional staff.

Measured by the number of covered employees, the State was the second-largest PERS employer in the FY 2012, representing approximately 17.1% of PERS employees. The State's annual contribution to PERS (relating to the State's employee members) was $153,768,000 in FY 2009, $164,630,000 in FY 2010, $160,959,000 in FY 2011, $163,219,000 in FY 2012 and $162,484,000 in FY2013. See Note 9 to the 2013 Financial Statements and Table 2A below. As of June 30, 2013, PERS had total net assets (based on market value) of approximately $28.83 billion, compared to $25.9 billion as of June 30, 2012. As of June 30, 2013, the actuarial value of PERS assets was $29.11 billion (approximately 100.95% of market value), PERS was 69.3% funded and PERS' unfunded accrued actuarial liability (the "UAAL") was $12.88 billion. These values are for the entire PERS, of which the State is one of numerous participants.

PERS Contributions. PERS is funded with a combination of investment income and contributions from employees and employers. The State is one of many employer participants in PERS, and has funding responsibilities relating to State employee participants only. Upon becoming a member, most State employees and some local government employees choose either an employer-pay plan or an employee/employer-pay plan. Under the employer-pay provisions, which can be revised by the State Legislature for new employees, the employer pays the entire contribution on behalf of the employees. Contributions made by the employer on behalf of the employee are not credited to the member's account and are not refunded upon termination. Although the employer-pay plan does not require an employee payment, the employee does share in the cost either through a direct reduction to salary or by agreeing to give up pay increases equivalent to one-half of the contribution rate. Under employee/employer pay provisions, each employee pays half of the required contribution on an after-tax basis (calculated as a percentage of the employee's covered salary) and the amounts contributed by the employee are credited to the employee's account and may be refunded to the employee upon termination, with the result that employee/employer contribution rates are higher than they would be if there were no guaranteed return. As of June 30, 2013, 19.1% of Regular employees and 13.4% Police/Fire employees are covered under this employee/employer pay program. See "PERS Contribution Rates" below.

PERS Actuarial Valuations, Reports and Methods. The Public Employees' Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and requires contribution rates to be adjusted as of July 1 of every odd-numbered year, based in part upon the valuation report for the preceding even-numbered year. In practice, however, the Board requests that actuarial valuations be prepared annually for PERS and that reports reviewing PERS' actual experience be prepared every four to six years. Experience reports are used to evaluate how realistic the long-term assumptions have been and may be in the future. The most recent valuation report for PERS was prepared as of June 30, 2013 (the "2013 PERS Valuation Report"), and the most recent

experience report was prepared for the valuation as of June 30,2013. The 2012 PERS Valuation Report was used to determine contribution rates for the 2013-2015 biennium. The 2013 PERS Valuation Report is the most recent assessment of PERS actuarial assets and liabilities and funding status, and was the basis for PERS audited financial statements for FY 2013. The actuarial information included in the PERS 2013 Financial Statements are based upon the PERS valuation as of June 30, 2013.

A primary purpose of the valuation report is to determine the health of PERS and the contribution rates that will be required in the future. Valuations are based upon historical and current information provided by PERS staff and the methods and assumptions recommended by the actuary and adopted by the Retirement Board. The actuary recommended and the Retirement Board adopted the use of the Entry Age Normal Cost method as the funding method of calculating contribution rates. Under this method, the total actuarially determined contribution rates consist of (i) the "normal cost," (ii) an administrative expense allowance and (iii) the amount required to amortize PERS' UAAL over the period established by the Retirement Board for amortizing the UAAL. Normal cost is the cost of the accumulation of one year's benefit for each member or the present value of current year's future benefits. "Entry age" refers to the member's age at the time the member commenced employment. Administrative expense (currently 0.15% of covered payroll) is the assumed cost of administering PERS.

The use of appropriate assumptions is important in maintaining adequate funding. To ensure the assumptions remain appropriate, the Retirement Board conducts an experience study, through its independent actuary, at least every four to six years. In September 2013, Segal Consulting performed an experience study in order to review the economic and demographic actuarial assumptions during the six year period from July 2006 through June 30, 2012. Based on trends in the data, the actuary recommended modifications to certain actuarial assumptions which the Board adopted at their September 18, 2013 meeting. These assumptions were utilized in preparing the actuarial valuations for June 30, 2013.

The demographic assumptions that were modified include retirement rates, percent of participants with survivor benefits, mortality, withdrawal, and disability. Economic assumptions that were modified include individual salary increases and active member payroll. The modification to salary assumptions were an increasing factor to actuarial contribution rates in the regular fund and a decreasing factor to actuarial contribution rates in the police/fire fund. Mortality table modifications were an increasing factor for actuarial contribution rates for both funds. Overall, the adjustments to the actuarial assumptions resulted in increased actuarial contribution rates in the regular fund, decreased actuarial rates in the police/fire fund, and an increase in the overall UAAL.

Actuarial Assets and Liabilities; Investment Return Assumptions and Calculations. The third component of the contribution rate is the amount required to amortize the UAAL, the difference between the actuarial accrued liability (the "AAL") and the actuarial value of assets. The total AAL under the Entry Age Normal Cost Method represents the amount that would have been accumulated as of the valuation date if contributions sufficient to meet the normal costs had been made each year in the past, net of accumulated past benefit payments. The UAAL is the amount obtained by subtracting valuation assets from total actuarial accrued liability. PERS amortizes each year's change in the UAAL over a period set at the truncated average of all prior amortization layers until the average remaining period is less than 20 years (at the point the average remaining period is less than 20 years, amortization periods of 20 years will be used), adding or subtracting the current year's change to or from the previous years' amortizations, using a level-percentage-of-payroll method of amortizing the UAAL. The economic assumptions and actuarial methods used in these calculations are summarized below in Table 1A.

In calculating the actuarial value of assets, contributions for the past year are added to the actuarial value of assets at the end of the prior year; benefits and expenses are subtracted; an assumed return of 8% is added; and then a portion of market value gains and losses are added or subtracted. Actual market returns are taken into account, but to reduce rate volatility, actual market gains and losses are spread or "smoothed" over a five-year period. Until 2009, such smoothing was further limited by a "corridor" so that the actuarial value for one year would not be more than 120% or less than 80% of the value in the previous year. In 2009, this corridor was changed to provide that the actuarial value will not be less than 70% or more than 130% of the previous year's actuarial value. The actuary noted in the 2009 PERS Valuation Report that the effect of this corridor change in 2009 would have been to reduce the contribution rate by approximately 1% of payroll in 2009.

The assumed investment rate of return on the actuarial value of PERS assets, 8% per year, is based in part upon an assumed, long-term inflation rate of 3.5% per year. Actual returns on the actuarial value of assets vary year by year, however, and also vary when compared to the return on the market value of PERS assets. The return on the actuarial value of PERS assets (on a "smoothed" basis) for FY 2013 was 7.23% and for FY 2012 was 6.40%, compared to the investment return assumption for each year of 8%. As a result, PERS experienced an investment loss on an actuarial value basis of approximately $175 million for Regular employees and $36 million for Police/Fire employees in FY 2013 and $334 million for Regular employees and $80 million for Police/Fire employees in FY 2012. The return on the market value of PERS assets, however, was 12.4% in FY 2013 and 3.1% for FY 2012, resulting in an investment loss not yet recognized as of June 30, 2013 of $274 million ($236 million for Regular employees and $38 million for Police/Fire employees) or 1.0% of PERS' market value of assets. By comparison, the unrecognized investment loss as of June 30, 2012 was $1,499 million or 5.8% of the market value of assets. In the 2013 PERS Valuation Report the ratio of the actuarial value of PERS assets to the market value of PERS assets is 101.04% for Regular members and 100.61% for Police/fire members (compared to 105.9% for Regular members and 105.3% for Police/fire members at June 30, 2012). For the June 30, 2012 Valuation, the Board adopted an adjustment to the asset smoothing method that combines the net deferred losses from the June 30, 2011 Valuation into a single four year smoothing layer. Those net deferred losses are being recognized over the four year period starting with the 2012 Valuation in level amounts of $129 million for Regular and $25 million for Police/Fire each year. This reduced the volatility associated with the pattern of deferred losses and results in more stable funded ratios on an actuarial basis and more level actuarially determined contribution rates. The actuary also calculated that if 2013 deferred losses were recognized immediately instead of being smoothed over five years, PERS' funded percentage described below would decrease from 68.9% to 68.1% for Regular members and from 71.1% to 70.7% for Police/fire members and that contribution rates would increase.

PERS Contribution Rates. The following tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for PERS for 2011-2013 and for 2013-2015, and some of the primary economic assumptions and actuarial methods upon which these calculations are based. Legislation was enacted in 2009 modifying benefits for members first hired on or after January 1, 2010. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired after January 1, 2010.

Table 1A
PERS 2013 Economic Assumptions and Actuarial Methods

Inflation	3.5% per year
Investment Return	8.0% per year, assuming inflation at 3.5% per year
Salary Increases	Assumed annual salary increases include inflation at 3.5% per year and range from 9.75% for Regular employees with less than one year of service to 4.6% for Regular employees with 13 or more years of service and from 14.5% for Police/Fire employees with less than one year of service to 5.25% for employees with 13 or more years of service. For members hired after January 1, 2010, the maximum increase in compensation that can be taken into account in calculating benefits is 10% per year.
Rate Payroll	The payroll for the coming year is based on actual annualized payroll for the actives as of the valuation date and projected by the salary scale.
Payroll Growth	6.5% per year for Regular employees and 8% for Police/Fire employees (assuming inflation at 3.5% per year) for fiscal years ending after June 30, 2011. For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees.
Post-retirement Benefit Increases	For current retirees and beneficiaries, future Post-Retirement Benefit Increases reflect actual changes in historical CPI and are assumed to follow the formulas described below. 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. 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 annual benefit increase is equal to 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 paragraph (a) if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (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 do not exceed 5% per year.
Asset Valuation Method	The total of the prior year's actuarial value of assets, plus contributions, less benefit payments and expenses, an adjustment for net transfers, plus expected investment return and 20% of each of the previous five years' gain or loss due to investment return greater or less than expected, further limited to not less than 70% (80% before 2009) or greater than 130% (120% before 2009) of the market value of assets.
Actuarial Funding Method	Entry Age Normal Cost Method assuming the current benefit accrual rate had always been in effect.
Amortization of the UAAL	The UAAL is amortized over a year-by-year closed amortization period, where each amortization period for each year is set at a period of the truncated average remaining period of all prior amortization layers until the average remaining period is less than 20 years. At the point the average remaining period is less than 20 years, amortization periods of 20 years will be used. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years

Source: State of Nevada, compiled from the 2013 PERS Valuation Report.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Table 2A
PERS Contribution Rates 2011-2015

Contribution Rates (as a percentage of payroll)	**Regular Employees**	**Police/Fire Employees**
Employer-Pay Actuarial Rate [1]		
Normal Cost	16.75%	26.67%
Amortization Percentage	11.01	12.91
Administrative Expenses	0.15	0.15
Employer-Pay Total Rate [2]	27.91	39.73
Employer-Pay 2011-13 Statutory Rate [3]	23.75	39.75
Employer-Pay 2013-15 Statutory Rate [4]	25.75	40.50
Employee/Employer Pay Actuarial Rate [1]		
Normal Cost	17.7	27.79
Amortization Percentage	11.01	12.91
Administrative Expenses	0.15	0.15
Employee/Employer Total Rate[5]	28.86	40.85
Employee/Employer 2011-13 Statutory Rate[3]	24.50	40.50
Employee/Employer 2013-15 Statutory Rate[4]	26.50	41.50

(1) These actuarial rates are based upon the 2013 PERS Valuation Report as of June 30, 2013.
(2) The actuarial employer-pay contribution rate would have been 28.17% for regular employees and 39.92% for police/fire employees if the deferred investment losses had not been smoothed over five years.
(3) These statutory rates apply for July 1, 2011 through June 30, 2013.
(4) These statutory rates apply for July 1, 2013 through June 30, 2015. Statutory rates are rounded to the nearest 0.25% and are adjusted only if the increase or decrease exceeds the percentage set forth in the Public Employees' Retirement Act.
(5) One half of this rate is paid by the employee. The actuarial employee/employer pay contribution rate would have been 29.12% for regular employees and 41.04% for police/fire employees if the deferred investment losses had not been smoothed over five years.

Source: State of Nevada, compiled from the 2013 PERS Valuation Report.

Information about the actuarial value of assets, AAL, UAAL, funded ratio, annual covered payroll, UAAL as a percentage of annual covered payroll, contributions and funding for PERS as a whole, derived from PERS' comprehensive annual financial report for FY 2013 (the "2013 PERS Financial Report") and from the 2013 PERS Valuation Report, is summarized in Tables 3A and 4A. The ratio of UAAL to covered payroll is a measure of the significance of the UAAL relative to the capacity to pay it. The trend in the ratio provides information as to whether the financial strength of the pension plan is improving or deteriorating over time. The financial strength of a pension plan is generally improving if the ratio of UAAL to covered payroll is decreasing. The actuary notes in the 2013 PERS Valuation Report that using the methods, assumptions and results of the June 30, 2013 valuation, payments required to amortize the UAAL represent 11.01% of projected payroll for Regular employees and 12.91% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 22.8 years for Regular employees and 22.1 years for Police/fire employees.

PERS notes in the 2013 PERS Financial Report that in addition to changes in benefits and actuarial methods and assumptions, trends such as those shown in the tables below are affected by investment experience (favorable and unfavorable), salary experience, changes in demographic characteristics and employees and retirement experience, among other factors. Recent experience in overall payroll growth and active membership has impacted both the actuarial contribution rates and the UAAL. Less than expected payroll growth since 2009 has negatively affected the amount of contributions collected as the contributions are collected as a percentage of payroll. This in turn was a factor in the increase of the UAAL from 2012 to 2013 and may continue to impact contribution rates and the UAAL. PERS and the actuary note that the number of active employees increased in 2013 as compared to 2012, after a decline in the number of active employees from 2011 to 2012. Between 2004 and 2013, the ratio of active PERS Regular members to retirees decreased from 3.7 to 2.13 and that the ratio of active PERS Police/Fire members to retirees decreased from 3.2 to 2.0 during the same period. In FY 2013, the number of benefit recipients (excluding survivors and beneficiaries) increased 6.0% from FY 2012, and the number of active members also increased.

The PERS actuary does not calculate actuarial assets and liabilities by employer, but the State expects the State's contribution rates to increase in the future. Measured by the number of covered employees, the State was the second-largest PERS employer in FY 2013 representing approximately 17.1% of PERS employees.

Table 3A
PERS Schedule of Funding Progress[1]
2009 to 2013
(in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2009	23,971.9	18,770.1	33,075.2	9,103.3	72.5	5,373.1	169.4
2010	24,725.5	20,906.3	35,077.7	10,352.3	70.5	5,365.5	192.9
2011	25,871.1	25,255.3	36,876.2	11,005.1	70.2	5,214.6	211.0
2012	27,399.0	25,899.8	38,604.9	11,205.9	71.0	5,087.8	220.3
2013	29,108.5	28,834.7	41,984.5	12,875.9	69.3	5100.2	252.5

(1) Table reflects the entire PERS, of which the State is a participant.

Source: State of Nevada, compiled from the 2013 PERS Financial Report and 2013 PERS Valuation Report.

Table 4A is derived from the Schedule of Employer Contributions included in the 2013 PERS Financial Report. The annual required contributions shown in the Table are calculated in accordance with GASB reporting requirements and are higher than the rates determined for funding purposes. For GASB reporting purposes, UAAL payments to amortize the UAAL are assumed to increase in direct proportion to assumed payroll growth rates of 5% per year for Regular members and for Police/fire members (compared to growth rates of 6.5% for Regular members and 7.5% for Police/fire members assumed for funding purposes), in each case based upon a 3.5% inflation assumption, and the UAAL is amortized over an open (non-declining) amortization period of 30 years for GASB reporting (compared to a year-by-year closed amortization period, where the amortization period for each year is set at a period of the truncated average remaining period of all prior amortization layers until the average remaining period is less than 20 years). At the point the average remaining period is less than 20 years, amortization periods of 20 years will be used. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years. See Table 3A above.

Table 4A
PERS Schedule of Employer Contributions[1]
2009 to 2013

	Regular		Police/Fire		Total	
Actuarial Valuation Date June 30	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2009	993,985,400	93	346,562,200	85	1,340,547,600	90
2010	1,030,796,200	93	358,761,400	91	1,388,557,600	92
2011	1,057,566,978	89	372,888,833	88	1,430,455,811	88
2012	1,028,518,922	96	356,627,690	96	1,385,146,612	96
2013	1,140,004,053	86	377,692,041	88	1,517,696,095	86

(1) Table reflects the entire PERS, of which the State is a participant.

Source: 2013 PERS Financial Report.

LRS. All State Legislators are members of LRS, which is a defined benefit, single-employer public employees' retirement system administered by the same Retirement Board that administers PERS. LRS was established by the State Legislature in 1967. The State (in this case, the State Legislature) is the only LRS employer and is required to make all of the statutorily required employer contributions. LRS benefits are established by the Legislators Retirement Law (the "LRS Act"), which provides expressly that the Retirement Board may not change

the actuarial assumptions used in computing the benefits provided to a member of LRS and that the employer contributions will be the amounts actuarially determined to be sufficient to fund LRS. Note 9, the Required Supplementary Information Schedule of Funding Progress Pension Plans, and the Fiduciary Funds section to the 2013 Financial Statements in Appendix A to this Part II includes a description of the actuarial methods and significant assumptions used in actuarial valuations of LRS, the funding status, funding progress and schedule of funding progress. The most recent valuation report for LRS (the "2012 LRS Valuation Report") is the Valuation and Review dated November 2, 2012 prepared as of July 1, 2012. Effective with the 2010 LRS Valuation Report, the LRS plan year changed from January 1 to July 1.

As of July 1, 2013, LRS had 41 active legislators, 10 inactive members entitled to future benefits, 79 retirees and beneficiaries and 23 inactive non-vested members LRS had total net assets (at market value) of $4,322,723 as of June 30, 2013 (compared to $4,080,767 as of June 30, 2012), and as of June 30, 2012, the actuarial value of LRS assets was $3,806,156 (compared to $4,133,988 as of June 30, 2010) and reflected in Appendix A to this Part II. LRS actuarial value as of June 30, 2012 was 109.57% of market value. As of July 1, 2012, LRS was 68.2% funded (73.7% funded as of January 1, 2010), and UAAL of $1,771,630 ($1.47 million as of June 30, 2010). The State's annual contribution to LRS was $213,351 in FY2013. The annual contribution calculated as of June 30, 2012 to be required to meet the normal cost of LRS and to amortize LRS' UAAL over 20 years from July 1, 2012 is $213,351.

JRS. JRS was created in 2001 for justices of the Nevada Supreme Court, district judges, justices of the peace and municipal judges elected or appointed after November 2002 and for those who were elected or appointed earlier and chose to withdraw from PERS. JRS is an agent multiple-employer, defined benefit pension system that provides retirement, disability and death benefits. The JRS is an employer-paid plan, and active members are not required to make contributions.

As of June 30, 2013, the date as of the most recent annual valuation report (the "2013 JRS Valuation Report"), the Supreme Court and District Courts (State courts) and 10 municipalities have elected to participate in JRS. As of June 30, 2013, JRS has 101 active members (of whom 81 are State judges), four vested, inactive members (three of whom are attributed to the State), 45 retirees (of whom 38 are State judges) and 15 beneficiaries (of whom 14 are attributed to the State).

Like PERS and LRS, JRS is administered by the Retirement Board, and JRS assets are invested identically with the assets of the LRS. Unlike PERS, however, the UAAL and UAAL amortization periods for State judges are calculated differently than for non-State judges, and the actuary calculates State and non-State employer contributions separately. In general, the State portion of JRS expected payroll as of June 30, 2013 (approximately $17.2 million) is 85.5% (approximately $14.7 million).

As of June 30, 2013, JRS as a whole has total net assets at market value of $ 75,247,031, an actuarial value of $73,886,703, an accrued actuarial liability of $102,124,886 and a UAAL of $28,238,183. The return on market value of assets for FY 2013 was 12.87% and the return on the actuarial value of assets as of June 30, 2013 was 10.98%, as compared to the actuarially assumed return of 8%. Taking into account market gains and losses from earlier years, the JRS Fund as a whole experienced a gain on an actuarial value basis of approximately $1.9 million in FY2013. Taking into account smoothing over a 5-year period, the total net investment gain not yet recognized as of June 30, 2013 is approximately $3.4 million (approximately 4% of the market value of the JRS assets). The actuary noted in the 2013 JRS Valuation Report that if the deferred gains were recognized immediately in the actuarial value of JRS assets, the JRS funded percentage as a whole at June 30, 2013 would increase from 72.3% to 75.7% and that the contribution requirement for the State alone would decrease from 36.30% of State covered payroll to 35.08% of the State covered payroll.

As of June 30, 2013, the State portion of JRS has total net assets at market value of $62,404,321, an actuarial value of $59,660,588, an accrued actuarial liability of $88,289,580 and a UAAL of $28,628,992. Annual payments required to fund the State's normal costs and administrative expenses (approximately $3.3 million or 22.31% of covered payroll) and to amortize the State portion of the UAAL (approximately $2.1 million or 13.99% of covered payroll) are calculated to be a total of $5.3 million or 36.3% of the State's 2013 expected JRS payroll of approximately $14.7 million.

The State's annual contribution to JRS was $3,992,000 in FY 2009, $4,624,000 in FY 2010, $4,972,000 in FY 2011, $5,546,000 in FY 2012 and $5,606,000 in FY 2013, and covered payroll was $14.7 million as of June 30, 2013. See Note 9, the Required Supplementary Information Schedule of Funding Progress Pension Plans, and the Fiduciary Funds section to the 2013 Financial Statements for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the June 30, 2013 actuarial valuation of JRS, the funding status, funding progress and schedule of funding progress as of June 30, 2013.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART II

ATTACHMENT II

SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

General. The State of Nevada's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits (described below) to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of nine members, including the Director of the Department of Administration (or his designee) and eight members appointed by the Governor and administers PEBP.

Benefits and Eligibility. PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) a self-insured consumer driven preferred provider organization high deductible health plan ("CDHP Plan"), for which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP Plan, (ii) Health Maintenance Organizations ("HMO Plans") that are fully insured by outside insurance carriers and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 48% of PEBP participants participate in the CDHP Plan, 28% participate in one of the HMOs and 24% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets. See "—Contributions" below.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracting with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. Certain retirees from non-participating local government agencies, as well as their eligible dependents and survivors, are eligible to continue participation in the PEBP as long as they enrolled prior to November 1, 2008 and have been continuously covered by the PEBP since that date. As of June 30, 2013, the State, the Nevada System of Higher Education and 122 local government agencies are billed for retiree subsidies. Primary insured ("Participant") enrollment as of July 1, 2013 is shown in Table 2A below. The figures below do not include approximately 28,000 dependent spouses, domestic partners and children.

Table 2A

	PPO	HMO	Exchange	Total
State				
Employees	14,628	8,728	0	23,410
Retirees-NonMedicare	2,395	955	0	3,350
Retirees-Medicare	433	86	4,970	5,489
Total Retirees	2,828	1,041	4,970	8,839
Total	17,456	9,823	4,970	32,249
Local Government				
Employees	8	6	0	14
Retirees-Non Medicare	1,648	1,360	0	3,008
Retirees-Medicare	207	140	4,558	4,905
Total Retirees	1,855	1,500	4,558	7,913
Total	1,863	1,506	4,558	7,927
Total				
Employees	14,636	8,788	0	23,424
Retirees-Non Medicare	4,043	2,315	0	6,358
Retirees-Medicare	640	226	9,528	10,394
Total Retirees	4,683	2,541	9,528	16,752
Total	19,319	11,329	9,528	40,176

Contributions. PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. The PEBP Board establishes claims liability 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. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damages awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are computed 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 incurred.

Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO Plan or premiums for the HMO Plans. The State subsidy from participating State agencies is deposited into the Active Employees' Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State ("Payroll Fund"). The PEBP Board determines the allocation of the State subsidy to the required

contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the CDHP or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the PPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2010, 2011, 2012, and 2013 the State and its component units contributed $229,628,416, $246,714,713, $212,112,683, and $227,620,765 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2014 is $237,337,524. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Significant financial deficits in 1997, 1998 and 2002 required two additional appropriations from the State Legislature in 1999 and 2002 totaling $44 million. The participating employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. In July 2006, 2007 and 2008, premium holidays were awarded to draw down excess reserves created by changes in plan design in 2004 and 2005. During the budget building process in 2008 and 2010, the Department of Administration, Budget Division provided specific limits to PEBP in the amount of the State subsidy that would be provided in the subsequent biennium. Such limits resulted in reduction to benefits, reductions to employer contributions and increases to participant contributions. For example, to address budget concerns, the PEBP Board made several changes to health benefits for plan participants including changes to the subsidization of retiree premiums. Had these changes not occurred, the State's aggregate employee and retiree subsidies for the 2009-2011 and 2011-2013 biennia would have cost an additional $53 million and $83 million respectively. In addition, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The difference was paid through monthly reductions to the Retirees' Fund balance.

Self Insurance Trust Fund. Nevada statutes require that all amounts received by PEBP for the payment of contributions for the PPO Plan or premiums for the HMO plans, including employer subsidies and participant contributions, be deposited with the State Treasurer for credit to the Self Insurance Trust Fund. Amounts are held in the Self Insurance Trust Fund until applied to pay approved claims or premiums for the HMO Plans on a "pay-as-you-go" basis or to pay other administrative and contract costs. There is no stop loss or excess liability insurance. As of June 30, 2013, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of $34,891,000 a fully funded reserve for Health Reimbursement Arrangement contributions made by PEBP but not spent by participants of $10,000,397, and net assets of $95,327,701, which includes a $26,800,000 catastrophic reserve actuarially determined to provide a 95% probability that the PEBP will maintain long-term solvency and approximately $68,459,932 in excess reserves. See the Audited Annual Financial Statements of the Self Insurance Trust Fund at www.pebp.state.nv.us/fiscalutilization.htm for more information about the Self Insurance Trust Fund as of June 30, 2013.

Retiree's Fund. The State Legislature established the Retirees' Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Nevada statutes require that all money appropriated by the State Legislature to the Retirees' Fund, all amounts derived from the State assessment, all money accruing to the Retirees' Fund from all other sources and any other money provided to PEBP for the payment of health and welfare benefits for current and future State retirees be deposited in the Retirees' Fund. Such amounts remain in the Retirees' Fund until they are transferred to the Self Insurance Trust Fund as required for the purpose of offsetting a portion of the costs of providing health and welfare benefits for State retirees or to pay other authorized costs. The money in the Retirees' Fund belongs to the officers, employees and retirees of the State in aggregate. Neither the State nor the governing body of any local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money the in the Retirees' Fund. See the Audited Annual Financial Statements of the State Retirees' Health and Welfare Benefits Fund at www.pebp.state.nv.us/fiscalutilization.htm for more information about the Retirees' Fund as of June 30, 2013.

For FY 2010, 2011, 2012 and 2013, the State and its component units contributed to the Retirees' Fund $33,406,435, $9,649,348, $27,881,834 and $36,686,124 (unaudited), respectively. For FY 2010, 2011, 2012 and, 2013, $31,558,808, $35,159,114, $31,768,571 and 33,609,882, were transferred to the Self Insurance Trust Fund to fund health and welfare benefits for current State retirees for such fiscal years.

For FY 2008 and 2009, the Retirees' Fund invested $19,672,376 and $6,426,399, respectively, in the Retirees' Benefits Investment Fund to prefund such benefits. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2013, the Retirees' Fund had total assets of $7,181,969, of which $1,060,841 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $3,748,631 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2013, after deducting $2,735,621 in liabilities, the Retirees' Fund had net assets of $4,446,348. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

GASB 43 and GASB 45. Compliance with GASB 43 and GASB 45 requires that the State report its other post-employment benefit ("OPEB") liability and its annual required contribution, effective July 1, 2007. Like the pension liability, the OPEB liability calculated in accordance with GAAP can differ from the actuarial accrued liability. However, unlike the pension liability for which the State is putting money aside, the State pays the OPEB liability on a pay-as-you-go basis and is not prefunding the OPEB liability, other than the amounts set aside in the Retirees' Fund. In October 2013, AON Hewitt Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final for the year ending June 30, 2013 (the "2013 Valuation"). The 2013 Valuation considered the medical, prescription drug, dental and life insurance coverage provided by PEBP.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and trends in healthcare costs. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In preparing the 2013 Valuation, the Actuary made certain assumptions, including current claim cost, projected increases in health insurance costs, mortality, turnover, retirement, disability and discount rate. For more information, see the Actuarial Report for Other Post-Employment Benefits at www.pebp.state.nv.us/fiscalutilization.htm.

The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2013, the present value of the benefits of the Plan was $1,951,424,000 according to the 2013 Valuation. Of this amount, 68% is allocable to currently active employees (future retirees).

Table 2B below sets forth the present value of the State's benefits, actuarial accrued liability, annual required contribution and annual OPEB cost, as determined in accordance with GAAP, for the three fiscal years ended June 30, 2013 (a valuation was not completed for the fiscal year ending June 30, 2012).

Table 2B
GASB 43 and GASB 45 Statistics

	June 30, 2010	June 30, 2011	June 30, 2013
Present Value of Benefits	$3,263,363,000	$1,768,710,000	$1,951,424,000
Actuarial Accrued Liability (AAL)	$1,874,005,000	$ 977,045,000	$1,182,766,000
Annual Required Contribution (ARC)	$ 220,709,000	$ 119,959,000	$ 142,455,000
Annual OPEB Cost	$ 213,537,000	$ 109,802,000	$ 130,049,000

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2011 (the "2011 Valuation") and the 2013 Valuation. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at www.pebp.state.nv.us/fiscalutilization.htm.

The actuarial accrued liability (the "AAL") is the State's liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The annual required contribution (the "ARC") is the amount actuarially determined in accordance with GASB 43 and represents the level of funding that, if paid on an on-going basis, is projected to cover "normal costs" for each year and amortize any unfunded accrued actuarial liabilities (the "UAAL") over a period of 30 years. The UAAL is the difference between the AAL and the actuarial value of the Plan assets. The "normal cost" is the value of the benefits expected to be earned during the year, based on certain actuarial methods and assumptions.

The Table 2C below sets forth the schedule of funding progress as of the last three valuation dates. As described above, actions by the State Legislature resulted in a decrease in the amount of money invested for pre-funding the State's OPEB liability from over $25 million in Fiscal Year 2010 to $1,060,841 as of June 30, 2013. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

Table 2C
OPEB Funding Progress
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (Value of Assets/AAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2009	$24,209	$1,874,005	$1,849,796	1.3%	$1,556,892	118.9%
7/1/2010	$29,895	$ 977,045	$ 947,150	3.1%	$1,398,963	67.7%
7/1/2012	$1,278	$1,182,766	$1,181,488	0.1%	$1,414,681	83.5%

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2013.

PEBP uses a number of economic and demographic assumptions in establishing contribution rates. Those assumptions that are generally applicable (not employee or claim-specific) are similar to those used by PERS. PERS has recently had an actuarial experience study done which, among other things, recommended that certain assumptions be modified. PEBP intends to follow those recommendations with respect to those categories of assumptions that are generally applicable.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART II

APPENDIX A

STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2013 (EXCLUDING THE STATISTICAL SECTION)

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

FINANCIAL SECTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Honorable Kim Wallin, CMA, CFM, CPA
State Controller

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, 2013, 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 51.50 percent of the assets, 94.86 percent of net position, and 2.82 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, 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 the net position, and 3.30 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 71.00 percent of the assets, 69.36 percent of the net position and 45.17 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 23.34 percent of the assets, 27.01 percent of the net position and 37.39 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, 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, 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 opinions, insofar as they relates to the amounts included for the above-mentioned funds and entities, are 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 the 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 financial statement presentation of the financial statements.

We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2013, 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.

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 14 through 24 and the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 90 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 16, 2013 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 an compliance.

Kafoury, Armstrong & Co.

Reno, Nevada
December 16, 2013

[THIS PAGE INTENTIONALLY LEFT BLANK]

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, 2013. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

Highlights

Government-wide:
Net Position – The assets of the State exceeded liabilities at the close of the fiscal year ended June 30, 2013 by $5.3 billion (reported as *net position*). Of the $5.3 billion in net position, $1.3 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is $4.4 billion net investment in capital assets.

Changes in Net Position – The State's total net position increased by $650.1 million in fiscal year 2013. The net position of governmental activities increased by $437.4 million and net position of the business-type activities increased by $212.7 million.

Fund-level:
At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of $1.5 billion, an increase of $171.5 million from the prior year. Of the ending fund balance, $637.2 million is not in spendable form, primarily municipal securities and permanent fund principal, and $908.2 million is available for spending. The $908.2 million that is spendable consists of: $383.8 million restricted to expenditures for specific purposes such as transportation, capital projects and foreclosure relief programs; $591.1 million committed to expenditures for specific purposes such as servicing bonds payable, health and education development, contingencies and fiscal emergencies; and a negative $66.7 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 $203.3 million, an increase of $212.7 million from the prior year, attributable primarily to increases in net position of $179.3 million in the Unemployment Compensation Fund, $18.5 million in the Water Projects Loans Fund, $13.1 million in the Higher Education Tuition Trust Fund, $2.6 million in the non-major enterprise funds and a decrease in net position of $0.8 million in the Housing Division. Of the combined ending net position, $360.5 million represents a deficit in net position-unrestricted of which $373.4 million is from the Unemployment Compensation Fund.

The State's fiduciary funds reported combined ending net position of $41.3 billion, an increase of $5.0 billion from the prior year. This increase is due primarily to the 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 $233.6 million or 6.6% from $3.5 billion in fiscal year 2012 to $3.3 billion in fiscal year 2013.

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 and liabilities, with the difference between the two 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 and support services, 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 inflows and outflows 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 funding progress for certain pension trust funds 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, 2013 and 2012 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

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

	Governmental Activities		Business-type Activities		Total		Total Change
	2013	2012	2013	2012	2013	2012	2013-2012
Assets							
Current and other assets	$ 3,406,393	$ 3,427,097	$ 1,846,659	$ 1,886,060	$ 5,253,052	$ 5,313,157	$ (60,105)
Net capital assets	5,816,201	5,650,527	12,471	10,721	5,828,672	5,661,248	167,424
Total assets	9,222,594	9,077,624	1,859,130	1,896,781	11,081,724	10,974,405	107,319
Liabilities							
Current liabilities	1,445,839	1,588,782	69,073	101,252	1,514,912	1,690,034	(175,122)
Long-term liabilities	2,680,905	2,830,423	1,586,713	1,798,728	4,267,618	4,629,151	(361,533)
Total liabilities	4,126,744	4,419,205	1,655,786	1,899,980	5,782,530	6,319,185	(536,655)
Net Position							
Net investment in capital assets	4,357,735	4,017,147	3,422	3,076	4,361,157	4,020,223	340,934
Restricted	741,250	700,341	560,410	538,143	1,301,660	1,238,484	63,176
Unrestricted (deficit)	(3,135)	(59,069)	(360,488)	(544,418)	(363,623)	(603,487)	239,864
Total net position	$ 5,095,850	$ 4,658,419	$ 203,344	$ (3,199)	$ 5,299,194	$ 4,655,220	$ 643,974

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) increased to $5.3 billion at the end of 2013, compared with $4.6 billion at the end of the previous year.

The largest portion of the State's net position ($4.4 billion or 82.3%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, 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 ($1.3 billion or 24.6%) 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 $364.0 million or (6.9%), as compared to a $603.5 million deficit in the prior year.

The unrestricted net position increased in both governmental activities and business-type activities. The unrestricted net position in the governmental activities increased by $55.9 million, from a deficit of $59.0 million to a deficit of $3.1 million. In business-type activities the unrestricted net position increased by $183.9, from a deficit of $544.4 million to a deficit of $360.5 million. The increase in the governmental activities was a result of several factors, including a decrease in the General Fund deferred revenue unavailable, recognized as revenue in the government-wide statement of net position, in the amount of $80.5 million; an increase in the unrestricted fund balances of the General Fund and the Tobacco Settlement Fund (a nonmajor special revenue fund) in the amounts of $102.4 million and $25.4 million, respectively; and an increase due to Cleaning Up Petroleum Discharges and Tourism Promotion fund balances of $7.3 million and $4.3 million no longer being restricted. Included in the $80.5 million decrease in deferred revenue unavailable is $19.3 million from rebates for health and social services, and $9.4 million from taxes. In the business-type activities, the increase is primarily due to an increase in the net position of the Unemployment Compensation Fund in the amount of $179.3 million.

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

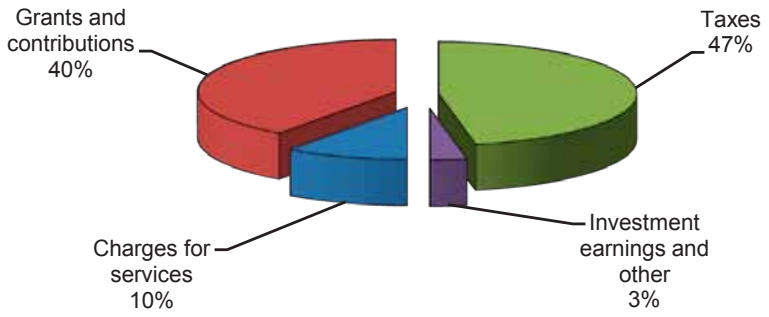
	Governmental Activities		Business-type Activities		Total		Total Change
	2013	2012	2013	2012	2013	2012	2013-2012
Revenues							
Program revenues							
Charges for services	$ 787,665	$ 794,555	$ 97,088	$ 93,924	$ 884,753	$ 888,479	$ (3,726)
Operating grants and contributions	3,116,377	3,091,556	523,895	862,548	3,640,272	3,954,104	(313,832)
Capital grants and contributions	56,003	73,749	-	-	56,003	73,749	(17,746)
General revenues							
Sales and use taxes	1,027,124	967,373	-	-	1,027,124	967,373	59,751
Gaming taxes	901,085	884,928	-	-	901,085	884,928	16,157
Modified business taxes	386,928	373,156	-	-	386,928	373,156	13,772
Insurance premium taxes	252,195	238,083	-	-	252,195	238,083	14,112
Property and transfer taxes	215,211	215,649	-	-	215,211	215,649	(438)
Motor and special fuel taxes	269,232	267,181	-	-	269,232	267,181	2,051
Other taxes	685,650	655,265	566,137	515,402	1,251,787	1,170,667	81,120
Investment earnings	2,892	(11,543)	-	-	2,892	(11,543)	14,435
Other	229,733	341,597	-	-	229,733	341,597	(111,864)
Total Revenues	7,930,095	7,891,549	1,187,120	1,471,874	9,117,215	9,363,423	(246,208)
Expenses							
General government	229,136	240,417	-	-	229,136	240,417	(11,281)
Health and social services	3,464,334	3,250,926	-	-	3,464,334	3,250,926	213,408
Education and support services	2,290,844	2,280,899	-	-	2,290,844	2,280,899	9,945
Law, justice and public safety	657,728	646,701	-	-	657,728	646,701	11,027
Regulation of business	85,688	101,687	-	-	85,688	101,687	(15,999)
Transportation	505,354	801,797	-	-	505,354	801,797	(296,443)
Recreation and resource development	134,578	138,599	-	-	134,578	138,599	(4,021)
Interest on long-term debt	106,126	122,080	-	-	106,126	122,080	(15,954)
Unallocated depreciation	2,023	1,755	-	-	2,023	1,755	268
Unemployment insurance	-	-	867,600	1,286,839	867,600	1,286,839	(419,239)
Housing	-	-	34,247	50,979	34,247	50,979	(16,732)
Water loans	-	-	8,942	8,249	8,942	8,249	693
Workers' compensation and safety	-	-	28,685	27,706	28,685	27,706	979
Higher education tuition	-	-	25,081	26,067	25,081	26,067	(986)
Other	-	-	32,107	26,187	32,107	26,187	5,920
Total Expenses	7,475,811	7,584,861	996,662	1,426,027	8,472,473	9,010,888	(538,415)
Excess (deficiency) in net position before contributions to permanent funds and transfers	454,284	306,688	190,458	45,847	644,742	352,535	292,207
Contributions to permanent fund	5,376	6,705	-	-	5,376	6,705	(1,329)
Transfers	(22,229)	(3,009)	22,229	3,009	-	-	-
Change in net position	437,431	310,384	212,687	48,856	650,118	359,240	290,878
Net position - beginning of year (as restated)	4,658,419	4,348,035	(9,343)	(52,055)	4,649,076	4,295,980	353,096
Net position - end of year	$ 5,095,850	$ 4,658,419	$ 203,344	$ (3,199)	$ 5,299,194	$ 4,655,220	$ 643,974

Changes in Net Position:

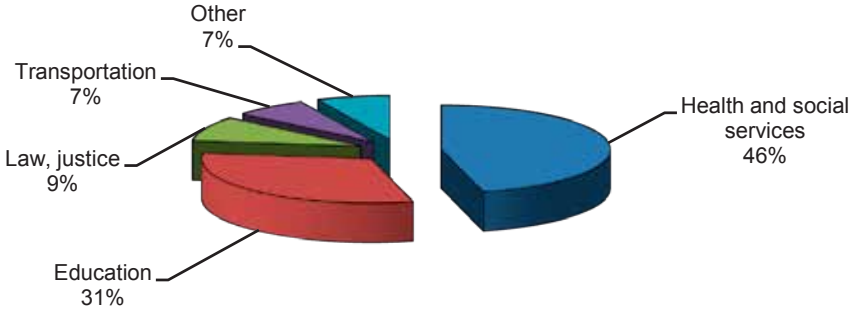
Total government-wide revenues decreased by $246.2 million over the prior year, due primarily to a reduction in the State's federal funds. The federal funds received by the Unemployment Compensation Fund through the American Recovery and Reinvestment Act decreased to $390.0 million in 2013, down from $734.8 billion in 2012.

Governmental activities – The net position increased by $437.4 million or 9.4%. Approximately 47.0% of the total revenue came from taxes, while 40.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 10.0% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were 46.0% for health and social services and 31.0% for education (see chart below). In 2013, governmental activities expenses exceeded program revenues, resulting in the use of $3.5 billion in general revenues, which were generated to support the government.

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



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



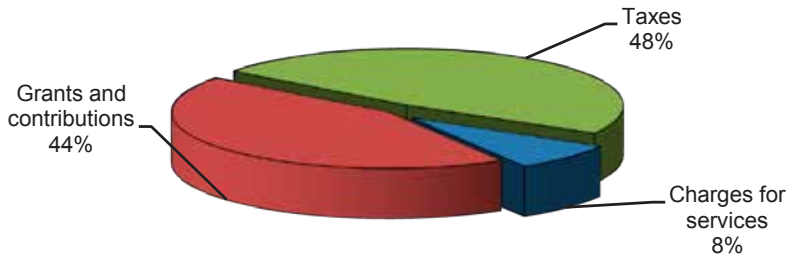
The following table depicts the total program revenues and expenses for each function of governmental activities:

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

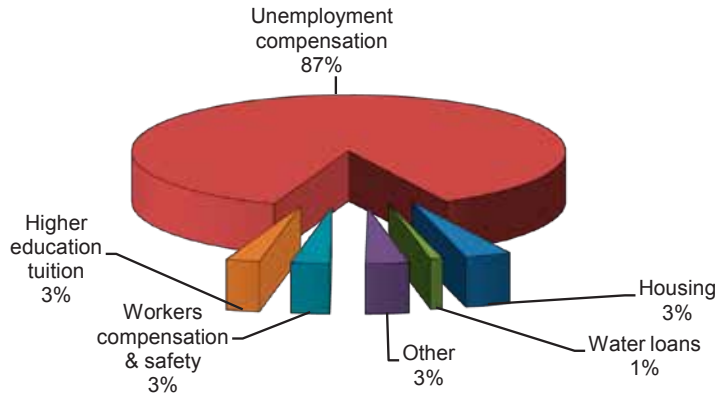
	Expenses	Revenue
General government	$ 229,136	$ 203,119
Health and social services	3,464,334	2,435,228
Education	2,290,844	414,835
Law, justice	657,728	371,124
Regulation	85,688	69,582
Transportation	505,354	382,088
Recreation	134,578	82,743
Total	$ 7,367,662	$ 3,958,719

Business-type activities – The net position increased by $212.7 million. Approximately 48.0% of the total revenue came from taxes, while 44.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 8.0% of the total revenues (see chart below). The State's business-type activities expenses cover a range of services. The largest expenses were 87.0% for unemployment compensation (see chart below). In 2013, business-type activities expenses exceeded program revenues by $375.7 million. Of this amount, unemployment compensation was the largest, with net expenses of $416.3 million, resulting in the use of $565.9 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

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



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



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

Revenues and Expenses by Function: Business-type Activities
(expressed in thousands)

	Expenses	Revenue
Unemployment compensation	$ 867,600	$ 451,338
Housing	34,247	33,432
Water loans	8,942	28,601
Workers compensation	28,685	36,692
Higher education tuition	25,081	36,240
Other	32,107	34,680
Total	$ 996,662	$ 620,983

The State government's overall financial position improved over the past fiscal year, with a $437.4 million increase in the net position of the governmental activities and a $212.7 million increase in the net position of the business-type activities. Net position of the governmental activities increased 9.4% during 2013, while 2012 increased 7.1%. The beginning net position of the business-type activities was restated during the current fiscal year. The total restated net position of negative $9.3 million included $6.1 million from a component unit no longer meeting the reporting requirements. This restated net position of negative $9.3 million combined with the current year increase of $212.7 million in net position resulted in an ending net position of $203.3 million. Nevada continues to recover at a moderate pace. Key economic indicators from the State's sales and gaming taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year $135.8 million or 3.8%, compared to an increase of $45.9 million or 1.3% in the prior fiscal year. In addition, intergovernmental revenues increased $145.0 million primarily due to Medicaid receipts which include funding for the new Silver State Health Insurance Exchange. In the Highway Fund, revenues increased $12.3 million in interlocal projects, $3.1 million in registration fees and $2.9 million in gas tax.

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 $1.5 billion, a increase of $171.5 million in comparison with the prior year. Of these total ending fund balances, $637.2 million (41.2%) is nonspendable, either due to its form or legal constraints, and $383.8 million (24.8%) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional $591.1 million (38.3%) of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. Included in committed fund balance is $112.8 million 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 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, 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. Additions to the Stabilization Account were $28.1 million in the current fiscal year and $45.5 million in the prior fiscal year. The remaining negative $66.7 million (4.3%) 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 $371.0 million compared to $270.3 million in the prior fiscal year. The fund balance increase from operations of $100.7 million during the current fiscal year is a 37.2% increase from the prior year. Reasons for this increase are discussed in further detail below. The negative unassigned fund balance of $66.7 million is mostly due to an accrual for Medicaid expenditures and for deferral of gaming taxes and mining taxes already collected and budgeted.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2013 and 2012 (expressed in thousands). Other financing sources are not included.

General Fund Revenues *(expressed in thousands)*

	2013		2012		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	$ 882,575	13.6%	$ 870,007	14.0%	$ 12,568	1.4%
Sales taxes	1,024,624	15.8%	965,060	15.5%	59,564	6.2%
Modified business taxes	386,610	6.0%	369,661	5.9%	16,949	4.6%
Insurance premium taxes	248,512	3.8%	236,787	3.8%	11,725	5.0%
Property and transfer taxes	57,325	0.9%	48,683	0.8%	8,642	17.8%
Motor and special fuel taxes	2,693	0.0%	2,825	0.0%	(132)	-4.7%
Other taxes	604,968	9.3%	598,210	9.6%	6,758	1.1%
Intergovernmental	2,823,208	43.5%	2,678,186	43.0%	145,022	5.4%
Licenses, fees and permits	279,736	4.3%	278,356	4.5%	1,380	0.5%
Sales and charges for services	57,267	0.9%	55,719	0.9%	1,548	2.8%
Interest and investment income	9,620	0.2%	6,006	0.0%	3,614	60.2%
Other revenues	107,361	1.7%	125,418	2.0%	(18,057)	-14.4%
Total revenues	$ 6,484,499	100.0%	$ 6,234,918	100.0%	$ 249,581	4.0%

The total General Fund revenues increased 4.0%. The largest increases in revenue sources were $145.0 million or 5.4% in intergovernmental revenues, $59.6 million or 6.2% in sales taxes, $16.9 million or 4.6% in modified business taxes and $12.6 million or 1.4% in gaming taxes, fees and licenses. Intergovernmental revenues increased by $154.0 million in receipts for Medicaid which includes funding for the new Silver State Health Insurance Exchange offset by a decrease of $9.0 million in other programs. The largest decline in revenue sources was $18.1 million or 14.4% in other revenues which includes a $29.6 million or 30.2% decrease in unclaimed property collections.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2013 and 2012 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures *(expressed in thousands)*

	2013		2012		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 142,506	2.2%	$ 134,260	2.2%	$ 8,246	6.1%
Health and social services	3,154,196	49.3%	2,991,985	48.0%	162,211	5.4%
Education and support services	52,475	0.8%	53,430	0.9%	(955)	-1.8%
Law, justice and public safety	420,597	6.6%	424,439	6.8%	(3,842)	-0.9%
Regulation of business	62,351	1.0%	73,408	1.2%	(11,057)	-15.1%
Recreation, resource development	96,833	1.5%	100,956	1.6%	(4,123)	-4.1%
Intergovernmental	2,469,662	38.6%	2,449,931	39.3%	19,731	0.8%
Debt service	3,270	0.0%	3,190	0.0%	80	2.5%
Total expenditures	$ 6,401,890	100.0%	$ 6,231,599	100.0%	$ 170,291	2.7%

The total General Fund expenditures increased 2.7%. Health and social services expenditures increased $162.2 million or 5.4%. The largest portion of this amount was for the Medicaid program. The net increase in remaining expenditures was $8.1 million with the largest increase of $19.7 million occurring in intergovernmental expenditures and the largest decrease of $11.0 million in regulation of business.

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 $5.1 million during the current fiscal year, a 3.3% decrease, as compared to a 46.5% decrease in the prior year. The decrease is primarily due to decrease in federal aid and county bond revenue and as well as intergovernmental payments. The nonspendable fund balance is $14.0 million, the restricted fund balance is $111.7 million and the committed fund balance is $23.3 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 $15.3 million during the current fiscal year, which is a 5.4% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

The Consolidated Bond Interest and Redemption Fund is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance decreased by $20.9 million during the current fiscal year, a 14.2% decrease from the prior year, due primarily to a decrease in intergovernmental receipts as a result of bond refunding.

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 $5.5 million during the current fiscal year, which is a 1.8% increase from the prior year. This increase is primarily due to $4.5 million in fines received from county justice courts and district courts.

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 $159.6 million, the net position of the nonmajor funds is $43.7 million and total combined net position of all enterprise funds is $203.3 million. The combined net position of the enterprise funds increased by $212.7 million in 2013. The major enterprise funds are discussed below:

The Housing Division Fund provides low interest loans to first-time homebuyers with low or moderate household incomes. The beginning net position was restated to $193.7 million as compared to the ending net position $199.8 from the prior year. The decrease of $6.1 million was due to the Nevada Affordable Housing Assistance Corporation no longer meeting the requirements to be reported as a discretely presented component unit. The current change in net position was a decrease of $0.8 million resulting in the ending net position of $192.9.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by $179.3 million during the current fiscal year, which is a 32.4% increase from the prior year. Operating revenue exceeded expenses by $167.9 million for fiscal year 2013. Fiscal year 2013 total claims expense of $0.8 billion was less than the fiscal year 2012 total claims expense of $1.3 billion, or a 32.6% decrease. The leading causes for the net position increase is due to an increase in assessments caused by an increase in employment and employer tax rates and a reduction in unemployment claims and interest expense on federal loan advances. During the fiscal year 2014, the State issued $548.9 million in Special Revenue Bonds for the purpose of repaying advances made by the federal government and for supporting the Fund. The General Fund paid $23.9 million in accrued interest on federal advances from the previous fiscal year to the Federal government. Interest is due and payable on the federal advances by the end of the Federal fiscal year which ends on September 30. As of June 30, 2013, the total amount of federal unemployment advances and interest due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act totaled $574.0 million and $13.2 million, respectively. Total federal advances decreased $146.4 million from $720.4 million in 2012.

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 revenues exceeded expenses and transfers by $18.5 million during the current fiscal year, for a final net position of $324.6 million, which is a 6.0% increase from the prior year.

The Higher Education Tuition Trust Fund provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its fifteenth enrollment period during the fiscal year with 1,145 new enrollments. The net position increased $13.1 million or 551.1% during the current fiscal year. This increase is mainly due to $5.9 million in new contracts and $7.2 million increase in investment income.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and motor pool 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 2013, total internal service fund net position increased by $3.6 million, for a final net position of $59.9 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 increased by $12.0 million during the current fiscal year, which is a 14.4% increase from the prior year, leaving final net position of $95.3 million. This year's increase was caused primarily by a 4.3% increase in insurance premium income.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit increased by $7.8 million or 16.2% during fiscal year 2013, to a total deficit of $56.1 million. The decrease in net premium income of 7.6% was caused by a reduction of the insurance assessment based on the State's history of claims.

Analysis of General Fund Budget Variations

The General Fund total sources were $462.1 million or 5.8% less than the final budget. This was due primarily to actual intergovernmental revenues received that 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 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 $513.7 million. 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 $500.5 million.

Capital Assets and Debt Administration

Capital Assets:
The State's capital assets for governmental and business-type activities as of June 30, 2013, amount to $6.9 billion, net of accumulated depreciation of $1.1 billion, leaving a net book value of $5.8 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

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 Department of Transportation conducts a biennial condition assessment of roadways and bridges in odd numbered calendar years. 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 the condition level established. The following table shows the State's policy and the condition level of the roadways and bridges:

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%

Condition Level of the Bridges

Percentage of substandard bridges

	2011	2009	2007
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	5%	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 2013 by $77.3 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to continue to 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 2013 (expressed in millions):

	Expended by June 30, 2013	Total Budget
Unemployment Insurance Software Development	$ 25.2	$ 40.4
New Readiness Center North Las Vegas	27.1	35.8
SDCC Housing Unit & Planning	27.3	28.9
Las Vegas Readiness Center - Field Maintenance Shop	21.5	26.9
Healthcare Reform Software	17.4	17.5
Elko County Readiness Center	15.8	16.6
Southern Nevada Veterans' Cemetery Expansion	7.6	11.4
NDOT Integrated Right of Way Software	8.1	9.3
SDCC Finish Core Expansion	4.5	5.0

The total increase in the State's capital assets for the primary government for the current fiscal year was $295.8 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled $69.0 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 $4.3 billion in long-term liabilities outstanding, compared to $4.6 billion last year, a decrease of $361.5 million or 7.8% during the current fiscal year. This decrease was due primarily to the refunding of general obligation bonds.

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 2013 fiscal year were (expressed in thousands):

General Obligation Hoover Uprating Refunding Bonds	7/10/2012E	$ 17,085
General Obligation Municipal Bond Bank Projects	2/20/2013A	23,505
General Obligation Water Pollution Control Revolving Fund Leveraged Refunding Bonds	2/20/2013B	17,045
General Obligation Water Pollution Control Revolving Fund Matching Bonds	2/20/2013C	3,000
General Obligation Capital Improvement and Cultural Affairs Refunding Bonds	4/09/2013D-1	98,015
General Obligation Capital Improvement and Cultural Affairs Refunding Bonds	4/09/2013E	64,980
General Obligation Natural Resources Refunding Bonds	4/09/2013F-1	13,210
General Obligation Open Space, and Cultural Resources Refunding Bonds	4/09/2013G	3,665
General Obligation Open Space, Parks, and Natural Resources Refunding Bonds	4/09/2013H-1	19,650
Highway Revenue Refunding Bonds	4/30/2013	131,245

This list of new bonds does not agree completely with the schedule of additions as seen in Note 8 to the financial statements, due to the inclusion of deferred items and bonds redeemed prior to year-end.

Additional information on the State's long-term debt obligations can be found in Note 8 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 89701-4786 or visit our website at: www.controller.nv.gov.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Basic Financial Statements

Statement of Net Position

June 30, 2013 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and pooled investments	$ 1,512,950	$ 152,420	$ 1,665,370	$ 233,159
Investments	457,794	742,583	1,200,377	1,096,929
Internal balances	(6,822)	6,822	-	-
Due from component unit	2,426	-	2,426	-
Due from primary government	-	-	-	21,060
Accounts receivable	70,809	2,070	72,879	41,754
Taxes/assessments receivable	887,017	201,719	1,088,736	-
Intergovernmental receivables	392,131	1,746	393,877	40,243
Accrued interest and dividends	4,074	12,426	16,500	21
Contracts receivable	-	32,193	32,193	-
Mortgages receivable	-	527,706	527,706	-
Notes/loans receivable	14,257	41,225	55,482	13,218
Other receivables	16	-	16	51,454
Inventory	27,431	1,461	28,892	6,515
Prepaid items	2,285	25	2,310	20,021
Deferred charges	42,025	4,959	46,984	-
Restricted assets:				
Cash	-	-	-	30,305
Investments	-	119,289	119,289	39,241
Other assets	-	15	15	49,334
Capital assets:				
Land, infrastructure and construction in progress	4,527,271	10,690	4,537,961	130,137
Other capital assets, net	1,288,930	1,781	1,290,711	1,848,008
Total assets	9,222,594	1,859,130	11,081,724	3,621,399
Liabilities				
Accounts payable	860,651	35,358	896,009	45,960
Accrued payroll and related liabilities	63,915	1,179	65,094	68,807
Intergovernmental payables	117,376	132	117,508	-
Interest payable	17,869	19,944	37,813	9,271
Due to component units	20,989	33	21,022	-
Due to primary government	-	-	-	140
Contracts/retentions payable	17,871	-	17,871	-
Unearned revenues	258,972	12,415	271,387	48,875
Other liabilities	88,196	12	88,208	40,472

Long-term liabilities:				
Portion due or payable within one year:				
Reserve for losses	61,567	-	61,567	-
Obligations under capital leases	1,713	-	1,713	963
Compensated absences	59,566	1,190	60,756	30,802
Benefits payable	-	14,452	14,452	-
Bonds payable	179,403	53,925	233,328	29,924
Certificates of participation payable	2,070	-	2,070	-
Arbitrage rebate liability	1,043	-	1,043	-
Portion due or payable after one year:				
Federal advances	-	573,957	573,957	8,194
Reserve for losses	49,964	-	49,964	-
Obligations under capital leases	23,383	-	23,383	2,423
Compensated absences	35,154	708	35,862	16,274
Benefits payable	-	159,947	159,947	-
Bonds payable	2,216,735	782,534	2,999,269	515,811
Certificates of participation payable	50,269	-	50,269	-
Due to primary government	-	-	-	2,286
Due to component unit	38	-	38	-
Total liabilities	4,126,744	1,655,786	5,782,530	820,202
Net Position				
Net investment in capital assets	4,357,735	3,422	4,361,157	1,475,656
Restricted for:				
Security of outstanding obligations	-	189,405	189,405	-
Workers' compensation	-	31,038	31,038	-
Tuition contract benefits	-	15,331	15,331	-
Capital projects	4,557	-	4,557	43,579
Debt service	34,854	-	34,854	19,870
Education and support services	2,277	-	2,277	-
Transportation	108,940	-	108,940	-
Recreation and resource development	60,700	324,634	385,334	-
Law, justice and public safety	94,796	-	94,796	-
Health and social services	105,881	-	105,881	-
Regulation of business	10,322	2	10,324	-
Scholarships	-	-	-	333,997
Loans	-	-	-	8,210
Operations and maintenance	-	-	-	711
Research and development	-	-	-	5,204
Other purposes	114	-	114	1,093
Funds held as permanent investments:				
Nonexpendable	318,789	-	318,789	330,838
Expendable	20	-	20	-
Unrestricted (deficit)	(3,135)	(360,488)	(363,623)	582,039
Total net position	$ 5,095,850	$ 203,344	$ 5,299,194	$ 2,801,197

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

Statement of Activities

NEVADA

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental activities:								
General government	$ 229,136	$ 180,169	$ 22,950	$ -	$ (26,017)	$ -	$ (26,017)	$ -
Health and social services	3,464,334	212,310	2,222,918	-	(1,029,106)	-	(1,029,106)	-
Education and support services	2,290,844	3,624	411,211	-	(1,876,009)	-	(1,876,009)	-
Law, justice and public safety	657,728	267,060	63,317	40,747	(286,604)	-	(286,604)	-
Regulation of business	85,688	62,330	7,252	-	(16,106)	-	(16,106)	-
Transportation	505,354	17,767	349,200	15,121	(123,266)	-	(123,266)	-
Recreation and resource development	134,578	44,405	38,203	135	(51,835)	-	(51,835)	-
Interest on long-term debt	106,126	-	1,326	-	(104,800)	-	(104,800)	-
Unallocated depreciation	2,023	-	-	-	(2,023)	-	(2,023)	-
Total governmental activities	7,475,811	787,665	3,116,377	56,003	(3,515,766)	-	(3,515,766)	-
Business-type activities:								
Unemployment insurance	867,600	1,556	449,782	-	-	(416,262)	(416,262)	-
Housing	34,247	19,840	13,592	-	-	(815)	(815)	-
Water loans	8,942	8,873	19,728	-	-	19,659	19,659	-
Workers' compensation and safety	28,685	34,322	2,370	-	-	8,007	8,007	-
Higher education tuition	25,081	139	36,101	-	-	11,159	11,159	-
Other	32,107	32,358	2,322	-	-	2,573	2,573	-
Total business-type activities	996,662	97,088	523,895	-	-	(375,679)	(375,679)	-
Total primary government	$ 8,472,473	$ 884,753	$ 3,640,272	$ 56,003	(3,515,766)	(375,679)	(3,891,445)	-
Total component units	$ 1,612,073	$ 702,964	$ 412,328	$ 1,486	-	-	-	(495,295)

General revenues:				
Taxes:				
Gaming	869,644	-	869,644	-
Sales and use	925,699	-	925,699	-
Modified business	386,928	-	386,928	-
Insurance premium	252,195	-	252,195	-
Property and transfer	57,325	-	57,325	-
Motor and special fuel	2,693	-	2,693	-
Other	430,121	212	430,333	-
Restricted for unemployment compensation:				
Other taxes	-	565,925	565,925	-
Restricted for educational purposes:				
Sales and use taxes	101,425	-	101,425	-
Gaming taxes	31,441	-	31,441	-
Other taxes	128,725	-	128,725	-
Restricted for debt service purposes:				
Property and transfer taxes	138,178	-	138,178	-
Motor and special fuel taxes	79,788	-	79,788	-
Other	16,900	-	16,900	-
Restricted for recreation and resource development purposes:				
Other taxes	31,604	-	31,604	-
Restricted for health and social services purposes:				
Property and transfer taxes	19,708	-	19,708	-
Other taxes	71,947	-	71,947	-
Restricted for transportation purposes:				
Motor and special fuel taxes	186,751	-	186,751	-
Other taxes	19,510	-	19,510	-
Restricted for regulation purposes:				
Other taxes	3,743	-	3,743	-
Settlement income	59,159	-	59,159	-
Unrestricted investment earnings	2,892	-	2,892	107,534
Gain on sale of assets	-	-	-	6,699
Other general revenues	153,674	-	153,674	1,695
Contributions to permanent funds	5,376	-	5,376	10,829
Payments from State of Nevada	-	-	-	468,641
Transfers	(22,229)	22,229	-	-
Total general revenues and transfers	3,953,197	588,366	4,541,563	595,398
Change in net position	437,431	212,687	650,118	100,103
Net position - beginning (as restated)	4,658,419	(9,343)	4,649,076	2,701,094
Net position - ending	$ 5,095,850	$ 203,344	$ 5,299,194	$ 2,801,197

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

Balance Sheet
Governmental Funds

June 30, 2013

	General Fund	State Highway	Municipal Bond Bank
Assets			
Cash and pooled investments:			
Cash with treasurer	$ 513,593,623	$ 143,323,315	$ -
Cash in custody of other officials	6,263,919	175,638	-
Investments	10,101,651	-	270,875,000
Receivables:			
Accounts receivable	42,912,108	1,740,118	-
Taxes receivable	820,972,168	42,299,227	-
Intergovernmental receivables	371,932,753	8,769,335	-
Accrued interest and dividends	2,464,962	-	1,236,761
Notes/loans receivable	14,162,107	-	-
Other receivables	15,830	-	-
Due from other funds	48,151,631	5,442,179	2,102
Due from fiduciary funds	196,089	-	-
Due from component units	82,738	1,546	-
Inventory	12,796,127	13,867,443	-
Advances to other funds	6,067,412	-	-
Prepaid items	1,784,239	152,900	-
Total assets	$ 1,851,497,357	$ 215,771,701	$ 272,113,863
Liabilities and Fund Balances			
Accounts payable and accruals:			
Accounts payable	$ 335,200,703	$ 27,392,093	$ -
Accrued payroll and related liabilities	43,212,865	16,225,253	-
Intergovernmental payables	113,060,777	33,064	-
Interest payable	-	-	-
Contracts/retentions payable	30,416	13,063,697	-
Due to other funds	22,782,164	2,796,837	48,616
Due to fiduciary funds	474,786,156	767,296	-
Due to component units	9,151,943	642,786	-
Unearned revenues	236,808,576	316,843	-
Deferred revenues	198,949,233	4,258,996	1,237,288
Other liabilities	46,495,684	1,267,343	-
Total liabilities	1,480,478,517	66,764,208	1,285,904
Fund balances:			
Nonspendable	33,112,551	14,020,343	270,827,959
Restricted	59,358,721	111,708,663	-
Committed	345,248,424	23,278,487	-
Unassigned	(66,700,856)	-	-
Total fund balances	371,018,840	149,007,493	270,827,959
Total liabilities and fund balances	$ 1,851,497,357	$ 215,771,701	$ 272,113,863

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

Consolidated Bond Interest and Redemption	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
$ 137,725,878	$ 4,862,681	$ 372,611,921	$ 1,172,117,418
-	137,945,904	4,703,959	149,089,420
-	175,583,889	1,233,813	457,794,353
-	-	21,994,504	66,646,730
-	-	23,744,923	887,016,318
638,571	556,765	9,252,050	391,149,474
-	370,806	1,824	4,074,353
-	-	-	14,162,107
-	-	-	15,830
12,776,213	37,037	44,688,680	111,097,842
-	-	396,037	592,126
-	2,285,904	2,932	2,373,120
-	-	467,723	27,131,293
1,054,456	-	-	7,121,868
-	-	6,298	1,943,437
$ 152,195,118	$ 321,642,986	$ 479,104,664	$ 3,292,325,689
$ 22,575	$ -	$ 8,493,674	$ 371,109,045
-	-	2,881,178	62,319,296
-	2,608	3,782,307	116,878,756
2,386,356	-	-	2,386,356
-	-	4,777,299	17,871,412
22,470,043	1,665,219	77,447,414	127,210,293
-	-	20,798	475,574,250
-	-	11,194,324	20,989,053
-	-	496,036	237,621,455
1,473	8,380	22,223,282	226,678,652
1,405,000	1,408,025	37,619,786	88,195,838
26,285,447	3,084,232	168,936,098	1,746,834,406
-	318,558,754	704,021	637,223,628
-	-	212,764,271	383,831,655
125,909,671	-	96,700,274	591,136,856
-	-	-	(66,700,856)
125,909,671	318,558,754	310,168,566	1,545,491,283
$ 152,195,118	$ 321,642,986	$ 479,104,664	$ 3,292,325,689

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

NEVADA

June 30, 2013

Total fund balances - governmental funds		$ 1,545,491,283
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	$ 145,536,458	
Construction in progress	157,716,227	
Infrastructure assets	3,605,405,799	
Rights-of-way	618,481,967	
Buildings	1,644,793,690	
Improvements other than buildings	119,384,801	
Furniture and equipment	337,580,270	
Software costs	160,672,714	
Accumulated depreciation/amortization	(993,272,666)	
Total capital assets		5,796,299,260
Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		226,678,652
Intergovernmental receivable not providing current resources.		221,045
The Judicial Retirement System of Nevada has a net pension asset not reported as a reduction of expenditures in the funds.		268,106
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		59,848,839
The deferred loss on early retirement of debt is reported as a deferred charge 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.		30,253,886
Certain bond costs are reported as a deferred charge on the statement of net position and are amortized over the life of the debt.		11,770,670
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(2,389,861,881)	
Accrued interest on bonds	(15,482,980)	
Arbitrage rebate liability	(1,042,557)	
Certificates of participation	(52,338,991)	
Capital leases	(24,847,688)	
Compensated absences	(91,407,427)	
Total long-term liabilities		(2,574,981,524)
Net position of governmental activities		$ 5,095,850,217

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, 2013

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	$ 882,574,969	$ -	$ -
Sales taxes	1,024,623,887	-	-
Modified business taxes	386,610,081	-	-
Insurance premium taxes	248,512,421	-	-
Property and transfer taxes	57,324,939	-	-
Motor and special fuel taxes	2,692,758	186,750,970	-
Other taxes	604,968,343	19,482,133	-
Intergovernmental	2,823,207,559	375,228,233	-
Licenses, fees and permits	279,735,953	183,327,963	-
Sales and charges for services	57,266,486	13,859,924	-
Interest and investment income	9,619,955	649,477	11,338,517
Settlement income	-	-	-
Land sales	-	-	-
Other	107,361,217	33,618,369	-
Total revenues	6,484,498,568	812,917,069	11,338,517
Expenditures			
Current:			
General government	142,506,383	-	-
Health and social services	3,154,195,815	-	-
Education and support services	52,475,366	-	-
Law, justice and public safety	420,596,418	149,803,165	-
Regulation of business	62,351,368	-	-
Transportation	-	578,230,682	-
Recreation and resource development	96,833,093	-	-
Intergovernmental	2,469,661,530	87,244,104	-
Capital outlay	-	-	-
Debt service:			
Principal	1,674,074	-	-
Interest, fiscal charges	1,416,125	1,625	-
Debt issuance costs	-	-	-
Arbitrage payments	179,982	-	-
Total expenditures	6,401,890,154	815,279,576	-
Excess (deficiency) of revenues over expenditures	82,608,414	(2,362,507)	11,338,517
Other Financing Sources (Uses)			
Sale of general obligation refunding bonds	-	-	23,505,000
Premium on general obligation bonds	-	-	-
Payment to refunded bond agent	-	-	(23,414,867)
Sale of capital assets	91,548	282	-
Transfers in	70,343,358	4,805,962	-
Transfers out	(52,353,206)	(7,494,603)	(26,766,462)
Total other financing sources (uses)	18,081,700	(2,688,359)	(26,676,329)
Net change in fund balances	100,690,114	(5,050,866)	(15,337,812)
Fund balances, July 1	270,328,726	154,058,359	286,165,771
Fund balances, June 30	$ 371,018,840	$ 149,007,493	$ 270,827,959

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

Consolidated Bond Interest and Redemption	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 14,110,206	$ 896,685,175
-	-	-	1,024,623,887
-	-	-	386,610,081
-	-	-	248,512,421
138,178,569	-	19,707,594	215,211,102
-	-	79,788,339	269,232,067
-	-	61,497,789	685,948,265
10,182,462	-	132,009,072	3,340,627,326
-	-	24,058,830	487,122,746
457,779	-	16,010,257	87,594,446
1,654,982	765,053	(532,094)	23,495,890
-	-	147,070,764	147,070,764
-	631,755	-	631,755
-	4,762,908	5,965,213	151,707,707
150,473,792	6,159,716	499,685,970	7,965,073,632
279,240	-	349,277	143,134,900
-	-	110,687,810	3,264,883,625
-	-	643,746	53,119,112
-	-	25,248,918	595,648,501
-	-	18,242,661	80,594,029
-	-	-	578,230,682
-	-	24,497,347	121,330,440
3,347,006	-	32,732,141	2,592,984,781
-	-	61,330,381	61,330,381
108,915,000	-	53,300,000	163,889,074
89,753,780	-	25,011,605	116,183,135
1,222,105	-	678,765	1,900,870
-	-	-	179,982
203,517,131	-	352,722,651	7,773,409,512
(53,043,339)	6,159,716	146,963,319	191,664,120
198,720,000	-	131,245,000	353,470,000
27,235,913	-	25,544,705	52,780,618
(224,682,094)	-	(156,081,511)	(404,178,472)
-	-	7,312	99,142
50,091,230	-	68,895,050	194,135,600
(19,218,372)	(655,090)	(109,995,177)	(216,482,910)
32,146,677	(655,090)	(40,384,621)	(20,176,022)
(20,896,662)	5,504,626	106,578,698	171,488,098
146,806,333	313,054,128	203,589,868	1,374,003,185
$ 125,909,671	$ 318,558,754	$ 310,168,566	$ 1,545,491,283

[THIS PAGE INTENTIONALLY LEFT BLANK]

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, 2013

Net change in fund balances - total governmental funds		$ 171,488,098
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	$ 232,772,315	
Depreciation expense	(65,652,809)	
Excess of capital outlay over depreciation expense		167,119,506
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	(353,470,000)	
Premiums on debt issued	(52,780,618)	
Total bond proceeds		(406,250,618)
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	164,571,677	
Certficates of participation retirement	1,815,000	
Payments to the bond refunding agent	404,178,472	
Capital lease payments	3,171,504	
Total long-term debt repayment		573,736,653
Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.		3,580,788
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues unavailable decreased by this amount.		(100,967,621)
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.		(590,722)
In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.		1,900,870
Amortization of bond issuance costs is reported as an expense for the statement of activities.		(1,173,322)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(9,119,521)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		14,491,011
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:		
Decrease in pension obligation	269,394	
Decrease in accrued interest	2,743,903	
Increase in compensated absences	(870,438)	
Increase in arbitrage liability	(243,799)	
Decrease in settlement agreement liability	21,317,183	
Total additional expenditures		23,216,243
Change in net position of governmental activities		$ 437,431,365

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

Statement of Net Position
Proprietary Funds

June 30, 2013

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total	Internal Service Funds
Assets							
Current assets:							
Cash and pooled investments:							
Cash with treasurer	$ 807,055	$ -	$ 82,375,176	$ 949,218	$ 53,033,160	$ 137,164,609	$ 191,743,430
Cash in custody of other officials	195,935	14,119,464	-	719,225	220,929	15,255,553	100
Investments	90,680,107	-	-	160,605,978	-	251,286,085	-
Receivables:							
Accounts receivable	-	-	-	575	2,066,559	2,067,134	834,574
Assessments receivable	-	201,718,523	-	-	250	201,718,773	-
Intergovernmental receivables	-	-	418,817	-	1,326,877	1,745,694	760,183
Contracts receivable	-	-	-	7,282,815	-	7,282,815	-
Mortgages receivable	16,974,400	-	-	-	-	16,974,400	-
Accrued interest and dividends	7,762,507	-	4,220,903	442,188	-	12,425,598	-
Notes/loans receivable	-	-	-	-	-	-	5,000
Due from other funds	34,391	13,240,597	216,023	70,290	1,271,630	14,832,931	5,517,639
Due from fiduciary funds	-	-	-	-	3,481	3,481	2,735,653
Due from component units	-	-	-	-	-	-	53,091
Inventory	-	-	-	-	1,460,990	1,460,990	299,732
Prepaid items	-	-	-	-	25,345	25,345	73,367
Restricted assets:							
Investments	114,919,501	-	-	-	-	114,919,501	-
Total current assets	231,373,896	229,078,584	87,230,919	170,070,289	59,409,221	777,162,909	202,022,769
Noncurrent assets:							
Investments	208,507,910	-	282,788,596	-	-	491,296,506	-
Receivables:							
Contracts receivable	-	-	-	24,909,879	-	24,909,879	-
Mortgages receivable	510,731,295	-	-	-	-	510,731,295	-
Notes/loans receivable	-	-	41,225,066	-	-	41,225,066	90,000
Deferred charges	2,138,319	-	2,601,636	-	219,520	4,959,475	-
Restricted assets:							
Investments	4,369,121	-	-	-	-	4,369,121	-
Other assets	-	-	-	-	15,000	15,000	-
Capital assets:							
Land	-	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	-	3,388,840	3,388,840	18,789,315
Improvements other than buildings	-	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	745,067	-	35,280	161,874	5,460,358	6,402,579	46,974,924
Software costs	-	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	-	10,122,142	10,122,142	-
Less accumulated depreciation/ amortization	(385,538)	-	(35,280)	(40,384)	(8,179,806)	(8,641,008)	(65,156,922)
Total noncurrent assets	726,106,174	-	326,615,298	25,031,369	12,224,513	1,089,977,354	19,991,702
Total assets	957,480,070	229,078,584	413,846,217	195,101,658	71,633,734	1,867,140,263	222,014,471

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total	Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable and accruals:							
Accounts payable	$ 19,142,681	$ 14,821,365	$ 21,955	$ 131,636	$ 1,074,393	$ 35,192,030	$ 3,942,702
Accrued payroll and related liabilities	89,909	-	15,041	5,745	1,068,494	1,179,189	1,595,314
Interest payable	5,316,621	13,240,284	1,345,737	-	41,473	19,944,115	-
Intergovernmental payables	-	-	1,000	-	131,483	132,483	497,648
Bank overdraft	-	-	-	-	-	-	10,012,384
Due to other funds	1,536	431,558	278,145	65,987	1,985,480	2,762,706	1,475,413
Due to fiduciary funds	-	-	-	-	166,093	166,093	12,704
Due to component units	-	-	-	32,912	485	33,397	37,972
Unearned revenues	-	-	-	-	12,414,740	12,414,740	21,350,447
Other liabilities	-	-	-	-	11,509	11,509	-
Short-term portion of long-term liabilities:							
Reserve for losses	-	-	-	-	-	-	61,566,693
Compensated absences	79,262	-	16,836	8,644	1,085,216	1,189,958	1,974,646
Benefits payable	-	-	-	14,451,947	-	14,451,947	-
Bonds payable	42,308,000	-	11,453,864	-	163,600	53,925,464	513,323
Obligations under capital leases	-	-	-	-	-	-	114,034
Total current liabilities	66,938,009	28,493,207	13,132,578	14,696,871	18,142,966	141,403,631	103,093,280
Noncurrent liabilities:							
Advances from funds	-	-	-	5,000,000	268,710	5,268,710	1,853,158
Federal unemployment advance	-	573,956,646	-	-	-	573,956,646	-
Reserve for losses	-	-	-	-	-	-	49,963,596
Compensated absences	78,999	-	9,482	5,333	613,962	707,776	1,337,967
Benefits payable	-	-	-	159,946,571	-	159,946,571	-
Bonds payable	697,578,228	-	76,069,984	-	8,885,879	782,534,091	5,762,895
Obligations under capital leases	-	-	-	-	-	-	133,886
Total noncurrent liabilities	697,657,227	573,956,646	76,079,466	164,951,904	9,768,551	1,522,413,794	59,051,502
Total liabilities	764,595,236	602,449,853	89,212,044	179,648,775	27,911,517	1,663,817,425	162,144,782
Net Position							
Net investment in capital assets	359,529	-	-	121,490	2,940,514	3,421,533	13,528,777
Restricted for:							
Tuition contract benefits	-	-	-	15,331,393	-	15,331,393	-
Security of outstanding obligations	189,404,677	-	-	-	-	189,404,677	-
Workers' compensation	-	-	-	-	31,037,940	31,037,940	-
Revolving loans	-	-	324,634,173	-	-	324,634,173	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	3,120,628	(373,371,269)	-	-	9,741,763	(360,508,878)	46,340,912
Total net position	$ 192,884,834	$ (373,371,269)	$324,634,173	$15,452,883	$ 43,722,217	203,322,838	$ 59,869,689

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.	20,850
Net position of business-type activities	$ 203,343,688

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

NEVADA

For the Fiscal Year Ended June 30, 2013

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues							
Net premium income	$ -	$ -	$ -	$ -	$ -	$ -	$343,223,124
Sales	-	-	-	19,935,698	6,863,313	26,799,011	2,476,745
Assessments	-	565,925,448	-	-	211,929	566,137,377	-
Charges for services	-	-	150,000	138,800	15,546,288	15,835,088	41,548,670
Rental income	-	-	-	-	80,880	80,880	18,400,716
Interest income on loans/notes	16,545,805	-	8,723,236	-	-	25,269,041	-
Federal government	-	449,782,433	18,121,597	-	-	467,904,030	-
Licenses, fees and permits	-	-	-	-	40,680,715	40,680,715	-
Fines	-	-	-	-	2,979,983	2,979,983	-
Other	3,294,565	1,556,046	-	-	513,222	5,363,833	256,145
Total operating revenues	19,840,370	1,017,263,927	26,994,833	20,074,498	66,876,330	1,151,049,958	405,905,400
Operating Expenses							
Salaries and benefits	1,489,425	-	379,213	153,887	33,181,189	35,203,714	31,800,768
Operating	6,852,731	-	5,296,628	658,722	13,389,879	26,197,960	35,107,579
Claims and benefits expense	-	849,317,267	-	24,255,992	9,926,008	883,499,267	206,683,046
Interest on bonds payable	23,225,661	-	-	-	-	23,225,661	-
Materials or supplies used	-	-	-	-	3,532,798	3,532,798	1,194,618
Servicers' fees	238,872	-	-	-	-	238,872	-
Depreciation	3,021	-	-	15,343	372,154	390,518	2,721,299
Amortization	-	-	-	-	-	-	214,246
Bond issuance costs amortization	286,149	-	485,249	-	-	771,398	-
Insurance premiums	-	-	-	-	-	-	124,993,621
Total operating expenses	32,095,859	849,317,267	6,161,090	25,083,944	60,402,028	973,060,188	402,715,177
Operating income (loss)	(12,255,489)	167,946,660	20,833,743	(5,009,446)	6,474,302	177,989,770	3,190,223
Nonoperating Revenues (Expenses)							
Interest and investment income	11,187,339	-	1,605,962	16,165,633	(156,447)	28,802,487	178,016
Interest expense	-	(18,283,202)	(2,782,660)	-	(428,214)	(21,494,076)	(13,677)
Bond issuance costs amortization	-	-	-	-	(18,890)	(18,890)	-
Federal grant revenue	2,404,186	-	-	-	4,848,169	7,252,355	-
Federal grant expense	(2,155,929)	-	-	-	-	(2,155,929)	-
Gain (loss) on disposal of assets	-	-	-	-	15,579	15,579	46,369
Total nonoperating revenues (expenses)	11,435,596	(18,283,202)	(1,176,698)	16,165,633	4,260,197	12,401,526	210,708
Income (loss) before capital contributions and transfers	(819,893)	149,663,458	19,657,045	11,156,187	10,734,499	190,391,296	3,400,931
Capital Contributions and Transfers							
Capital contributions	-	-	-	-	127,820	127,820	-
Transfers in	-	37,187,380	-	1,923,290	5,162,022	44,272,692	429,628
Transfers out	-	(7,577,897)	(1,168,012)	-	(13,425,968)	(22,171,877)	(183,133)
Change in net position	(819,893)	179,272,941	18,489,033	13,079,477	2,598,373	212,619,931	3,647,426
Net position, July 1 (as restated)	193,704,727	(552,644,210)	306,145,140	2,373,406	41,123,844		56,222,263
Net position, June 30	$192,884,834	$ (373,371,269)	$324,634,173	$15,452,883	$ 43,722,217		$ 59,869,689

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	66,638
Change in net position of business-type activities	$ 212,686,569

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, 2013

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities							
Receipts from customers and users	$ 8,254,252	$550,677,439	$ 266,938	$ 12,459,664	$64,551,294	$636,209,587	$ 85,430,941
Receipts for interfund services provided	16,032	2,563,079	-	10,082	4,552,362	7,141,555	265,105,381
Receipts from component units	-	-	-	-	-	-	78,836,879
Receipts of principal on loans/notes	61,420,477	-	20,730,074	-	-	82,150,551	5,000
Receipts of interest on loans/notes	17,991,278	-	8,313,872	-	-	26,305,150	-
Receipts from federal government	-	449,782,433	18,744,395	-	-	468,526,828	-
Payments to suppliers, other governments and beneficiaries	(11,713,184)	(854,642,955)	(5,361,598)	(4,475,623)	(18,327,395)	(894,520,755)	(339,564,882)
Payments to employees	(1,430,012)	-	(390,314)	(159,221)	(32,546,815)	(34,526,362)	(31,359,965)
Payments for interfund services	(317,145)	-	(119,845)	(226,028)	(8,343,988)	(9,007,006)	(19,453,125)
Payments to component units	-	-	-	(5,183,838)	(57,295)	(5,241,133)	(248,805)
Purchase of loans and notes	(31,384,104)	-	(41,241,447)	-	-	(72,625,551)	-
Net cash provided by (used for) operating activities	42,837,594	148,379,996	942,075	2,425,036	9,828,163	204,412,864	38,751,424
Cash flows from noncapital financing activities							
Grant receipts	2,404,186	-	-	-	4,054,912	6,459,098	-
Advances from federal government	-	363,309,903	-	-	-	363,309,903	-
Proceeds from sale of bonds	-	-	21,940,771	-	-	21,940,771	-
Transfers and advances from other funds	-	23,947,096	-	1,923,290	5,150,994	31,021,380	256,194
Payment on federal advance	-	(509,785,575)	-	-	-	(509,785,575)	-
Payment on refunding bonds	-	-	(21,910,240)	-	-	(21,910,240)	-
Principal paid on noncapital debt	(71,119,384)	-	(9,415,000)	-	-	(80,534,384)	-
Interest paid on noncapital debt	(24,082,703)	(23,947,096)	(3,840,874)	-	-	(51,870,673)	-
Issue costs	-	-	-	-	-	-	-
Transfers and advances to other funds	-	(9,076,751)	(1,118,960)	-	(13,433,541)	(23,629,252)	(183,853)
Payments to other governments and organizations	(2,155,929)	-	-	-	-	(2,155,929)	(2)
Net cash provided by (used for) noncapital financing activities	(94,953,830)	(155,552,423)	(14,344,303)	1,923,290	(4,227,635)	(267,154,901)	72,339
Cash flows from capital and related financing activities							
Proceeds from capital debt	-	-	-	-	800,000	800,000	-
Proceeds from sale of capital assets	-	-	-	-	15,579	15,579	119,212
Purchase of capital assets	-	-	-	-	(134,786)	(134,786)	(2,154,061)
Principal paid on capital debt	-	-	-	-	(981,340)	(981,340)	(1,225,161)
Interest paid on capital debt	-	-	-	-	(446,854)	(446,854)	(13,675)
Payments on construction projects	-	-	-	-	(1,511,356)	(1,511,356)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(2,258,757)	(2,258,757)	(3,273,685)
Cash flows from investing activities							
Proceeds from sale of investments	291,457,169	-	-	264,705,566	-	556,162,735	-
Purchase of investments	(250,943,885)	-	-	(284,428,804)	-	(535,372,689)	-
Interest, dividends and gains (losses)	11,496,500	-	1,854,566	3,442,476	(239,736)	16,553,806	348,278
Net cash provided by (used for) investing activities	52,009,784	-	1,854,566	(16,280,762)	(239,736)	37,343,852	348,278
Net increase (decrease) in cash	(106,452)	(7,172,427)	(11,547,662)	(11,932,436)	3,102,035	(27,656,942)	35,898,356
Cash and cash equivalents, July 1	1,109,442	21,291,891	93,922,838	13,600,879	50,152,054	180,077,104	155,845,174
Cash and cash equivalents, June 30	$ 1,002,990	$ 14,119,464	$ 82,375,176	$ 1,668,443	$ 53,254,089	$ 152,420,162	$ 191,743,530

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	$ (12,255,489)	$ 167,946,660	$ 20,833,743	$ (5,009,446)	$ 6,474,302	$ 177,989,770	$ 3,190,223
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	3,021	-	-	15,343	372,154	390,518	2,721,299
Amortization	-	-	-	-	-	-	214,246
Bond issuance costs amortization	286,149	-	485,249	-	-	771,398	-
Interest on bonds payable	23,225,661	-	-	-	-	23,225,661	-
Decrease (increase) in loans and notes receivable	32,141,073	-	(20,511,373)	-	-	11,629,700	5,000
Decrease (increase) in accrued interest and receivables	(769,504)	(14,240,976)	330,372	-	1,397,406	(13,282,702)	2,180,048
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	(7,604,752)	111,972	(7,492,780)	(90,194)
Increase (decrease) in accounts payable, accruals, other liabilities	206,683	(5,325,688)	(195,916)	15,023,891	1,472,329	11,181,299	30,530,802
Total adjustments	55,093,083	(19,566,664)	(19,891,668)	7,434,482	3,353,861	26,423,094	35,561,201
Net cash provided by (used for) operating activities	$ 42,837,594	$ 148,379,996	$ 942,075	$ 2,425,036	$ 9,828,163	$ 204,412,864	$ 38,751,424
Noncash investing, capital and financing activities							
Acquisition of equipment	$ 362,550	$ -	$ -	$ -	$ -	$ 362,550	$ -
Increase (decrease) in fair value of investments		-	-	12,692,843	-	12,692,843	-
Capital contribution	-	-	-	-	127,820	127,820	-

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

Statement of Fiduciary Net Position
Fiduciary Funds

NEVADA

June 30, 2013

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 3,748,631	$ 5,906	$ 5,088,178	$ 74,252,730
Cash in custody of other officials	686,813,688	3,618,695	15,367,094	34,638,301
Investments:				
Investments	1,060,841	1,091,453,770	11,248,846,275	208,939,789
Fixed income securities	6,445,915,485	-	-	-
Marketable equity securities	12,216,518,375	-	-	-
International securities	7,554,589,905	-	-	-
Real estate	1,265,383,156	-	-	-
Alternative investments	907,783,472	-	-	-
Collateral on loaned securities	4,867,492,944	-	-	-
Receivables:				
Accounts receivable	-	-	114,551	-
Accrued interest and dividends	100,546,841	3,709,903	3,925,971	-
Taxes receivable	-	-	-	53,879,037
Trades pending settlement	144,395,632	-	772,659	-
Intergovernmental receivables	90,908,873	-	136,501	40,354
Contributions receivable	-	-	9,719,092	-
Other receivables	8,419	-	-	107,731
Due from other funds	128,789	-	253,773	475,370,485
Due from fiduciary funds	17,420,555	-	-	10,535,217
Due from component unit	1,350,696	-	-	1,213,449
Other assets	2,060,547	-	-	-
Furniture and equipment	37,728,248	-	-	-
Accumulated depreciation	(33,949,044)	-	-	-
Total assets	34,309,906,053	1,098,788,274	11,284,224,094	858,977,093
Liabilities				
Accounts payable and accruals:				
Accounts payable	12,420,788	139,225	2,466,090	-
Accrued payroll and related liabilities	-	-	714	248,890
Intergovernmental payables	-	-	18,651	527,246,644
Redemptions payable	-	-	4,257,052	-
Trades pending settlement	508,861,611	4,369,902	8,983,214	-
Bank overdraft	-	-	521,000	-
Obligations under securities lending	4,866,933,983	-	-	-
Due to other funds	2,735,653	31,939	563,668	-
Due to fiduciary funds	44,752	-	16,009	27,895,011
Other liabilities:				
Deposits	-	-	-	298,869,601
Other liabilities	240,123	-	-	4,716,947
Total liabilities	5,391,236,910	4,541,066	16,826,398	858,977,093
Net Position				
Held in trust for:				
Employees' pension benefits	28,914,222,795	-	-	-
OPEB benefits	4,446,348	-	-	-
Pool participants	-	1,094,247,208	-	-
Individuals	-	-	11,267,397,696	-
Total net position	$ 28,918,669,143	$ 1,094,247,208	$ 11,267,397,696	$ -

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, 2013

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
Contributions:			
Employer	$ 1,354,066,714	$ -	$ -
Plan members	99,257,706	-	-
Participants	-	-	2,895,103,204
Repayment and purchase of service	46,467,628	-	-
Total contributions	1,499,792,048	-	2,895,103,204
Investment income:			
Net increase (decrease) in fair value of investments	2,429,373,877	9,612,740	766,459,152
Interest, dividends	727,557,507	12,542,761	252,952,778
Securities lending	(13,434,536)	-	-
Other	93,940,400	-	-
	3,237,437,248	22,155,501	1,019,411,930
Less investment expense:			
Cost of securities lending	(6,830,980)	-	-
Other	(27,449,279)	(34,653)	-
Net investment income	3,203,156,989	22,120,848	1,019,411,930
Other:			
Investment from local governments	-	796,588,074	-
Reinvestment from interest income	-	784,164	-
Other	2,601,272	174	-
Total other	2,601,272	797,372,412	-
Total additions	4,705,550,309	819,493,260	3,914,515,134
Deductions			
Principal redeemed	-	789,716,587	1,800,859,664
Benefit payments	1,718,957,509	-	19,061,078
Refunds	26,126,061	-	-
Contribution distributions	895,115	-	-
Dividends to investors	-	839,256	-
Administrative expense	9,709,758	625,423	24,113,695
Total deductions	1,755,688,443	791,181,266	1,844,034,437
Change in net position	2,949,861,866	28,311,994	2,070,480,697
Net position, July 1	25,968,807,277	1,065,935,214	9,196,916,999
Net position, June 30	$ 28,918,669,143	$ 1,094,247,208	$ 11,267,397,696

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, 2013

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	$ 8,725,982	$ 224,433,000	$ -	$ 233,158,982
Investments	-	1,094,959,000	1,969,579	1,096,928,579
Due from primary government	69,287	20,991,135	-	21,060,422
Accounts receivable	10,831,418	30,922,865	-	41,754,283
Intergovernmental receivables	-	40,243,000	-	40,243,000
Accrued interest and dividends	21,337	-	-	21,337
Notes/loans receivable	-	13,218,000	-	13,218,000
Other receivables	-	51,454,000	-	51,454,000
Inventory	-	6,515,000	-	6,515,000
Prepaid expenses	20,020,415	-	-	20,020,415
Restricted assets:				
Cash	8,863,006	21,442,000	-	30,305,006
Investments	-	39,241,000	-	39,241,000
Other assets	-	49,334,000	-	49,334,000
Capital assets:				
Land, infrastructure and construction in progress	-	130,137,000	-	130,137,000
Other capital assets, net	50,461,121	1,797,547,000	-	1,848,008,121
Total assets	98,992,566	3,520,437,000	1,969,579	3,621,399,145
Liabilities				
Accounts payable	3,182,799	42,777,437	-	45,960,236
Accrued payroll and related liabilities	-	68,807,000	-	68,807,000
Interest payable	839,672	8,431,000	-	9,270,672
Due to primary government	1,744	138,563	-	140,307
Unearned revenues	121,985	48,753,000	-	48,874,985
Other liabilities	14,458,299	26,014,000	-	40,472,299
Long-term liabilities:				
Portion due or payable within one year:				
Obligations under capital leases	-	963,000	-	963,000
Compensated absences	218,730	30,583,000	-	30,801,730
Bonds payable	4,275,699	25,648,000	-	29,923,699
Portion due or payable after one year:				
Federal advances	-	8,194,000	-	8,194,000
Obligations under capital leases	-	2,423,000	-	2,423,000
Compensated absences	130,394	16,144,000	-	16,274,394
Bonds payable	66,164,990	449,646,000	-	515,810,990
Due to primary government	-	-	2,285,904	2,285,904
Total liabilities	89,394,312	728,522,000	2,285,904	820,202,216
Net Position				
Net investment in capital assets	3,865,158	1,471,791,000	-	1,475,656,158
Restricted for:				
Capital projects	-	43,579,000	-	43,579,000
Debt service	-	19,870,000	-	19,870,000
Scholarships	-	333,997,000	-	333,997,000
Loans	-	8,210,000	-	8,210,000
Operations and maintenance	711,215	-	-	711,215
Research and development	5,203,611	-	-	5,203,611
Other purposes	-	1,093,000	-	1,093,000
Funds held as permanent investments:				
Nonexpendable	-	330,838,000	-	330,838,000
Unrestricted (deficit)	(181,730)	582,537,000	(316,325)	582,038,945
Total net position	$ 9,598,254	$ 2,791,915,000	$ (316,325)	$ 2,801,196,929

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, 2013

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	$ 83,058,999	$ 1,528,998,000	$ 16,000	$ 1,612,072,999
Program revenues				
Charges for services	80,906,325	622,058,000	-	702,964,325
Operating grants and contributions	-	412,328,000	-	412,328,000
Capital grants and contributions	-	1,486,000	-	1,486,000
Total program revenues	80,906,325	1,035,872,000	-	1,116,778,325
General revenues				
Unrestricted investment earnings	107,763	107,726,000	(300,325)	107,533,438
Gain on sale of assets	-	6,699,000	-	6,699,000
Other general revenues	-	1,695,000	-	1,695,000
Contributions to permanent funds	-	10,829,000	-	10,829,000
Payments from State of Nevada	-	468,641,000	-	468,641,000
Total general revenues	107,763	595,590,000	(300,325)	595,397,438
Change in net position	(2,044,911)	102,464,000	(316,325)	100,102,764
Net position, July 1	11,643,165	2,689,451,000	-	2,701,094,165
Net position, June 30	$ 9,598,254	$ 2,791,915,000	$ (316,325)	$ 2,801,196,929

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

INDEX

Note 1 - Summary of Significant Accounting Policies II-A-44

Note 2 - Budgetary and Legal Compliance II-A-50

Note 3 - Deposits and Investments II-A-51

Note 4 - Receivables II-A-58

Note 5 - Interfund Transactions II-A-59

Note 6 - Restricted Assets II-A-62

Note 7 - Capital Assets II-A-62

Note 8 - Long-Term Obligations II-A-64

Note 9 - Pensions and Other Employee Benefits II-A-70

Note 10 - Risk Management II-A-75

Note 11 - Fund Balances and Net Position II-A-76

Note 12 - Principal Tax Revenues II-A-77

Note 13 - Works of Art and Historical Treasures II-A-78

Note 14 - Commitments and Contingencies II-A-81

Note 15 - Subsequent Events II-A-81

Note 16 - Accounting Changes and Restatements II-A-82

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.

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.

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.

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.

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, motor pool, 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 motor vehicle, veterans' custodial and child welfare.

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 12, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

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

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

E. Assets, Liabilities 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. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for 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 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. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they are unavailable for appropriation.

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 are unavailable for appropriation.

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

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Position at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at 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.

Unearned and Deferred Revenue – Unearned revenue is recorded when cash or other assets are received prior to being earned. In addition, deferred revenue is recorded in the governmental fund statements when revenue is measurable but not available. In subsequent periods, when revenue recognition criteria are met, or the State has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized. Deferred revenue in the General Fund consists primarily of gaming taxes required by statute to be paid in advance, and other refundable taxes.

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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 8.

Net Position/Fund Balance - The difference between fund assets and liabilities 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:

- 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).

- 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.

- 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.

- 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.

- 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 11 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, 2013 is $112,798,382.

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 $20,000 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 $50,000, 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 $34,579,832 were made in the 2013 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 prepaid/deferred assets are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain deferred 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, 2013, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled $195,609,746, of which $17,695,199 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, 2013 NSHE's deposits in money market funds totaled $189,975,000 and cash in bank was $5,834,000. 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 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 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 Aggregate 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, 2013 (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	$ 2,689,278	$ 387,230	$ 1,665,253	$ 377,526	$ 259,269
Negotiable certificate of deposit	15,000	15,000	-	-	-
U. S. agencies	4,118,398	1,247,582	479,763	201,186	2,189,867
Mutual funds	3,983	3,983	-	-	-
Asset backed corporate securities	397,456	129,712	142,303	115,289	10,152
Corporate bonds and notes	2,060,946	98,822	971,271	484,855	505,998
Commercial paper	44,006	44,006	-	-	-
Fixed income securities	18,119	18,119	-	-	-
International investments	1,641,249	19,933	725,655	478,888	416,773
Municipal bonds	678,191	20,946	103,918	48,193	505,134
Investment agreements	4,747	-	-	223	4,524
Other short-term investments	737,535	737,535	-	-	-
Collateralized mortgage obligations	193,325	4,563	34,237	18,181	136,344
Other investments	251	-	251	-	-
Total	$ 12,602,484	$ 2,727,431	$ 4,122,651	$ 1,724,341	$ 4,028,061

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 28 days to 12.3 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, 2013 (expressed in thousands):

Less than 1 year	$ 204,583
1 to 5 years	153,309
6 to 10 years	25,060
More than 10 years	-
Total	$ 382,952

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, 2013 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):

(Note 3 Continued)

	Quality Rating						
	AAA	AA	A	BBB	BB	B	Unrated
Negotiable certificate of deposit	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -
U.S. agencies	61,425	2,666,762	823,051	-	-	-	366,684
Mutual funds	3,739	-	-	-	-	-	10,994,440
Asset backed corporate securities	102,240	122,748	106,116	3,631	624	101	7,290
Corporate bonds and notes	72,184	301,585	955,351	656,355	34,725	38	28,200
Commerical paper	-	-	44,006	-	-	-	-
Fixed income securities	-	-	-	-	-	-	18,059
International investments	139,359	60,100	65,014	151,734	-	-	1,225,042
Municipal bonds	-	678,190	-	-	-	-	-
Investment agreements	-	-	2,049	1,832	506	-	360
Other short-term investments	178,538	-	64,824	-	-	-	686,636
Collateralized mortgage obligations	65,040	64,551	19,800	19,023	1,400	1,300	20,604
Total	$ 622,525	$ 3,893,936	$ 2,095,211	$ 832,575	$ 37,255	$ 1,439	$ 13,347,315

As of June 30, 2013, the State of Nevada held debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed. However, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2013.

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, 2013 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	$ 546,138
Partnerships	96,310
Equities	4,052
Endowment cash/cash equivalents	1,353
Trust(s)	5,711
Private commingled funds	97,428
Total	$ 750,992

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, 2013, 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	$ 719,110	22.71%
So Nevada Water Authority	206,475	6.52%
Investment Trust Funds		
Federal Farm Credit Bank	59,846	5.19%
Federal Home Loan Bank	324,296	28.14%
Federal National Mortgage Assoc	110,564	9.59%

At June 30, 2013, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal National Mortgage Association-U.S. Agency Coupon Security	$ 8,153	5.08%
Federal National Mortgage Association-Asset-Backed Mortgage Security	18,655	11.62%

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, 2013, the Housing Division's investments in Fannie Mae and Ginnie Mae are 10.43% and 41.99% 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, 2013 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.

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. The following table summarizes the pension and other employee benefit trust funds and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2013 (expressed in thousands):

	Currency by Investment and Fair Value				
	Fixed Income	Equity	Derivatives	Cash	Total
Australian Dollar	$ 21,387	$ 336,004	$ 922	$ 210	$ 358,523
British Pound Sterling	106,252	1,132,803	3,473	5,536	1,248,064
Canadian Dollar	37,418	40,300	(1,016)	911	77,613
Danish Krone	12,006	66,715	701	303	79,725
Euro	611,974	1,565,620	5,587	7,868	2,191,049
Hong Kong Dollar	-	141,640	12	706	142,358
Israeli Shekel	-	19,787	(10)	910	20,687
Japanese Yen	556,478	992,023	2,573	9,289	1,560,363
Malaysian Ringgit	7,651	-	-	606	8,257
Mexican New Peso	22,527	-	(304)	1,211	23,434
New Zealand Dollar	-	4,846	-	100	4,946
Norwegian Krone	3,732	80,004	3,501	1,009	88,246
Polish Zloty	10,189	-	204	405	10,798
S. African Comm Rand	7,365	-	1	1,208	8,574
Singapore Dollar	5,430	89,305	2	1,022	95,759
Swedish Krona	8,062	136,163	12	312	144,549
Swiss Franc	2,438	475,946	14	532	478,930
Total	$ 1,412,909	$ 5,081,156	$ 15,672	$ 32,138	$ 6,541,875

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, 2013 (expressed in thousands):

	Currency at Fair Value
British Pound	$ 2
Euro	(2)
Japenese Yen	11
Taiwan Dollar	14
Total	$ 25

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has $155,699,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2013.

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, 2013 (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.

At year-end, PERS has no credit risk exposure to borrowers because the amount PERS owes to borrowers exceeds the amounts the borrowers owe to PERS. 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. The securities lending agent is authorized to invest collateral only in high quality, short-term investment vehicles in accordance with PERS' Investment Objectives and Policies. 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, 2013 is $4,744,049,545. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2013, 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 May 2011 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2013.

Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds – The PERS, LRS, JRS, and RBIF have exposure to derivatives as of June 30, 2013. 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 PERS, LRS, JRS, and RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject both to market risk and to 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 PERS, LRS, JRS, and RBIF's derivative transactions for fiscal year 2013 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	$ 68,709	$ (625)	$ (32,066)	$ 137	$ (488)
British Pound Sterling	243,896	(721)	(88,477)	70	(651)
Canadian Dollar	26,467	(11)	(5,077)	12	1
Danish Krone	33,707	8	(14,205)	(59)	(51)
Euro	555,629	(591)	(318,610)	(2,098)	(2,689)
Hong Kong Dollar	23,845	(2)	(6,052)	(1)	(3)
Israeli Shekel	4,389	10	(808)	13	23
Japanese Yen	267,754	(1,717)	(96,515)	395	(1,322)
Malaysian Ringgit	4,955	(12)	-	-	(12)
Mexican New Peso	4,309	(15)	(1,269)	(1)	(16)
New Zealand Dollar	653	(4)	-	-	(4)
Norwegian Krone	26,712	(72)	(14,535)	10	(62)
Polish Zloty	2,330	(25)	(1,850)	(2)	(27)
S African Comm Rand	10,313	(192)	(194)	(4)	(196)
Singapore Dollar	14,765	(43)	(6,356)	26	(17)
Swedish Krona	28,790	(176)	(8,454)	14	(162)
Swiss Franc	85,679	(49)	(57,940)	84	35
Total	$ 1,402,902	$ (4,237)	$ (652,408)	$ (1,404)	$ (5,641)

(Note 3 Continued)

The PERS, LRS, JRS, and RBIF's derivative pending transactions as of June 30, 2013, are summarized in the following table (expressed in thousands):

	Foreign Exchange Contracts				
	Purchases	Unrealized Gain (Loss)	Sells	Unrealized Gain (Loss)	Total Unrealized Gain (Loss)
Australian Dollar	$ 1,315	$ (22)	$ (344)	$ -	$ (22)
British Pound Sterling	3,425	(13)	-	-	(13)
Canadian Dollar	-	-	(1,021)	-	-
Danish Krone	689	(2)	-	-	(2)
Euro	5,563	(5)	-	-	(5)
Hong Kong Dollar	12	-	-	-	-
Israeli Shekel	-	-	(10)	-	-
Japanese Yen	5,797	(66)	(3,148)	-	(66)
Mexican New Peso	-	-	(347)	-	-
Norwegian Krone	3,490	(37)	-	-	(37)
Polish Zloty	206	-	-	-	-
S African Comm Rand	2	-	-	-	-
Singapore Dollar	71	-	-	-	-
Swedish Krona	66	-	-	-	-
Swiss Franc	14	-	(11)	-	-
Total	$ 20,650	$ (145)	$ (4,881)	$ -	$ (145)

Management believes that it is unlikely that any of the derivatives in the portfolios could have a material adverse effect on their financial condition. In addition, the credit, market, or legal risks are not above and beyond those risks apparent by the nature of the type of investment for any of the securities contained within the portfolios.

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, OTC (over-the-counter) total return swap contracts, OTC interest rate swap contracts, and OTC 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, 2013, 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
OTC Interest Rate Swap Contracts, gross	$ 29,432	$ (143)	$ (155)
OTC Total Return Swap Contracts, gross	12,811	(10)	(66)
OTC Credit Default Contracts, gross	17,424	(54)	(2)
Forward Currency Contracts, net	75,209	(344)	(187)
Futures Contracts, gross	-	(137)	(195)
Total	$ 134,876	$ (688)	$ (605)

The Portfolios use futures contracts to hedge interest rate risk, gain exposure to interest rates, hedge 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 hedged 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. 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 hedge 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 hedge sector exposure, manage exposure to specific sectors or industries, manage exposure to credit risk, and 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 hedge 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 risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults 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 credit default contracts to hedge credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC credit default contract, the protection buyer typically makes an upfront payment and 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 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 credit default contracts which could mitigate their risk of loss. The 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 by having a master netting arrangement between the Portfolios and the counterparty. 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 of the relevant credit default contract.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. 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. The extent of diversification among counterparties is presented below (at fair value, expressed in thousands):

Counterparty	Interest Rate Swap	Total Return Swap	Credit Default	Forward Currency	Futures	Total
Bank of America, N.A.	$ -	$ -	$ (2)	$ (8)	$ (137)	$ (147)
Barclays Bank PLC	(1)	-	(2)	(49)	-	(52)
Citibank, N.A.	(66)	(17)	-	(53)	-	(136)
Credit Suisse International	(16)	7	(32)	(63)	-	(104)
Deutsche Bank AG	-	-	-	(5)	-	(5)
Goldman Sachs International	(61)	-	-	-	-	(61)
HSBC Bank USA, National Association	-	-	-	(21)	-	(21)
JPMorgan Chase Bank, N.A.	-	-	(17)	(24)	-	(41)
Royal Bank of Scotland PLC (The)	-	-	-	(1)	-	(1)
State Street Bank and Trust Co.	-	-	-	(70)	-	(70)
UBS AG	-	-	-	(14)	-	(14)
Westpac Banking Corp.	-	-	-	(36)	-	(36)
Total	$ (144)	$ (10)	$ (53)	$ (344)	$ (137)	$ (688)

All five types of investment 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, 2013 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
OTC Interest Rate Swap Contracts	$ -	$ 59	$ (209)	$ 6	$ (144)
OTC Total Return Swap Contracts	(17)	-	-	7	(10)
OTC Credit Default Contracts	-	(37)	-	(17)	(54)
Forward Currency Contracts	(343)	-	-	-	(343)
Futures Contracts	(137)	-	-	-	(137)
Total	$ (497)	$ 22	$ (209)	$ (4)	$ (688)

The Portfolios' investments in foreign securities are subject to foreign currency risk. The following table provides information about the foreign exchange contracts from open/pending forward contracts as of June 30, 2013 (expressed in thousands):

(Note 3 Continued)

	Forward Currency Contracts				
	Buy	Fair Value	Sell	Fair Value	Total Fair Value
Australian Dollar	$ 2,486	$ (308)	$ 2,807	$ 98	$ (210)
Brazilian Real	1,841	(123)	1,841	55	(68)
British Pound	1,145	(12)	1,760	19	7
Canadian Dollar	2,406	(82)	3,200	81	(1)
Chilean Peso	1,428	(73)	1,428	20	(53)
Chinese Yuan	329	2	328	(1)	1
Columbian Peso	200	(10)	200	4	(6)
Czech Koruna	-	-	292	5	5
Euro	3,022	(23)	1,673	11	(12)
Hong Kong Dollar	6	-	8	-	-
Indian Rupee	96	(9)	96	4	(5)
Indonesian Rupiah	51	(1)	150	(7)	(8)
Japanese Yen	2,698	35	2,801	84	119
Malaysian Ringgit	413	(20)	413	11	(9)
Mexican Peso	1,582	(92)	1,382	31	(61)
New Taiwan Dollar	199	(3)	199	1	(2)
Norwegian Krone	977	(35)	322	20	(15)
Peruvian New Sol	242	(18)	242	12	(6)
Philippines Peso	291	(14)	291	6	(8)
Polish Zloty	610	(19)	610	16	(3)
Russian Ruble	98	(1)	98	-	(1)
Singapore Dollar	-	-	1,726	-	-
South African Rand	526	(21)	526	25	4
South Korean Won	400	(3)	400	(1)	(4)
Swedish Krona	1,011	(24)	963	20	(4)
Swiss Franc	294	-	959	1	1
Thai Baht	202	(11)	202	5	(6)
Turkish Lira	-	-	98	1	1
Total	$ 22,553	$ (865)	$ 25,015	$ 521	$ (344)

At the end of the reporting period the Portfolios had the following foreign currency exposure (expressed in thousands):

	Foreign Currency
British Pound	$ 2
Euro	(2)
Japanese Yen	11
New Taiwan Dollar	14
Total	$ 25

Note 4 - Receivables

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

	Major Funds		
	General	Permanent School Fund	Total
As shown on financial statements:			
Intergovernmental receivables	$ 371,933	$ 557	$ 372,490
Notes/loans receivable	14,162	-	14,162
Due from Component Unit	83	2,286	2,369
Total	$ 386,178	$ 2,843	$ 389,021
Classified:			
Current portion	$ 367,001	$ 557	$ 367,558
Noncurrent portion:			
Intergovernmental receivables	6,712	-	6,712
Notes/loans receivable	12,465	-	12,465
Due from Component Unit	-	2,286	2,286
Total noncurrent portion	19,177	2,286	21,463
Total	$ 386,178	$ 2,843	$ 389,021

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at $34.6 million, and uncollectible accounts receivable are estimated at $124.0 million. The proprietary funds have $34.6 million in uncollectible accounts receivable of which $14.7 million are from uninsured employers' fines and penalties, and $14.6 million are from unemployment contributions and benefit overpayments.

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2013, follows (expressed in thousands):

	Advances From Major Funds		
	General	Consolidated Bond Interest and Redemption	Total
Advances To			
Major Enterprise Fund:			
Higher Ed Tuition Trust	$ 5,000	$ -	$ 5,000
Nonmajor enterprise	269	-	269
Total Enterprise	5,269	-	5,269
Internal service	799	1,054	1,853
Total other funds	$ 6,068	$ 1,054	$ 7,122

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, 2013, is shown below (expressed in thousands):

	Due To						
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Permanent School	Nonmajor Governmental	Total Governmental
Due From							
Major Governmental Funds:							
General	$ -	$ 1,019	$ 2	$ 126	$ 37	$ 15,879	$ 17,063
State Highway	1,418	-	-	-	-	600	2,018
Municipal Bond Bank	49	-	-	-	-	-	49
Consolidated Bond Interest and Redemption	79	-	-	-	-	22,390	22,469
Permanent School Fund	1,665	-	-	-	-	-	1,665
Nonmajor governmental	41,901	4,310	-	12,500	-	5,364	64,075
Total Governmental	45,112	5,329	2	12,626	37	44,233	107,339
Major Enterprise Funds:							
Unemployment Comp	-	-	-	-	-	431	431
Water Projects Loans	278	-	-	-	-	-	278
Higher Ed Tuition Trust	65	-	-	-	-	-	65
Nonmajor enterprise	1,656	10	-	-	-	-	1,666
Total Enterprise	1,999	10	-	-	-	431	2,440
Internal Service	1,041	103	-	151	-	24	1,319
Total other funds	$ 48,152	$ 5,442	$ 2	$ 12,777	$ 37	$ 44,688	$ 111,098
Fiduciary	$ 196	$ -	$ -	$ -	$ -	$ 396	$ 592
Component Units:							
Nevada System of Higher Education	$ 83	$ 1	$ -	$ -	$ -	$ 3	$ 87
Nevada Capital Investment Corporation	-	-	-	-	2,286	-	2,286
Total Component Units	$ 83	$ 1	$ -	$ -	$ 2,286	$ 3	$ 2,373

(Note 5 Continued)

	Due To								
	Major Enterprise Funds								
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Ed Tuition Trust	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From									
Major Governmental Funds:									
General	$ 35	$ -	$ 216	$ 70	$ 1,257	$ 1,578	$ 4,141	$ 22,782	$ 474,786
State Highway	-	-	-	-	-	-	779	2,797	767
Municipal Bond Bank	-	-	-	-	-	-	-	49	-
Consolidated Bond Interest and Redemption	-	-	-	-	1	1	-	22,470	-
Permanent School Fund	-	-	-	-	-	-	-	1,665	-
Nonmajor governmental	-	13,240	-	-	10	13,250	122	77,447	21
Total Governmental	35	13,240	216	70	1,268	14,829	5,042	127,210	475,574
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	2	2	-
Unemployment Comp	-	-	-	-	-	-	-	431	-
Water Projects Loans	-	-	-	-	-	-	-	278	-
Higher Ed Tuition Trust	-	-	-	-	-	-	1	66	-
Nonmajor enterprise	-	-	-	-	1	1	318	1,985	166
Total Enterprise	-	-	-	-	1	1	321	2,762	166
Internal Service	-	-	-	-	2	2	155	1,476	13
Total other funds	$ 35	$ 13,240	$ 216	$ 70	$ 1,271	$ 14,832	$ 5,518	$ 131,448	$ 475,753
Fiduciary	$ -	$ -	$ -	$ -	$ 3	$ 3	$ 2,736	$ 3,331	$ 27,956
Component Units:									
Colorado River Commission	$ -	$ -	$ -	$ -	$ -	$ -	$ 2	$ 2	$ -
Nevada System of Higher Education	-	-	-	-	-	-	51	138	2,564
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	2,286	-
Total Component Units	$ -	$ -	$ -	$ -	$ -	$ -	$ 53	$ 2,426	$ 2,564

	Due To		
	Component Units		
	Colorado River Commission	Nevada System of Higher Education	Total Component Units
Due From			
Major Governmental Funds:			
General	$ 23	$ 9,129	$ 9,152
State Highway	45	598	643
Nonmajor governmental	-	11,194	11,194
Total Governmental Funds	68	20,921	20,989
Major Enterprise Fund:			
Higher Ed Tuition Trust	-	33	33
Total Enterprise	-	33	33
Internal Service	1	37	38
Total	$ 69	$ 20,991	$ 21,060

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, 2013, is shown below (expressed in thousands):

	Transfers Out/To						
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Permanent School	Nonmajor Governmental	Total Governmental
Transfers In/From							
Major Governmental Funds:							
General	$ -	$ 6,314	$ 5	$ 6	$ 655	$ 49,401	$ 56,381
State Highway	513	-	-	-	-	4,293	4,806
Consolidated Bond Interest and Redemption	4,244	-	26,761	-	-	19,086	50,091
Nonmajor governmental	40,733	1,181	-	19,212	-	8	61,134
Total Governmental	45,490	7,495	26,766	19,218	655	72,788	172,412
Major Enterprise Funds:							
Unemployment Comp	-	-	-	-	-	37,187	37,187
Higher Ed Tuition Trust	1,923	-	-	-	-	-	1,923
Nonmajor enterprise	4,531	-	-	-	-	-	4,531
Total Enterprise	6,454	-	-	-		37,187	43,641
Internal Service	410	-	-	-	-	20	430
Total other funds	$ 52,354	$ 7,495	$ 26,766	$ 19,218	$ 655	$ 109,995	$ 216,483

	Transfers Out/To					
	Major Enterprise Fund					
	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
Transfers In/From						
Major Governmental Funds:						
General	$ -	$ 1,168	$ 12,794	$ 13,962	$ -	$ 70,343
State Highway	-	-	-	-	-	4,806
Consolidated Bond Interest and Redemption	-	-	-	-	-	50,091
Nonmajor governmental	7,578	-	-	7,578	183	68,895
Total Governmental	7,578	1,168	12,794	21,540	183	194,135
Major Enterprise Funds:						
Unemployment Comp	-	-	-	-	-	37,187
Higher Ed Tuition Trust	-	-	-	-	-	1,923
Nonmajor enterprise	-	-	632	632	-	5,163
Total Enterprise	-	-	632	632	-	44,273
Internal Service	-	-	-	-	-	430
Total other funds	$ 7,578	$ 1,168	$ 13,426	$ 22,172	$ 183	$ 238,838

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. An exception was a transfer of $37 million from the General Fund to pay interest on the federal advances. The transfer was made to Employment Security (a nonmajor special revenue fund), which then transferred it to the Unemployment Compensation Fund where the interest payment was made.

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 $469 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures 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.

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, 2013 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
Restricted:			
Cash	$ -	$ -	$ 30,305
Investments	119,289	119,289	39,241
Total	$ 119,289	$ 119,289	$ 69,546
Restricted for:			
Debt service	$ 119,289	$ 119,289	$ 3,254
Construction	-	-	22,763
Other purposes	-	-	43,529
Total	$ 119,289	$ 119,289	$ 69,546

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2013, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 144,001	$ 1,691	$ (25)	$ 145,667
Construction in progress	139,180	76,521	(57,985)	157,716
Infrastructure	3,476,100	129,306	-	3,605,406
Rights-of-way	609,417	9,838	(773)	618,482
Total capital assets, not being depreciated	4,368,698	217,356	(58,783)	4,527,271
Capital assets, being depreciated/amortized				
Buildings	1,610,115	53,468	-	1,663,583
Improvements other than buildings	120,913	2,311	-	123,224
Furniture and equipment	377,956	17,609	(11,010)	384,555
Software costs	173,459	2,917	(379)	175,997
Total capital assets, being depreciated/amortized	2,282,443	76,305	(11,389)	2,347,359
Less accumulated depreciation/amortization for:				
Buildings	(469,049)	(39,047)	-	(508,096)
Improvements other than buildings	(74,014)	(3,866)	-	(77,880)
Furniture and equipment	(308,211)	(21,509)	10,394	(319,326)
Software costs	(149,340)	(4,166)	379	(153,127)
Total accumulated depreciation/amortization	(1,000,614)	(68,588)	10,773	(1,058,429)
Total capital assets, being depreciated/amortized, net	1,281,829	7,717	(616)	1,288,930
Governmental activities capital assets, net	$ 5,650,527	$ 225,073	$ (59,399)	$ 5,816,201
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 568	$ -	$ -	$ 568
Construction in progress	8,607	1,515	-	10,122
Total capital assets, not being depreciated	9,175	1,515	-	10,690
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,887	636	(121)	6,402
Total capital assets, being depreciated	9,907	636	(121)	10,422
Less accumulated depreciation for:				
Buildings	(2,621)	(103)	-	(2,724)
Improvements other than buildings	(571)	(1)	-	(572)
Furniture and equipment	(5,169)	(287)	111	(5,345)
Total accumulated depreciation	(8,361)	(391)	111	(8,641)
Total capital assets, being depreciated, net	1,546	245	(10)	1,781
Business-type activities capital assets, net	$ 10,721	$ 1,760	$ (10)	$ 12,471

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	$	4,313
Education, support services		1,619
Health, social services		8,668
Law, justice, public safety		30,463
Recreation, resource development		5,415
Transportation		11,036
Regulation of business		2,115
Unallocated		2,023
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		2,936
Total depreciation/amortization expense - governmental activities	$	68,588
Business-type activities:		
Enterprise	$	391
Total depreciation expense - business-type activities	$	391

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2013, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	$ 26,909	$ 25,303	$ (17,449)	$ 34,763
Land	82,627	-	-	82,627
Intangibles	808	-	-	808
Collections	11,315	629	(5)	11,939
Total capital assets, not being depreciated	121,659	25,932	(17,454)	130,137
Capital assets, being depreciated				
Buildings	2,321,115	21,615	(6,459)	2,336,271
Land and improvements	113,982	4,340	-	118,322
Machinery and equipment	333,804	26,507	(17,864)	342,447
Intangibles	39,587	2,597	(917)	41,267
Library books and media	119,874	2,978	(4,162)	118,690
Total capital assets, being depreciated	2,928,362	58,037	(29,402)	2,956,997
Less accumulated depreciation for:				
Buildings	(647,933)	(57,875)	6,192	(699,616)
Land and improvements	(85,704)	(3,985)	-	(89,689)
Machinery and equipment	(235,420)	(25,094)	15,880	(244,634)
Intangibles	(11,276)	(4,117)	532	(14,861)
Library books and media	(110,424)	(4,329)	4,103	(110,650)
Total accumulated depreciation	(1,090,757)	(95,400)	26,707	(1,159,450)
Total capital assets, being depreciated, net	1,837,605	(37,363)	(2,695)	1,797,547
Nevada System of Higher Education activity capital assets, net	$ 1,959,264	$ (11,431)	$ (20,149)	$ 1,927,684

Note 8 - 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, 2013 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,870,455	$ 222,225	$ (338,160)	$ 1,754,520	$ 105,595
Special obligation bonds	557,735	131,245	(191,330)	497,650	56,220
Subtotal	2,428,190	353,470	(529,490)	2,252,170	161,815
Issuance premiums (discounts)	118,509	52,781	(27,322)	143,968	17,588
Total bonds payable	2,546,699	406,251	(556,812)	2,396,138	179,403
Certificates of participation	53,815	-	(1,815)	52,000	1,975
Issuance premiums (discounts)	492	-	(153)	339	95
Total certificates of participation	54,307	-	(1,968)	52,339	2,070
Other Governmental long-term activities:					
Obligations under capital leases	28,395	-	(3,299)	25,096	1,713
Compensated absences obligations	93,485	74,208	(72,973)	94,720	59,566
Arbitrage rebate liability	799	1,043	(799)	1,043	1,043
Total other governmental long-term activities	122,679	75,251	(77,071)	120,859	62,322
Governmental activities long-term obligations	$ 2,723,685	$ 481,502	$ (635,851)	$ 2,569,336	$ 243,795
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 101,680	$ 20,845	$ (31,805)	$ 90,720	$ 10,690
Special obligation bonds	810,892	-	(71,095)	739,797	42,305
Subtotal	912,572	20,845	(102,900)	830,517	52,995
Issuance premiums (discounts)	4,984	2,244	(1,286)	5,942	930
Total bonds payable	917,556	23,089	(104,186)	836,459	53,925
Compensated absences obligations	1,644	1,716	(1,462)	1,898	1,190
Federal unemployment advance	720,432	363,310	(509,785)	573,957	-
Tuition benefits payable	159,096	22,601	(7,298)	174,399	14,452
Business-type activities long-term obligations	$ 1,798,728	$ 410,716	$ (622,731)	$ 1,586,713	$ 69,567

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

B. Bonds Payable

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

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of $5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2013 are comprised of the following (expressed in thousands):

(Note 8 Continued)

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	.25-7.0%	$ 1,802,850	$ 1,172,265
Exempt from Constitutional Debt Limitation	1.6-7.0%	830,450	582,255
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	2.5-6.0%	1,061,660	497,650
Subtotal		3,694,960	2,252,170
Issuance premiums (discounts)		254,779	143,968
Governmental activities bonds payable		3,949,739	2,396,138
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	2.0-5.3%	176,275	90,720
Special obligation bonds:			
Housing Bonds	*.5-7.6%	997,570	739,797
Subtotal		1,173,845	830,517
Issuance premiums (discounts)		9,228	5,942
Business-type activities bonds payable		1,183,073	836,459
Total bonds payable		$ 5,132,812	$ 3,232,597

*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, 2013, of the primary government are summarized in the table following (expressed in thousands):

Year Ending	Governmental Activities		Business-Type Activities	
June 30	Principal	Interest	Principal	Interest
2014	$ 161,815	$ 102,314	$ 52,995	$ 24,290
2015	151,840	95,555	20,716	23,569
2016	160,765	89,040	21,872	22,827
2017	168,300	82,272	20,912	22,028
2018	167,755	75,169	24,987	21,136
2019-2023	806,885	256,780	146,923	88,203
2024-2028	608,330	75,993	121,478	57,255
2029-2033	24,075	2,486	155,790	35,039
2034-2038	2,405	244	177,507	16,697
2039-2043	-	-	85,882	2,786
2044-2048	-	-	1,420	215
2049-2053	-	-	35	1
Total	$ 2,252,170	$ 779,853	$ 830,517	$ 314,046

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, 2013, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$ 1,701,164
Less: Bonds and leases payable as of June 30, 2013, subject to limitation	(1,178,185)
Remaining debt capacity	$ 522,979

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. Sixteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2013, and total investments in local governments amounted to $270,875,000.

E. Refunded Debt and Redemptions

During the fiscal year 2013, the State of Nevada refunded $248,375,000 in general obligation, limited tax, bonds related to capital improvements, cultural resources, natural resources and water projects loans by issuing refunding bonds with a total par amount of $243,070,000 at a $29,846,936 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings, to restructure certain outstanding State general obligation bonds paid from property taxes to more closely align debt service paid from property taxes with projected property tax revenues, and to refund certain outstanding self-supporting bonds to realize debt service savings. In addition, the State refunded $138,030,000 in special obligation bonds, payable and collectible solely out of the gross pledged revenues, by issuing refunding bonds with a total par amount of $131,245,000 at a $25,544,705 premium. The refunding decreased the aggregate debt service payments by $28,810,236 with an economic or present value gain of $28,711,375. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of $28,850,782. This amount is being reported as a deferred charge and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. 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:				
Nevada Municipal Bond Bank Projects Nos. 84, 85 and 86 Series 2013A	$ 23,415	$ 23,360	$ 6,800	$ 5,117
Water Pollution Control Revolving Fund Leveraged Refunding Bonds Series 2013B	18,889	18,240	3,952	3,275
Water Pollution Control Revolving Fund Matching Bonds Series 2013C	3,021	3,210	695	576
Capital Improvement and Cultural Affairs Refunding Bonds Series 2013D-1	118,353	106,285	1,158	4,058
Capital Improvement and Cultural Affairs Refunding Bonds Series 2013E	64,588	58,940	3,306	3,270
Natural Resources Refunding Bonds Series 2013F-1	15,116	13,595	591	604
Open Space, Parks, and Cultural Resources Refunding Bonds Series 2013G	4,033	3,715	251	238
Open Space, Parks, and Natural Resources Refunding Bonds Series 2013H-1	23,508	21,030	(569)	490
Special obligation bonds:				
Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds Series 2013	156,081	138,030	12,626	11,083
Total	$ 427,004	$ 386,405	$ 28,810	$ 28,711

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, 2013 is $424,390,926.

F. Bond Indenture Provisions

There are restrictions and limitations contained in the various bond indentures. The State is in compliance with the requirements of the bond covenants.

G. 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, 2013, include equipment with a historical cost of $1,369,179 with accumulated depreciation of $1,216,919 and building improvements of $27,810,128 with accumulated depreciation of $3,203,028.

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, 2013 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2014	$ 2,859
2015	2,905
2016	2,983
2017	3,051
2018	3,157
2019-2023	13,940
2024-2028	3,325
Total minimum lease payments	32,220
Less: amount representing interest	(7,124)
Obligations under capital leases	$ 25,096

(Note 8 Continued)

H. Certificates of Participation

In fiscal year 2010, the Nevada Real Property Corporation, 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 2004, the Nevada Real Property Corporation issued $21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City. In fiscal year 2005, the Nevada Real Property Corporation issued $22,435,000 of Lease Revenue Certificates of Participation at 3.0-5.0% interest to finance the acquisition of a site for and the construction of a new correctional facility in Las Vegas. In fiscal year 2007, the Nevada Real Property Corporation issued $5,760,000 of Lease Revenue Certificates of Participation 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. However, the payment of principal and interest on both issues of certificates is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2013 (expressed in thousands):

Year Ending June 30	Principal	Interest
2014	$ 1,975	$ 2,405
2015	2,150	2,314
2016	2,330	2,214
2017	2,530	2,107
2018	2,730	1,992
2019-2023	9,670	8,751
2024-2028	15,160	6,117
2029-2032	15,455	1,955
Total	$ 52,000	$ 27,855

I. 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	$174,399
Net assets available	189,851
Net assets as a percentage of tuition benefits obligation	108.86%

The actuarial valuation used an investment yield assumption of 6.75% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2014-15	0.00%	0.00%
2015-16	8.00%	8.00%
2016-17	8.00%	8.00%
2017-18	6.00%	6.00%
2018-19 and later	6.00%	6.00%

J. 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, 2013, and changes for the fiscal year then ended is presented in Section A of this note.

K. 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. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. 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, 2013, there are seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $587,644,508. Excluded from this amount is $197,700,000 in obligations of the Las Vegas Monorail Company that were extinguished, canceled and discharged as a result of a Chapter 11 bankruptcy reorganization plan that became effective on November 7, 2012.

L. 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. On April 30, 2013 some of these bonds were refunded as discussed in Section E of this note. The outstanding balance as of June 30, 2013 is $497,650,000. Total principal and interest remaining on the bonds is $624,428,021 payable through December 2026. Upon completion of eligible projects, federal aid of $324,955,527 is expected to be received in fiscal year 2014. For the current year, principal and interest paid was $78,311,225, and total motor vehicle fuel and special fuel tax revenues were $266,539,309.

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.

Substantially all program fund assets are pledged in trust for the benefit of the bondholders.

M. Federal Unemployment Advance

As of June 30, 2013, the total amount of advances and interest due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act totaled $573,956,646 and $13,240,284 respectively. The interest rate reset annually by the Department of the Treasury for calendar year 2013 is 2.58%. Current fiscal year advances and repayments totaled $363,309,903 and $509,785,575 respectively.

N. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2013, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	$ 483,941	$ 150,620	$ (187,173)	$ 447,388	$ 21,688
Issuance premiums	13,136	17,362	(4,977)	25,521	1,575
Total bonds payable	497,077	167,982	(192,150)	472,909	23,263
Obligations under capital leases	1,168	2,967	(890)	3,245	822
Compensated absences obligations	46,760	29,900	(29,933)	46,727	30,583
Total	$ 545,005	$ 200,849	$ (222,973)	522,881	54,668
Discretely presented component units of the NSHE:					
Capital leases				141	141
Long-term debt				2,385	2,385
Total				$ 525,407	$ 57,194

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, 2013 (expressed in thousands):

Year Ending June 30	Principal	Interest
2014	$ 23,263	$ 20,008
2015	23,017	19,991
2016	22,764	19,091
2017	29,825	17,931
2018	19,940	16,947
2019-2023	100,335	71,427
2024-2028	86,328	49,993
2029-2033	93,220	29,886
2034-2038	63,894	9,515
2039-2043	10,323	797
Total	$ 472,909	$ 255,586

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2014	$ 912
2015	880
2016	747
2017	610
2018	304
Total minimum lease payments	3,453
Less: amount representing interest	(208)
Obligations under capital leases	$ 3,245

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2013, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 75,670	$ 17,085	$ (22,370)	$ 70,385	$ 3,975
Issuance premiums	2,620	1,727	(1,432)	2,915	660
Unamortized refunding charges	(3,319)	(10)	469	(2,860)	(359)
Total bonds payable	74,971	18,802	(23,333)	70,440	4,276
Compensated absences obligations	306	279	(236)	349	219
Total	$ 75,277	$ 19,081	$ (23,569)	$ 70,789	$ 4,495

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

Year Ending June 30	Principal	Interest
2014	$ 3,975	$ 1,012
2015	4,150	829
2016	4,365	616
2017	7,500	2,587
2018	8,595	2,184
2019-2023	17,480	7,910
2024-2028	21,955	3,264
2029-2030	2,365	91
Total	$ 70,385	$ 18,493

Note 9 - Pensions and Other Employee Benefits

The Nevada Legislature created various plans to provide benefits to qualified employees and certain elected officials of the State as well as employees of other public employers. The Public Employees' Retirement Board administers the Public Employees' Retirement System of Nevada (PERS), the Legislators' Retirement System of Nevada (LRS) and the Judicial Retirement System of Nevada (JRS). A summary description of the plans follows.

A. PERS

Plan Description - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides 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. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2013, there were 190 participating employers and other contributing entities.

PERS' issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports PERS as a pension trust fund. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits and survivor benefits. Monthly benefit allowances for regular members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned 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.

Summary of Significant Accounting Policies – PERS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. In general, however, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is based on estimated current values and Member Appraisal Institute independent appraisals. For private equity partnership investments, estimated fair value is determined in good faith by the general partner of the respective investment partnership. In addition, each partnership undergoes an independent audit on an annual basis.

Contributions - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is provided by statute. New hires of the State of Nevada and public employers, who did not elect the employer-pay contribution plan prior to July 1, 1983, 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 though salary reduction or in lieu of a promised pay increase.

Funding Policy - PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Legislature. These statutory rates are increased or 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, 2013 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	23.75%	na
Employee/employer plan (matching rate)	12.25%	12.25%
Police and Fire employees:		
Employer-pay plan	39.75%	na
Employee/employer plan (matching rate)	20.25%	20.25%

The State's contribution requirements for the current fiscal year and each of the two preceding years were (expressed in thousands):

(Note 9 Continued)

	2013	2012	2011
Primary Government	$ 162,484	$ 163,219	$ 160,959
Component Units:			
Colorado River Commission	485	476	462
Nevada System of Higher Education	26,750	27,019	26,827
Total component units	27,235	27,495	27,289
Total reporting entity	$ 189,719	$ 190,714	$ 188,248
Contributions as % of covered payroll	19%	19%	17%
Percentage of pension costs contributed	100%	100%	100%

B. LRS

Plan Description - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, 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. Benefit payments to which participants may be entitled under the plan include pension benefits and survivor benefits. Monthly benefit allowances are $25 for each year of service up to thirty years.

LRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports LRS as a pension trust fund. LRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Summary of Significant Accounting Policies – LRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yield currently available on comparable securities of issuers with similar credit ratings.

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 will be recognized in fiscal year 2014. Employee contributions of $53,543 were received in fiscal year 2013, of which, $26,771 (half) was recorded as employee contributions in the fiscal year 2013, and the remaining $26,772 will be recorded in fiscal year 2014.

Actuarial Information - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the June 30, 2012, actuarial valuation include the following:

Actuarial Cost Method:	Entry age normal
Amortization Method:	Year-by-year closed, level dollar amount with each amortization period set at 20 years
Asset Valuation Method:	Five year smoothed market
Actuarial Assumptions:	
Investment rate of return	8%
Assumed inflation rate	3.5% per annum
Projected salary increases	None
Assumed Retirement Age for Active Members:	Earlier of age 63 with at least 10 years of service, or expiration of combined term limit (any age with 24 years of service after January 1, 1998).

(Continued on next page)

(Note 9 Continued)

(Continued from previous page)

Assumed Mortality Rate:	
Healthy	RP-2000 Combined Healthy Mortality Table, set forward one Year for females (no age set forward for males).
Disabled	RP-2000 Disabled Retired Mortality Table, set back three years for males and set forward eight years for females.
Assumed Post-Retirement Increases:	2.0% after 3 years of receiving benefits 3.0% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4.0% after 12 years of receiving benefits 5.0% after 14 years of receiving benefits * Cap based on CPI if benefits outpace inflation

*Does not apply to retirees who enter the LRS on or after January 1, 2010.

Trend Information - Three-year trend information follows (expressed in thousands):

Actuarial Valuation Date	For Fiscal Year Ended June 30	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
7/01/10	2011	$ 182	$ 182	100%	$ -
7/01/10	2012	182	182	100%	-
6/30/12	2013	213	213	100%	-

Funded Status and Funding Progress – As of June 30, 2012, the most recent actuarial valuation date, the LRS was 68% funded. The actuarial accrued liability for benefits was $5.6 million, and the actuarial value of assets was $3.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.8 million. The covered payroll (annual payroll of active employees covered by the plan) was $ .3 million, and the ratio of the UAAL to the covered payroll was 582%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. JRS

Plan Description - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature under NRS 1A.160. 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. As of June 30, 2013, the Supreme Court and ten municipalities in Nevada elected to participate in JRS.

JRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports JRS as a pension trust fund. JRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

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.

(Note 9 Continued)

Summary of Significant Accounting Policies – JRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

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.

Actuarial Information – Actuarial valuations of the JRS are prepared annually on a fiscal year basis. Significant actuarial assumptions used in the June 30, 2013 valuation include the following:

Actuarial Cost Method:	Entry age normal
Amortization Method:	Year-by-year closed, level percent of pay (3% payroll growth assumed) over a declining amortization period of: 30 years for Supreme Court justices and district judges 20 years for each non-state agency
Asset Valuation Method:	5-year smoothed market
Actuarial Assumptions:	
Investment rate of return	8%
Assumed inflation rate	3.5% per annum
Assumed salary increases	1 to 4 years of service increase of 3% per year 5 years of service increase of 8% per year 6 to 12 years of service increase of 4% per year 13 or more years of service increase of 3% per year
Assumed Retirement Rates:	Retirement rates after completion of five years of service and attainment of the following ages:

Age	Rate per Age
50—59	5%
60—61	15%
62—64	17.5%
65—67	22.5%
68—69	25%
70	100%

Assumed Mortality Rate:	RP-2000 Combined Healthy Mortality Table Projected to 2013 with scale AA, set back one year for females (no setback for males)
Assumed Post-Retirement Increases:	The lesser of (a) 2.0% after 3 years of receiving benefits 3.0% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4.0% after 12 years of receiving benefits 5.0% after 14 years of receiving benefits* (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years

* Does not apply to retirees who enter the JRS on or after January 1, 2010.

Trend Information - Three-year trend information for the current fiscal year and each of the two preceding fiscal years follows (expressed in thousands):

(Note 9 Continued)

	2013	2012	2011
Annual required contribution	$ 5,337	$ 5,407	$ 5,146
Interest on net pension obligation	-	13	(1)
Adjustment to annual required contribution	-	(38)	2
Annual pension cost	5,337	5,382	5,147
State contribution made	(5,606)	(5,546)	(4,972)
Increase (decrease) in net pension obligation	(269)	(164)	175
Net pension obligation (asset) at beginning of year	1	165	(10)
Net pension obligation (asset) at end of year	$ (268)	$ 1	$ 165
Percentage of annual pension costs contributed	100%	100%	97%

Funded Status and Funding Progress – As of June 30, 2013, the most recent actuarial valuation date, the JRS was 72% funded. The actuarial accrued liability for benefits was $102.1 million, and the actuarial value of assets was $73.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of $28.2 million. The covered payroll (annual payroll of active employees covered by the plan) was $17.2 million, and the ratio of the UAAL to the covered payroll was 164%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 with three participating employers, and is 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. 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, 2012 through June 30, 2013 the rate assessed was 2.690% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. Due to statewide revenue shortfalls, in February 2010, the 26th Special Session of the Nevada Legislature directed $24,700,000 be withdrawn from the Retirees' Benefits Investment Fund to be used to pay for retiree healthcare during the year ending June 30, 2011, thereby reducing the amount paid by state agencies to the Retirees' Fund. No additional investments or withdrawals from the Retirees' Benefits Investment Fund occurred during the years ending June 30, 2011, June 30, 2012 or June 30, 2013. For the year ended June 30, 2013, the State and its component units contributed $36,686,124 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2012, the State and its component units contributed $27,881,834 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2011, the State and its component units contributed $9,649,348 to the plan, which is 100% of the contractually required contribution.

Note 10 - 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, 2011	$ 33,849	$ 60,629
Claims and changes in estimates	185,271	19,659
Claim payments	(176,132)	(16,539)
Balance June 30, 2012	42,988	63,749
Claims and changes in estimates	188,785	17,898
Claim payments	(186,882)	(15,008)
Balance June 30, 2013	$ 44,891	$ 66,639
Due Within One Year	$ 44,891	$ 16,675

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, 2013. 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 eleven 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 his 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, 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. Effective January 1, 2001, NSHE and PERS were excluded from coverage under this

policy. Liabilities in the amount of $52,926,426 as of June 30, 2013 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2013.

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, 2013, 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 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 disease. A range of estimated losses from $13,375,700 to $51,773,300 has 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, 2013 total liabilities exceeded total assets by $56,133,913. The Fund is liable for approximately $56,000,000 as of June 30, 2013 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 11 - Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports $1,301,659,533 of net position-restricted for the primary government, of which $124,656,302 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, 2013, is shown below (expressed in thousands):

(Note 11 Continued)

	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Consolidated Bond Interest and Redemption	Permanent School	Nonmajor Governmental Funds	Total Governmental
Fund balances:							
Nonspendable:							
Municipal securities	$ -	$ -	$ 270,828	$ -	$ -	$ -	$ 270,828
Long term notes/loans receivable	12,465	-	-	-	-	-	12,465
Inventory	12,796	13,867	-	-	-	468	27,131
Advances	6,067	-	-	-	-	-	6,067
Prepaid items	1,784	153	-	-	-	6	1,943
Permanent fund principal	-	-	-	-	318,559	230	318,789
Restricted for:							
Special purpose agencies	121	-	-	-	-	-	121
Health and social services	2,181	-	-	-	-	15,746	17,927
Education and support services	145	-	-	-	-	2,078	2,223
Law, justice, and public safety	215	-	-	-	-	93,396	93,611
Regulation of business	4,457	-	-	-	-	5,806	10,263
Transportation	-	111,709	-	-	-	-	111,709
Recreation and resource development	52,240	-	-	-	-	18,499	70,739
Debt service	-	-	-	-	-	34,854	34,854
Capital projects	-	-	-	-	-	42,385	42,385
Committed to:							
Finance and administration	10,184	-	-	-	-	-	10,184
Commerce and Industry	11,289	-	-	-	-	-	11,289
Elected officials	9,460	-	-	-	-	-	9,460
Legislative-Judicial	41,433	-	-	-	-	-	41,433
Health and social services	39,283	-	-	-	-	50,522	89,805
Education and support services	4,028	-	-	-	-	18,705	22,733
Law, justice, and public safety	25,099	-	-	-	-	2,262	27,361
Regulation of business	32,509	-	-	-	-	4,920	37,429
Transportation	-	23,278	-	-	-	-	23,278
Recreation and resource development	59,165	-	-	-	-	11,749	70,914
Debt service	-	-	-	125,910	-	4,843	130,753
Capital projects	-	-	-	-	-	3,700	3,700
Fiscal emergency	112,798	-	-	-	-	-	112,798
Unassigned:	(66,701)	-	-	-	-	-	(66,701)
Total fund balances	$ 371,018	$ 149,007	$ 270,828	$ 125,910	$ 318,559	$ 310,169	$ 1,545,491

C. Individual Fund Deficit

Internal Service Fund:

Insurance Premiums - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net position of $7,810,735 for the year ended June 30, 2013, resulting in negative net position of $56,133,913 at June 30, 2013.

Note 12 - 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.

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 13 - 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, preserves the rich railroad heritage of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. 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 14 - 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.

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 $98.6 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation is litigating vigorously two lawsuits of like nature against utility companies. The lawsuits arise out of claims for the refund of $143.0 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. One case is on appeal to the Nevada Supreme Court. The other is proceeding as a trial de novo in the 1st Judicial District Court. The use tax distribution is shared between the State, counties and local governments. The State's exposure upon a potentially unfavorable outcome is $41.5 million.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of $20.5 million in exchange for agreeing to purchase certain specified US treasury securities of various maturities and principal amounts from LBCB at different times between June 30, 2002 and November 15, 2027. The State was required to purchase the securities at their matured values, or par value if discount securities were purchased. LBCB would realize revenue at the time of delivery to the custodian. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgment action and a counterclaim requesting a judgment in favor of LBCB in the declaratory relief claim, and seeking other relief, including an award of damages against the State. The parties are discussing a settlement. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB's counterclaim, the State cannot at this time predict the outcome of this action.

The Nevada Department of Transportation (NDOT) in a direct condemnation case is taking a one acre parcel for the I-15 road improvement project known as Project NEON, in Las Vegas. The landowner claims that NDOT's valuation of the property is too low. NDOT made an initial deposit of $5.7 million. A motion for occupancy was set for December 6, 2013, and NDOT has agreed to deposit $4.4 million once occupancy is granted. Trial is set for May 2014. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of $11.0 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 $770.9 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, 2013 amounted to $36.1 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, 2013 (expressed in thousands):

For the Year Ending June 30	Amount
2014	$ 23,876
2015	20,185
2016	14,614
2017	10,578
2018	5,974
2019-2023	12,804
2024-2028	3,303
2029-2033	527
Total	$ 91,861

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, 2013, 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 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 $1.0 million and has been recorded as a liability in the Statement of Net Position at June 30, 2013. Future calculations might result in different rebatable arbitrage amounts.

Encumbrances – As of June 30, 2013, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	$ 3,338
State Highway	2,557
Nonmajor governmental funds	230
Total	$ 6,125

Construction Commitments – As of June 30, 2013, the Nevada Department of Transportation had total contractual commitments of approximately $112.4 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $15.0 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2013, 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 System cannot be reasonably determined as of June 30, 2013.

The System 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 System.

The estimated cost to complete property authorized or under construction at June 30, 2013 is $33.4 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

The Board of Regents approved at its June 7, 2013 meeting the reimbursement of certain expenditures from proceeds of up to $40 million of NSHE Universities Revenue bonds. It is anticipated that such bonds, which are subject to final approval by the Board, will be issued in the third quarter of fiscal year 2014.

The University of Nevada Reno sold the Fire Science Academy in Carlin, Nevada in fiscal year 2012. As part of the lease agreement executed at the time of sale, upon termination of said lease, UNR is obligated to remove any and all above ground props from the prop field, and assess for and remediate any contamination in accordance with provisions promulgated in Nevada Revised Statutes and Administrative Code (NAC) 445A. The notice of lease termination was executed by the Chancellor on June 30, 2012. The estimated obligation includes all the anticipated costs to close out the Fire Science Program, including disposition of assets, demolition of the prop field and related fire water supply and treatment systems, assessing for environmental contamination, and remediation of such contamination, if found. The estimated obligation amount of $4.1 million was developed by the Senior Director for Facilities Maintenance Services in coordination with outside consultants. An obligation amount of $3.0 million has been included in accounts payable for the year ended June 30, 2013.

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, 2013, the NCIC has fulfilled $2.6 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 15 - Subsequent Events

A. Primary Government

Bonds – On October 29, 2013, the State issued $548,900,000 in Unemployment Compensation Fund Special Revenue Bonds. The bonds were issued for purposes of (i) repaying advances made by the federal government to the State's Unemployment Compensation Fund, (ii) funding projected additional capital needs through April, 2014, (iii) funding a deposit into the Interest Account, and (iv) paying costs of issuance and related program costs. The full faith and credit of the State is not pledged for these bonds.

Certificates of Participation – On November 6, 2013, the State approved the issuance of Series 2013, Certificates of Participation. The Certificates relate to three projects. The first being the Capitol Complex Project where these Lease Revenue Refunding Certificates for $17,740,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2004. The second being the Casa Grande Project where these Lease Revenue Refunding Certificates for $18,045,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2004B. The final being the Nevada State College Project where these Lease Revenue Certificates for $50,445,000 will be issued to finance a portion of its construction costs. Each Series evidences an undivided interest in the right to receive base rent under a separate lease purchase agreement to be paid by the State. The separate lease purchase agreement is with Nevada Real Property Corporation. The Certificates are not general obligations of the State.

Advances from the Federal Unemployment Account – On November 7, 2013, the State fully paid the advances with $532.7 million from the Unemployment Compensation Fund Special Revenue Bonds, disclosed above. The State drew repayable advances of $136.9 million and made voluntary repayments of $710.9 million between July 1, 2012 and November 7, 2013. The State has applied for and may still draw up to $44.4 million to meet State unemployment insurance obligations through December 31, 2013. Thereafter loan requests may be submitted every 90 days.

Nevada Housing Division – On July 1, 2013, the Division closed program 1998 Capistrano Pines, which held total assets of $7.9 million at June 30, 2013. On July 15, 2013, the Division closed program 2002 Oakmont at Reno, which held total assets of $5.1 million at June 30, 2013. On August 1, 2013, the Division closed programs 1998 Casa Sorrento and 2011 College Villas, which held assets of $8.9 million and $12.2 million at June 30, 2013, respectively.

B. Discretely Presented Component Units

Nevada System of Higher Education – The Board of Regents approved at its September 6, 2013 meeting the reimbursement of certain expenditures from proceeds of up to $85.0 million of State of Nevada general obligation bonds. It is anticipated that such bonds, which are subject to final approval by the Board and the State, will be issued in the fourth quarter of fiscal year 2014.

The Board of Regents approved at its September 6, 2013 meeting the form of a Lease-Purchase and related documents between the Nevada Real Property Corporation (the "Lessor") and the State of Nevada acting by and through NSHE (the "Lessee") whereby the Lessee would lease from the Lessor a not-to-exceed $61.0 million project to be constructed on the principal campus of the Nevada State College. The State of Nevada issued Certificates of Participation in November 2013.

Note 16 - Accounting Changes and Restatements

The Housing Division Fund, a major enterprise fund, restated its beginning net position from $199.8 million to $193.7 million. The decrease of $6.1 million results from the decision to no longer present the Nevada Affordable Housing Assistance Corporation (NAHAC) as a discretely presented component unit of the fund. NAHAC was considered a component unit of the Nevada Housing Division because the Nevada Housing Division was financially accountable for NAHAC as it appointed a voting majority of NAHAC's governing body. In February 2013, due to changes in management at the Nevada Housing Division, and the make-up of the Board of NAHAC, the Housing Division determined that NAHAC no longer meets the requirements to present NAHAC as a discretely presented component unit of the Housing Division in accordance with Governmental Accounting Standards Board Statement 61, *The Financial Reporting Entity: Omnibus*.

Required Supplementary Information

Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources				
Fund balances, July 1	$ 676,068,945	$ 676,068,945	$ 676,068,945	$ -
Revenues:				
Sales taxes	858,223,401	919,122,400	923,198,845	4,076,445
Gaming taxes, fees, licenses	862,038,608	845,798,204	855,847,765	10,049,561
Intergovernmental	2,119,724,551	2,461,495,065	2,108,359,482	(353,135,583)
Other taxes	1,286,162,359	1,345,088,752	1,369,269,999	24,181,247
Sales, charges for services	178,206,533	195,672,722	175,299,851	(20,372,871)
Licenses, fees and permits	592,804,763	592,500,977	570,138,757	(22,362,220)
Interest	14,793,255	9,793,392	1,671,465	(8,121,927)
Other	291,422,138	340,627,584	321,569,288	(19,058,296)
Other financing sources:				
Transfers	501,058,568	597,455,669	517,992,725	(79,462,944)
Reversions from other funds	-	-	2,067,219	2,067,219
Total sources	7,380,503,121	7,983,623,710	7,521,484,341	(462,139,369)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officials	97,167,533	116,429,343	80,333,534	36,095,809
Legislative and judicial	139,299,437	156,632,135	87,218,938	69,413,197
Finance and administration	76,314,784	104,136,306	61,184,996	42,951,310
Education	2,595,023,066	2,771,195,420	2,548,624,218	222,571,202
Human services	3,172,276,134	3,335,615,789	3,117,757,785	217,858,004
Commerce and industry	299,350,704	331,791,184	250,206,187	81,584,997
Public safety	396,251,502	434,181,904	374,780,687	59,401,217
Infrastructure	289,074,711	337,534,477	157,761,436	179,773,041
Special purpose agencies	61,416,944	120,704,524	66,811,076	53,893,448
Other financing uses:				
Transfers to other funds	29,855,613	52,438,413	52,438,413	-
Reversions to other funds	-	-	1,266,142	(1,266,142)
Projected reversions	(42,500,000)	(133,474,855)	-	(133,474,855)
Total uses	7,113,530,428	7,627,184,640	6,798,383,412	828,801,228
Fund balances, June 30	$ 266,972,693	$ 356,439,070	$ 723,100,929	$ 366,661,859

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$133,997,683	$ 133,997,683	$ 133,997,683	$ -	$ 2,627	$ 2,627	$ 2,627	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
236,766,453	417,724,646	364,020,404	(53,704,242)	-	-	-	-
292,457,796	286,662,984	286,045,952	(617,032)	-	-	-	-
15,741,452	19,227,892	16,389,932	(2,837,960)	-	-	-	-
164,659,432	184,112,162	183,430,071	(682,091)	-	-	-	-
909,371	723,787	328,615	(395,172)	28,894,426	28,894,426	17,104,175	(11,790,251)
42,933,738	74,050,798	52,920,242	(21,130,556)	-	-	-	-
9,350,673	18,414,775	10,102,650	(8,312,125)	-	-	-	-
-	-	-	-	-	-	-	-
896,816,598	1,134,914,727	1,047,235,549	(87,679,178)	28,897,053	28,897,053	17,106,802	(11,790,251)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
188,310,248	205,875,866	170,170,057	35,705,809	-	-	-	-
575,380,519	866,496,194	661,098,626	205,397,568	-	-	-	-
-	-	-	-	-	-	-	-
83,635,103	84,288,344	84,288,344	-	28,897,053	28,897,053	17,101,451	11,795,602
-	-	14,533	(14,533)	-	-	5,351	(5,351)
(25,991,865)	(114,978,680)	-	(114,978,680)	-	-	-	-
821,334,005	1,041,681,724	915,571,560	126,110,164	28,897,053	28,897,053	17,106,802	11,790,251
$ 75,482,593	$ 93,233,003	$ 131,663,989	$ 38,430,986	$ -	$ -	$ -	$ -

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 29 are reported instead of the amounts disclosed in the original budget. The August 29, 2013 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, 2013 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
Fund balances (budgetary basis) June 30, 2013	$ 723,101	$ 131,664	$ -
Adjustments:			
Basis differences:			
Petty cash or outside bank accounts	6,264	176	-
Investments not recorded on the budgetary basis	10,102	-	270,875
Accrual of certain other receivables	172,402	4,817	1
Inventory	12,796	13,867	-
Advances to other funds	6,397	-	-
Accrual of certain accounts payable and other liabilities	(281,569)	-	-
Deferred revenues	(277,645)	-	-
Encumbrances	3,339	2,557	-
Other	(14,109)	(4,074)	(48)
Perspective differences:			
Special revenue fund reclassified to General Fund for GAAP purposes	9,941	-	-
Fund balances (GAAP basis) June 30, 2013	$ 371,019	$ 149,007	$ 270,828

Total fund balance on the budgetary basis in the General Fund at June 30, 2013, 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)	$ 723,101
Restricted funds	(430,228)
Unrestricted fund balance (budgetary basis)	$ 292,873

Legislator's Retirement System (LRS)

Schedule of Funding Progress - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. During fiscal year 2009, the Plan changed the actuarial valuation date from a calendar year to a fiscal year to be consistent with the financial statements. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
01/01/09	$ 5,955	$ 4,229	$ 1,726	71%	$ 351	492%
07/01/10	5,608	4,134	1,474	74%	359	411%
06/30/12	5,578	3,806	1,772	68%	304	582%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends. Actuarial valuation is performed biennially; plans with biennial valuations need not present duplicate information for the intervening years.

LRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Judicial Retirement System (JRS)

Schedule of Funding Progress – The most recent actuarial valuation, dated June 30, 2013, is based on June 30, 2013 census data. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
06/30/11	$ 88,035	$ 56,614	$ 31,421	64%	$ 16,465	191%
06/30/12	93,133	63,934	29,199	69%	16,635	176%
06/30/13	102,125	73,887	28,238	72%	17,186	164%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

JRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

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 1,100 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 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. However, the calendar year 2013 assessment is not available as of the date of this report. 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 that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The most recent condition assessment shows a decline in the condition level of the roadways. Management is aware of the decline and will continue to monitor the results of future condition assessments. However, the results of the three most recent condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above the condition level established. The State has set a policy that it will 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 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%

Condition Level of the Bridges

Percentage of substandard bridges

	2011	2009	2007
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	5%	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)

	2013	2012	2011	2010	2009
Estimated	$ 402,650	$ 322,210	$ 490,910	$ 181,054	$ 124,926
Actual	325,313	304,333	404,871	151,448	121,798

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).

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 Human Resources (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 Fund

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 Human Resources (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, 2013

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 298,082,061	$ 34,288,425	$ 40,191,188	$ 50,247	$ 372,611,921
Cash in custody of other officials	4,703,959	-	-	-	4,703,959
Investments	1,233,813	-	-	-	1,233,813
Receivables:					
Accounts receivable	21,994,504	-	-	-	21,994,504
Taxes receivable	23,744,923	-	-	-	23,744,923
Intergovernmental receivables	8,289,706	-	962,344	-	9,252,050
Accrued interest and dividends	1,824	-	-	-	1,824
Due from other funds	13,019,718	565,235	31,103,627	100	44,688,680
Due from fiduciary funds	396,037	-	-	-	396,037
Due from component units	2,932	-	-	-	2,932
Inventory	467,723	-	-	-	467,723
Prepaid items	6,298	-	-	-	6,298
Total assets	$ 371,943,498	$ 34,853,660	$ 72,257,159	$ 50,347	$ 479,104,664
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 8,466,676	$ -	$ 26,998	$ -	$ 8,493,674
Accrued payroll and related liabilities	2,881,178	-	-	-	2,881,178
Intergovernmental payables	2,307,615	-	1,474,692	-	3,782,307
Contracts payable	-	-	3,436,600	-	3,436,600
Retention payable	-	-	1,340,699	-	1,340,699
Due to other funds	63,904,299	-	13,542,988	127	77,447,414
Due to fiduciary funds	20,798	-	-	-	20,798
Due to component units	287,641	-	10,906,683	-	11,194,324
Unearned revenues	496,036	-	-	-	496,036
Deferred revenues	22,222,298	-	960	24	22,223,282
Other liabilities	37,619,786	-	-	-	37,619,786
Total liabilities	138,206,327	-	30,729,620	151	168,936,098
Fund balances:					
Nonspendable	674,021	-	-	30,000	704,021
Restricted	140,062,606	34,853,660	37,827,809	20,196	212,764,271
Committed	93,000,544	-	3,699,730	-	96,700,274
Total fund balances	233,737,171	34,853,660	41,527,539	50,196	310,168,566
Total liabilities and fund balances	$ 371,943,498	$ 34,853,660	$ 72,257,159	$ 50,347	$ 479,104,664

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

NEVADA

For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	$ 14,110,206	$ -	$ -	$ -	$ 14,110,206
Property and transfer taxes	19,707,594	-	-	-	19,707,594
Motor and special fuel taxes	-	79,788,339	-	-	79,788,339
Other taxes	61,497,789	-	-	-	61,497,789
Intergovernmental	91,166,020	-	40,843,052	-	132,009,072
Licenses, fees and permits	24,058,830	-	-	-	24,058,830
Sales and charges for services	16,010,257	-	-	-	16,010,257
Interest and investment income	(532,505)	-	14	397	(532,094)
Settlement income	147,070,764	-	-	-	147,070,764
Other	5,940,806	-	24,407	-	5,965,213
Total revenues	379,029,761	79,788,339	40,867,473	397	499,685,970
Expenditures					
Current:					
General government	349,277	-	-	-	349,277
Health and social services	110,687,810	-	-	-	110,687,810
Education and support services	643,746	-	-	-	643,746
Law, justice and public safety	25,248,918	-	-	-	25,248,918
Regulation of business	18,242,661	-	-	-	18,242,661
Recreation, resource development	24,497,347	-	-	-	24,497,347
Intergovernmental	32,732,141	-	-	-	32,732,141
Capital outlay	-	-	61,330,381	-	61,330,381
Debt service:					
Principal	-	53,300,000	-	-	53,300,000
Interest, fiscal charges	380	25,011,225	-	-	25,011,605
Debt issuance costs	-	678,765	-	-	678,765
Total expenditures	212,402,280	78,989,990	61,330,381	-	352,722,651
Excess (deficiency) of revenues over expenditures	166,627,481	798,349	(20,462,908)	397	146,963,319
Other Financing Sources (Uses)					
Sale of general obligation refunding bonds	-	131,245,000	-	-	131,245,000
Premium on general obligation bonds	-	25,544,705	-	-	25,544,705
Payment to refunded bond agent	-	(156,081,511)	-	-	(156,081,511)
Sale of capital assets	7,312	-	-	-	7,312
Transfers in	42,954,541	-	25,940,509	-	68,895,050
Transfers out	(100,532,260)	-	(9,462,790)	(127)	(109,995,177)
Total other financing sources (uses)	(57,570,407)	708,194	16,477,719	(127)	(40,384,621)
Net change in fund balances	109,057,074	1,506,543	(3,985,189)	270	106,578,698
Fund balances, July 1	124,680,097	33,347,117	45,512,728	49,926	203,589,868
Fund balances, June 30	$ 233,737,171	$ 34,853,660	$ 41,527,539	$ 50,196	$ 310,168,566

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2013

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 13,655,622	$ 11,326,340	$ 4,180,328	$ 11,648,886
Cash in custody of other officials	125	2,200	-	-
Investments	-	-	-	-
Receivables:				
Accounts receivable	14,446	628,068	-	-
Taxes receivable	19,643,923	-	-	-
Intergovernmental receivables	7,608,981	49,605	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	560,929	140,401	11,205,030	108,482
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	-
Prepaid items	240	6,058	-	-
Total assets	$ 41,484,266	$ 12,152,672	$ 15,385,358	$ 11,757,368
Liabilities and Fund Balances				
Accounts payable and accruals:				
Accounts payable	$ 3,351,663	$ 125,078	$ -	$ 212,066
Accrued payroll and related liabilities	1,679,315	735,279	-	-
Intergovernmental payables	1,120,628	234	-	-
Due to other funds	15,429,084	241,664	10,542,100	4,228,889
Due to fiduciary funds	7,909	-	-	-
Due to component units	260,035	5,000	-	-
Unearned revenues	-	496,036	-	-
Deferred revenues	1,239,030	8,269	-	6,556
Other liabilities	-	-	-	-
Total liabilities	23,087,664	1,611,560	10,542,100	4,447,511
Fund balances:				
Nonspendable	240	6,058	-	-
Restricted	14,347,231	5,615,504	-	-
Committed	4,049,131	4,919,550	4,843,258	7,309,857
Total fund balances	18,396,602	10,541,112	4,843,258	7,309,857
Total liabilities and fund balances	$ 41,484,266	$ 12,152,672	$ 15,385,358	$ 11,757,368

Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
$ 18,316,012	$ 4,848,663	$ 3,264,658	$ 66,992,502	$ 83,689,570	$ 3,072,143
-	-	-	-	-	22,865
-	-	-	-	-	222,624
-	2,370	746,695	20,486,293	-	7,798
990,851	3,110,149	-	-	-	-
57,000	-	-	-	-	68,702
-	-	-	-	-	1,824
50,444	232,104	17,012	182,789	437,748	10,474
-	-	372,263	-	-	-
-	-	-	2,932	-	-
-	-	279,082	-	-	-
-	-	-	-	-	-
$ 19,414,307	$ 8,193,286	$ 4,679,710	$ 87,664,516	$ 84,127,318	$ 3,406,430
$ -	$ 3,129,299	$ 79,768	$ 110,172	$ 708,920	$ 47,549
-	84,386	172,309	19,502	12,935	-
-	479,087	-	131,454	-	281,096
19,218,718	141,598	510,094	2,684,257	206,264	921,124
-	-	11,573	-	-	-
-	-	-	22,606	-	-
-	-	-	-	-	-
11,895	-	364,376	20,505,361	70,834	1,680
-	-	-	-	-	-
19,230,613	3,834,370	1,138,120	23,473,352	998,953	1,251,449
-	-	279,082	-	-	-
-	-	3,262,508	-	83,128,365	2,074,894
183,694	4,358,916	-	64,191,164	-	80,087
183,694	4,358,916	3,541,590	64,191,164	83,128,365	2,154,981
$ 19,414,307	$ 8,193,286	$ 4,679,710	$ 87,664,516	$ 84,127,318	$ 3,406,430

Combining Balance Sheet
Nonmajor Special Revenue Funds

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 18,634,043	$ -	$ 58,453,294	$ 298,082,061
Cash in custody of other officials	-	4,557,599	121,170	4,703,959
Investments	-	-	1,011,189	1,233,813
Receivables:				
Accounts receivable	-	-	108,834	21,994,504
Taxes receivable	-	-	-	23,744,923
Intergovernmental receivables	107,486	-	397,932	8,289,706
Accrued interest and dividends	-	-	-	1,824
Due from other funds	39,218	-	35,087	13,019,718
Due from fiduciary funds	-	-	23,774	396,037
Due from component units	-	-	-	2,932
Inventory	-	-	188,641	467,723
Prepaid items	-	-	-	6,298
Total assets	$ 18,780,747	$ 4,557,599	$ 60,339,921	$ 371,943,498
Liabilities and Fund Balances				
Accounts payable and accruals:				
Accounts payable	$ 36,272	$ -	$ 665,889	$ 8,466,676
Accrued payroll and related liabilities	-	-	177,452	2,881,178
Intergovernmental payables	295,066	-	50	2,307,615
Due to other funds	98,878	-	9,681,629	63,904,299
Due to fiduciary funds	-	-	1,316	20,798
Due to component units	-	-	-	287,641
Unearned revenues	-	-	-	496,036
Deferred revenues	9,248	-	5,049	22,222,298
Other liabilities	-	-	37,619,786	37,619,786
Total liabilities	439,464	-	48,151,171	138,206,327
Fund balances:				
Nonspendable	-	-	388,641	674,021
Restricted	18,341,283	4,557,599	8,735,222	140,062,606
Committed	-	-	3,064,887	93,000,544
Total fund balances	18,341,283	4,557,599	12,188,750	233,737,171
Total liabilities and fund balances	$ 18,780,747	$ 4,557,599	$ 60,339,921	$ 371,943,498

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

For the Fiscal Year Ended June 30, 2013

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons
Revenues					
Gaming taxes, fees, licenses	$ -	$ -	$ 14,110,206	$ -	$ -
Property and transfer taxes	-	-	-	-	19,707,594
Other taxes	27,378,767	59,974	-	12,749,289	-
Intergovernmental	86,815,496	726,693	-	-	72,000
Licenses, fees and permits	305,484	18,628,421	-	424,502	-
Sales and charges for services	705,414	3,680	-	-	-
Interest and investment income	92,332	33,371	-	117,012	145,604
Settlement income	-	-	-	-	-
Other	32,983	479,560	-	-	-
Total revenues	115,330,476	19,931,699	14,110,206	13,290,803	19,925,198
Expenditures					
Current:					
General government	-	-	-	-	-
Health and social services	104,617,975	-	-	-	60,000
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	17,896,600	-	-	-
Recreation, resource development	-	-	-	7,671,801	-
Intergovernmental	-	-	5,000,000	721,558	1,780,616
Debt service:					
Interest	-	55	325	-	-
Total expenditures	104,617,975	17,896,655	5,000,325	8,393,359	1,840,616
Excess (deficiency) of revenues over expenditures	10,712,501	2,035,044	9,109,881	4,897,444	18,084,582
Other Financing Sources (Uses)					
Sale of capital assets	3,848	3,464	-	-	-
Transfers in	33,586,927	179,386	-	-	-
Transfers out	(41,137,807)	(522,593)	(11,691,375)	(4,780,573)	(19,218,718)
Total other financing sources (uses)	(7,547,032)	(339,743)	(11,691,375)	(4,780,573)	(19,218,718)
Net change in fund balances	3,165,469	1,695,301	(2,581,494)	116,871	(1,134,136)
Fund balances, July 1	15,231,133	8,845,811	7,424,752	7,192,986	1,317,830
Fund balances, June 30	$ 18,396,602	$ 10,541,112	$ 4,843,258	$ 7,309,857	$ 183,694

Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
17,645,471	-	-	-	-
-	-	-	-	-
9,145	-	-	-	997,950
-	14,804,779	-	-	-
(1,871)	45,905	(203,135)	(1,232,319)	59,266
-	-	59,702,334	87,368,430	-
6,742	11,689	20,164	-	485,964
17,659,487	14,862,373	59,519,363	86,136,111	1,543,180
-	-	349,205	-	-
-	-	5,823,869	-	176,787
-	-	-	-	3,640
-	11,487,799	-	2,938,983	-
-	-	-	-	-
14,264,878	-	-	-	443,794
-	-	24,158,752	-	835,803
-	-	-	-	-
14,264,878	11,487,799	30,331,826	2,938,983	1,460,024
3,394,609	3,374,574	29,187,537	83,197,128	83,156
-	-	-	-	-
197,075	-	7,959,932	-	3,051
(4,130,635)	(2,625,321)	(11,728,092)	(68,763)	(920,642)
(3,933,560)	(2,625,321)	(3,768,160)	(68,763)	(917,591)
(538,951)	749,253	25,419,377	83,128,365	(834,435)
4,897,867	2,792,337	38,771,787	-	2,989,416
$ 4,358,916	$ 3,541,590	$ 64,191,164	$ 83,128,365	$ 2,154,981

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

NEVADA

For the Fiscal Year Ended June 30, 2013

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 14,110,206
Property and transfer taxes	-	-	-	19,707,594
Other taxes	-	-	3,664,288	61,497,789
Intergovernmental	378,786	-	3,173,045	91,166,020
Licenses, fees and permits	-	-	3,693,328	24,058,830
Sales and charges for services	-	-	496,384	16,010,257
Interest and investment income	266,098	9,233	135,999	(532,505)
Settlement income	-	-	-	147,070,764
Other	266	2,962,506	1,940,932	5,940,806
Total revenues	645,150	2,971,739	13,103,976	379,029,761
Expenditures				
Current:				
General government	-	72	-	349,277
Health and social services	-	-	9,179	110,687,810
Education and support services	-	-	640,106	643,746
Law, justice and public safety	-	-	10,822,136	25,248,918
Regulation of business	-	-	346,061	18,242,661
Recreation, resource development	2,116,874	-	-	24,497,347
Intergovernmental	235,412	-	-	32,732,141
Debt service:				
Interest	-	-	-	380
Total expenditures	2,352,286	72	11,817,482	212,402,280
Excess (deficiency) of revenues over expenditures	(1,707,136)	2,971,667	1,286,494	166,627,481
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	7,312
Transfers in	-	-	1,028,170	42,954,541
Transfers out	(322,646)	(3,123,306)	(261,789)	(100,532,260)
Total other financing sources (uses)	(322,646)	(3,123,306)	766,381	(57,570,407)
Net change in fund balances	(2,029,782)	(151,639)	2,052,875	109,057,074
Fund balances, July 1	20,371,065	4,709,238	10,135,875	124,680,097
Fund balances, June 30	$ 18,341,283	$ 4,557,599	$ 12,188,750	$ 233,737,171

[THIS PAGE INTENTIONALLY LEFT BLANK]

Combining Balance Sheet
Nonmajor Capital Projects Funds

June 30, 2013

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 335,396	$ 142,222	$ 160,347	$ 6,006,841
Receivables:				
Intergovernmental receivables	79,642	-	-	-
Due from other funds	44,930	-	-	8,181,952
Total assets	$ 459,968	$ 142,222	$ 160,347	$ 14,188,793
Liabilities and Fund Balances				
Accounts payable and accruals:				
Accounts payable	$ 16,278	$ -	$ -	$ 1,325
Intergovernmental payables	-	-	-	-
Contracts payable	33,950	-	-	1,705
Retentions payable	8,353	-	-	-
Due to other funds	309,000	142,222	153,455	3,279,188
Due to component units	-	-	-	10,905,615
Deferred revenues	-	-	-	960
Total liabilities	367,581	142,222	153,455	14,188,793
Fund balances:				
Restricted	-	-	6,892	-
Committed	92,387	-	-	-
Total fund balances	92,387	-	6,892	-
Total liabilities and fund balances	$ 459,968	$ 142,222	$ 160,347	$ 14,188,793

CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
$ 8,550,404	$ 10,801,088	$ 13,984,756	$ 210,134	$ 40,191,188
-	-	871,476	11,226	962,344
10,134,065	7,584,372	5,158,308	-	31,103,627
$ 18,684,469	$ 18,385,460	$ 20,014,540	$ 221,360	$ 72,257,159
$ 3,192	$ 3,184	$ -	$ 3,019	$ 26,998
-	-	1,467,902	6,790	1,474,692
591,700	47,296	2,748,730	13,219	3,436,600
135,189	7,375	1,189,782	-	1,340,699
2,556,000	2,141,737	4,958,950	2,436	13,542,988
-	-	-	1,068	10,906,683
-	-	-	-	960
3,286,081	2,199,592	10,365,364	26,532	30,729,620
13,197,963	15,792,671	8,635,455	194,828	37,827,809
2,200,425	393,197	1,013,721	-	3,699,730
15,398,388	16,185,868	9,649,176	194,828	41,527,539
$ 18,684,469	$ 18,385,460	$ 20,014,540	$ 221,360	$ 72,257,159

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

For the Fiscal Year Ended June 30, 2013

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System
Revenues				
Intergovernmental	$ 79,642	$ -	$ -	$ -
Interest and investment income	14	-	-	-
Other	13,606	-	-	-
Total revenues	93,262	-	-	-
Expenditures				
Current:				
Capital outlay	678,680	329,492	83,705	-
Total expenditures	678,680	329,492	83,705	-
Excess (deficiency) of revenues over expenditures	(585,418)	(329,492)	(83,705)	-
Other Financing Sources (Uses)				
Transfers in	677,803	317,207	-	-
Transfers out	-	(142,222)	(153,455)	-
Total other financing sources (uses)	677,803	174,985	(153,455)	-
Net change in fund balances	92,385	(154,507)	(237,160)	-
Fund balances, July 1	2	154,507	244,052	-
Fund balances, June 30	$ 92,387	$ -	$ 6,892	$ -

CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
$ -	$ -	$ 40,747,151	$ 16,259	$ 40,843,052
-	-	-	-	14
-	10,801	-	-	24,407
-	10,801	40,747,151	16,259	40,867,473
7,657,394	9,899,927	41,534,980	1,146,203	61,330,381
7,657,394	9,899,927	41,534,980	1,146,203	61,330,381
(7,657,394)	(9,889,126)	(787,829)	(1,129,944)	(20,462,908)
10,512,666	7,584,372	5,722,439	1,126,022	25,940,509
(2,411,246)	(2,076,808)	(4,679,059)	-	(9,462,790)
8,101,420	5,507,564	1,043,380	1,126,022	16,477,719
444,026	(4,381,562)	255,551	(3,922)	(3,985,189)
14,954,362	20,567,430	9,393,625	198,750	45,512,728
$ 15,398,388	$ 16,185,868	$ 9,649,176	$ 194,828	$ 41,527,539

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

For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance
General Fund Unbudgeted Activity/Refunds	$ -	$ 8,100,173	$ (8,100,173)
Elected Officials			
Office of the Governor	2,034,438	1,951,235	83,203
State Fiscal Stabilization	3,974,398	2,371,982	1,602,416
Governor's Mansion Maintenance	328,331	288,433	39,898
Governor's Washington Office	247,079	247,079	-
Ethics Commission	610,497	591,070	19,427
High Level Nuclear Waste	1,269,735	1,057,385	212,350
Governor's Office Energy Conservation	11,342,174	7,730,610	3,611,564
Renewable Energy/Energy Efficiency Loan Program	5,597,125	1,021,908	4,575,217
Renewable Energy	2,569,961	172,514	2,397,447
Lieutenant Governor	494,892	484,547	10,345
Attorney General Administrative Account	26,990,359	24,602,412	2,387,947
Attorney General Extradition Coordinator	704,230	581,940	122,290
Attorney General Special Fund	6,650,462	1,637,554	5,012,908
Attorney General Workers' Compensation Fraud	4,262,576	3,742,299	520,277
Attorney General Crime Prevention	271,335	259,437	11,898
Attorney General Medicaid Fraud	4,054,729	2,132,387	1,922,342
Attorney General Violence Against Women Grants	4,714,380	2,109,672	2,604,708
Attorney General Council For Prosecuting Attorneys	379,116	189,368	189,748
Attorney General Victims of Domestic Violence	599,154	426,391	172,763
Private Investigators Licensing Board	1,155,544	1,106,551	48,993
Secretary of State	11,584,984	10,268,767	1,316,217
Secretary of State HAVA Elections Account	5,653,980	2,026,078	3,627,902
Secretary of State Business Portal	2,335,535	2,328,273	7,262
Secretary of State Advisory Committee Gift	61	-	61
Notary Training	307,122	97,680	209,442
State Treasurer	2,423,554	2,269,743	153,811
Silicosis and Disabled Pensions	188,060	41,751	146,309
Nevada College Savings Trust	1,942,094	1,308,219	633,875
Endowment Account	6,591,764	3,141,646	3,450,118
College Savings Private Entity	83,419	-	83,419
Unclaimed Property	2,093,844	2,071,038	22,806
Controller's Office	4,571,179	4,074,658	496,521
Debt Recovery	403,232	907	402,325
	116,429,343	80,333,534	36,095,809
Legislative–Judicial			
Judicial Branch			
Administrative Office of the Courts	5,503,990	3,218,516	2,285,474
Judicial Programs and Services Division	1,168,389	948,734	219,655
Uniform System of Judicial Records	3,888,775	1,205,810	2,682,965
Judicial Education	1,940,088	951,288	988,800
State Judicial Elected Officials	21,230,151	20,887,286	342,865
Judicial Support, Governance and Special Events	1,008,605	363,185	645,420
Judicial Retirement System State Share	2,243,200	2,243,200	-
Supreme Court	10,461,697	9,836,213	625,484
Specialty Courts	8,718,833	5,627,449	3,091,384
Senior Justice and Senior Judge Program	1,495,303	1,287,054	208,249
Judicial Selection	24,180	14,070	10,110
Foreclosure Mediation Program	3,779,788	1,808,705	1,971,083
Law Library Gift Fund	85,025	5,400	79,625
Law Library	1,663,071	1,603,167	59,904
Judicial Discipline	669,837	548,753	121,084
Legislative Branch			
Interim Finance Committee	86,758,845	36,668,799	50,090,046
Disaster Relief	5,990,893	1,309	5,989,584
So Nevada Community Project Fund	1,465	-	1,465
	156,632,135	87,218,938	69,413,197

	Final Budget	Actual	Variance
Finance and Administration			
Department of Administration			
Construction Education Account	$ 263,511	$ 110,138	$ 153,373
Commission For Women	1,504	-	1,504
State Archives	1,192,453	1,071,548	120,905
Nevada State Library	4,864,350	4,628,791	235,559
Nevada State Library - CLAN	518,682	343,277	175,405
Special Appropriations	1,686,375	186,375	1,500,000
Judicial College/Juvenile and Family Justice	130,430	130,430	-
Budget and Planning	4,142,999	4,110,688	32,311
Internal Audit	1,240,316	1,174,723	65,593
Graffiti Reward Fund	6,706	-	6,706
Merit Award Board	1,100	-	1,100
Roof Maintenance Reserve	758,384	35,525	722,859
Public Works Division	240,470	234,339	6,131
Public Works Inspection	6,603,329	4,201,312	2,402,017
Public Works Retention Payment	355,909	3,842	352,067
Building Official Admin	2,044,240	444,914	1,599,326
State Unemployment Compensation	7,297,823	1,931,320	5,366,503
Hearings and Appeals	4,485,285	4,235,885	249,400
General Fund Salary Adjustment	30,522,005	32,852	30,489,153
Stale Claims	5,749,882	1,847,175	3,902,707
Emergency Fund	298,229	37,465	260,764
Statutory Contingency	5,112,317	3,201,037	1,911,280
Department of Taxation			
Department of Taxation	26,620,007	25,123,187	1,496,820
	104,136,306	53,084,823	51,051,483
Education			
Department of Education			
Distributive School Account	1,419,316,873	1,339,344,691	79,972,182
School Health Education - AIDS	70,066	29,850	40,216
School Remediation	32,235,464	31,964,854	270,610
State Supplemental School Support	128,848,851	128,848,849	2
Education State Programs	4,414,521	2,756,284	1,658,237
Educational Trust Fund	541,398	3,987	537,411
Career and Technical Education	12,260,397	10,505,075	1,755,322
Gear Up	6,473,453	3,753,396	2,720,057
Gear Up Scholarship Trust	13,841,671	2,018,996	11,822,675
Continuing Education	8,267,309	6,114,492	2,152,817
Proficiency Testing	5,909,025	5,403,972	505,053
Other State Education Programs	7,696,896	7,520,955	175,941
Account for Health Education of Minors	550	-	550
Education Technology Trust	20,371	-	20,371
Professional Licensing and Testing	2,088,854	1,427,318	661,536
Discretionary Grants - Unrestricted	337,656	197,152	140,504
Discretionary Grants - Restricted	31,447,663	17,467,046	13,980,617
Elementary and Secondary Ed - Title I	165,697,343	122,035,433	43,661,910
Elementary and Secondary Ed Titles II, V & VI	55,401,808	38,788,610	16,613,198
Individuals with Disabilities (IDEA)	102,073,676	77,084,797	24,988,879
Education Staffing Services	1,499,354	1,407,570	91,784
Education Support Services	3,251,971	2,623,917	628,054
Incentives for Licensed Educational Personnel	15,874,535	14,331,331	1,543,204
Student Indemnification Account	269,187	-	269,187
Nevada System of Higher Education			
Special Projects	3,103,162	1,909,564	1,193,598
Education for Dependent Children	23,059	14,876	8,183
University of Nevada - Reno	188,640,120	188,293,470	346,650
School of Medical Sciences	35,900,071	35,853,007	47,064

	Final Budget	Actual	Variance
University System Administration	$ 5,091,560	$ 5,091,560	$ -
University of Nevada Las Vegas	239,633,879	233,763,433	5,870,446
System Computing Center	16,669,848	16,669,301	547
UNLV Law School	11,913,635	11,635,947	277,688
National Direct Student Loan Program	35,793	35,793	-
Anatomical Gift Account	503,393	145,000	358,393
UNLV Dental School	14,562,113	14,488,574	73,539
Collegiate License Plate Account	310,950	282,779	28,171
Nevada State College at Henderson	15,129,379	14,997,247	132,132
College of Southern Nevada	125,030,093	120,538,523	4,491,570
Great Basin College	18,012,429	17,475,090	537,339
Desert Research Institute	7,684,930	7,684,616	314
Western Nevada College	20,808,394	19,696,382	1,112,012
Truckee Meadows Community College	45,254,366	43,271,084	1,983,282
WICHE Loan and Stipend	1,045,500	927,270	118,230
WICHE Administration	320,116	317,131	2,985
State Public Charter School Authority	3,267,762	1,501,713	1,766,049
Commission on Postsecondary Education	415,976	403,283	12,693
	2,771,195,420	2,548,624,218	222,571,202
Human Services			
Health and Human Services Director's Office			
DHR Administration	5,980,754	3,481,636	2,499,118
Grants Management Unit	26,277,638	25,158,226	1,119,412
Prevention/Treatment of Problem Gambling	1,361,786	758,788	602,998
Public Defender	3,578,923	3,536,485	42,438
Aging and Disability Services Division			
Aging Federal Programs and Administration	24,549,862	18,348,622	6,201,240
IDEA Part C Compliance	5,524,018	4,457,502	1,066,516
Developmental Disabilities	766,155	727,213	38,942
Disability Services	23,388,729	19,174,085	4,214,644
Division of Health Care Financing and Policy			
Intergovernmental Transfer Program	130,658,464	125,915,478	4,742,986
Health Care Financing and Policy	141,248,635	110,357,864	30,890,771
Increased Quality of Nursing Care	31,360,392	28,220,893	3,139,499
Nevada Check-Up Program	36,750,685	36,416,903	333,782
Nevada Medicaid	1,764,734,324	1,740,345,035	24,389,289
Division of Health			
Radiological Health	4,054,523	2,359,042	1,695,481
Cancer Control Registry	1,323,643	459,160	864,483
HHS - SAPTA	25,790,567	23,196,033	2,594,534
Health Statistics and Planning	1,181,449	859,204	322,245
Consumer Protection	2,217,346	1,543,273	674,073
Consumer Health Assistance	2,066,803	1,597,948	468,855
Early Intervention Services	27,782,827	25,345,055	2,437,772
Immunization Program	7,738,969	5,625,791	2,113,178
Marijuana Health Registry	1,572,528	637,409	935,119
WIC Food Supplement	69,426,048	65,548,803	3,877,245
Communicable Diseases	16,195,174	15,868,843	326,331
Health Facilities	14,785,199	7,696,357	7,088,842
Health Facilities-Admin Penalty	382,316	132,904	249,412
Public Health Preparedness Program	15,373,434	11,599,267	3,774,167
Biostatistics and Epidemiology	5,515,459	4,493,213	1,022,246
Chronic Disease	6,379,426	5,746,141	633,285
Maternal Child Health Services	8,611,440	7,464,347	1,147,093
Office of State Health Administration	8,322,491	4,912,409	3,410,082
Community Health Services	4,304,467	3,427,903	876,564
Emergency Medical Services	998,488	760,231	238,257

	Final Budget	Actual	Variance
Division of Welfare and Supportive Services			
Welfare Administration	$ 56,662,792	$ 51,262,354	$ 5,400,438
Temp Assistance for Needy Families	48,659,084	45,512,301	3,146,783
Assistance to Aged and Blind	8,269,643	8,269,643	-
Welfare Field Services	77,408,835	70,958,545	6,450,290
Child Support Enforcement Program	18,919,794	13,335,192	5,584,602
Collection and Distribution Account	40,903,165	23,216,170	17,686,995
Child Care Assistance and Development	39,301,777	33,249,673	6,052,104
Energy Assistance - Welfare	23,150,775	20,655,110	2,495,665
Division of Mental Health and Developmental Services			
So NV Adult Mental Health Services	87,559,548	80,967,492	6,592,056
No NV Adult Mental Health Services	32,077,251	27,714,112	4,363,139
Mental Health Information System	1,897,512	1,531,327	366,185
Family Preservation Program	2,756,006	2,671,856	84,150
Rural NV Mental Retardation Services	14,996,724	13,876,519	1,120,205
Mental Health Developmental Services	7,888,403	6,938,881	949,522
Desert Regional Center	89,279,313	86,576,539	2,702,774
Sierra Regional Center	35,099,290	33,596,052	1,503,238
Facility for the Mental Offender	8,693,455	8,547,309	146,146
Alcohol Tax Program	1,581,529	866,940	714,589
Rural Clinics	12,774,676	11,321,065	1,453,611
Division of Child and Family Services			
Community Juvenile Justice Programs	5,660,519	3,563,211	2,097,308
Washoe County Integration	31,343,001	30,514,507	828,494
Clark County Integration	85,226,476	79,791,092	5,435,384
UNITY/SACWIS	8,160,760	6,984,346	1,176,414
Children, Youth and Family Administration	18,211,903	16,438,800	1,773,103
Youth Alternative Placement	3,532,099	3,532,099	-
Juvenile Correctional Facility	1,472,940	1,468,693	4,247
Child Care Services	1,593,270	1,338,784	254,486
Caliente Youth Center	8,104,011	7,683,349	420,662
Victims of Domestic Violence	4,248,440	3,030,233	1,218,207
DHR Children's Trust Account	780,173	450,435	329,738
Rural Child Welfare	18,210,538	15,577,800	2,632,738
Review of Death of Children	338,306	89,760	248,546
Nevada Youth Training Center	9,445,011	6,894,425	2,550,586
Youth Parole Services	5,925,476	4,490,040	1,435,436
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	7,750,565	7,403,938	346,627
So NV Child and Adolescent Services	24,857,612	21,580,425	3,277,187
Division of Employment, Training and Rehabilitation			
Blind Business Enterprise Program	6,252,505	2,189,785	4,062,720
Services to the Blind	4,748,955	4,504,771	244,184
Client Assistance Program	201,471	126,915	74,556
Vocational Rehabilitation	18,757,558	16,244,355	2,513,203
Rehabilitation Administration	1,468,665	1,131,773	336,892
Disability Adjudication	18,792,365	15,296,576	3,495,789
Office of Equal Rights	1,297,841	1,209,325	88,516
DETR Administrative Services	5,691,217	5,238,409	452,808
Research and Analysis	3,062,705	2,510,358	552,347
Information Develoment and Processing	12,387,223	11,234,438	1,152,785
	3,335,615,789	3,117,757,785	217,858,004
Commerce and Industry			
Office of Economic Development			
Governor's Office of Economic Development	7,833,168	7,393,406	439,762
Motion Pictures	996,649	719,198	277,451
Rural Community Development	4,115,998	3,700,182	415,816
NV SSBCI Program	3,936,646	1,977,010	1,959,636
Nevada Catalyst Fund	10,000,000	-	10,000,000
Small Business and Procurement	526,034	431,685	94,349

	Final Budget	Actual	Variance
Commission on Mineral Resources			
Minerals	$ 3,561,453	$ 2,523,666	$ 1,037,787
Bond Reclamation	7,668,521	1,761,468	5,907,053
Department of Agriculture			
Nevada Beef Council	287,370	263,563	23,807
Commodity Food Program	17,731,465	14,008,686	3,722,779
Nutrition Education Programs	130,665,771	124,440,475	6,225,296
Gas Pollution Standards	440,199	307,608	132,591
Weed Abatement and Control	99,776	-	99,776
Plant Health and Quarantine Services	277,275	275,633	1,642
Grade and Certification of Ag Products	426,139	186,453	239,686
Agriculture Research and Promotion	122,939	20,000	102,939
Agricultural Registration/Enforcement	3,724,699	2,080,575	1,644,124
Livestock Inspection	2,081,603	1,284,568	797,035
USDA Specialty Crop Grant	310,587	148,494	162,093
Agriculture License Plates	18,296	1,271	17,025
Veterinary Medical Services	786,485	646,620	139,865
Weights and Measures	2,842,174	1,585,037	1,257,137
Pest, Plant Disease and Noxious Weed	2,220,370	1,280,146	940,224
Junior Agricultural Loan Program	254,845	-	254,845
Agriculture Administration	1,258,909	1,192,400	66,509
Rangeland Resources Commission	202,886	124,944	77,942
Rangeland Grasshopper and Morman Cricket	511,862	37,013	474,849
Predatory Animal and Rodent Control	939,836	850,270	89,566
Department of Tourism and Cultural Affairs			
Lost City Museum	399,232	291,133	108,099
LV Springs Preserve Museum Dev	637,894	35,060	602,834
Nevada Historical Society	471,176	401,174	70,002
Nevada State Museum	1,398,827	1,274,714	124,113
Museums and History Administration	369,226	330,473	38,753
Nevada State Museum, Las Vegas	1,374,060	1,223,096	150,964
State Railroad Museums	1,221,145	1,030,677	190,468
Nevada Humanities	40,000	40,000	-
Nevada Arts Council	1,917,669	1,845,038	72,631
Indian Commission	197,403	194,989	2,414
Gaming Control Board			
Gaming Control Board	44,586,560	37,750,546	6,836,014
Gaming Control Federal Forfeiture	626,994	26,189	600,805
Gaming Control - Forfeiture Account	521,414	238,182	283,232
Gaming Control - Other State Forfeiture	505,440	-	505,440
Federal Forfeiture Treasury	2,584,832	391,975	2,192,857
Gaming Commission	343,595	306,629	36,966
Department of Business and Industry			
Business and Industry Administration	4,025,677	3,528,660	497,017
Industrial Development Bonds	319,213	12,949	306,264
Insurance Regulation	3,272,467	3,272,467	-
Captive Insurers	377,294	377,294	-
Insurance Recovery	40,000	40,000	-
Insurance Education and Research	585,675	585,675	-
Nat. Assoc. of Insurance Commissioners	44,858	44,858	-
Insurance Cost Stabilization	140,224	140,224	-
Special Housing Assistance	7,419,536	2,736,384	4,683,152
Low Income Housing Trust Fund	20,605,441	4,886,779	15,718,662
DOE Weatherization	6,770,989	4,614,471	2,156,518
Employee Management Relations	614,544	545,405	69,139
Common Interest Communities	3,903,607	1,591,376	2,312,231
Real Estate	2,384,106	2,166,732	217,374
Athletic Commission	783,550	594,768	188,782
Labor Relations	1,428,869	1,320,166	108,703

	Final Budget	Actual	Variance
Division of Mortgage Lending	$ 3,977,607	$ 1,947,568	$ 2,030,039
Attorney for Injured Workers	3,315,064	3,131,336	183,728
Financial Institutions Investigations	880,083	63,028	817,055
Financial Institutions	6,535,656	3,175,425	3,360,231
Financial Institutions Audit	257,666	101,898	155,768
Transportation Services Authority	2,712,921	2,586,268	126,653
TSA Administrative Fines	358,715	122,210	236,505
	331,791,184	250,206,187	81,584,997
Public Safety			
Department of Corrections			
Prison Medical Care	45,328,384	44,847,013	481,371
Corrections Administration	21,769,248	19,424,972	2,344,276
Correctional Programs	7,838,584	7,197,401	641,183
So Nevada Correctional Center	286,596	265,425	21,171
Warm Springs Correctional Center	9,932,634	9,802,496	130,138
No Nevada Correctional Center	26,072,300	25,706,840	365,460
Nevada State Prison	124,503	105,854	18,649
Stewart Conservation Camp	1,743,124	1,648,989	94,135
Pioche Conservation Camp	1,633,318	1,562,888	70,430
Restitution Center North	1,227,066	1,206,880	20,186
Three Lakes Valley Conservation Camp	2,215,134	2,096,315	118,819
Southern Desert Correctional Center	21,417,409	20,714,984	702,425
Wells Conservation Camp	1,269,767	1,209,454	60,313
Humboldt Conservation Camp	1,211,814	1,150,916	60,898
Ely Conservation Camp	1,283,599	1,186,971	96,628
Jean Conservation Camp	1,515,597	1,378,904	136,693
Silver Springs Conservation Camp	3,266	3,033	233
Ely State Prison	25,461,574	24,744,735	716,839
Carlin Conservation Camp	1,188,133	1,124,557	63,576
Tonopah Conservation Camp	1,178,595	1,144,435	34,160
Lovelock Correctional Center	22,321,398	21,291,215	1,030,183
Florence McClure Women's Correctional Center	13,695,750	13,355,208	340,542
High Desert State Prison	44,770,157	43,411,456	1,358,701
Casa Grande Transitional Housing	4,932,418	4,775,199	157,219
Department of Public Safety			
Emergency Management Division	6,062,583	4,484,933	1,577,650
Emergency Mgmt Assistance Grant	45,538,850	25,277,347	20,261,503
Emergency Assistance Subaccount	374,284	29,395	344,889
Parole and Probation	41,232,718	38,666,810	2,565,908
Fund for Reentry Programs	11,515	-	11,515
Investigations	8,044,596	6,568,740	1,475,856
Training Division	1,020,698	996,421	24,277
Parole Board	2,320,627	2,276,424	44,203
Fire Marshal	3,036,152	2,631,970	404,182
Traffic Safety	10,507,801	5,264,559	5,243,242
Highway Safety Plan and Administration	5,768,296	3,522,925	2,245,371
Motorcycle Safety Program	708,120	525,148	182,972
K-9 Program	84,072	49,939	34,133
Forfeitures	1,286,331	767,575	518,756
Justice Assistance Account	3,168,993	2,083,526	1,085,467
Justice Assistance Grant	7,509,647	5,756,102	1,753,545
Criminal History Repository	22,241,263	12,907,968	9,333,295
Office of Homeland Security	468,832	425,049	43,783
Child Volunteer Background Checks Trust	15,087	15,087	-
Contingency Account for Haz Mat	555,715	411,962	143,753
Cigarette Fire Safety Standard	216,026	24,848	191,178
Justice Grant	533,684	507,593	26,091
Dignitary Protection	1,040,989	964,001	76,988

	Final Budget	Actual	Variance
Department of Motor Vehicles			
Motor Vehicle Pollution Control	$ 11,541,563	$ 8,975,061	$ 2,566,502
Peace Officers Standards and Training	2,473,094	2,291,164	181,930
	434,181,904	374,780,687	59,401,217
Infrastructure			
Department of Wildlife			
Conservation Education	2,300,745	2,177,492	123,253
Law Enforcement	7,950,234	7,245,204	705,030
Game Management	5,203,556	4,531,745	671,811
Fisheries Management	7,778,296	6,174,018	1,604,278
Diversity	2,029,010	1,841,264	187,746
Habitat	6,000,712	5,066,185	934,527
Wildlife Director's Office	3,483,750	3,363,576	120,174
Wildlife Operations	5,964,227	5,568,046	396,181
Wildlife Heritage Account	7,249,819	549,200	6,700,619
Wildlife Fund	30,097,087	14,954,637	15,142,450
Wildlife Habitat Enhancements	9,633,113	2,303,298	7,329,815
Department of Conservation and Natural Resources			
State Environmental Commission	137,059	75,078	61,981
Natural Resources Administration	1,031,201	875,291	155,910
Conservation and Natural Resources Gift	127,500	-	127,500
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Water Resources Legal Cost	2,996,730	171,025	2,825,705
Tahoe Regional Planning Agency	11,514,586	1,287,999	10,226,587
Conservation Districts	266,250	151,807	114,443
Cultural Resource Program	364,513	219,825	144,688
Historic Preservation and Archives	1,629,562	1,419,063	210,499
Comstock Historic District	152,087	145,697	6,390
Comstock Historical District Gifts	85,731	33,881	51,850
Parks Federal Grant Programs	5,067,714	1,322,341	3,745,373
State Parks	12,941,065	9,799,340	3,141,725
State Parks Interpretive and Educational Program	773,244	510,210	263,034
Maintenance of State Parks	2,304,736	229,156	2,075,580
State Parks Facility and Grounds Maintenance	14,955,110	25,547	14,929,563
Coyote Srings Groundwater Basin	38,868	4,986	33,882
Flood Control Revenue Fund	252,517	536	251,981
USGS Co-Op	865,551	745,254	120,297
Groundwater Recharge Projects	334,150	35,174	298,976
Water Right Surveyors	67,121	3,894	63,227
Well Driller's Licenses	72,357	41,219	31,138
Water Resources	5,776,238	5,254,122	522,116
Water Resources Cooperative Project	977,039	298,409	678,630
State Engineer Revenue	255,086	88,501	166,585
Little Humboldt River	163,738	44,805	118,933
Quinn River Distribution	48,543	4,829	43,714
Water Studies	277,000	-	277,000
Adjudication Emergency	16,000	292	15,708
Steptoe Valley Water Basin	21,446	12,815	8,631
Diamond Valley Ground Water	36,225	24,486	11,739
Lake Valley Ground Water Basin	27,605	1,912	25,693
Middle Reese River Ground Water Basin	26,904	3,680	23,224
Dixie Creek/10 Mi Ground Water	18,883	3,069	15,814
Churchill Valley Ground Water	14,367	4,692	9,675
Colorado River Valley	17,489	62	17,427
Washoe Valley Ground Water	11,489	3,140	8,349
Amargosa Valley Ground Water	18,011	3,946	14,065
Las Vegas Basin Water District	3,735,851	1,151,114	2,584,737
Muddy River Surface Water	30,136	12,492	17,644
Pahranagat Lake	64,464	42,760	21,704

	Final Budget	Actual	Variance
Pahrump Artesian Basin	$ 171,454	$ 35,603	$ 135,851
Boulder Flat Ground Water	113,417	9,526	103,891
Dayton Valley Ground Water	27,195	10,066	17,129
Mason Valley Ground Water	128,954	27,621	101,333
Humboldt Water District	465,322	209,134	256,188
Water District Revenue Fund	30,000	10,000	20,000
Smith Valley Artesian Basin	49,249	20,054	29,195
Currant Creek	5,251	-	5,251
Duckwater Creek	41,786	11,663	30,123
Paradise Valley Ground Water	32,393	12,883	19,510
Upper White River	13,583	1,475	12,108
Muddy River Springs	18,433	3,151	15,282
Kingston Creek	3,785	1,917	1,868
Warm Springs/Winnemucca Creek	14,407	1,736	12,671
Eagle Valley	65,340	11,121	54,219
Carson Valley Ground Water	51,596	13,200	38,396
Fish Lake Valley Artesian	26,722	13,531	13,191
Carico Creek	443	-	443
Lemmon Valley	46,418	7,054	39,364
Truckee Meadows/Sun Valley	104,993	34,388	70,605
Antelope Middle Reese River	15,345	3,385	11,960
Warm Springs Ground Water	31,709	7,986	23,723
Lower Moapa Valley Groundwater	10,092	528	9,564
Honey Lake Valley	18,981	319	18,662
Whirlwind Valley	12,865	290	12,575
Crescent Water Groundwater	27,551	6,112	21,439
Clovers Area Groundwater	39,575	7,997	31,578
Cold Springs Valley	24,718	1,383	23,335
Imlay Ground Water	22,152	13,870	8,282
Kelly Creek Ground Water	34,732	4,580	30,152
Lower Reese River Valley	34,141	6,755	27,386
Maggie Creek	49,153	9,233	39,920
North Fork Ground Water	27,524	5,593	21,931
Pleasant Valley	5,596	1,993	3,603
Forestry	20,160,591	9,592,507	10,568,084
Forest Fire Suppression/Emergency Response	13,057,562	7,724,583	5,332,979
Forestry Conservation Camps	11,275,184	8,122,335	3,152,849
Forestry Inter-Gov Agreements	4,509,298	3,853,079	656,219
Tahoe License Plates	1,981,440	397,981	1,583,459
Nevada Tahoe Regional Planning Agency	1,371	379	992
State Lands	1,812,865	1,442,295	370,570
State Lands Revolving Account	90,100	15,353	74,747
Tahoe Bond Sale	1,246,793	58,739	1,188,054
Tahoe Mitigation	2,760,591	60,723	2,699,868
Nevada Natural Heritage	1,329,143	886,185	442,958
AB9/Q1 Bonds	13,626,147	3,734,366	9,891,781
Storage Tank Management	328,526	-	328,526
Environmental Protection Administration	6,636,753	6,099,619	537,134
Chemical Hazard Prevention	1,230,627	560,962	669,665
Reclamation Surety Account	4,792,518	-	4,792,518
Air Quality Management Account	12,133,077	2,321,606	9,811,471
Air Quality	8,929,849	6,374,996	2,554,853
Bureau of Water	6,990,880	3,551,149	3,439,731
Water Quality Planning	10,024,942	4,052,658	5,972,284
Safe Drinking Water Regulatory Program	3,551,012	2,302,301	1,248,711
Bureau of Waste Management and Corrective Actions	15,576,659	10,093,759	5,482,900

	Final Budget	Actual	Variance
Mining Regulation/Reclamation	$ 6,236,672	$ 2,304,762	$ 3,931,910
Interim Fluid Management Trust	1,288,186	-	1,288,186
Hazardous Waste Management	18,468,268	4,725,534	13,742,734
Hazardous Waste - Beatty Site	11,692,406	1,123,668	10,568,738
Water Planning - Capital Improvement	323,427	30,636	292,791
	337,534,477	157,761,436	179,773,041
Special Purpose Agencies			
Office of Veterans' Services			
Office of Veterans' Services	2,963,180	2,782,431	180,749
Veterans' Home Account	19,427,373	15,623,210	3,804,163
Veterans' Gifts and Donations	302,813	65,909	236,904
Veterans' Home Donation	55,880	20,513	35,367
Gift Account for Veterans	1,588,689	646,761	941,928
Office of the Military			
Military	21,795,178	17,574,832	4,220,346
Military Emergency Operations Center	436,038	298,442	137,596
Military Carlin Armory	1,032,988	922,139	110,849
Adjutant General Construction	6,659	373	6,286
National Guard Benefits	73,618	67,338	6,280
Patriot Relief Account	367,646	89,255	278,391
Silver State Health Insurance Exchange Admin	72,099,580	28,404,421	43,695,159
Deferred Compensation Committee	482,135	286,550	195,585
Civil Air Patrol	72,747	28,902	43,845
	120,704,524	66,811,076	53,893,448
Appropriated Transfers to Other Funds			
Legislative Fund	47,747,339	47,747,339	-
Attorney General Fund - Consumer Advocate	1,132,373	1,132,373	-
Highway Fund	15,305	15,305	-
Healthy Nevada Fund	43,396	43,396	-
Capital Project Funds	3,500,000	3,500,000	-
	52,438,413	52,438,413	-
Reversions to Other Funds			
Reversion to Highway Fund	-	261,573	(261,573)
Reversion to Stabilization Fund	-	34,296	(34,296)
Reversion to Workers' Comp and Safety Fund	-	697,938	(697,938)
Reversion to Consolidated Bond Interest and Redemption Fund	-	36,780	(36,780)
Reversion to Tourism Promotion Fund	-	232,100	(232,100)
Reversion to Attorney General Special Fund	-	1,955	(1,955)
Reversion to Employment Security Fund	-	1,500	(1,500)
	-	1,266,142	(1,266,142)
Projected Reversions	(133,474,855)	-	(133,474,855)
Total General Fund	$ 7,627,184,640	$ 6,798,383,412	$ 828,801,228

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

NEVADA

For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance
State Highway			
Finance and Administration			
Unbudgeted Activity	$ -	$ 389,664	$ (389,664)
Appropriations to Other Funds	4,500,003	4,500,003	-
Infrastructure			
Transportation Administration	804,531,669	637,015,784	167,515,885
Aviation Trust Fund	62,602	23,950	38,652
AB 595 Revenue Rental Car Tax	31,716	10,552	21,164
AB 595 Revenue Clark Co.	40,300,000	19,276,221	21,023,779
AB 595 Revenue Washoe Co.	4,081,010	3,470,357	610,653
NDOT - SB 5 RTC Public Road Project	17,113,173	770,740	16,342,433
System of Providing Information to the Traveling Public	376,024	141,357	234,667
Public Safety			
Director's Office - Public Safety	2,802,225	2,712,258	89,967
Internal Affairs	588,533	587,053	1,480
Records Search	6,020,739	5,867,501	153,238
Highway Patrol	81,235,788	66,842,711	14,393,077
DMV Motor Vehicle Information Technology	9,189,304	7,690,594	1,498,710
Motor Carrier	4,184,122	3,562,655	621,467
PS Highway Safety Grants Account	2,345,444	2,004,986	340,458
Emergency Response Commission	2,813,142	1,129,222	1,683,920
Verification of Insurance	3,879,227	2,374,789	1,504,438
Hearings - DMV and PS	1,190,946	1,128,722	62,224
Special Plates Trust Account	1,913,102	168,042	1,745,060
Salvage Titles Trust Account	291,992	190,851	101,141
Public Safety Technology Division	6,405,400	5,819,925	585,475
DMV Field Services	43,410,011	37,984,307	5,425,704
Forfeitures	2,348	-	2,348
Compliance Enforcement	4,710,710	4,101,750	608,960
Central Services	12,592,067	10,734,148	1,857,919
Evidence Vault	578,224	521,535	56,689
Management Services	1,346,597	1,184,868	161,729
Director's Office - DMV	5,651,194	4,045,978	1,605,216
DMV Real ID	846,682	404,978	441,704
Administrative Services	13,878,070	11,127,719	2,750,351
Debt Service Transfers			
Debt Service	79,788,340	79,788,340	-
Projected Reversions	(114,978,680)	-	(114,978,680)
Total	1,041,681,724	915,571,560	126,110,164
Municipal Bond Bank			
Elected Officials			
Municipal Bond Bank Revenue	28,897,053	17,106,802	11,790,251
Total	28,897,053	17,106,802	11,790,251
Employment Security			
Human Services			
Employment Security	142,623,663	123,218,991	19,404,672
Employment Security Special Fund	19,217,540	9,214,441	10,003,099
Total	161,841,203	132,433,432	29,407,771
Regulatory			
Commerce and Industry			
Manufactured Housing	1,433,125	726,335	706,790
Real Estate Education and Research	1,928,283	547,453	1,380,830
Real Estate Recovery	1,203,414	792,825	410,589
Mobile Home Parks	350,242	140,957	209,285
Mfg Housing-Education/Recovery	279,739	45,944	233,795
Regulatory Fund	13,278,105	10,440,500	2,837,605
Administrative Fines	100,000	91,223	8,777
Taxicab Authority	9,901,392	5,173,381	4,728,011
Dairy Commission	1,913,048	1,230,100	682,948
Total	30,387,348	19,188,718	11,198,630

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

For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	$ 5,000,000	$ 5,000,000	$ -
Higher Education Special Construction	9,191,700	9,191,700	-
Total	14,191,700	14,191,700	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	21,754,596	13,173,931	8,580,665
Total	21,754,596	13,173,931	8,580,665
Hospital Care to Indigent Persons			
Finance and Administration			
Supplemental Fund - Indigents	21,594,757	21,059,334	535,423
Total	21,594,757	21,059,334	535,423
Tourism Promotion			
Commerce and Industry			
Tourism Development	226,441	197,048	29,393
Commission on Tourism	22,555,526	18,435,451	4,120,075
Total	22,781,967	18,632,499	4,149,468
Offenders' Store			
Public Safety			
Offenders' Store Fund	17,717,818	14,555,588	3,162,230
Inmate Welfare Account	4,664,569	3,931,190	733,379
Total	22,382,387	18,486,778	3,895,609
Tobacco Settlement			
Elected Officials			
Millennium Scholarship Fund	41,946,473	23,068,359	18,878,114
Millennium Scholarship Administration	408,679	359,932	48,747
Guinn Memorial Millennium Scholarship Fund	436,483	4,500	431,983
Trust Fund for Healthy Nevada	64,528,163	18,111,037	46,417,126
Attorney General MSA Admin	742,720	548,193	194,527
Human Services			
Healthy Nevada Fund	5,435,811	5,335,924	99,887
Senior RX and Disability RX	6,336,031	2,711,470	3,624,561
Healthy Nevada Fund Administration	7,469,029	7,038,606	430,423
Total	127,303,389	57,178,021	70,125,368
Attorney General Settlement			
Public Safety			
National Settlement Administration	87,928,256	3,042,042	84,886,214
Total	87,928,256	3,042,042	84,886,214
Gift			
Education			
Education Gift Fund	28,276	-	28,276
Library and Archives Gift Fund	544,196	3,641	540,555
Human Services			
RRC Gift Fund	47,711	35,078	12,633
SNAMHS Gift Fund	28,918	-	28,918
Health Division Gifts	55,444	16,499	38,945
Transition from Foster Care	1,947,752	911,225	1,036,527
Aging Services Gift	43,587	2,802	40,785
Disability Services Gift	18,152	16,903	1,249
CBS Washoe Gift Fund	25,088	2,617	22,471
Indian Commission Gift Acct	36,384	5,741	30,643
Hospital Gift Fund	250,592	20,552	230,040
NNMRS Gift Fund	9,750	-	9,750
NV Equal Rights Commission Gift Fund	10,989	1,627	9,362

	Final Budget	Actual	Variance
Blind Gift Fund	$ 162,908	$ 110	$ 162,798
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	26,281	550	25,731
Henry Woods Christmas Fund	945	700	245
Nevada Children's Gift Account	568,172	2,212	565,960
CYC Gift Fund	4,767	1,319	3,448
Youth Training Center Gift Fund	39,145	927	38,218
DRC Gift Fund	7,669	70	7,599
Infrastructure			
Wildlife Trust Account	690,614	372,330	318,284
Park Gift and Grants	257,573	70,567	187,006
Total	4,814,800	1,465,470	3,349,330
Natural Resources			
Infrastructure			
Grants To Water Purveyors	648,544	226,914	421,630
Erosion Control Bond Q12	1,074,271	388,772	685,499
Protect Lake Tahoe	21,018,574	2,581,983	18,436,591
Total	22,741,389	3,197,669	19,543,720
Miscellaneous			
Elected Officials			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	6,439,646	4,021,346	2,418,300
Unfair Trade Practices	750,000	134,914	615,086
Commerce and Industry			
Lot Rent Trust Subsidy	562,129	359,691	202,438
Education			
Museums and History Board Trust	23,144	19,784	3,360
Museums Administrator Trust	32,324	3,056	29,268
Nevada Historical Society Trust	329,455	133,586	195,869
Nevada State Museum Trust	654,779	289,074	365,705
Nevada Railroad Museum Trust	456,228	285,803	170,425
Lost City Museum Trust	95,777	65,325	30,452
Las Vegas Museum and Trust	174,410	142,437	31,973
Human Services			
Radioactive Material Disposal	1,052,579	218,445	834,134
Finance and Administration			
Victims of Crime	14,161,755	6,824,478	7,337,277
Total	24,732,351	12,497,939	12,234,412
Legislative (Non-GAAP Fund)			
Legislative Branch			
Nevada Legislative Interim	613,477	589,434	24,043
Legislative Counsel Bureau	53,999,894	44,318,226	9,681,668
Audit Contingency Account	350,388	334,040	16,348
Total	54,963,759	45,241,700	9,722,059
Total Special Revenue Funds	$ 1,687,996,679	$ 1,292,467,595	$ 395,529,084

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

For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			**Regulatory**		
Fund balances, July 1	$ 14,884,217	$ 14,884,217	$ -	$ 8,968,431	$ 8,968,431	$ -
Revenues:						
Federal	106,496,116	93,159,995	(13,336,121)	624,237	726,693	102,456
Other taxes	-	-	-	11,067,634	10,663,431	(404,203)
Sales and charges for services	882,184	709,262	(172,922)	5,301,203	5,301,230	27
Licenses, fees and permits	360,000	305,484	(54,516)	2,999,133	2,727,214	(271,919)
Interest	125,000	21,952	(103,048)	30,462	19,515	(10,947)
Other	11,763,892	11,386,467	(377,425)	509,391	489,006	(20,385)
Other financing sources:						
Transfer from other funds	27,329,794	26,009,030	(1,320,764)	886,857	959,711	72,854
Total sources	$ 161,841,203	$ 146,476,407	$(15,364,796)	$ 30,387,348	$ 29,855,231	$ (532,117)
	Higher Education Capital Construction			**Cleaning Up Petroleum Discharges**		
Fund balances, July 1	$ -	$ -	$ -	$ 7,504,596	$ 7,504,596	$ -
Revenues:						
Gaming taxes, fees, licenses	14,110,206	14,110,206	-	-	-	-
Other taxes	-	-	-	13,500,000	12,749,289	(750,711)
Licenses, fees and permits	-	-	-	550,000	424,502	(125,498)
Interest	-	-	-	100,000	31,180	(68,820)
Other	-	-	-	100,000	-	(100,000)
Total sources	$ 14,110,206	$ 14,110,206	$ -	$ 21,754,596	$ 20,709,567	$ (1,045,029)
	Hospital Care to Indigent Persons			**Tourism Promotion**		
Fund balances, July 1	$ 1,780,616	$ 1,780,616	$ -	$ 4,898,283	$ 4,898,283	$ -
Revenues:						
Other taxes	19,707,594	19,707,594	-	17,662,545	17,645,471	(17,074)
Licenses, fees and permits	-	-	-	9,750	9,145	(605)
Interest	34,547	34,547	-	1,899	89	(1,810)
Other	72,000	72,000	-	9,490	6,742	(2,748)
Other financing sources:						
Transfer from other funds	-	-	-	200,000	432,100	232,100
Total sources	$ 21,594,757	$ 21,594,757	$ -	$ 22,781,967	$ 22,991,830	$ 209,863
	Offenders' Store			**Tobacco Settlement**		
Fund balances, July 1	$ 2,719,640	$ 2,719,640	$ -	$ 39,848,086	$ 39,848,086	$ -
Revenues:						
Sales, charges for services	15,056,582	14,806,767	(249,815)	-	-	-
Interest	85,558	18,671	(66,887)	55,190	53,478	(1,712)
Other	399,725	393,641	(6,084)	60,173,258	59,745,193	(428,065)
Other financing sources:						
Transfer from other funds	4,120,882	3,946,520	(174,362)	27,226,855	23,045,933	(4,180,922)
Total sources	$ 22,382,387	$ 21,885,239	$ (497,148)	$127,303,389	$122,692,690	$ (4,610,699)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Attorney General Settlement			**Gift**		
Fund balances, July 1	$ -	$ -	$ -	$ 2,804,918	$ 2,804,918	$ -
Revenues:						
Licenses, fees and permits	-	-	-	1,091,252	997,950	(93,302)
Interest	559,826	340,860	(218,966)	50,347	8,843	(41,504)
Other	87,368,430	87,368,430	-	830,081	493,068	(337,013)
Other financing sources:						
Transfer from other funds	-	34,296	34,296	38,202	38,129	(73)
Total sources	$ 87,928,256	$ 87,743,586	$ (184,670)	$ 4,814,800	$ 4,342,908	$ (471,892)
	Natural Resources			**Miscellaneous**		
Fund balances, July 1	$ 20,875,517	$ 20,875,517	$ -	$ 9,158,397	$ 9,158,397	$ -
Revenues:						
Federal	973,125	378,786	(594,339)	3,150,169	3,173,045	22,876
Other taxes	-	-	-	2,846,501	2,239,866	(606,635)
Sales, charges for services	-	-	-	639,677	526,225	(113,452)
Licenses, fees and permits	-	-	-	5,549,649	4,771,301	(778,348)
Interest	226,303	120,228	(106,075)	25,620	28,841	3,221
Other	523,739	523,004	(735)	2,223,491	2,429,703	206,212
Other financing sources:						
Transfer from other funds	142,705	-	(142,705)	1,138,847	1,132,373	(6,474)
Total sources	$ 22,741,389	$ 21,897,535	$ (843,854)	$ 24,732,351	$ 23,459,751	$ (1,272,600)
	Legislative (Non-GAAP Fund)			**Total Nonmajor Special Revenue Funds**		
Fund balances, July 1	$ 5,883,750	$ 5,883,750	$ -	$119,326,451	$119,326,451	$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	14,110,206	14,110,206	-
Federal	-	-	-	111,243,647	97,438,519	(13,805,128)
Other taxes	-	-	-	64,784,274	63,005,651	(1,778,623)
Sales, charges for services	384,278	382,143	(2,135)	22,263,924	21,725,627	(538,297)
Licenses, fees and permits	195,000	120,430	(74,570)	10,754,784	9,356,026	(1,398,758)
Interest	-	-	-	1,294,752	678,204	(616,548)
Other	316,837	351,698	34,861	164,290,334	163,258,952	(1,031,382)
Other financing sources:						
Transfer from other funds	431,555	48,171,144	47,739,589	61,515,697	103,769,236	42,253,539
Total sources	$ 7,211,420	$ 54,909,165	$ 47,697,745	$569,584,069	$592,668,872	$23,084,803

[THIS PAGE INTENTIONALLY LEFT BLANK]

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 Examination Accounts for residual activities related to examinations of financial records and assets of authorized insurers, which is now accounted for in the Insurance Administration and Enforcement fund (NRS 679B.300).

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) and cash transactions of gaming licensees (NRS 463.332).

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, 2013

	Workers' Compensation and Safety	Insurance Examination	Insurance Admin and Enforcement	Gaming Investigative
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 31,178,535	$ 44,457	$ 5,197,265	$ 13,507,676
Cash in custody of other officials	250	-	-	220,479
Receivables:				
Accounts receivable	872,707	-	118,117	138,072
Assessments receivable	-	-	250	-
Intergovernmental receivables	812,622	-	65,321	-
Due from other funds	1,056,965	-	74,659	125
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	16,401
Total current assets	33,921,079	44,457	5,455,612	13,882,753
Noncurrent assets:				
Receivables:				
Deferred charges	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,472,347	-	214,966	163,726
Construction in progress	-	-	-	-
Less accumulated depreciation	(2,104,188)	-	(87,568)	(163,062)
Total noncurrent assets	368,159	-	127,398	664
Total assets	34,289,238	44,457	5,583,010	13,883,417
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	650,053	44,457	218,200	10,575
Accrued payroll and related liabilities	681,763	-	278,315	-
Interest payable	-	-	-	-
Intergovernmental payables	130,999	-	-	224
Due to other funds	303,320	-	17,577	1,605,738
Due to fiduciary funds	66	-	-	-
Due to component units	485	-	-	-
Unearned revenues	-	-	-	12,014,216
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	704,419	-	255,014	-
Bonds payable	-	-	-	-
Total current liabilities	2,471,105	44,457	769,106	13,630,753
Noncurrent liabilities:				
Advances from general fund	-	-	-	-
Compensated absences	412,034	-	103,753	-
Bonds payable	-	-	-	-
Total noncurrent liabilities	412,034	-	103,753	-
Total liabilities	2,883,139	44,457	872,859	13,630,753
Net Position				
Net investment in capital assets	368,159	-	127,398	664
Restricted for workers' compensation	31,037,940	-	-	-
Restricted for regulation of business	-	-	-	2,000
Unrestricted (deficit)	-	-	4,582,753	250,000
Total net position	$ 31,406,099	$ -	$ 4,710,151	$ 252,664

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 233,646	$ 1,641,225	$ 215,452	$ 1,014,904	$ 53,033,160
100	100	-	-	220,929
53,743	780,380	103,540	-	2,066,559
-	-	-	-	250
-	270,263	-	178,671	1,326,877
10,828	119,440	8,918	695	1,271,630
-	3,481	-	-	3,481
213,731	1,242,290	4,969	-	1,460,990
-	-	8,944	-	25,345
512,048	4,057,179	341,823	1,194,270	59,409,221
-	-	-	219,520	219,520
-	15,000	-	-	15,000
-	153,140	-	414,672	567,812
-	2,890,227	-	498,613	3,388,840
-	-	-	630,647	630,647
78,561	1,035,563	-	1,495,195	5,460,358
-	-	-	10,122,142	10,122,142
(78,561)	(3,272,189)	-	(2,474,238)	(8,179,806)
-	821,741	-	10,906,551	12,224,513
512,048	4,878,920	341,823	12,100,821	71,633,734
687	98,924	47,862	3,635	1,074,393
5,113	67,855	27,809	7,639	1,068,494
-	-	-	41,473	41,473
-	-	32	228	131,483
21,260	31,327	1,302	4,956	1,985,480
302	165,725	-	-	166,093
-	-	-	-	485
-	241,843	158,681	-	12,414,740
-	9,459	-	2,050	11,509
1,474	92,834	19,628	11,847	1,085,216
-	-	-	163,600	163,600
28,836	707,967	255,314	235,428	18,142,966
268,710	-	-	-	268,710
351	87,458	4,676	5,690	613,962
-	-	-	8,885,879	8,885,879
269,061	87,458	4,676	8,891,569	9,768,551
297,897	795,425	259,990	9,126,997	27,911,517
-	806,741	-	1,637,552	2,940,514
-	-	-	-	31,037,940
-	-	-	-	2,000
214,151	3,276,754	81,833	1,336,272	9,741,763
$ 214,151	$ 4,083,495	$ 81,833	$ 2,973,824	$ 43,722,217

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

For the Fiscal Year Ended June 30, 2013

	Workers' Compensation and Safety	Insurance Examination	Insurance Admin and Enforcement	Gaming Investigative
Operating Revenues				
Sales	$ -	$ -	$ -	$ -
Assessments	-	-	211,929	-
Charges for services	-	-	5,638	15,015,804
Rental income	-	-	-	-
Licenses, fees and permits	31,175,966	-	9,504,749	-
Fines	2,912,833	-	67,150	-
Other	220,012	-	-	-
Total operating revenues	34,308,811	-	9,789,466	15,015,804
Operating Expenses				
Salaries and benefits	13,887,009	-	5,419,378	11,638,960
Operating	4,725,548	-	3,987,787	1,774,604
Claims and benefits expense	9,926,008	-	-	-
Materials or supplies used	-	-	-	-
Depreciation	191,745	-	20,345	11,817
Total operating expenses	28,730,310	-	9,427,510	13,425,381
Operating income (loss)	5,578,501	-	361,956	1,590,423
Nonoperating Revenues (Expenses)				
Interest and investment income	(113,183)	-	(44,654)	-
Interest expense	(42)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,483,029	-	420,669	-
Gain (loss) on disposal/sale of assets	13,579	-	-	-
Total nonoperating revenues (expenses)	2,383,383	-	376,015	-
Income (loss) before capital contributions and transfers	7,961,884	-	737,971	1,590,423
Capital Contributions and Transfers				
Capital contributions	-	-	127,820	-
Transfers in	178,156	-	4,983,866	-
Transfers out	(10,198,516)	(453,534)	(1,139,506)	(1,602,245)
Change in net position	(2,058,476)	(453,534)	4,710,151	(11,822)
Net position, July 1	33,464,575	453,534	-	264,486
Net position, June 30	$ 31,406,099	$ -	$ 4,710,151	$ 252,664

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 964,690	$ 4,206,715	$ 1,109,955	$ 581,953	$ 6,863,313
-	-	-	-	211,929
-	524,846	-	-	15,546,288
-	80,880	-	-	80,880
-	-	-	-	40,680,715
-	-	-	-	2,979,983
26,031	115,880	6,884	144,415	513,222
990,721	4,928,321	1,116,839	726,368	66,876,330
58,573	1,479,569	526,957	170,743	33,181,189
52,184	2,478,821	167,337	203,598	13,389,879
-	-	-	-	9,926,008
709,501	2,503,002	320,295	-	3,532,798
-	116,553	-	31,694	372,154
820,258	6,577,945	1,014,589	406,035	60,402,028
170,463	(1,649,624)	102,250	320,333	6,474,302
-	1,390	-	-	(156,447)
-	-	-	(428,172)	(428,214)
-	-	-	(18,890)	(18,890)
10,725	1,933,746	-	-	4,848,169
-	-	-	2,000	15,579
10,725	1,935,136	-	(445,062)	4,260,197
181,188	285,512	102,250	(124,729)	10,734,499
-	-	-	-	127,820
-	-	-	-	5,162,022
-	(32,167)	-	-	(13,425,968)
181,188	253,345	102,250	(124,729)	2,598,373
32,963	3,830,150	(20,417)	3,098,553	41,123,844
$ 214,151	$ 4,083,495	$ 81,833	$ 2,973,824	$ 43,722,217

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2013

	Workers' Compensation and Safety	Insurance Examination	Insurance Admin and Enforcement	Gaming Investigative
Cash flows from operating activities				
Receipts from customers and users	$ 35,904,515	$ 56,476	$ 8,283,142	$ 15,836,212
Receipts for interfund services provided	162,150	-	1,327,325	-
Payments to suppliers, other governments and beneficiaries	(10,847,047)	(105,629)	(1,126,880)	(1,897,384)
Payments to employees	(13,840,389)	(21,564)	(4,782,296)	(11,638,960)
Payments for interfund services used	(3,475,342)	(277,905)	(2,625,131)	(38,253)
Payments to component units	(54,275)	-	-	-
Net cash provided by (used for) operating activities	7,849,612	(348,622)	1,076,160	2,261,615
Cash flows from noncapital financing activities				
Grant receipts	1,905,564	-	355,348	-
Transfers and advances from other funds	178,156	-	4,972,838	-
Transfers and advances to other funds	(10,244,497)	(442,506)	(1,139,506)	(1,574,865)
Net cash provided by (used for) noncapital financing activities	(8,160,777)	(442,506)	4,188,680	(1,574,865)
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Proceeds from sale of capital assets	13,579	-	-	-
Purchase of capital assets	(125,892)	-	(8,894)	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(112,313)	-	(8,894)	-
Cash flows from investing activities				
Interest, dividends and gains (losses)	(181,370)	-	(58,681)	-
Net cash provided by (used for) investing activities	(181,370)	-	(58,681)	-
Net increase (decrease) in cash	(604,848)	(791,128)	5,197,265	686,750
Cash and cash equivalents, July 1	31,783,633	835,585	-	13,041,405
Cash and cash equivalents, June 30	$ 31,178,785	$ 44,457	$ 5,197,265	$ 13,728,155
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ 5,578,501	$ -	$ 361,956	$ 1,590,423
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	191,745	-	20,344	11,818
Decrease (increase) in accrued interest and receivables	1,757,854	56,476	(178,999)	(33,871)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	14,844
Increase (decrease) in accounts payable, accruals, other liabilities	321,512	(405,098)	872,859	678,401
Total adjustments	2,271,111	(348,622)	714,204	671,192
Net cash provided by (used for) operating activities	$ 7,849,612	$ (348,622)	$ 1,076,160	$ 2,261,615
Noncash investing, capital and financing activities				
Transfer of capital assets	$ -	$ (11,028)	$ 11,028	$ -
Capital contribution	-	-	127,820	-

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 154,716	$ 2,978,274	$ 745,082	$ 592,877	$ 64,551,294
827,602	1,922,190	313,095	-	4,552,362
(757,250)	(2,962,730)	(439,258)	(191,217)	(18,327,395)
(65,259)	(1,494,086)	(541,126)	(163,135)	(32,546,815)
(23,861)	(1,798,080)	(43,091)	(62,325)	(8,343,988)
-	-	-	(3,020)	(57,295)
135,948	(1,354,432)	34,702	173,180	9,828,163
16,448	1,777,552	-	-	4,054,912
-	-	-	-	5,150,994
-	(32,167)	-	-	(13,433,541)
16,448	1,745,385	-	-	(4,227,635)
-	-	-	800,000	800,000
-	-	-	2,000	15,579
-	-	-	-	(134,786)
(41,340)	-	-	(940,000)	(981,340)
-	-	-	(446,854)	(446,854)
-	-	-	(1,511,356)	(1,511,356)
(41,340)	-	-	(2,096,210)	(2,258,757)
-	315	-	-	(239,736)
-	315	-	-	(239,736)
111,056	391,268	34,702	(1,923,030)	3,102,035
122,690	1,250,057	180,750	2,937,934	50,152,054
$ 233,746	$ 1,641,325	$ 215,452	$ 1,014,904	$ 53,254,089
$ 170,463	$ (1,649,624)	$ 102,250	$ 320,333	$ 6,474,302
-	116,553	-	31,694	372,154
(8,403)	(14,531)	(47,629)	(133,491)	1,397,406
(19,167)	116,178	117	-	111,972
(6,945)	76,992	(20,036)	(45,356)	1,472,329
(34,515)	295,192	(67,548)	(147,153)	3,353,861
$ 135,948	$ (1,354,432)	$ 34,702	$ 173,180	$ 9,828,163
$ -	$ -	$ -	$ -	$ -
-	-	-	-	127,820

[THIS PAGE INTENTIONALLY LEFT BLANK]

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).

Motor Pool 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, 2013

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 168,750,024	$ 4,628,827	$ 707,226	$ 525,040
Cash in custody of other officials	-	-	-	-
Receivables:				
Accounts receivable	646,507	13,324	21,402	-
Intergovernmental receivables	684,797	-	893	4,825
Notes receivable	-	-	-	-
Due from other funds	595,305	381,789	304,673	608,218
Due from fiduciary funds	2,735,621	-	32	-
Due from component units	35,514	-	13,702	225
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	173,447,768	5,023,940	1,047,928	1,138,308
Noncurrent assets:				
Notes receivable	-	-	-	-
Capital assets:				
Land	-	20,400	-	-
Buildings	-	2,268,068	873,792	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	350,524	644,050	14,064,227	1,069,669
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(282,755)	(2,048,378)	(12,716,094)	(1,112,157)
Total noncurrent assets	67,769	1,175,356	2,221,925	379,963
Total assets	173,515,537	6,199,296	3,269,853	1,518,271
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	1,602,806	872,719	311,598	2,257
Accrued payroll and related liabilities	103,757	337,621	34,242	41,870
Intergovernmental payables	-	163,479	617	206,857
Bank overdraft	10,012,384	-	-	-
Due to other funds	15,956	61,093	65,284	18,609
Due to fiduciary funds	-	4,958	1,460	-
Due to component units	-	-	-	-
Unearned revenues	21,350,447	-	-	-
Short-term portion of long-term liabilities:				
Reserve for losses	44,891,397	-	-	-
Compensated absences	130,979	357,764	40,729	55,254
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	78,107,726	1,797,634	453,930	324,847
Noncurrent liabilities:				
Advances:				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	80,110	157,710	40,109	46,982
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	80,110	157,710	40,109	46,982
Total liabilities	78,187,836	1,955,344	494,039	371,829
Net Position				
Net investment in capital assets	67,769	1,175,356	2,221,925	379,963
Unrestricted (deficit)	95,259,932	3,068,596	553,889	766,479
Total net position	$ 95,327,701	$ 4,243,952	$ 2,775,814	$ 1,146,442

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 10,015,685	$ 562,765	$ 1,856,899	$ 423,892	$ 3,023,882	$ 1,249,190	$ 191,743,430
-	-	-	-	100	-	100
10,821	-	3,070	7,100	80,392	51,958	834,574
-	-	-	50	69,618	-	760,183
5,000	-	-	-	-	-	5,000
1,028,450	-	60,854	4,956	2,180,011	353,383	5,517,639
-	-	-	-	-	-	2,735,653
-	-	-	-	3,634	16	53,091
-	-	-	-	-	299,732	299,732
66,667	-	6,700	-	-	-	73,367
11,126,623	562,765	1,927,523	435,998	5,357,637	1,954,279	202,022,769
90,000	-	-	-	-	-	90,000
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	744,617	18,789,315
-	-	-	-	-	3,125,954	3,839,621
36,877	59,699	268,238	173,845	26,392,840	3,914,955	46,974,924
-	-	15,323,810	-	-	-	15,323,810
(31,248)	(57,365)	(15,548,820)	(311,108)	(28,383,490)	(4,665,507)	(65,156,922)
95,629	2,334	43,228	98,291	12,787,188	3,120,019	19,991,702
11,222,252	565,099	1,970,751	534,289	18,144,825	5,074,298	222,014,471
592,300	900	59,289	9,732	491,101	-	3,942,702
33,694	106,005	230,049	91,691	525,508	90,877	1,595,314
-	-	124,718	-	1,977	-	497,648
-	-	-	-	-	-	10,012,384
9,962	6,202	302,673	111,732	595,054	288,848	1,475,413
-	-	-	-	-	6,286	12,704
32,240	-	4,500	316	916	-	37,972
-	-	-	-	-	-	21,350,447
16,675,296	-	-	-	-	-	61,566,693
33,658	121,350	267,542	120,004	783,963	63,403	1,974,646
-	-	-	-	513,323	-	513,323
-	-	-	-	114,034	-	114,034
17,377,150	234,457	988,771	333,475	3,025,876	449,414	103,093,280
-	-	202,988	-	595,714	-	798,702
-	-	-	-	1,054,456	-	1,054,456
49,963,596	-	-	-	-	-	49,963,596
15,419	70,714	198,279	110,994	556,850	60,800	1,337,967
-	-	-	-	5,762,895	-	5,762,895
-	-	-	-	133,886	-	133,886
49,979,015	70,714	401,267	110,994	8,103,801	60,800	59,051,502
67,356,165	305,171	1,390,038	444,469	11,129,677	510,214	162,144,782
5,629	2,334	43,228	98,291	6,414,263	3,120,019	13,528,777
(56,139,542)	257,594	537,485	(8,471)	600,885	1,444,065	46,340,912
$ (56,133,913)	$ 259,928	$ 580,713	$ 89,820	$ 7,015,148	$ 4,564,084	$ 59,869,689

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

For the Fiscal Year Ended June 30, 2013

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Operating Revenues				
Net premium income	$ 325,571,002	$ -	$ -	$ -
Sales	-	-	-	-
Charges for services	-	1,104,808	69,380	6,386,596
Rental income	-	14,976,840	3,228,037	-
Other	(67,587)	29,654	1,077	-
Total operating revenues	325,503,415	16,111,302	3,298,494	6,386,596
Operating Expenses				
Salaries and benefits	2,141,817	5,883,204	781,472	1,020,774
Operating	2,849,885	9,239,279	2,086,469	5,415,434
Claims expense	188,784,712	-	-	-
Materials or supplies used	-	-	610,996	-
Depreciation	30,059	117,414	964,474	71,734
Amortization	-	-	-	-
Insurance premiums	119,840,595	-	-	-
Total operating expenses	313,647,068	15,239,897	4,443,411	6,507,942
Operating income (loss)	11,856,347	871,405	(1,144,917)	(121,346)
Nonoperating Revenues (Expenses)				
Interest and investment income	177,745	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	(38,884)	112,859	-
Total nonoperating revenues (expenses)	177,745	(38,884)	112,859	-
Income (loss) before transfers	12,034,092	832,521	(1,032,058)	(121,346)
Transfers				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	12,034,092	832,521	(1,032,058)	(121,346)
Net position, July 1	83,293,609	3,411,431	3,807,872	1,267,788
Net position, June 30	$ 95,327,701	$ 4,243,952	$ 2,775,814	$ 1,146,442

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 17,652,122	$ -	$ -	$ -	$ -	$ -	$ 343,223,124
-	-	-	-	-	2,476,745	2,476,745
-	2,346,750	7,743,408	2,268,419	21,629,309	-	41,548,670
-	-	-	-	195,839	-	18,400,716
245,770	-	36,786	2,149	305	7,991	256,145
17,897,892	2,346,750	7,780,194	2,270,568	21,825,453	2,484,736	405,905,400
666,784	2,085,491	4,687,376	1,875,794	11,251,571	1,406,485	31,800,768
1,826,861	290,719	2,541,129	587,886	9,941,880	328,037	35,107,579
17,898,334	-	-	-	-	-	206,683,046
-	-	-	-	-	583,622	1,194,618
773	1,139	23,839	4,362	1,245,795	261,710	2,721,299
-	-	214,246	-	-	-	214,246
5,153,026	-	-	-	-	-	124,993,621
25,545,778	2,377,349	7,466,590	2,468,042	22,439,246	2,579,854	402,715,177
(7,647,886)	(30,599)	313,604	(197,474)	(613,793)	(95,118)	3,190,223
271	-	-	-	-	-	178,016
-	-	-	(2)	(13,675)	-	(13,677)
-	-	-	-	(27,606)	-	46,369
271	-	-	(2)	(41,281)	-	210,708
(7,647,615)	(30,599)	313,604	(197,476)	(655,074)	(95,118)	3,400,931
20,013	-	-	-	249,531	160,084	429,628
(183,133)	-	-	-	-	-	(183,133)
(7,810,735)	(30,599)	313,604	(197,476)	(405,543)	64,966	3,647,426
(48,323,178)	290,527	267,109	287,296	7,420,691	4,499,118	56,222,263
$ (56,133,913)	$ 259,928	$ 580,713	$ 89,820	$ 7,015,148	$ 4,564,084	$ 59,869,689

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2013

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	$ 82,039,304	$ 34,533	$ 30,795	$ 95,234
Receipts for interfund services provided	188,967,499	15,939,848	3,172,765	6,327,664
Receipts from component units	78,340,108	-	84,921	5,027
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(303,858,503)	(8,943,051)	(1,695,449)	(5,091,099)
Payments to employees	(2,124,896)	(5,794,959)	(807,231)	(1,028,067)
Payments for interfund services used	(926,752)	(1,304,887)	(792,301)	(209,181)
Payments to component units	-	(463)	-	-
Net cash provided by (used for) operating activities	42,436,760	(68,979)	(6,500)	99,578
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	-	-	-
Transfers and advances to other funds	-	-	(720)	-
Other noncapital financing activities	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	(720)	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	6,353	112,859	-
Purchase of capital assets	(22,615)	(98,140)	(1,006,101)	-
Principal paid on capital debt		-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(22,615)	(91,787)	(893,242)	-
Cash flows from investing activities				
Interest, dividends and gains (losses)	348,007	-	-	-
Net cash provided by (used for) investing activities	348,007	-	-	-
Net increase (decrease) in cash	42,762,152	(160,766)	(900,462)	99,578
Cash and cash equivalents, July 1	125,987,872	4,789,593	1,607,688	425,462
Cash and cash equivalents, June 30	$ 168,750,024	$ 4,628,827	$ 707,226	$ 525,040
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ 11,856,347	$ 871,405	$ (1,144,917)	$ (121,346)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	30,059	117,414	964,474	71,734
Amortization	-	-	-	-
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	2,568,707	(136,921)	(10,013)	26,105
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	2,037
Increase (decrease) in accounts payable, accruals, other liabilities	27,981,647	(920,877)	183,956	121,048
Total adjustments	30,580,413	(940,384)	1,138,417	220,924
Net cash provided by (used for) operating activities	$ 42,436,760	$ (68,979)	$ (6,500)	$ 99,578

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 142,153	$ 2,346,750	$ 27,048	$ 43,709	$ 454,967	$ 216,448	$ 85,430,941
17,226,968	-	7,742,301	2,217,436	21,413,349	2,097,551	265,105,381
243,459	-	163,364	-	-	-	78,836,879
5,000	-	-	-	-	-	5,000
(9,272,890)	(50,509)	(768,723)	(167,028)	(9,062,981)	(654,649)	(339,564,882)
(639,607)	(2,082,764)	(4,706,255)	(1,856,764)	(10,928,050)	(1,391,372)	(31,359,965)
(12,938,403)	(239,231)	(1,739,408)	(431,127)	(619,265)	(252,570)	(19,453,125)
(136,096)	-	(18,958)	-	(93,288)	-	(248,805)
(5,369,416)	(25,754)	699,369	(193,774)	1,164,732	15,408	38,751,424
-	-	-	-	96,110	160,084	256,194
(183,133)	-	-	-	-	-	(183,853)
-	-	-	(2)	-	-	(2)
(183,133)	-	-	(2)	96,110	160,084	72,339
-	-	-	-	-	-	119,212
-	-	-	-	(1,027,205)	-	(2,154,061)
-	-	(326,659)	-	(898,502)	-	(1,225,161)
-	-	-	-	(13,675)	-	(13,675)
-	-	(326,659)	-	(1,939,382)	-	(3,273,685)
271	-	-	-	-	-	348,278
271	-	-	-	-	-	348,278
(5,552,278)	(25,754)	372,710	(193,776)	(678,540)	175,492	35,898,356
15,567,963	588,519	1,484,189	617,668	3,702,522	1,073,698	155,845,174
$ 10,015,685	$ 562,765	$ 1,856,899	$ 423,892	$ 3,023,982	$ 1,249,190	$ 191,743,530
$ (7,647,886)	$ (30,599)	$ 313,604	$ (197,474)	$ (613,793)	$ (95,118)	$ 3,190,223
773	1,139	23,839	4,362	1,245,795	261,710	2,721,299
-	-	214,246	-	-	-	214,246
5,000	-	-	-	-	-	5,000
(285,312)	2,260	152,519	(9,423)	42,863	(170,737)	2,180,048
-	-	(2,200)	-	-	(90,031)	(90,194)
2,558,009	1,446	(2,639)	8,761	489,867	109,584	30,530,802
2,278,470	4,845	385,765	3,700	1,778,525	110,526	35,561,201
$ (5,369,416)	$ (25,754)	$ 699,369	$ (193,774)	$ 1,164,732	$ 15,408	$ 38,751,424

[THIS PAGE INTENTIONALLY LEFT BLANK]

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).

Veterans' Custodial Accounts for the estates of persons for whom the Nevada Commissioner for Veteran Affairs acts as guardian (NRS 417.113; repealed).

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, 2013

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	$ -	$ -	$ -	$ 3,748,631	$ 3,748,631
Cash in custody of other officials	686,553,439	50,637	209,612	-	686,813,688
Investments:					
Investments	-	-	-	1,060,841	1,060,841
Fixed income securities	6,427,979,583	1,025,399	16,910,503	-	6,445,915,485
Marketable equity securities	12,159,852,276	3,192,115	53,473,984	-	12,216,518,375
International securities	7,550,034,097	290,694	4,265,114	-	7,554,589,905
Real estate	1,265,383,156	-	-	-	1,265,383,156
Alternative investments	907,783,472	-	-	-	907,783,472
Collateral on loaned securities	4,867,492,944	-	-	-	4,867,492,944
Receivables:					
Accounts receivable	-	-	-	-	-
Accrued interest and dividends	100,462,848	5,261	78,732	-	100,546,841
Trades pending settlement	144,328,901	7,152	59,579	-	144,395,632
Intergovernmental receivables	89,710,375	-	305,486	893,012	90,908,873
Contributions receivable	-	-	-	-	-
Other receivables	-	-	8,419	-	8,419
Due from other funds	-	-	-	128,789	128,789
Due from fiduciary funds	17,420,555	-	-	-	17,420,555
Due from component units	-	-	-	1,350,696	1,350,696
Other assets	2,060,547	-	-	-	2,060,547
Furniture and equipment	37,728,248	-	-	-	37,728,248
Accumulated depreciation	(33,949,044)	-	-	-	(33,949,044)
Total assets	34,222,841,397	4,571,258	75,311,429	7,181,969	34,309,906,053
Liabilities					
Accounts payable and accruals:					
Accounts payable	12,414,362	1,183	5,243	-	12,420,788
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	508,795,227	7,229	59,155	-	508,861,611
Bank overdraft	-	-	-	-	-
Obligations under securities lending	4,866,933,983	-	-	-	4,866,933,983
Due to other funds	32	-	-	2,735,621	2,735,653
Due to fiduciary funds	44,752	-	-	-	44,752
Other liabilities	-	240,123	-	-	240,123
Total liabilities	5,388,188,356	248,535	64,398	2,735,621	5,391,236,910
Net Position					
Held in trust for:					
Employees' pension benefits	28,834,653,041	4,322,723	75,247,031	-	28,914,222,795
OPEB benefits	-	-	-	4,446,348	4,446,348
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	$28,834,653,041	$ 4,322,723	$ 75,247,031	$ 4,446,348	$ 28,918,669,143

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
$ 459	$ 5,447	$ -	$ 5,906	$ 5,088,178	$ -	$ 5,088,178
-	-	3,618,695	3,618,695	-	15,367,094	15,367,094
508,485,817	401,849,585	181,118,368	1,091,453,770	-	11,248,846,275	11,248,846,275
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	114,551	-	114,551
267,155	767,924	2,674,824	3,709,903	-	3,925,971	3,925,971
-	-	-	-	-	772,659	772,659
-	-	-	-	136,501	-	136,501
-	-	-	-	-	9,719,092	9,719,092
-	-	-	-	-	-	-
-	-	-	-	253,773	-	253,773
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
508,753,431	402,622,956	187,411,887	1,098,788,274	5,593,003	11,278,631,091	11,284,224,094
-	115,043	24,182	139,225	113,341	2,353,463	2,466,804
-	-	-	-	18,651	-	18,651
-	-	-	-	-	4,257,052	4,257,052
-	-	4,369,902	4,369,902	-	8,983,214	8,983,214
-	-	-	-	-	521,000	521,000
-	-	-	-	-	-	-
-	31,939	-	31,939	563,668	-	563,668
-	-	-	-	16,009	-	16,009
-	-	-	-	-	-	-
-	146,982	4,394,084	4,541,066	711,669	16,114,729	16,826,398
-	-	-	-	-	-	-
-	-	-	-	-	-	-
508,753,431	402,475,974	183,017,803	1,094,247,208	-	-	-
-	-	-	-	4,881,334	11,262,516,362	11,267,397,696
$ 508,753,431	$ 402,475,974	$ 183,017,803	$1,094,247,208	$ 4,881,334	$11,262,516,362	$ 11,267,397,696

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, 2013

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
Contributions:					
Employer	$ 1,310,082,859	$ 213,351	$ 7,084,380	$ 36,686,124	$ 1,354,066,714
Plan members	99,230,935	26,771	-	-	99,257,706
Participants	-	-	-	-	-
Repayment and purchase of service	46,467,628	-	-	-	46,467,628
Total contributions	1,455,781,422	240,122	7,084,380	36,686,124	1,499,792,048
Investment income:					
Net increase (decrease) in fair value of investments	2,421,069,482	454,163	7,793,662	56,570	2,429,373,877
Interest, dividends	726,592,336	52,737	876,179	36,255	727,557,507
Securities lending	(13,434,536)	-	-	-	(13,434,536)
Other	93,940,400	-	-	-	93,940,400
	3,228,167,682	506,900	8,669,841	92,825	3,237,437,248
Less investment expense:					
Cost of securities lending	(6,830,980)	-	-	-	(6,830,980)
Other	(27,430,986)	(997)	(16,885)	(411)	(27,449,279)
Net investment income	3,193,905,716	505,903	8,652,956	92,414	3,203,156,989
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,519,896	81,376	-	-	2,601,272
Total other	2,519,896	81,376	-	-	2,601,272
Total additions	4,652,207,034	827,401	15,737,336	36,778,538	4,705,550,309
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,680,814,209	504,831	4,028,587	33,609,882	1,718,957,509
Refunds	26,126,061	-	-	-	26,126,061
Contribution distributions	895,115	-	-	-	895,115
Dividends to investors	-	-	-	-	-
Administrative expense	9,560,240	80,614	68,904	-	9,709,758
Total deductions	1,717,395,625	585,445	4,097,491	33,609,882	1,755,688,443
Change in net position	2,934,811,409	241,956	11,639,845	3,168,656	2,949,861,866
Net position, July 1	25,899,841,632	4,080,767	63,607,186	1,277,692	25,968,807,277
Net position, June 30	$ 28,834,653,041	$ 4,322,723	$ 75,247,031	$ 4,446,348	$28,918,669,143

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
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	19,277,915	2,875,825,289	2,895,103,204
-	-	-	-	-	-	-
-	-	-	-	19,277,915	2,875,825,289	2,895,103,204
19,919	(5,038,663)	14,631,484	9,612,740	-	766,459,152	766,459,152
837,493	6,985,334	4,719,934	12,542,761	-	252,952,778	252,952,778
-	-	-	-	-	-	-
-	-	-	-	-	-	-
857,412	1,946,671	19,351,418	22,155,501	-	1,019,411,930	1,019,411,930
-	-	-	-	-	-	-
-	-	(34,653)	(34,653)	-	-	-
857,412	1,946,671	19,316,765	22,120,848	-	1,019,411,930	1,019,411,930
781,173,174	-	15,414,900	796,588,074	-	-	-
784,164	-	-	784,164	-	-	-
-	-	174	174	-	-	-
781,957,338	-	15,415,074	797,372,412	-	-	-
782,814,750	1,946,671	34,731,839	819,493,260	19,277,915	3,895,237,219	3,914,515,134
779,644,090	10,072,497	-	789,716,587	-	1,800,859,664	1,800,859,664
-	-	-	-	19,061,078	-	19,061,078
-	-	-	-	-	-	-
-	-	-	-	-	-	-
839,256	-	-	839,256	-	-	-
25,937	566,196	33,290	625,423	-	24,113,695	24,113,695
780,509,283	10,638,693	33,290	791,181,266	19,061,078	1,824,973,359	1,844,034,437
2,305,467	(8,692,022)	34,698,549	28,311,994	216,837	2,070,263,860	2,070,480,697
506,447,964	411,167,996	148,319,254	1,065,935,214	4,664,497	9,192,252,502	9,196,916,999
$ 508,753,431	$ 402,475,974	$ 183,017,803	$ 1,094,247,208	$ 4,881,334	$11,262,516,362	$ 11,267,397,696

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2013

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 13,007,447	$ 23,853,927	$ 20,389,126	$ -
Cash in custody of other officials	-	25,853,235	5,714,405	3,070,661
Investments	-	208,939,789	-	-
Receivables:				
Taxes receivable	11,710,319	-	42,168,718	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	107,731	-
Due from other funds	440,898,311	32,560,713	769,902	-
Due from fiduciary funds	10,474,456	-	763	-
Due from component units	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 476,090,533	$ 291,207,664	$ 69,150,645	$ 3,070,661
Liabilities				
Accounts payable and accruals:				
Accrued payroll and related liabilities	$ -	$ -	$ -	$ -
Intergovernmental payables	476,090,533	-	51,154,601	-
Due to fiduciary funds	-	-	10,474,456	-
Other liabilities:				
Deposits	-	291,199,481	7,402,671	-
Other liabilities	-	8,183	118,917	3,070,661
Total liabilities	$ 476,090,533	$ 291,207,664	$ 69,150,645	$ 3,070,661

Child Welfare Trust	Restitution Trust	Veterans' Custodial	State Payroll	Total
$ 20,263	$ 1,482,806	$ -	$ 15,499,161	$ 74,252,730
-	-	-	-	34,638,301
-	-	-	-	208,939,789
-	-	-	-	53,879,037
-	-	-	40,354	40,354
-	-	-	-	107,731
663	1,718	-	1,139,178	475,370,485
-	15,246	-	44,752	10,535,217
-	-	-	1,213,449	1,213,449
-	-	-	-	-
$ 20,926	$ 1,499,770	$ -	$ 17,936,894	$ 858,977,093

$ -	$ -	$ -	$ 248,890	$ 248,890
1,510	-	-	-	527,246,644
-	-	-	17,420,555	27,895,011
-	-	-	267,449	298,869,601
19,416	1,499,770	-	-	4,716,947
$ 20,926	$ 1,499,770	$ -	$ 17,936,894	$ 858,977,093

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Intergovernmental				
Assets				
Cash with treasurer	$ 12,578,437	$ 2,878,329,215	$ 2,877,900,205	$ 13,007,447
Taxes receivable	9,278,578	38,324,718	35,892,977	11,710,319
Due from other funds	423,636,210	440,893,445	423,631,344	440,898,311
Due from fiduciary funds	10,352,621	10,474,456	10,352,621	10,474,456
Total assets	$ 455,845,846	$ 3,368,021,834	$ 3,347,777,147	$ 476,090,533
Liabilities				
Intergovernmental payables	$ 455,845,846	$ 3,357,414,885	$ 3,337,170,198	$ 476,090,533
Total liabilities	$ 455,845,846	$ 3,357,414,885	$ 3,337,170,198	$ 476,090,533
State Agency Fund for Bonds				
Assets				
Cash with treasurer	$ 23,002,370	$ 6,554,629	$ 5,703,072	$ 23,853,927
Cash in custody of other officials	28,304,737	3,094,229	5,545,731	25,853,235
Investments	189,224,684	117,781,444	98,066,339	208,939,789
Due from other funds	33,112,013	783,101	1,334,401	32,560,713
Total assets	$ 273,643,804	$ 128,213,403	$ 110,649,543	$ 291,207,664
Liabilities				
Deposits	$ 273,623,382	$ 126,714,602	$ 109,138,503	$ 291,199,481
Other liabilities	20,422	83	12,322	8,183
Total liabilities	$ 273,643,804	$ 126,714,685	$ 109,150,825	$ 291,207,664
Motor Vehicle				
Assets				
Cash with treasurer	$ 22,652,989	$ 1,092,546,270	$ 1,094,810,133	$ 20,389,126
Cash in custody of other officials	5,955,705	5,000	246,300	5,714,405
Taxes receivable	36,662,473	47,551,728	42,045,483	42,168,718
Other receivables	109,395	11,041	12,705	107,731
Due from other funds	1,063,383	769,902	1,063,383	769,902
Due from fiduciary funds	1,576	763	1,576	763
Total assets	$ 66,445,521	$ 1,140,884,704	$ 1,138,179,580	$ 69,150,645
Liabilities				
Intergovernmental payables	$ 48,466,260	$ 1,102,162,075	$ 1,099,473,734	$ 51,154,601
Due to fiduciary funds	10,352,621	10,474,456	10,352,621	10,474,456
Deposits	7,507,721	314,644	419,694	7,402,671
Other liabilities	118,919	28,230,467	28,230,469	118,917
Total liabilities	$ 66,445,521	$ 1,141,181,642	$ 1,138,476,518	$ 69,150,645
Child Support Disbursement				
Assets				
Cash in custody of other officials	$ 4,554,539	$ 206,720,856	$ 208,204,734	$ 3,070,661
Total assets	$ 4,554,539	$ 206,720,856	$ 208,204,734	$ 3,070,661
Liabilities				
Other liabilities	$ 4,554,539	$ 207,038,006	$ 208,521,884	$ 3,070,661
Total liabilities	$ 4,554,539	$ 207,038,006	$ 208,521,884	$ 3,070,661
Child Welfare Trust				
Assets				
Cash with treasurer	$ 21,524	$ 198,779	$ 200,040	$ 20,263
Due from other funds	2,771	663	2,771	663
Total assets	$ 24,295	$ 199,442	$ 202,811	$ 20,926
Liabilities				
Intergovernmental payables	$ 19,678	$ 1,510	$ 19,678	$ 1,510
Other liabilities	4,617	196,190	181,391	19,416
Total liabilities	$ 24,295	$ 197,700	$ 201,069	$ 20,926

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Restitution Trust				
Assets				
Cash with treasurer	$ 1,622,852	$ 2,968,028	$ 3,108,074	$ 1,482,806
Due from other funds	4,042	1,718	4,042	1,718
Due from fiduciary funds	31,901	15,246	31,901	15,246
Total assets	$ 1,658,795	$ 2,984,992	$ 3,144,017	$ 1,499,770
Liabilities				
Other liabilities	$ 1,658,795	$ 2,895,989	$ 3,055,014	$ 1,499,770
Total liabilities	$ 1,658,795	$ 2,895,989	$ 3,055,014	$ 1,499,770
Veterans Custodial				
Assets				
Cash with treasurer	$ 29,676	$ 807	$ 30,483	$ -
Total assets	$ 29,676	$ 807	$ 30,483	$ -
Liabilities				
Other liabilities	$ 29,676	$ 807	$ 30,483	$ -
Total liabilities	$ 29,676	$ 807	$ 30,483	$ -
State Payroll				
Assets				
Cash with treasurer	$ 21,339,665	$ 706,431,583	$ 712,272,087	$ 15,499,161
Intergovernmental receivables	100,713	40,354	100,713	40,354
Due from other funds	702,762	1,130,486	694,070	1,139,178
Due from fiduciary funds	-	44,752	-	44,752
Due from component unit	-	1,213,449	-	1,213,449
Total assets	$ 22,143,140	$ 708,860,624	$ 713,066,870	$ 17,936,894
Liabilities				
Accrued payroll and related liabilities	$ 3,770	$ 254,796,631	$ 254,551,511	$ 248,890
Due to fiduciary funds	17,540,862	229,474,832	229,595,139	17,420,555
Deposits	4,598,508	224,532,149	228,863,208	267,449
Total liabilities	$ 22,143,140	$ 708,803,612	$ 713,009,858	$ 17,936,894
Totals - All Agency Funds				
Assets				
Cash with treasurer	$ 81,247,513	$ 4,687,029,311	$ 4,694,024,094	$ 74,252,730
Cash in custody of other officials	38,814,981	209,820,085	213,996,765	34,638,301
Investments	189,224,684	117,781,444	98,066,339	208,939,789
Taxes receivable	45,941,051	85,876,446	77,938,460	53,879,037
Intergovernmental receivables	100,713	40,354	100,713	40,354
Other receivables	109,395	11,041	12,705	107,731
Due from other funds	458,521,181	443,579,315	426,730,011	475,370,485
Due from fiduciary funds	10,386,098	10,535,217	10,386,098	10,535,217
Due from component unit	-	1,213,449	-	1,213,449
Total assets	$ 824,345,616	$ 5,555,886,662	$ 5,521,255,185	$ 858,977,093
Liabilities				
Accrued payroll and related liabilities	$ 3,770	$ 254,796,631	$ 254,551,511	$ 248,890
Intergovernmental payables	504,331,784	4,459,578,470	4,436,663,610	527,246,644
Due to fiduciary funds	27,893,483	239,949,288	239,947,760	27,895,011
Deposits	285,729,611	351,561,395	338,421,405	298,869,601
Other liabilities	6,386,968	238,361,542	240,031,563	4,716,947
Total liabilities	$ 824,345,616	$ 5,544,247,326	$ 5,509,615,849	$ 858,977,093

[THIS PAGE INTENTIONALLY LEFT BLANK]

Compliance Section

[THIS PAGE INTENTIONALLY LEFT BLANK]

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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 Kim Wallin, CMA, CFM, CPA
State Controller

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, 2013, 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 16, 2013. 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 the 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, 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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.

Kafoury, Armstrong & Co.

Reno, Nevada
December 16, 2013

PART II

APPENDIX B

STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DOLLAR AMOUNTS IN THOUSANDS)

	2009	2010	2011	2012	2013
Revenues:					
Gaming taxes, fees, licenses	$ 865,609	$ 827,681	$ 835,245	$ 870,007	$ 882,575
Sales taxes	953,112	870,539	925,898	965,060	1,024,624
Intergovernmental	2,221,824	2,708,799	2,688,280	2,678,186	2,823,208
Other Taxes	900,824	1,218,920	1,255,065	1,256,166	1,300,109
Licenses, fees and permits	209,250	244,507	301,462	278,356	279,736
Sales and charges for services	54,303	53,333	53,284	55,719	57,266
Interest	7,606	11,657	10,161	6,006	9,620
Other	103,979	81,500	117,688	125,418	107,361
Total Revenues	5,316,507	6,016,936	6,187,083	6,234,918	6,484,499
Expenditures:					
Current:					
General government	97,674	91,485	140,751	134,260	142,506
Health and social services	2,428,459	2,716,246	2,890,268	2,991,985	3,154,196
Education and support services	57,077	56,712	53,333	53,430	52,475
Law, justice and public safety	450,076	462,314	434,004	424,439	420,597
Regulation of business	83,253	84,885	90,492	73,408	62,351
Recreation & resource development	111,828	108,135	107,769	100,956	96,833
Intergovernmental	2,552,842	2,568,947	2,602,500	2,449,931	2,469,662
Debt Service:					
Principal	842	933	2,061	1,621	1,674
Interest, fiscal charges	627	698	1,622	1,566	1,416
Debt issuance costs	63	116		3	180
Total Expenditures	5,782,741	6,090,471	6,322,800	6,231,599	6,401,890
Excess of (deficiency) of revenues over expenditures	(466,234)	(73,535)	(135,717)	3,319	82,609
Other Financing Sources (Uses):					
Capital leases	20	18,209	408		
Sale of bonds	10,313	15,976		451	
Premium on bonds	258	663		42	
Sale of fixed assets	94	71	70	94	92
Transfers in	337,785	191,823	107,707	61,767	70,343
Transfers out	(89,165)	(111,471)	(25,195)	(42,089)	(52,353)
Total other financing sources (uses)	259,305	115,271	82,990	20,265	18,082
Net change in fund balances	(206,929)	41,736	(52,727)	23,584	100,690
Fund balances, July 1	399,751	192,822	299,472(1)	246,745	270,329
Fund balances, June 30	$ 192,822	$ 234,558	$246,745	$270,329	$371,019

(1) The State implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which changed the classification of fund balances and clarified the definitions of the general fund and other governmental fund types. As a result, certain special revenue funds no longer meet the definition of a special revenue fund and are now reported as activity in the General Fund. Fund balances in the General Fund and nonmajor special revenue funds have been restated by $64,913,865 to reflect this change.

Source: State of Nevada, Comprehensive Annual Financial Reports, 2009-2013.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PART II

APPENDIX C

MAY 1, 2013 ECONOMIC FORUM FORECAST WITH LEGISLATIVELY APPROVED ADJUSTMENTS

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

							ECONOMIC FORUM MAY 1, 2013 FORECAST					
DESCRIPTION	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	FY 2013 FORECAST	% Change	FY 2014 FORECAST	% Change	FY 2015 FORECAST	% Change
TAXES												
TOTAL MINING TAXES [3-09][19-10][20-10][1-12][2-12][3-12][1-14][2-14]	$76,847,872	6.2%	$129,692,132	68.8%	$120,425,485	-7.1%	$93,881,300	-22.0%	$95,738,000	2.0%	$101,072,000	5.6%
TOTAL SALES AND USE TAX [1-04][1A-09][1B-09][1-10][4-12][3-14]	$784,348,571	-8.7%	$826,280,591	5.3%	$875,596,070	6.0%	$919,122,400	5.0%	$969,852,700	5.5%	$1,023,194,100	5.5%
TOTAL GAMING TAXES [2-04][3-04][1-06][1-08][5-12]	$668,367,995	-3.4%	$683,716,703	2.3%	$686,450,412	0.4%	$705,111,850	2.7%	$727,181,450	3.1%	$758,462,350	4.3%
LIVE ENTERTAINMENT TAX [4a-04][4b-04][2-06]	$119,719,530	-1.5%	$130,637,622	9.1%	$136,982,047	4.9%	$132,964,000	-2.9%	$136,078,000	2.3%	$141,142,000	3.7%
TOTAL INSURANCE TAXES [21-10]	$234,549,230	-1.9%	$235,792,111	0.5%	$237,858,943	0.9%	$247,227,400	3.9%	$263,239,400	6.5%	$285,286,400	8.4%
MBT-NONFINANCIAL [10-04][5-06][6-06][2-10][6-12][4-14]	$363,411,521	43.6%	$361,355,326	-0.6%	$348,943,337	-3.4%	$363,319,000	4.1%	$359,736,000	-1.0%	$378,021,000	5.1%
MBT-FINANCIAL [11-04][5-06]	$21,698,267	-11.1%	$20,545,331	-5.3%	$20,717,296	0.8%	$22,265,000	7.5%	$23,203,000	4.2%	$24,092,000	3.8%
CIGARETTE TAX [6-04][2-09][3-10]	$88,550,857	-8.7%	$85,961,100	-2.9%	$82,974,853	-3.5%	$81,863,000	-1.3%	$80,428,000	-1.8%	$79,039,000	-1.7%
REAL PROPERTY TRANSFER TAX [13-04][8-06]	$53,315,435	-19.1%	$51,552,368	-3.3%	$48,373,678	-6.2%	$51,702,000	6.9%	$52,227,000	1.0%	$55,283,000	5.9%
ROOM TAX [5-09][4-10]	$97,671,733		$112,567,350	15.3%								
GOVERNMENTAL SERVICES TAX [5-10][5-14]	$51,330,663		$61,537,648	19.9%	$62,358,153	1.3%	$63,437,000	1.7%	$64,224,000		$65,134,000	
LIQUOR TAX [5-04][2-09][7-10]	$38,425,078	3.9%	$39,483,406	2.8%	$40,649,951	3.0%	$39,704,000	-2.3%	$39,814,000	0.3%	$40,056,000	0.6%
OTHER TOBACCO TAX [7-04][2-09][8-10]	$9,574,952	4.8%	$10,039,228	4.8%	$8,274,310	-17.6%	$9,610,000	16.1%	$9,777,000	1.7%	$9,916,000	1.4%
HECC TRANSFER	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	
BUSINESS LICENSE FEE [8-04][3-06][4-06][6-10][7-12][6-14]	$41,940,370	86.3%	$54,466,138	29.9%	$64,790,426	19.0%	$68,367,000	5.5%	$68,265,000	-0.1%	$68,891,000	0.9%
BUSINESS LICENSE TAX [9-04]	$8,381	159.6%	$13,710	63.6%	$597	-95.6%	$2,400	302.3%				
BRANCH BANK EXCISE TAX [12-04][7-06]	$3,378,900	7.9%	$3,074,089	-9.0%	$3,047,528	-0.9%	$3,006,500	-1.3%	$3,005,700	0.0%	$3,006,000	0.0%
TAX AMNESTY [22-10]												
TOTAL TAXES	$2,658,139,354	6.2%	$2,811,714,854	5.8%	$2,742,443,087	-2.5%	$2,806,582,850	2.3%	$2,897,769,250	3.2%	$3,037,594,850	4.8%
LICENSES												
INSURANCE LICENSES	$15,376,278	4.3%	$16,542,772	7.6%	$15,646,219	-5.4%	$16,308,000	4.2%	$16,737,000	2.6%	$17,173,500	2.6%
MARRIAGE LICENSES	$419,295	-6.1%	$411,453	-1.9%	$404,472	-1.7%	$394,000	-2.6%	$379,100	-3.8%	$366,100	-3.4%
TOTAL SECRETARY OF STATE [14-04][9-10][23-10]	$90,962,300	-2.4%	$100,235,443	10.2%	$93,679,582	-6.5%	$91,932,100	-1.9%	$91,995,000	0.1%	$92,425,600	0.5%
PRIVATE SCHOOL LICENSES [7-14]	$207,304	1.1%	$237,816	14.7%	$224,140	-5.8%	$190,000	-15.2%	$283,975	49.5%	$282,000	-0.7%
PRIVATE EMPLOYMENT AGENCY	$14,700	-14.5%	$13,500	-8.2%	$11,800	-12.6%	$12,300	4.2%	$12,200	-0.8%	$12,000	-1.6%
TOTAL REAL ESTATE [15-04][16-04]	$2,610,174	-1.2%	$2,369,931	-9.2%	$4,009,255	69.2%	$3,298,200	-17.7%	$1,430,300	-56.6%	$1,434,300	0.3%
ATHLETIC COMMISSION FEES [24-10]	$2,946,092	-14.8%	$2,927,029	-0.6%	$5,115,117	74.8%	$4,087,800	-20.1%	$4,087,800		$4,087,800	
TOTAL LICENSES	$112,536,143	-1.9%	$122,737,944	9.1%	$119,090,583	-3.0%	$116,222,400	-2.4%	$114,925,375	-1.1%	$115,781,300	0.7%
FEES AND FINES												
VITAL STATISTICS FEES [17-04][25-10][8-14]	$791,398	-3.5%	$1,029,720	30.1%	$1,024,903	-0.5%	$1,053,300	2.8%				
DIVORCE FEES	$187,816	-11.1%	$190,395	1.4%	$184,862	-2.9%	$197,900	7.1%	$188,600	-4.7%	$188,600	
CIVIL ACTION FEES	$1,438,379	-13.0%	$1,447,508	0.6%	$1,389,756	-4.0%	$1,296,500	-6.7%	$1,293,000	-0.3%	$1,292,900	0.0%
INSURANCE FEES	$816,140	-30.7%	$565,403	-30.7%	$1,431,172	153.1%	$1,200,000	-16.2%	$1,200,000		$1,200,000	
MEDICAL PLAN DISCOUNT REGISTRATION FEES	$10,500	5.0%	$10,500		$9,895	-5.8%	$7,800	-21.2%	$7,800		$7,800	
TOTAL REAL ESTATE FEES	$687,123	-13.4%	$634,892	-7.6%	$718,796	13.2%	$550,500	-23.4%	$578,500	5.1%	$580,500	0.3%
SHORT-TERM CAR LEASE [4-09][10-10][8-12]	$33,579,292	22.0%	$38,600,630	15.0%	$44,499,016	15.3%	$45,230,000	1.6%	$45,912,000	1.5%	$46,976,000	2.3%
ATHLETIC COMMISSION LICENSES/FINES	$179,125	19.5%	$135,750	-24.2%	$231,865	70.8%	$200,000	-13.7%	$200,000		$200,000	
STATE ENGINEER SALES [11-10][9-14]	$3,026,422	41.0%	$2,996,259	-1.0%	$3,366,568	12.4%	$2,600,000	-22.8%				
SUPREME COURT FEES	$202,075	-0.2%	$206,575	2.2%	$211,955	2.6%	$199,300	-6.0%	$205,300	3.0%	$213,400	3.9%
NOTICE OF DEFAULT FEES [26-10]	$2,442,525		$8,155,391	233.9%	$2,484,840	-69.5%	$2,786,500	12.1%	$2,666,600	-4.3%	$2,015,100	-24.4%
MISC. FINES/FORFEITURES	$1,896,987	-69.3%	$3,315,371	74.8%	$2,851,838	-14.0%	$9,000,000	215.6%	$3,500,000	-61.1%	$3,500,000	
TOTAL FEES AND FINES	$45,257,781	10.7%	$57,288,396	26.6%	$58,405,467	1.9%	$64,321,800	10.1%	$55,751,800	-13.3%	$56,174,300	0.8%
USE OF MONEY AND PROPERTY												
OTHER REPAYMENTS [18-04]	$1,591,661	-65.1%	$1,097,202	-31.1%	$363,017	-66.9%	$453,594	25.0%	$329,922	-27.3%	$329,923	0.0%
MARLETTE REPAYMENT	$10,512		$9,033	-14.1%		-100.0%						
INTEREST INCOME [9-12]	$2,386,259	-87.1%	$1,180,175	-50.5%	$505,123	-57.2%	$454,300	-10.1%	$620,300	36.5%	$686,300	10.6%
TOTAL USE OF MONEY AND PROPERTY	$3,988,432	-82.7%	$2,286,410	-42.7%	$868,140	-62.0%	$907,894	4.6%	$950,222	4.7%	$1,016,223	6.9%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

							ECONOMIC FORUM MAY 1, 2013 FORECAST					
DESCRIPTION	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	FY 2013 FORECAST	% Change	FY 2014 FORECAST	% Change	FY 2015 FORECAST	% Change
OTHER REVENUE												
HOOVER DAM REVENUE	$300,000		$300,000		$300,000		$300,000		$300,000		$300,000	
GST COMMISSIONS AND PENALITIES/DMV [10-12][10-14]					$24,678,398		$24,911,700	0.9%			$24,911,680	
EXPIRED SLOT MACHINE WAGERING VOUCHERS [11-12]					$3,134,219		$6,963,600	122.2%	$7,004,600	0.6%	$7,240,500	3.4%
PROPERTY TAX: 4-CENT OPERATING RATE [13-10]	$36,448,071		$29,295,778	-19.6%	$22							
PROPERTY TAX: 5-CENT CAPITAL RATE [14-10]	$34,690,823		$23,365,976	-32.6%	$11							
ROOM TAX: STATE 3/8 OF 1% RATE [15-10]	$2,334,563		$3,265,434	39.9%								
INSURANCE VERIFICATION FEES [17-10]	$7,000,000		$1,732,513	-75.2%								
SUPPL. ACCOUNT FOR MED. ASSIST. TO INDIGENT [18-10][12-12]	$25,199,365		$21,889,136	-13.1%	$19,112,621	-12.7%	$18,864,700					
LOBBYIST REGISTRATION FEE [27-10]			$100,000									
COURT ADMINISTRATIVE ASSESSMENTS [16-10][13-12][11-14]	$4,580,172		$5,126,625	11.9%	$4,434,259	-13.5%	$4,725,700	6.6%	$2,621,200	-44.5%	$2,759,200	5.3%
COURT ADMINISTRATIVE ASSESSMENT FEE [28-10]	$271,461		$2,381,634	777.3%	$2,537,600	6.5%	$2,571,000	1.3%	$2,571,000		$2,604,000	1.3%
MISC. SALES AND REFUNDS	$923,196	-30.8%	$1,103,007	19.5%	$870,945	-21.0%	$861,200	-1.1%	$885,500	2.8%	$851,300	-3.9%
COST RECOVERY PLAN [12-14]	$9,148,627	28.1%	$9,050,662	-1.1%	$8,495,233	-6.1%	$8,461,500	-0.4%	$10,584,319	25.1%	$9,486,415	-10.4%
UNCLAIMED PROPERTY [9-06][5-09][12-10][29-10][30-10][1-11][14-12]	$66,201,764	32.2%	$83,787,789	26.6%	$97,397,588	16.2%	$31,051,000	-68.1%	$32,275,000	3.9%	$33,536,000	3.9%
TOTAL OTHER REVENUE	$187,098,042	217.8%	$181,398,554	-3.0%	$160,960,897	-11.3%	$98,710,400	-38.7%	$56,241,619	-43.0%	$81,689,095	45.2%
TOTAL GENERAL FUND REVENUE	$3,007,019,753	9.8%	$3,175,426,158	5.6%	$3,081,768,174	-2.9%	$3,086,745,344	0.2%	$3,125,638,266	1.3%	$3,292,255,768	5.3%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

								ECONOMIC FORUM MAY 1, 2013 FORECAST					
	DESCRIPTION	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	FY 2013 FORECAST	% Change	FY 2014 FORECAST	% Change	FY 2015 FORECAST	% Change
	TAXES												
	MINING TAX AND MINING CLAIMS FEE												
3064	Net Proceeds of Minerals [3-09][19-10][1-12][2-12][1-14][2-14]	$76,350,861	5.6%	$111,534,972	46.1%	$120,414,858	8.0%	$93,779,000	-22.1%	$95,688,000	2.0%	$100,972,000	5.5%
3241	Net Proceeds Penalty	$301,761		$1,618	-99.5%			$50,000				$50,000	
3245	Centrally Assessed Penalties	$178,099	258.7%	$20,461	-88.5%	$4,327	-78.9%	$52,300	1108.7%	$50,000	-4.4%	$50,000	
3116	Mining Claims Fee [20-10][3-12]	$17,150		$18,135,082		$6,300							
	TOTAL MINING TAXES AND FEES	$76,847,872	6.2%	$129,692,132	68.8%	$120,425,485	-7.1%	$93,881,300	-22.0%	$95,738,000	2.0%	$101,072,000	5.6%
	SALES AND USE												
3001	Sales & Use Tax [1-04][1A-09][1-10]	$755,344,243	-10.3%	$795,575,210	5.3%	$842,941,556	6.0%	$885,653,000	5.1%	$934,536,000	5.5%	$985,935,000	5.5%
3002	State Share - LSST [1-04][1B-09][1-10][4-12][3-14]	$7,264,043	5.3%	$7,730,620	6.4%	$8,309,073	7.5%	$8,635,100	3.9%	$9,111,700	5.5%	$9,612,900	5.5%
3003	State Share - BCCRT [1-04][1B-09][1-10]	$3,268,705	113.3%	$3,473,803	6.3%	$3,682,170	6.0%	$3,874,700	5.2%	$4,088,600	5.5%	$4,313,500	5.5%
3004	State Share - SCCRT [1-04][1B-09][1-10]	$11,442,957	113.4%	$12,156,488	6.2%	$12,884,425	6.0%	$13,561,600	5.3%	$14,310,100	5.5%	$15,097,100	5.5%
3005	State Share - PTT [1-04][1B-09][1-10]	$7,028,623	108.9%	$7,344,471	4.5%	$7,778,846	5.9%	$7,398,000	-4.9%	$7,806,300	5.5%	$8,235,600	5.5%
	TOTAL SALES AND USE	$784,348,571	-8.7%	$826,280,591	5.3%	$875,596,070	6.0%	$919,122,400	5.0%	$969,852,700	5.5%	$1,023,194,100	5.5%
	GAMING - STATE												
3032	Pari-mutuel Tax	$4,217	5.9%	$3,652	-13.4%	$2,113	-42.1%	$3,100	46.7%	$3,100		$3,100	
3181	Racing Fees	$13,513	-12.6%	$11,731	-13.2%	$11,616	-1.0%	$11,000	-5.3%	$11,000		$11,000	
3247	Racing Fines/Forfeitures	$810	-71.0%	$353	-56.4%			$350		$350		$350	
3041	Percent Fees - Gross Revenue [2-04]	$630,526,019	-3.8%	$652,206,230	3.4%	$653,672,645	0.2%	$672,442,000	2.9%	$696,663,000	3.6%	$726,777,000	4.3%
3042	Gaming Penalties	$1,030,064	21.6%	$1,413,028	37.2%	$459,560	-67.5%	$1,400,000	204.6%	$600,000	-57.1%	$600,000	
3043	Flat Fees-Restricted Slots [3-04][1-06][1-08][5-12]	$8,578,006	-4.7%	$8,417,549	-1.9%	$8,485,702	0.8%	$8,369,600	-1.4%	$8,349,900	-0.2%	$8,374,800	0.3%
3044	Non-Restricted Slots [1-06][1-08][5-12]	$12,425,211	-1.9%	$12,275,845	-1.2%	$12,628,582	2.9%	$12,402,400	-1.8%	$11,757,600	-5.2%	$11,925,000	1.4%
3045	Quarterly Fees-Games	$6,699,150	-3.3%	$6,673,087	-0.4%	$6,592,935	-1.2%	$6,513,700	-1.2%	$6,442,700	-1.1%	$6,510,500	1.1%
3046	Advance License Fees	$8,663,395	26.1%	$2,229,415	-74.3%	$3,996,985	79.3%	$1,400,000	-65.0%	$1,763,200	25.9%	$2,136,500	21.2%
3048	Slot Machine Route Operator	$37,000		$36,000	-2.7%	$36,500	1.4%	$41,000	12.3%	$41,500	1.2%	$42,500	2.4%
3049	Gaming Info Systems Annual	$12,000		$15,124	26.0%	$18,000	19.0%	$18,000		$18,000		$18,000	
3028	Interactive Gaming Fee - Operator							$1,270,800		$645,800	-49.2%	$1,250,000	93.6%
3029	Interactive Gaming Fee - Service Provider					$1,000		$22,000	2100.0%	$25,000	13.6%	$30,000	20.0%
3030	Interactive Gaming Fee - Manufacturer					$125,000		$775,000	520.0%	$425,000	-45.2%	$350,000	-17.6%
3033	Equip Mfg. License	$228,500	4.3%	$278,000	21.7%	$264,500	-4.9%	$275,000	4.0%	$276,500	0.5%	$278,000	0.5%
3034	Race Wire License	$15,884	-16.4%	$33,393	110.2%	$38,849	16.3%	$46,500	19.7%	$46,500		$46,500	
3035	Annual Fees on Games	$134,225	-2.4%	$123,296	-8.1%	$116,425	-5.6%	$121,400	4.3%	$112,300	-7.5%	$109,100	-2.8%
	TOTAL GAMING - STATE	$668,367,995	-3.4%	$683,716,703	2.3%	$686,450,412	0.4%	$705,111,850	2.7%	$727,181,450	3.1%	$758,462,350	4.3%
	LIVE ENTERTAINMENT TAX (LET)												
3031G	Live Entertainment Tax-Gaming [4b-04]	$108,244,011	-3.7%	$118,538,335	9.5%	$125,337,855	5.7%	$121,576,000	-3.0%	$124,494,000	2.4%	$129,353,000	3.9%
3031NG	Live Entertainment Tax-Nongaming [4b-04][2-06][2-08]	$11,475,519	25.2%	$12,099,287	5.4%	$11,644,191	-3.8%	$11,388,000	-2.2%	$11,584,000	1.7%	$11,789,000	1.8%
	TOTAL LET	$119,719,530	-1.5%	$130,637,622	9.1%	$136,982,047	4.9%	$132,964,000	-2.9%	$136,078,000	2.3%	$141,142,000	3.7%
	INSURANCE TAXES												
3061	Insurance Premium Tax [21-10]	$233,905,463	-1.9%	$234,830,927	0.4%	$236,787,376	0.8%	$246,235,000	4.0%	$262,247,000	6.5%	$284,294,000	8.4%
3062	Insurance Retaliatory Tax	$60,019	-39.1%	$218,916	264.7%	$396,380	81.1%	$335,400	-15.4%	$335,400		$335,400	
3067	Captive Insurer Premium Tax	$583,747		$742,267	27.2%	$675,188	-9.0%	$657,000	-2.7%	$657,000		$657,000	
	TOTAL INSURANCE TAXES	$234,549,230	-1.9%	$235,792,111	0.5%	$237,858,943	0.9%	$247,227,400	3.9%	$263,239,400	6.5%	$285,286,400	8.4%
	MODIFIED BUSINESS TAX (MBT)												
3069	MBT - Nonfinancial [10-04][5-06][6-06][3-08][2-10][6-12][4-14]	$363,411,521	43.6%	$361,355,326	-0.6%	$348,943,337	-3.4%	$363,319,000	4.1%	$359,736,000	-1.0%	$378,021,000	5.1%
3069	MBT - Financial [11-04][5-06]	$21,698,267	-11.1%	$20,545,331	-5.3%	$20,717,296	0.8%	$22,265,000	7.5%	$23,203,000	4.2%	$24,092,000	3.8%
	TOTAL MBT	$385,109,788		$381,900,657	-0.8%	$369,660,633	-3.2%	$385,584,000	4.3%	$382,939,000	-0.7%	$402,113,000	5.0%
	CIGARETTE TAX												
3052	Cigarette Tax [6-04][2-09][3-10]	$88,550,857	-8.7%	$85,961,100	-2.9%	$82,974,853	-3.5%	$81,863,000	-1.3%	$80,428,000	-1.8%	$79,039,000	-1.7%
	REAL PROPERTY TRANSFER TAX (RPTT)												
3055	Real Property Transfer Tax [13-04][8-06]	$53,315,435	-19.1%	$51,552,368	-3.3%	$48,373,678	-6.2%	$51,702,000	6.9%	$52,227,000	1.0%	$55,283,000	5.9%
	ROOM TAX												
3057	Room Tax [4-10]	$97,671,733		$112,567,350	15.3%								
	GOVERMENTAL SERVICES TAX (GST)												
3051	Govermental Services Tax [5-10][5-14]	$51,330,663		$61,537,648	19.9%	$62,358,153	1.3%	$63,437,000	1.7%	$64,224,000		$65,134,000	

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

								ECONOMIC FORUM MAY 1, 2013 FORECAST					
	DESCRIPTION	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	FY 2013 FORECAST	% Change	FY 2014 FORECAST	% Change	FY 2015 FORECAST	% Change
	TAXES - CONTINUED												
	OTHER TAXES												
3113	Business License Fee [8-04][3-06][4-06][6-10][7-12][6-14]	$41,940,370		$54,466,138	29.9%	$64,790,426	19.0%	$68,367,000	5.5%	$68,265,000	-0.1%	$68,891,000	0.9%
3050	Liquor Tax [5-04][2-09][7-10]	$38,425,078	3.9%	$39,483,406	2.8%	$40,649,951	3.0%	$39,704,000	-2.3%	$39,814,000	0.3%	$40,056,000	0.6%
3053	Other Tobacco Tax [7-04][2-09][8-10]	$9,574,952	4.8%	$10,039,228	4.8%	$8,274,310	-17.6%	$9,610,000	16.1%	$9,777,000	1.7%	$9,916,000	1.4%
4862	HECC Transfer	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	
3065	Business License Tax [9-04]	$8,381	159.6%	$13,710	63.6%	$597	-95.6%	$2,400	302.3%				
3068	Branch Bank Excise Tax [12-04][7-06]	$3,378,900	7.9%	$3,074,089	-9.0%	$3,047,528	-0.9%	$3,006,500	-1.3%	$3,005,700	0.0%	$3,006,000	0.0%
	TOTAL TAXES	$2,658,139,354	6.2%	$2,811,714,854	5.8%	$2,742,443,087	-2.5%	$2,806,582,850	2.3%	$2,897,769,250	3.2%	$3,037,594,850	4.8%
	LICENSES												
3101	Insurance Licenses	$15,376,278	4.3%	$16,542,772	7.6%	$15,646,219	-5.4%	$16,308,000	4.2%	$16,737,000	2.6%	$17,173,500	2.6%
3120	Marriage License	$419,295	-6.1%	$411,453	-1.9%	$404,472	-1.7%	$394,000	-2.6%	$379,100	-3.8%	$366,100	-3.4%
	SECRETARY OF STATE												
3105	UCC [1-02][14-04][23-10]	$1,326,105	4.4%	$1,837,476	38.6%	$1,829,710	-0.4%	$1,659,900	-9.3%	$1,668,200	0.5%	$1,668,200	
3106	Las Vegas Commercial Filings [14-04][9-10][23-10]	$3,487,231	-41.4%	$2,720,100	-22.0%								
3129	Notary Fees [23-10]	$573,417	-15.1%	$767,795	33.9%	$579,228	-24.6%	$580,000	0.1%	$590,000	1.7%	$600,000	1.7%
3130	Commercial Recordings [14-04][9-10][23-10]	$65,197,355	0.4%	$70,844,590	8.7%	$66,693,331	-5.9%	$64,768,000	-2.9%	$64,480,000	-0.4%	$64,503,000	0.0%
3131	Video Service Franchise	$28,500				$8,425		$6,000	-28.8%				
3121	Domestic Partnership Registry Fee [23-10]			$23,855		$33,891		$46,200	36.3%	$41,800	-9.5%	$46,400	11.0%
3152	Securities [14-04][23-10]	$20,349,692	-0.2%	$24,041,627	18.1%	$24,534,996	2.1%	$24,872,000	1.4%	$25,215,000	1.4%	$25,608,000	1.6%
	TOTAL SECRETARY OF STATE	$90,962,300	-2.4%	$100,235,443	10.2%	$93,679,582	-6.5%	$91,932,100	-1.9%	$91,995,000	0.1%	$92,425,600	0.5%
3172	Private School Licenses [7-14]	$207,304	1.1%	$237,816	14.7%	$224,140	-5.8%	$190,000	-15.2%	$283,975	49.5%	$282,000	-0.7%
3173	Private Employment Agency	$14,700	-14.5%	$13,500	-8.2%	$11,800	-12.6%	$12,300	4.2%	$12,200	-0.8%	$12,000	-1.6%
	REAL ESTATE												
3161	Real Estate License [15-04]	$2,605,804	-1.2%	$2,365,131	-9.2%	$4,005,955	69.4%	$3,295,000	-17.7%	$1,427,000	-56.7%	$1,431,000	0.3%
3162	Real Estate Fees	$4,370	-23.5%	$4,800	9.8%	$3,300	-31.3%	$3,200	-3.0%	$3,300	3.1%	$3,300	
	TOTAL REAL ESTATE	$2,610,174	-1.2%	$2,369,931	-9.2%	$4,009,255	69.2%	$3,298,200	-17.7%	$1,430,300	-56.6%	$1,434,300	0.3%
3102	Athletic Commission Fees [24-10]	$2,946,092	-14.8%	$2,927,029	-0.6%	$5,115,117	74.8%	$4,087,800	-20.1%	$4,087,800		$4,087,800	
	TOTAL LICENSES	$112,536,143	-1.9%	$122,737,944	9.1%	$119,090,583	-3.0%	$116,222,400	-2.4%	$114,925,375	-1.1%	$115,781,300	0.7%
	FEES AND FINES												
3200	Vital Statistics Fees [17-04][25-10][8-14]	$791,398	-3.5%	$1,029,720	30.1%	$1,024,903	-0.5%	$1,053,300	2.8%				
3203	Divorce Fees	$187,816	-11.1%	$190,395	1.4%	$184,862	-2.9%	$197,900	7.1%	$188,600	-4.7%	$188,600	
3204	Civil Action Fees	$1,438,379	-13.0%	$1,447,508	0.6%	$1,389,756	-4.0%	$1,296,500	-6.7%	$1,293,000	-0.3%	$1,292,900	0.0%
3242	Insurance Fines	$816,140	-30.7%	$565,403	-30.7%	$1,431,172	153.1%	$1,200,000	-16.2%	$1,200,000		$1,200,000	
3103MD	Medical Plan Discount Reg. Fees	$10,500	5.0%	$10,500		$9,895	-5.8%	$7,800	-21.2%	$7,800		$7,800	
	REAL ESTATE FEES												
3107IOS	IOS Application Fees	$11,100	69.2%	$7,440	-33.0%	$9,800	31.7%	$10,500	7.1%	$10,000	-4.8%	$10,000	
3165	Land Co Filing Fees	$133,270	-29.0%	$122,325	-8.2%	$140,650	15.0%	$115,200	-18.1%	$128,000	11.1%	$130,000	1.6%
3167	Real Estate Adver Fees	$4,115	-32.3%	$5,715	38.9%	$4,180	-26.9%	$2,300	-45.0%	$4,500	95.7%	$4,500	
3169	Real Estate Reg Fees	$14,920	-34.3%	$13,050	-12.5%	$15,725	20.5%	$20,100	27.8%	$15,000	-25.4%	$15,000	
4741	Real Estate Exam Fees [19-04]	$234,133	-1.6%	$215,220	-8.1%	$218,816	1.7%	$175,000	-20.0%	$200,000	14.3%	$200,000	
3171	CAM Certification Fee	$57,645	5.6%	$65,672	13.9%	$86,040	31.0%						
3178	Real Estate Accred Fees	$89,650	-12.1%	$86,050	-4.0%	$79,050	-8.1%	$71,800	-9.2%	$67,000	-6.7%	$67,000	
3254	Real Estate Penalties	$83,320	-38.0%	$76,636	-8.0%	$101,285	32.2%	$100,000	-1.3%	$100,000		$100,000	
3190	A.B. 165, Real Estate Inspectors	$58,970	42.1%	$42,785	-27.4%	$63,250	47.8%	$55,600	-12.1%	$54,000	-2.9%	$54,000	
	TOTAL REAL ESTATE FEES	$687,123	-13.4%	$634,892	-7.6%	$718,796	13.2%	$550,500	-23.4%	$578,500	5.1%	$580,500	0.3%
3066	Short Term Car Lease [4-09][10-10][8-12]	$33,579,292	22.0%	$38,600,630	15.0%	$44,499,016	15.3%	$45,230,000	1.6%	$45,912,000	1.5%	$46,976,000	2.3%
3103AC	Athletic Commission Licenses/Fines	$179,125	19.5%	$135,750	-24.2%	$231,865	70.8%	$200,000	-13.7%	$200,000		$200,000	
3205	State Engineer Sales [11-10][9-14]	$3,026,422	41.0%	$2,996,259	-1.0%	$3,366,568	12.4%	$2,600,000	-22.8%				
3206	Supreme Court Fees	$202,075	-0.2%	$206,575	2.2%	$211,955	2.6%	$199,300	-6.0%	$205,300	3.0%	$213,400	3.9%
3115	Notice of Default Fee [26-10]	$2,442,525		$8,155,391	233.9%	$2,484,840	-69.5%	$2,786,500	12.1%	$2,666,600	-4.3%	$2,015,100	-24.4%
3271	Misc Fines/Forfeitures	$1,896,987	-69.3%	$3,315,371	74.8%	$2,851,838	-14.0%	$9,000,000	215.6%	$3,500,000	-61.1%	$3,500,000	
	TOTAL FEES AND FINES	$45,257,781	10.7%	$57,288,396	26.6%	$58,405,467	1.9%	$64,321,800	10.1%	$55,751,800	-13.3%	$56,174,300	0.8%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

								ECONOMIC FORUM MAY 1, 2013 FORECAST					
	DESCRIPTION	FY 2010 ACTUAL	% Change	FY 2011 ACTUAL	% Change	FY 2012 ACTUAL	% Change	FY 2013 FORECAST	% Change	FY 2014 FORECAST	% Change	FY 2015 FORECAST	% Change
	USE OF MONEY AND PROP												
	OTHER REPAYMENTS												
4403	Forestry Nurseries Fund Repayment (05-M27)	$20,670		$20,670		$20,670		$20,670		$20,670		$20,670	
4408	Comp/Fac Repayment	$23,744		$23,744		$23,744		$23,744		$23,744		$23,744	
4408	CIP 95-M1, Security Alarm	$2,998		$2,998		$2,998		$2,998		$2,998		$2,998	
4408	CIP 95-M5, Facility Generator	$6,874		$6,874		$6,874		$6,874		$6,874		$6,874	
4408	CIP 95-S4F, Advance Planning	$1,000		$1,000		$1,000		$1,000		$1,000		$1,000	
4408	CIP 97-C26, Capitol Complex Conduit System, Phase I	$62,542		$62,542		$62,542		$62,542		$62,542		$62,542	
4408	CIP 97-S4H, Advance Planning Addition to Computer Facility	$9,107		$9,107		$9,107		$9,107		$9,107		$9,107	
4408	A.B. 576-Virtual Tape Storage	$463,444											
4409	Motor Pool Repay - Reno	$24,385											
4409	Motor Pool Repay - LV	$6,630											
4402	State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$970,267		$970,267		$236,082		$326,659	38.4%	$202,987		$202,988	
	TOTAL OTHER REPAYMENTS	$1,591,661	-65.1%	$1,097,202	-31.1%	$363,017	-66.9%	$453,594	25.0%	$329,922	-27.3%	$329,923	0.0%
4406	Marlette Repayment	$10,512		$9,033	-14.1%								
	INTEREST INCOME												
3290	Treasurer [9-12]	$2,373,219	-87.1%	$1,096,923	-53.8%	$522,729	-52.3%	$446,000	-14.7%	$612,000	37.2%	$678,000	10.8%
3291	Other	$13,041	-90.8%	$83,252	538.4%	($17,606)	-121.1%	$8,300	-147.1%	$8,300		$8,300	
	TOTAL INTEREST INCOME	$2,386,259	-87.1%	$1,180,175	-50.5%	$505,123	-57.2%	$454,300	-10.1%	$620,300	36.5%	$686,300	10.6%
	TOTAL USE OF MONEY & PROP	$3,988,432	-82.7%	$2,286,410	-42.7%	$868,140	-62.0%	$907,894	4.6%	$950,222	4.7%	$1,016,223	6.9%
	OTHER REVENUE												
3059	Hoover Dam Revenue	$300,000		$300,000		$300,000		$300,000		$300,000		$300,000	
	MISC SALES AND REFUNDS												
4794	GST Commissions and Penalties / DMV [10-12][10-14]					$24,678,398		$24,911,700	0.9%			$24,911,680	
3047	Expired Slot Machine Wagering Vouchers [11-12]					$3,134,219		$6,963,600	122.2%	$7,004,600	0.6%	$7,240,500	3.4%
3071	Property Tax: 4-cent operating rate (Clark & Washoe) [13-10]	$36,448,071		$29,295,778	-19.6%	$22							
3070	Property Tax: 5-cent capital rate (Clark & Washoe) [14-10]	$34,690,823		$23,365,976	-32.6%	$11							
4792	Room Tax: State 3/8 of 1% Rate [15-10]	$2,334,563		$3,265,434	39.9%								
4791	Insurance Verification Fees [17-10]	$7,000,000		$1,732,513	-75.2%								
4790	Suppl. Account for Med. Assist. to Indigent [18-10][12-12]	$25,199,365		$21,889,136	-13.1%	$19,112,621	-12.7%	$18,864,700					
4793	Lobbyist Registration Fee [27-10]			$100,000									
3107	Misc Fees	$252,176	38.3%	$424,845	68.5%	$251,299	-40.8%	$261,100	3.9%	$262,500	0.5%	$262,700	0.1%
3109	Court Admin Assessments [16-10][13-12][11-14]	$4,580,172		$5,126,625	11.9%	$4,434,259	-13.5%	$4,725,700	6.6%	$2,621,200	-44.5%	$2,759,200	5.3%
3114	Court Administrative Assessment Fee [28-10]	$271,461		$2,381,634	777.3%	$2,537,600	6.5%	$2,571,000	1.3%	$2,571,000		$2,604,000	1.3%
3168	Declare of Candidacy Filing Fee	$63,767	97.6%	$31,854	-50.0%	$68,541	115.2%	$36,000	-47.5%	$65,000	80.6%	$31,000	-52.3%
3202	Fees & Writs of Garnishments	$3,130	15.3%	$2,845	-9.1%	$2,255	-20.7%	$2,700	19.7%	$2,700		$2,800	3.7%
3220	Nevada Report Sales	$9,335	-27.1%	$9,050	-3.1%	$5,670	-37.3%	$8,600	51.7%	$6,000	-30.2%	$6,000	
3222	Excess Property Sales	$32,385	-16.3%	$21,009	-35.1%	$32,966	56.9%	$32,700	-0.8%	$31,100	-4.9%	$31,100	
3240	Sale of Trust Property	$3,038	43.0%	$16,885	455.8%	$14,429	-14.5%	$15,200	5.3%	$14,700	-3.3%	$14,200	-3.4%
3243	Insurance - Misc	$516,856	-1.2%	$557,428	7.8%	$432,446	-22.4%	$471,600	9.1%	$471,600		$471,600	
3274	Misc Refunds	$42,508	-34.1%	$39,090	-8.0%	$63,338	62.0%	$33,300	-47.4%	$31,900	-4.2%	$31,900	
3276	Cost Recovery Plan [12-14]	$9,148,627	28.1%	$9,050,662	-1.1%	$8,495,233	-6.1%	$8,461,500	-0.4%	$10,584,319	25.1%	$9,486,415	-10.4%
	TOTAL MISC SALES & REF	$120,596,278	1322.7%	$97,310,765	-19.3%	$63,263,309	-35.0%	$67,359,400	6.5%	$23,666,619	-64.9%	$47,853,095	102.2%
3255	Unclaimed Property [9-06][5-09][12-10][29-10][30-10][1-11][14-12]	$66,201,764	32.2%	$83,787,789	26.6%	$97,397,588	16.2%	$31,051,000	-68.1%	$32,275,000	3.9%	$33,536,000	3.9%
	TOTAL OTHER REVENUE	$187,098,042	217.8%	$181,398,554	-3.0%	$160,960,897	-11.3%	$98,710,400	-38.7%	$56,241,619	-43.0%	$81,689,095	45.2%
	TOTAL GENERAL FUND REVENUE	$3,007,019,753	9.8%	$3,175,426,158	5.6%	$3,081,768,174	-2.9%	$3,086,745,344	0.2%	$3,125,638,266	1.3%	$3,292,255,768	5.3%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

NOTES:

FY 2004 (Actual collections are not displayed in the table for FY 2004, but notes were retained as they reflect the tax changes approved by the Legislature during the 2003 Regular and Special Sessions.

FY 2004

[1-04] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the sales tax to the state from 1.25% to 0.5%, effective July 1, 2003.

[2-04] S.B. 8 (20th S.S.) increased gross gaming tax rates by 0.5%: 3.0% to 3.5% on monthly revenue up to $50,000; 4.0% to 4.5% on revenue over $50,000 and up to $134,000; 6.25% to 6.75% on revenue exceeding $134,000, effective August 1, 2003.

[3-04] S.B. 8 (20th S.S.) increased quarterly restricted slot fees by 33%: from $61 to $81 per machine, up to 5 machines; from $106 to $141 for each machine over 5, up to 15 machines, effective July 22, 2003.

[4a-04] S.B. 8 (20th S.S.) modified types of establishments and entertainment subject to the 10% Casino Entertainment Tax (CET), effective September 1 to December 31, 2003 [Estimated to generate $4,982,000 additional collections during 4-month period].

[4b-04] S.B. 8 (20th S.S.) repealed CET and replaced by Live Entertainment Tax (LET): 5% of admissions price, if entertainment is in facility with 7,500 or more seats; 10% of admissions price & food, beverage, and merchandise purchased, if facility has more than 300 and up to 7,500 seats; exempt from the tax if facility is a non-gaming establishment with less than 300 seats or is gaming establishment with less than 300 seats and less than 51 slot machines, 6 games, or any combination thereof, effective January 1, 2004.

[5-04] S.B. 8 (20th S.S.) increased liquor taxes by 75%: beer from 9 cents to 16 cents per gallon; liquor up to 14% alcohol from 40 cents to 70 cents per gallon; liquor over 14% and up to 22% alcohol from 75 cents to $1.30 per gallon; liquor over 22% alcohol from $2.05 (15 cents for alcohol abuse program, 50 cents to local government, and $1.40 to State General Fund) to $3.60 per gallon (15 cents for alcohol abuse program, 50 cents to local government, and $2.95 to State General Fund) , effective August 1, 2003. [Estimated to generate $13,873,000 in FY 2004 and $15,536,000 in FY 2005]. A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the liquor tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate $734,000 in FY 2004 and $822,000 in FY 2005]

[6-04] S.B. 8 (20th S.S.) increased cigarette tax per pack of 20 by 45 cents: from 35 cents per pack (10 cents to Local Government Distribution Fund, 25 cents to State General Fund) to 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund), effective July 22, 2003. [Estimated to generate $63,268,000 in FY 2004 and $70,047,000 in FY 2005] A.B. 4 (20th S.S.) reduced the collection allowance provided to the taxpayer for collecting and remitting the cigarette tax to the state from 3% to 0.5%, effective August 1, 2003. [Estimated to generate $2,538,000 in FY 2004 and $2,884,000 in FY 2005]

[7-04] A.B. 4 (20th S.S.) reduced collection allowance provided to taxpayer for collecting and remitting tax on other tobacco items from 2.0% to 0.5%, effective August 1, 2003.

[8-04] S.B. 8 (20th S.S.) changed the $25 one-time annual Business License Fee to an annual fee of $100, effective July 22, 2003.

[9-04] S.B. 8 (20th S.S.) repealed the current quarterly $25 per employee tax when the Modified Business Tax comes online, effective October 1, 2003. [See Notes 10 and 11]

[10-04] S.B. 8 (20th S.S.) imposes tax on gross payroll of a business less a deduction for health care provided to employees, effective October 1, 2003. Tax rate is 0.70% in FY 2004 and 0.65% in FY 2005.

[11-04] S.B. 8 (20th S.S.) imposes tax of 2.0% on gross payroll of a financial institution less a deduction for health care provided to employees, effective October 1, 2003.

[12-04] S.B. 8 (20th S.S.) imposes excise tax on each bank of $7,000 per year ($1,750 per quarter) on each branch office, effective January 1, 2004.

[13-04] S.B. 8 (20th S.S.) imposes tax of $1.30 per $500 of value on the transfers of real property, effective October 1, 2003.

[14-04] S.B.2 and A.B. 4 (20th S.S.) makes changes to the rates and structure of the fees collected from entities filing with the Secretary of State's office, effective September 1, 2003, for Securities and UCC fee increases and November 1, 2003 for changes to commercial recording fees.

[15-04] S.B. 428 (2003 Session) increases real estate salesman, broker-salesman, & broker licensing fees by $20 for an original license and $10 for renewal of license (original & renewal license fee varies depending on type of license), effective July 1, 2003.

[16-04] A.B. 493 (2003 Session) established that revenues from fees collected by the Division of Financial Institutions of the Department of Business & Industry will be deposited in a separate fund to pay the expenses related to the operations of the Commissioner of Financial Institutions and the Division of Financial Institutions, effective January 1, 2004. Previously, the revenues from the fees were deposited in the State General Fund.

[17-04] A.B. 550 (2003 Session) increased state's portion of the fee for issuing copy of a birth certificate by $2 and fee for issuing copy of death certificate by $1, effective October 1, 2003.

[18-04] S.B. 504 (2003 Session) transferred the State Printing Division of the Department of Administration to the Legislative Counsel Bureau and all debt to the State General Fund was forgiven, effective July 1, 2003.

[19-04] Beginning in FY 2004, the portion of the fees collected by the Real Estate Division for Real Estate Testing Fees that belong to the general fund are transferred from Category 28 in BA 3823 to GL 4741 in the General Fund. Previously, the revenue from these fees were reverted to the General Fund at the end of the fiscal year.

FY 2006

[1-06] S.B. 357 (2005 Session) allocates $1 per slot machine per quarter in FY 2006 and $2 per slot machine per quarter in FY 2007 from the quarterly fee imposed on restricted and nonrestricted slot machines and sunsets effective June 30, 2007. A total of $822,000 in FY 2006 and $1,678,000 is projected to be deposited in the Account to Support Programs for the Prevention and Treatment of Problem Gambling. (FY 2006: $84,666 - Restricted; $737,334 - Nonrestricted and FY 2007: $172,834 - Restricted; $1,505,166 - Nonrestricted)

[2-06] A.B. 554 (2005 Session) lowers the occupancy threshold from 300 to 200, effective July 1, 2005. Estimated to generate $3,600,000 in FY 2006 and FY 2007.

[3-06] S.B. 3 (22nd S.S.) provides an exemption for entities that have four or fewer rental dwelling units. Estimated to reduce collections by $2,975,000 in FY 2006 and $3,060,000 in FY 2007.

[4-06] S.B. 3 (22nd S.S.) allows an entity operating a facility where craft shows, exhibitions, trade shows, conventions, or sporting events to pay the Business License Fee for entities not having a business license as an annual flat fee of $5,000 or on a $1.25 times the number entities without a business license times the number days of the show basis. Estimated to generate $134,420 in FY 2006 and $158,884 in FY 2007.

[5-06] S.B. 391 (2005 Session) replaces the NAICS-based approach for defining a financial institution with a structure based on a state or federal licensing or regulatory requirement for conducting financial activities. Collection agencies and pawn shops are not included as financial institutions, but as nonfinancial businesses. The changes are estimated to reduce MBT-Financial collections by $1,801,800 in FY 2006 and $2,047,500 in FY 2007 and increase MBT-Nonfinancial collections by $584,168 in FY 2006 and $621,237 in FY 2007. Net effect is a reduction in total MBT collections of $1,217,632 in FY 2006 and $1,426,263 in FY 2007.

[6-06] S.B. 523 (2005 Session) reduces the MBT-Nonfinancial institutions tax rate from 0.65% to 0.63% from July 1, 2005 to June 30, 2007. Estimated to reduce collections by $6,978,000 in FY 2006 and $7,450,000 in FY 2007.

[7-06] S.B. 3 (22nd S.S.) provides an exemption for the first branch bank operated by a bank in each county, replacing the previous exemption for one branch bank only. Estimated to reduce collections by $441,000 in FY 2006 and FY 2007.

[8-06] S.B. 390 (2005 Session) increases the collection allowance provided to Clark County and Washoe County from 0.2% to 1.0%, effective July 1, 2005, which makes the collection allowance 1.0% in all 17 counties. Estimated to reduce collections by $1,056,292 in FY 2006 and $1,022,504 in FY 2007.

[9-06] S.B. 4 (22nd S.S.) allocates $7,600,000 of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2006 and FY 2007.

FY 2008

[1-08] Per the June 30, 2007, sunset provision of S.B. 357 (2005 Session), the $2 per slot machine per quarter allocated from the quarterly license fee imposed on restricted and nonrestricted slot machines to the Account to Support Programs for the Prevention and Treatment of Problem Gambling ceases and the full amount collected from the quarterly slot fees remains in the General Fund.

[2-08] Per the A.B. 554 (2005 Session), race events that are part of the National Association of Stock Car Auto Racing (NASCAR) Nextel Cup series and all races associated with such an event are exempt from the LET, effective July 1, 2007.

[3-08] Per the sunset provision of S.B. 523 (2005 Session), the MBT-Nonfinancial institutions tax rate increases to 0.65% from 0.63%, effective July 1, 2007.

[4-08] S.B. 165 (2005 Session) requires the State General Fund portion of the petroleum inspection fees imposed pursuant to NRS 590.120 to be deposited into a separate account for use by the Department of Agriculture, effective July 1, 2007.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

FY 2009

[1A-09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting sales and use taxes to the State from 0.5% to 0.25% effective January 1, 2009, and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated that the change will generate $1,087,145 for the State 2% Sales Tax.

[1B-09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25% effective January 1, 2009, and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated that the General Fund commission of 0.75% retained by the state for collecting and distributing the LSST, BCCRT, SCCRT, and Local Option taxes (LOPT) will generate the following additional General Fund revenue: LSST - $8,859; BCCRT - $1,968; SCCRT - $6,893; and LOPT - $4,275.

[2-09] S.B. 2 (25th S.S.) reduced the collection allowance provided to taxpayer for collecting and remitting cigarette taxes, liquor taxes, and other tobacco taxes to the state from 0.5% to 0.25% effective January 1, 2009 and ending on June 30, 2009. During the six months the reduction in the collection allowance is effective in FY 2009, it is estimated to generate the following additional General Fund revenue: Cigarette Tax - $125,955, Liquor Tax - $50,412, and Other Tobacco Tax - $11,209.

[3-09] S.B. 2 (25th S.S.) requires the advance payment on the Net Proceeds of Minerals Tax in FY 2009 based upon estimated net proceeds for the current calendar year. The provisions of S.B. 2 also apply to FY 2010 and FY 2011, but the Net Proceeds of Minerals Tax reverts back to the former method (based on previous calendar year) of taxing net proceeds on July 1, 2011. Based on S.B. 2, the Economic Forum's December 1 estimates for Net Proceeds of Minerals Tax for FY 2010 will be collected in FY 2009 and FY 2011 will be collected in FY 2010. Thus, S.B. 2 is estimated to increase FY 2009 Net Proceeds of Minerals Tax collections by $28,000,000 and decrease FY 2010 collections by $1,500,000 ($26,500,000 - $28,000,000). There is no revenue impact on FY 2011 as the Net Proceeds of Minerals Tax is estimated to remain at $26,500,000 in FY 2011.

[4-09] S.B. 2 (25th S.S.) requires that 1% of the 4% recovery surcharge retained by short-term car rental companies as reimbursement for costs of vehicles licensing fees and taxes to be deposited in the State General Fund effective January 1, 2009, and ending June 30, 2009. During the six months that the transfer of 1% of the 4% recovery surcharge to the General Fund is effective in FY 2009, it is estimated that it will generate additional General Fund revenue of $1,779,910.

[5-09] A.B. 549 redirects $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2009.

FY 2010

NOTE: Revenue amounts listed in the footnotes for FY 2010 based on legislative actions during the 2009 Session were prepared by the Fiscal Analysis Division using the Economic Forum's forecasts for FY 2010 and FY 2011 produced at its May 1, 2010, meeting. For those revenues for which revised forecasts were produced during January 2010, the effect of the legislative adjustment is included into the revised forecasts for the major General Fund revenue forecasts approved by the Economic Forum at its January 22, 2010, meeting, and the consensus General Fund revenue forecasts for minor revenue sources prepared by the Fiscal Analysis Division and the Budget Division.

[1-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting sales and use taxes from 0.5% to 0.25%, effective July 1, 2009. A.B. 552 also increased the General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by the BCCRT, SCCRT, and local option taxes (did not apply to the LSST) from 0.75% to 1.75%, effective July 1, 2009. Collectively, these changes are estimated to generate an additional $16,031,800 in FY 2010 and $16,679,000 in FY 2011. [FY 2010 - State 2%: $2,007,000 (TCA); LSST: $1,037,700 (TCA); BCCRT: $1,946,000 (GFC) + $3,700 (TCA); SCCRT: $6,806,700 (GFC) + $12,800 (TCA); LOPT: $4,210,000 (GFC) + $7,900 (TCA) and FY 2011 - State 2%: $2,049,700 (TCA); LSST: $1,081,400 (TCA); BCCRT: $2,028,000 (GFC) + $3,800 (TCA); SCCRT: $7,093,600 (GFC) + $13,300 (TCA); LOPT: $4,400,900 (GFC) + $8,300 (TCA) where GFC represents amount due to General Fund Commission rate change and TCA represents amount due to Taxpayer Collection Allowance change.]

[2-10] S.B. 429 changed the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by creating a two-tiered tax rate in lieu of the single rate of 0.63%, effective July 1, 2009. Under S.B. 429, a nonfinancial business pays a tax rate of 0.5% on all taxable wages (gross wages less allowable health care expenses) up to $62,500 per quarter, and a rate of 1.17% on taxable wages exceeding $62,500 per quarter. Estimated to generate an additional $173,330,000 in FY 2010 and $172,393,400 in FY 2011. The change to the MBT-General Business sunsets effective June 30, 2011.

[3-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting & remitting cigarette taxes from 0.5% to 0.25%, effective July 1, 2009. This change is estimated to generate an additional $236,200 in FY 2010 and $237,300 in FY 2011.

[4-10] Initiative Petition 1 (IP1) approved by the 2009 Legislature and allowed to become law by the Governor imposes up to an additional 3% room tax in Clark and Washoe counties but not to exceed a total combined rate of 13% in any area of each county, effective July 1, 2009. Under IP1, the revenue from the room tax is deposited in the State General Fund for FY 2010 and FY 2011 and is dedicated to K-12 education beginning in FY 2012.

[5-10] S.B. 429 increases the depreciation rates for autos and trucks by 10% in the schedules used to determine the value of a vehicle for the purposes of calculating the Governmental Services Tax (GST) due, effective September 1, 2009. The portion of the GST generated from the depreciation schedule change is allocated to the State General Fund, which is estimated to generate $42,842,800 in FY 2010 and $51,411,300 in FY 2011. Under S.B. 429, additional revenue generated from the GST is deposited in the General Fund until FY 2013 and then deposited in the State Highway Fund beginning in FY 2014.

[6-10] S.B. 429 increases the Business License Fee (BLF) by $100 to $200 for initial and annual renewals, effective July 1, 2009. Effective October 1, 2009, A.B. 146 transfers the BLF to the Secretary of State from the Department of Taxation as part of the business portal program and requires all entities filing with the Secretary of State under Title 7 to pay the initial and annual renewal $200 BLF. It is estimated to generate an additional $38,254,800 in FY 2010 and $44,802,600 in FY 2011. Under S.B. 429, the $100 increase in the BLF sunsets effective June 30, 2011.

[7-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting liquor taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $100,400 in FY 2010 and $102,800 in FY 2011.

[8-10] A.B. 552 lowered the collection allowance provided to a taxpayer for collecting and remitting other tobacco taxes from 0.5% to 0.25%, effective July 1, 2009. Estimated to generate an additional $23,560 in FY 2010 and $24,270 in FY 2011.

[9-10] Effective July 1, 2009, S.B. 53 requires fees collected for expedite services provided by the Secretary of State to business entities to be deposited in the State General Fund. Estimated to generate $2,272,569 in FY 2010 and $1,818,056 in FY 2011.

[10-10] Effective October 1, 2009, S.B. 234 increases the state rate imposed on the short-term rental of a vehicle from 6.0% to 10.0% with the proceeds equivalent to 9.0% deposited in the General Fund and 1.0% deposited in the Highway Fund (maintains provisions of A.B. 595 from the 2007 Session). S.B. 234 eliminates the 4.0% recovery surcharge and allows short-term car rental companies to impose a surcharge to recover their vehicle licensing and registration costs. Estimated to generate an additional $9,883,900 in FY 2010 and $13,565,000 in FY 2011.

[11-10] A.B. 480 increases various fees collected by the State Engineer for examining and filing applications and issuing and recording permits, effective July 1, 2009. Estimated to generate an additional $900,000 in FY 2010 and FY 2011.

[12-10] A.B. 562 redirects $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011.

[13-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 4-cents worth of property tax generated from their operating rate to the State General Fund in FY 2010 and FY 2011. Estimated to generate $36,010,800 in FY 2010 and $32,446,600 in FY 2011. (Clark County: $30,380,500 - FY 2010 and $27,329,100 - FY 2011) (Washoe County: $5,630,300 - FY 2010 and $5,117,500 - FY 2011)

[14-10] A.B. 543 requires Clark County and Washoe County to allocate the equivalent of 3.8 cents in FY 2010 and 3.2 cents in FY 2011 worth of property tax generated from the capital rate imposed pursuant to NRS 354.59815 to the State General Fund in FY 2010 and FY 2011. [Estimated to generate $34,210,300 in FY 2010 and $25,957,300 in FY 2011.] (Clark County: $28,861,500 - FY 2010 and $21,863,300 - FY 2011) (Washoe County: $5,348,800 - FY 2010 and $4,094,000 - FY 2011)

[15-10] S.B. 431 requires a portion of the revenue generated from the state 3/8 of 1% room tax revenue provided to the Nevada Commission on Tourism to be allocated to the State General Fund in FY 2010 and FY 2011. Estimated to generate $2,334,563 in FY 2010 and $3,265,434 in FY 2011.

[16-10] A.B. 531 requires the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund, effective July 1, 2009. Estimated to generate $4,763,532 in FY 2010 and $6,133,023 in FY 2011.

[17-10] S.B. 431 requires the transfer of the estimated residual amount of revenue generated from Insurance Verification Fees to the State General Fund in FY 2010 and FY 2011. Estimated to generate $7,000,000 in FY 2010 and $6,000,000 in FY 2011.

[18-10] S.B. 431 requires the transfer of $25,199,365 in FY 2010 and $22,970,977 in FY 2011 from the Supplemental Account for Medical Assistance to Indigent Persons created in the Fund for Hospital Care to Indigent Persons to the State General Fund.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

FY 2010 - Continued: Notes 19 to 30 represent legislative actions approved during the 26th Special Session in February 2010.

[19-10] Based on information provided to the Fiscal Analysis Division regarding the amount of net proceeds that would be reported to the Department of Taxation on March 1, 2010, pursuant to NRS 362.115 for calendar year 2009 for FY 2010 and information on estimated mining operations for calendar year 2010 and 2011, the Fiscal Analysis Division produced a revised estimate for FY 2010 and FY 2011 for Net Proceeds of Minerals Tax of $71,700,000 and $62,100,000, respectively. These revised estimates were $31,700,000 and $27,100,000 higher than the consensus forecast prepared by the Budget Division/Fiscal Analysis Division on February 1, 2010, of $40,000,000 for FY 2010 and $35,000,000 for FY 2011.

[20-10] Section 47 of A.B. 6 (26th S.S.) creates a new annual Mining Claims Fee based on a progressive graduated fee per mining claim associated with the total number of mining claims held by an enity in Nevada. This new Mining Claims Fee is estimated to generate $25,700,000 in FY 2011 only as the fee is scheduled to sunset effective June 30, 2011.

[21-10] The Division of Insurance of the Department of Business and Industry is required to implement a program to perform desk audits of tax returns submitted by insurance companies when filing for the Insurance Premium Tax. This program is estimated to generate an additional $10,000,000 in Insurance Premium Tax collections in FY 2011.

[22-10] Section 64 of A.B. 6 (26th S.S.) requires the Department of Taxation to conduct a tax amnesty program from July 1, 2010, to September 30, 2010, for all taxes that are required to be reported and paid to the Department. It is estimated that the tax amnesty program will generate $10,000,000 in FY 2011 from all the different applicable taxes, but an estimate of additional revenue expected from each individual revenue source was not prepared.

[23-10] A.B. 6 (26th S.S.) increased various fees authorized or imposed in NRS associated with activities of the Secretary of State's Office related to securities, commercial recordings, & UCC filing requirements as well as changed the allocation of the portion to the State General Fund for fees associated with notary training and domestic partnerships. The changes were estimated to generate the following amounts in FY 2010 and FY 2011: UCC: $155,200 - FY 2010 and $465,600 - FY 2011; Commercial Recordings: $354,342 - FY 2010 and $1,063,027 - FY 2011; Notary Fees: $0 - FY 2010 and $153,600 - FY 2011; Securities: $855,314 - FY 2010 and $4,860,193 - FY 2011; and Domestic Partnerships: $0 - FY 2010 and $50,000 - FY 2011.

[24-10] Section 45 of A.B. 6 (26th S.S.) increases the license fee from 4% to 6% on the gross receipts from admission fees to a live contest or exhibition of unarmed combat, effective July 1, 2010. This fee increase is estimated to generate $1,250,000 in additional revenue for FY 2011.

[25-10] A.B. 6 (26th S.S.) requires the current fees specified in NRS 440.700 associated with birth and death certificates to continue to be collected by the State Registrar until the State Registrar establishes new higher fees through regulation. The higher fees imposed through regulation are expected to be effective July 1, 2010, and are estimated to generate an additional $368,511 in revenue for FY 2011.

[26-10] Section 31 of A.B. 6 (26th S.S.) imposes a new fee of $150 per notice of default or election to sell with the proceeds deposited in the State General Fund, effective April 1, 2010. This new notice of default fee is estimated to generate additional General Fund revenue of $2,760,000 in FY 2010 and $11,040,000 in FY 2011.

[27-10] Section 36 of A.B. 6 (26th S.S.) requires the Legislative Commission to transfer the first $100,000 in revenue collected from lobbyist registration fees imposed pursuant to NRS 218H.500 to the State General Fund. The $100,000 transfer to the General Fund is for FY 2011 only as the provisions sunset on June 30, 2011.

[28-10] Section 34 of A.B. 6 (26th S.S.) increases the adminstrative assessment amount associated with misdemeanor violation fines by $5 effective upon passage and approval of A.B. 6 (March 12, 2010). The proceeds from the additional $5 adminstrative assessment as part of the sentence for a violation of a misdemeanor are deposited in the State General Fund and is estimated to generate an additional $192,544 in FY 2010 and $2,310,530 in FY 2011.

[29-10] Based on information provided by the Treasurer's Office, the Fiscal Analysis Division revised the estimate for unclaimed property collections to be deposited in the State General Fund to $52,000,000 in FY 2010 and $58,081,000 in FY 2011. This revised forecast for unclaimed property proceeds yields an additional $4,018,000 in FY 2010 and $15,000,000 in FY 2011 above the February 1, 2010, consensus forecast of $47,919,000 for FY 2010 and $43,081,000 for FY 2011 prepared by the Budget Division/Fiscal Division based on information provided by the Treasurer's Office.

[30-10] Section 1 of A.B. 3 (26th S.S.) redirects the full $7,600,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer from the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. A.B. 562 (75th Session) redirected $3,800,000 to the General Fund of the Unclaimed Property revenues collected by the State Treasurer to the Millennium Scholarship Trust Fund in FY 2010 and FY 2011. The net effect of the provisions of A.B 3 is an additional $3,800,000 in General Fund revenue in FY 2010 and FY 2011 from unclaimed property proceeds.

FY 2011: Represents legislative actions approved during the 2011 Legislative Session.

[1-11] The Treasurer's Office provided the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau with information on additional unclaimed property for FY 2011, based on more complete information that became available after the Economic Forum May 2, 2011, meeting on actual unclaimed property remitted to the Treasurer's Office. Treasurer's Office estimated an additional $13,630,561 for FY 2011.

FY 2012: Represents legislative actions approved during the 2011 Legislative Session.

[1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) Tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate $11,919,643 in addtional revenue in both FY 2012 and FY 2013.

[2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals Tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.

[3-12] S.B 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the Mining Claims Fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011 forecast for MBT - Nonfinancial tax collections.

[4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,052,720 in FY 2012 and $1,084,301 in FY 2013.

[5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from $2 to $1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other $1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate $682,982 in FY 2012 and $692,929 in FY 2013 from non-restricted slot machines and $75,970 in FY 2012 and $77,175 in FY 2013 from restricted slot machines.

[6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $62,500 per quarter and taxable wages exceeding $62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $117,981,497 in FY 2012 and $119,161,117 in FY 2013.

[7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $29,949,000 in FY 2012 and $30,100,000 in FY 2013.

[8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate $4,402,222 in FY 2012 and $4,457,778 in FY 2013.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2013 FORECAST
ACTUAL: FY 2010 THROUGH FY 2012 AND FORECAST: FY 2013 THROUGH FY 2015
ECONOMIC FORUM'S FORECAST APPROVED AT THE MAY 1, 2013, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

FY 2012 (continued)

[9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. [Estimated to generate $105,313 in FY 2012 and $244,750 in FY 2013.]

[10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed $20,894,228 from commissions and $4,672,213 from penalties in both FY 2012 and FY 2013.

[11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate $3,332,750 in FY 2012 and $13,331,000 in FY 2013.

[12-12] A.B. 529 requires transfer of $19,112,621 in FY 2012 and $19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.

[13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.

[14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than $10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of $30,594,750, but a net loss in FY 2013 of $33,669,923.

FY 2014: Represents legislative actions approved during the 2013 Legislative Session.

[1-14] S.B. 475 extends the June 30, 2013, sunset (approved in A.B. 561 (2011)) to June 30, 2015, on the Net Proceeds of Minerals Tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $88,295,000 in FY 2014 as tax payments are required in FY 2015 with or without the extension of the sunset. The extension of the sunset is also estimated to generate an additional $2,936,000 in FY 2015 as the difference between Economic Forum forecast for FY 2015, based on elimination of the sunset, and the estimate based on the extension of the sunset approved in S.B. 475.

[2-14] S.B. 475 extends the June 30, 2013, sunset (approved in S.B. 493 (2011)) to June 30, 2015, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2014 and FY 2015. The health and industrial insurance deduction changes are estimated to generate $7,393,000 in addtional revenue in FY 2014 and $9,741,000 in FY 2015.

[3-14] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in S.B. 475 from June 30, 2013, to June 30, 2015, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,226,600 in FY 2014 and $1,294,100 in FY 2015.

[4-14] S.B. 475 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2014 and FY 2015 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $85,000 per quarter and taxable wages exceeding $85,000 per quarter are taxed at 1.17%, effective July 1, 2013. The taxable wages exemption threshold was $62,500 per quarter for FY 2012 and FY 2013, based on A.B. 561 (2011). These provisions in S.B. 475 for the MBT-General Business sunset effective June 30, 2015, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $113,501,000 in FY 2014 and $120,572,000 in FY 2015.

[5-14] A.B. 491 requires the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to continue to be allocated to the State General Fund for FY 2014 and FY 2015, instead of the State Highway Fund as approved in S.B. 429 (2009). Under A.B. 491, the additional revenue generated from the GST depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2016. The GST depreciation schedule change is estimated to generate $64,224,000 in FY 2014 and $65,134,000 in FY 2015.

[6-14] S.B. 475 extends the sunset from June 30, 2013, (approved in A.B. 561 (2011)) to June 30, 2015, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $31,273,000 in FY 2014 and $31,587,000 in FY 2015.

[7-14] S.B. 470 increases certain existing fees and imposes a new fee collected by the Commission on Postsecondary Education from certain private postsecondary educational institutions. The fee changes are estimated to generate an additional $86,675 in FY 2014 and $80,700 in FY 2015.

[8-14] A.B. 449 requires revenue from fees for vital statistics collected by the Health Division of the Department of Health and Human Services to be retained by the division and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of $1,027,500 in FY 2014 and $1,007,300 in FY 2015.

[9-14] S.B. 468 increases various fees and requires the revenue from the fees collected by the State Water Engineer of the Department of Conservation and Natural Resources (DCNR) to be deposited in the Water Distribution Revolving Account for use by the Division of Water Resources of DCNR and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of $2,600,000 in FY 2014 and FY 2015.

[10-14] A.B. 491 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specifies that the amount transferred shall not exceed $20,813,716 from commissions and $4,097,964 from penalties in FY 2015.

[11-14] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved budget for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059).

[12-14] Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2013, approval of the General Fund revenue forecast by the Economic Forum.

ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2013, FORECAST FOR THE 2013-15 BIENNIUM BASED ON MEASURES APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2013	% Change	FY 2014	% Change	FY 2015	% Change	2013-2015 BIENNIUM*
Economic Forum May 1, 2013, Forecast Without Measures Approved by the 2013 Legislature	**$3,086,745,344**	**0.2%**	**$2,818,522,472**	**-8.7%**	**$3,035,822,473**	**7.7%**	**$5,854,344,945**
TAXES							
NET PROCEEDS OF MINERALS TAX - PREPAYMENT (S.B. 475)			$88,295,000		$2,936,000		$91,231,000
S.B. 475 extends the June 30, 2013, sunset (approved in A.B. 561 (2011 Session)) to June 30, 2015, on the Net Proceeds of Minerals (NPM) tax. This extends the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset yields NPM tax in FY 2014 as tax payments are required in FY 2015 with or without the extension of the sunset. Additional revenue is estimated for FY 2015 as the difference between the Economic Forum forecast, based on elimination of the sunset, and the estimate for FY 2015, based on the extension of the sunset. (This item was included in the Governor's Executive Budget.)							
NET PROCEEDS OF MINERALS TAX - HEALTH AND INSURANCE DEDUCTION (S.B. 475)			$7,393,000		$9,741,000		$17,134,000
S.B. 475 extends the June 30, 2013, sunset (approved in S.B. 493 (2011)) to June 30, 2015, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. (This item was included in the Governor's Executive Budget.)							
BUSINESS LICENSE FEES (S.B. 475)			$31,273,000		$31,587,000		$62,860,000
S.B. 475 extends the sunset from June 30, 2013, (approved in A.B. 561 (2011 Session)) to June 30, 2015, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal.							
MODIFIED BUSINESS TAX - NON-FINANCIAL INSTITUTIONS (S.B. 475)			$113,501,000		$120,572,000		$234,073,000
S.B. 475 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2014 and FY 2015 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $85,000 per quarter and taxable wages exceeding $85,000 per quarter are taxed at 1.17%, effective July 1, 2013. The taxable wages exemption threshold was $62,500 per quarter for FY 2012 and FY 2013, based on A.B. 561 (2011). These provisions in S.B. 475 for the MBT-General Business sunset effective June 30, 2015, at which time the tax rate will be 0.63% on all taxable wages per quarter. (This item was included in the Governor's Executive Budget.)							
SALES AND USE TAX - GENERAL FUND COMMISSIONS (S.B. 475)			$1,226,600		$1,294,100		$2,520,700
Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in S.B. 475 from June 30, 2013, to June 30, 2015 generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county.							
GOVERMENTAL SERVICES TAX - GST (A.B. 491)			$64,224,000		$65,134,000		$129,358,000
A.B. 491 requires the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to continue to be allocated to the State General Fund for FY 2014 and FY 2015, instead of the State Highway Fund as approved in S.B. 429 (2009). Under A.B. 491, the additional revenue generated from the GST depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2016. (This item was included in the Governor's Executive Budget.)							
NET IMPACT - TOTAL TAXES			$305,912,600		$231,264,100		$537,176,700

ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2013, FORECAST FOR THE 2013-15 BIENNIUM BASED ON MEASURES APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2013	% Change	FY 2014	% Change	FY 2015	% Change	2013-2015 BIENNIUM*
LICENSES							
PRIVATE SCHOOL LICENSE FEES (S.B. 470)			$86,675		$80,700		$167,375
S.B. 470 increases certain existing fees and imposes a new fee collected by the Commission on Postsecondary Education from certain private postsecondary educational institutions. (This item was included in the Governor's Executive Budget.)							
NET IMPACT - LICENSES			$86,675		$80,700		$167,375
FEES AND FINES							
VITAL STATISTICS FEES (A.B. 449)			($1,027,500)		($1,007,300)		($2,034,800)
A.B. 449 requires revenue from fees for vital statistics collected by the Health Division of the Department of Health and Human Services to be retained by the division and not deposited in the State General Fund, beginning in FY 2014. (This item was included in the Governor's Executive Budget.)							
STATE ENGINEER FEES (S.B. 468)			($2,600,000)		($2,600,000)		($5,200,000)
S.B. 468 increases various fees and requires the revenue from the fees collected by the State Water Engineer of the Department of Conservation and Natural Resources (DCNR) to be deposited in the Water Distribution Revolving Account for use by the Division of Water Resources of DCNR and not deposited in the State General Fund, beginning in FY 2014. (This item was included in the Governor's Executive Budget.)							
NET IMPACT - FEES AND FINES			($3,627,500)		($3,607,300)		($7,234,800)
OTHER REVENUE							
GST COMMISSIONS AND PENALTIES COLLECTED BY THE DMV (A.B. 491)					$24,911,680		$24,911,680
A.B. 491 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specifies that the amount transferred shall not exceed $20,813,716 from commissions and $4,097,964 from penalties in FY 2015. (This item was included in the Governor's Executive Budget.)							
COURT ADMINISTRATIVE ASSESSMENTS			$2,621,200		$2,759,200		$5,380,400
Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved budget for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059). (This item was included in the Governor's Executive Budget.)							
COST RECOVERY PLAN			$2,122,819		$1,024,915		$3,147,734
Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2013, approval of the General Fund revenue forecast by the Economic Forum.							
NET IMPACT - OTHER REVENUE			$4,744,019		$28,695,795		$33,439,814
NET IMPACT - TOTAL GENERAL FUND			**$307,115,794**		**$256,433,295**		**$563,549,089**
ECONOMIC FORUM MAY 1, 2013, FORECAST AFTER ADJUSTMENTS BASED ON MEASURES APPROVED BY THE 2013 LEGISLATURE	**$3,086,745,344**	**0.9%**	**$3,125,638,266**	**1.3%**	**$3,292,255,768**	**5.3%**	**$6,417,894,034**

* The amounts shown in the 2013-2015 Biennium column represent the sum of the FY 2014 and FY 2015 amounts and do not include any amounts shown for FY 2013.

ADJUSTMENTS TO THE ECONOMIC FORUM MAY 1, 2013, FORECAST FOR THE 2013-15 BIENNIUM
ADJUSTMENTS TO THE DISTRIBUTIVE SCHOOL ACCOUNT (DSA) FOR THE 2013-15 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2013	% Change	FY 2014	% Change	FY 2015	% Change	2013-2015 BIENNIUM*
STATE 3% ROOM TAX- I.P. 1 (S.B. 522) S.B. 522 requires the proceeds generated from the State 3% Room Tax deposited in the State Supplemental School Support Fund, pursuant to I.P. 1 (2009 Session), to be transferred to the Distributive School Account (DSA) for FY 2014 and FY 2015. The transfer of the room tax proceeds to the DSA provides a State General Fund offset in FY 2014 and FY 2015. Beginning in FY 2016, the proceeds from the State 3% Room Tax will remain in the State Supplemental School Support Fund and will be used to provide funding for K-12 education as intended under I.P. 1.			$131,932,800		$136,653,300		$268,586,100
LOCAL SCHOOL SUPPORT TAX (S.B. 475) S.B. 475 extends the sunset on the 0.35% increase in the Local School Support Tax (LSST) rate from 2.25% to 2.60%, approved in A.B. 561 (2011 Session), from June 30, 2013, to June 30, 2015. The proceeds from the LSST provide revenue for K-12 education and provide a State General Fund offset for FY 2014 and FY 2015 through the Nevada Plan funding mechanism.			$162,317,200		$171,244,600		$333,561,800
NET PROCEEDS OF MINERALS TAX (S.B. 475) - PREPAYMENT The extension of the prepayment sunset for the Net Proceeds of Minerals (NPM) tax in S.B. 475, discussed in the General Fund revenue table, yields revenue for those school districts with mining activity in FY 2015. The extension of the prepayment sunset actually requires a NPM tax payment for FY 2014, but the NPM tax revenue budgeted by the school districts each fiscal year is based on NPM tax paid in the prior fiscal year. The amount represents the estimate of the additional NPM revenue that is considered as local funds available under the Nevada Plan funding formula for K-12 education and provides a State General Fund offset.					$28,175,600		$28,175,600
NET PROCEEDS OF MINERALS TAX (S.B. 475) - HEALTH & INDUSTRIAL INSURANCE DEDUCTION The changes to health and industrial insurance deductions for the Net Proceeds of Minerals (NPM) Tax in S.B. 475, discussed in the General Fund revenue table, also generate additional NPM revenue for those school districts with mining activity. The amount represents the estimate of the additional NPM revenue that is considered as local funds available under the Nevada Plan funding formula for K-12 education and provides a State General Fund offset.					$2,852,800		$2,852,800
NET IMPACT - DSA			**$294,250,000**		**$338,926,300**		**$633,176,300**

GENERAL FUND AND DISTRIBUTIVE SCHOOL ACCOUNT (DSA)
ADJUSTMENTS TO THE GENERAL FUND AND DSA FOR THE 2013-15 BIENNIUM
BASED ON MEASURES APPROVED BY THE 2013 LEGISLATURE (77th SESSION)

DESCRIPTION	ESTIMATED REVENUE IMPACT FROM LEGISLATIVE ACTIONS						
	FY 2013	% Change	FY 2014	% Change	FY 2015	% Change	2013-2015 BIENNIUM*
GENERAL FUND			$307,115,794		$256,433,295		$563,549,089
DISTRIBUTIVE SCHOOL ACCOUNT (DSA)			$294,250,000		$338,926,300		$633,176,300
NET IMPACT - GENERAL FUND AND DSA			**$601,365,794**		**$595,359,595**		**$1,196,725,389**

* The amounts shown in the 2013-2015 Biennium column represent the sum of the FY 2014 and FY 2015 amounts and do not include any amounts shown for FY 2013.

PART III

INFORMATION CONCERNING ADDITIONAL SOURCE OF PAYMENT FOR THE BONDS

Part III of this Official Statement contains information concerning the Colorado River Commission of Nevada, and supplements the information contained in the other parts of this Official Statement. This Official Statement, including the cover, the inside cover, the Summary, the Introduction, Part I and the appendices thereto, Part II and the appendices and attachments thereto and this Part III should be read in its entirety.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

COLORADO RIVER COMMISSION OF NEVADA

General

The Colorado River Commission of Nevada (the "Commission" or "CRC") is responsible for managing the State's interest in the water and power resources available from the Colorado River. The Commission was created in 1935 by act of the State Legislature. The State's allocation of electric capacity and energy from the federally-owned Hoover Dam, the Parker and Davis Dams, and the Colorado River Storage Project, is purchased by the Commission and sold by the Commission to contracting entities in southern Nevada, as described below under "Power Supply." Separately, the Commission purchases electric capacity and energy from various sources other than those described under "Power Supply" for resale to certain of the contracting entities described under "Power Supply."

The Commission is governed by seven commissioners, four of whom, including the chairman, are appointed by the Governor of the State and three of whom are appointed by the Southern Nevada Water Authority ("SNWA"). SNWA is a regional water agency that addresses water resource management and water conservation on a regional basis and it plans, manages and develops additional supplies of water for southern Nevada. The Commission has a full-time staff of 35 employees.

The Commission is not subject to regulation by federal or state utility regulatory bodies such as the Federal Energy Regulatory Commission or the Nevada Public Utilities Commission.

Power Supply

Hoover Dam is a federally-owned facility located on the Colorado River on the Arizona-Nevada border. Located at the base of the Hoover Dam are hydroelectric generating units and appurtenant equipment comprising the Hoover Powerplant. The Commission has a contract with the Western Area Power Administration ("Western"), acting on behalf of the United States, for the purchase of contingent capacity and firm energy produced at the Hoover Powerplant through September 30, 2017, as does the City of Boulder City, Nevada.

In 2011, the United States Congress enacted the Hoover Power Allocation Act, which requires the United States Secretary of Energy to offer to the Commission a new contract for contingent capacity and firm energy from Hoover Dam, beginning October 1, 2017, and ending September 30, 2067, in amounts equal to ninety-five percent of the Commission's current allocations of Schedule A and B Hoover Power, existing amounts of Schedule C excess energy, and the following amounts of Schedule D power: 11,510 kW of contingent capacity and firm energy in thousands of kWhs of 17,580 in summer and 7,533 in winter for a total of 25,113kWhs. In addition to mandating the allocation of the Hoover power to the Commission, the Hoover Power Allocation Act also requires the United States Secretary of Energy to offer to Boulder City a new contract for contingent capacity and firm energy from Hoover Dam, beginning October 1, 2017 and ending September 30, 2067, in amounts equal to ninety-five percent of Boulder City's current allocation of Schedule A Hoover Power.

Western sets rates annually for the sale of power to the Commission and other power purchasers to cover the costs of operation and maintenance of the Hoover Powerplant and various other expenses, including the repayment of funds advanced by the State and other power purchasers for improvements to the Hoover Powerplant. References to "Hoover Uprating Bonds" refer to those general obligation bonds issued by the State pursuant to authorizing resolutions of the Commission to provide funds for such purpose. All federal Hoover power contractors in Arizona, California and Nevada, including the Commission, pay their proportional share of the total Hoover costs, including maintenance and capital improvements described above, through Western's rates.

In addition, the Commission has entered into contracts with its contractors to repay certain securities issued by the Commission (i) for the purpose of prepaying the cost of electrical capacity and energy generated directly from Hoover Dam, or (ii) for the purpose of paying, financing or refinancing a portion of the capital costs which contribute to the ongoing costs of electrical capacity and energy generated from Hoover Dam. Such contracts provide security for the Bonds described in Part I of this Official Statement, the proceeds of which are being used to refund the Series 2014A CRC Bonds (described below) (the "Bond Payment Contracts").

The Hoover Uprating Bonds currently outstanding, together with the Series 2014A CRC Bonds currently outstanding (which are being refunded by the Bonds described in Part I of this Official Statement) are identified in the table on page III-3.

Power Sales

The Commission sells the power it purchases from Western to Nevada Power Company (an investor-owned utility serving Las Vegas and most of Clark County), two rural public power entities, one rural electric cooperative, five industrial customers, the City of Boulder City (a municipal utility) and the Southern Nevada Water Authority (collectively called the "Electric Users") under contracts (the "Electric Power Contracts") that expire in 2017. Sales to Nevada Power Company currently account for approximately 60 percent of the capacity and 50 percent of the energy sold by the Commission. The Commission bills and collects for power and its administrative charge monthly. Amounts due under the Bond Payment Contracts will be included in the Commission's monthly power billings and collections.

The Commission sells power to the Electric Users at the Commission's cost under its contract with Western described above under "Power Supply" (which cost includes scheduled debt service on the Hoover Uprating Bonds), plus an administrative charge covering the administrative costs of operation of the Commission and other peripheral charges. The Electric Power Contracts and the administrative regulations of the Commission (Nevada Administrative Code, Sections 538.340 *et seq.*) permit the Commission to conform the amount of power the Commission is obligated to sell to the Electric Users to the amount of power the Commission obtains from Western. The Electric Power Contracts and the administrative regulations of the Commission also permit the Commission to increase charges to the Electric Users to cover increased charges of, or other required payments to, Western and other power suppliers, and any possible increase in the Commission's administrative charge.

The Electric Power Contracts require each Electric User to ensure that the power it obtains from the Commission will be used for the benefit of the State of Nevada . Nevada Power Company, the three public power entities, and the rural electric cooperative that purchase power from the Commission are restricted from selling such power outside their respective service areas without the permission of the Commission, are prohibited from selling any such power at a profit, and must make such power available to their respective customers at fair and reasonable terms and at the lowest possible rates consistent with sound business principles. Each of the six industrial customers of the Commission is prohibited from selling the power it purchases from the Commission and must use the power for its own operations at its present physical location (near Henderson, Nevada), without Commission approval. The City of Boulder City (municipal utility) and the SNWA are subject to similar prohibitions in their contracts with the Commission.

In addition to the Electric Power Contracts, the Commission has entered into Bond Payment Contracts with its existing Electric Users to obligate each Electric User to pay its proportionate share of debt service on securities issued for the purposes described under "Power Supply" above, including the costs of securities issued to refund such securities. The Bond Payment Contracts are expected to generate revenue sufficient to pay the scheduled debt service due on the Bonds described in Part I of this Official Statement.

The Commission's Electric Power Contracts require each Electric User to develop and implement a conservation and renewable energy program.

The following table sets forth the outstanding bonds issued by the State on behalf of the Commission that are secured by Net Pledged Revenues.

Outstanding Bonds of the State Secured by Net Pledged Revenues
(as of May 1, 2014)

Bond Issue	Purpose of Issue	Additional Source of Payment	Outstanding Balance
Series 2011B	Hoover Uprating Bonds	Sale of Electric Power	$5,545,000
Series 2012E	Hoover Uprating Bonds	Sale of Electric Power	$13,110,000
Series 2014A[(1)]	Prepay Energy and Capacity	Sale of Electric Power/Bond Payment Contracts	$28,425,000

[(1)] These bonds will be refunded with the proceeds of the 2014E Bonds.

The sole revenues of the Commission pledged as security for the Bonds are the Net Pledged Revenues described below. These comprise the Gross Pledged Revenues described below, less operation and maintenance expenses (which for purposes of the pledge are limited to those operation and maintenance expenses relating to the energy derived by the Commission from the Hoover Powerplant).

Commission Revenues Pledged as Security for 2014E Bonds

Pursuant to the Bond Resolution, the payment of the principal of and interest on the Bonds is secured by the general obligation pledge of the State, and an irrevocable pledge of and lien (but not necessarily an exclusive lien) on the Net Pledged Revenues described below, which pledge and lien is junior and subordinate in certain respects to the pledge and lien securing the Hoover Uprating Bonds. Upon the issuance of the Bonds and the repayment of the Series 2014A CRC Bonds, no bonds will be secured by a lien on the Net Pledged Revenues that is on a parity with the Bonds. Upon the issuance of the Bonds, no bonds may be issued with a lien on the Net Pledged Revenues that is prior and superior to the lien of the Bonds. Upon compliance with certain conditions set forth in the Bond Resolution, additional bonds may be issued with a lien on the Net Pledged Revenues on a parity with the lien of the Bonds. Bonds with a lien on the Net Pledged Revenues that is subordinate to the lien of the Bonds may be issued without compliance with any specific conditions.

Under the Bond Resolution, "Gross Pledged Revenues" and "Net Pledged Revenues" have the following meanings:

- "Gross Pledged Revenues" is broadly defined to include (i) all revenues derived from the Bond Payment Contracts; (ii) all revenues derived from any Future Bond Payment Contracts, and (iii) all income and revenues derived directly or indirectly by the State from the Hoover Powerplant or pertaining to the Hoover Uprating Bonds, and include any payments or credits to the State under the contract with Western. Gross Pledged Revenues does not include administrative charges of the Commission to power purchasers pursuant to the Electric Power Contracts as described above under "Power Sales," other than amounts paid pursuant to Bond Payment Contracts and any Future Bond Payment Contracts. Gross Pledged Revenues are required to be deposited in the Commission's Income Fund.

- "Net Pledged Revenues" means the Gross Pledged Revenues remaining after the deduction of operation and maintenance expenses. At this time, there are not material operation and maintenance expenses that are not covered by the administrative charges of the Commission, and so Net Pledged Revenues are substantially the same as Gross Pledged Revenues.

- "Operation and maintenance expenses" means all reasonable and necessary current expenses of the State paid or accrued with respect to the Hoover Powerplant (to the extent not paid from other sources, such as the "administrative charge" imposed by the Electric Power Contracts) including, without

limitation, the cost to the State of purchasing energy and capacity from the Hoover Powerplant pursuant to the Western Contract.

The Bond Resolution requires that portion of the Net Pledged Revenues that secures the Hoover Uprating Bonds to be transferred first in monthly installments from the Commission's Income Fund to the Commission's Senior Lien Bond Fund and be used to pay debt service on the Hoover Uprating Bonds. The balance of the Net Pledged Revenues (which by definition includes all amounts derived from the Bond Payments Contracts) is then required to be transferred in monthly installments from the Commission's Income Fund to the Commission's Parity Bond Fund and be used to pay debt service on the Bonds.

The portion of the Net Pledged Revenues that secures the Hoover Uprating Bonds has always been sufficient to pay the debt service on the Hoover Uprating Bonds when due. The amounts expected to be derived from the Bond Payment Contracts are also expected to be sufficient to pay the debt service on the Bonds when due.

See the discussion below under the heading "Billing and Payment Arrangements Between Western and the Commission" for a discussion of the billing and payment arrangement between the Commission and Western and debt service coverage on the Hoover Uprating Bonds.

The State has $6,575,000 of additional capacity to issue new-money bonds on a parity with the Bonds for the purposes described in Chapter 246, Statutes of Nevada, 2013.

Billing and Payment Arrangements Between Western and the Commission

Western issues invoices to the Commission that include all amounts owed by the Commission (and the Electric Users) to Western for power generated by the Hoover Powerplant. These invoices include the operation and maintenance expenses of the Hoover Powerplant referred to above, as well as debt service on the Hoover Uprating Bonds. The amount payable by the Commission to Western pursuant to the invoices is net of the amounts payable as debt service on the Hoover Uprating Bonds. The portion of the invoice allocable to debt service on the Hoover Uprating Bonds is retained by the Commission and deposited into a fund designated as the Commission's Income Fund, and monthly transfers for payment of debt service are made from the Income Fund into a fund designated as the Commission's Senior Bond Fund. The Net Pledged Revenues that the Commission pays into the Senior Bond Fund have provided 1.0 debt service coverage on the Hoover Uprating Bonds.

As described above, the Commission will also include in its monthly power billings to each Electric User amounts due under the Bond Payment Contracts. These amounts will be deposited into a fund designated as the Commission's Income Fund, and monthly transfers for payment of debt service will be made from the Income Fund to a fund designated as the Commission's Parity Bond Fund.

Financial Statements of the Commission

The Commission is a discrete component of the State for financial reporting purposes. Each year the Commission issues and adopts a financial report that is reviewed by external auditors. The report is a full Comprehensive Annual Financial Report prepared in accordance with Generally Accepted Accounting Principles. The Commission's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2013 is available on the Commission's website, but is not incorporated by reference into and is not a part of this Official Statement.