OFFICIAL STATEMENT

$292,625,000
State of Nevada
General Obligation Bonds

$78,335,000
State of Nevada
General Obligation (Limited Tax)
University System Projects Bonds
(Revenue Supported), Series 2015A

$192,950,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Cultural
Affairs Refunding Bonds,
Series 2015B

$21,340,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources Refunding
Bonds, Series 2015C

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In the opinion of Sherman & Howard L.L.C., Bond Counsel to the State of Nevada, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS — Federal Tax Matters" in Part I of this Official Statement. 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 the NRS. See "TAX MATTERS — State Tax Exemption" in Part I of this Official Statement.

NEW ISSUE — BOOK-ENTRY ONLY

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

See "RATINGS."

$78,335,000 State of Nevada General Obligation (Limited Tax) University System Projects Bonds (Revenue Supported), Series 2015A	$192,950,000 State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2015B	$21,340,000 State of Nevada General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2015C

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

Interest on the 2015A Bonds is payable on February 1 and August 1 of each year, commencing on August 1, 2015. Interest on the 2015B Bonds is payable on May 1 and November 1 of each year, commencing on May 1, 2015. Interest on the 2015C Bonds is payable on May 1 and November 1 of each year, commencing on May 1, 2015.

The Bonds will be issued 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.

Each series of the Bonds, or portions thereof, will be subject to optional redemption prior to maturity as set forth herein. Neither series of the Bonds is subject to mandatory sinking fund redemption.

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 2015A Bonds are also payable from and secured by a pledge of certain revenues described in the 2015A Bond Resolution. See Part III of this Official Statement for a summary of pledged revenues additionally securing the 2015A 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 Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the State. The Bonds are expected to be available for book–entry delivery on or about March 10, 2015.

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: February 25, 2015

Maturity Schedule

$78,335,000
State of Nevada
General Obligation (Limited Tax)
University System Projects Bonds
(Revenue Supported)
Series 2015A

Base CUSIP[†]: 641461

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[†] Suffix
2017	$3,370,000	5.00%	0.62%	K98
2018	3,545,000	5.00	1.00	L22
2019	3,725,000	5.00	1.20	L30
2020	3,915,000	5.00	1.43	L48
2021	4,115,000	5.00	1.65	L55
2022	4,330,000	5.00	1.87	L63
2023	4,550,000	5.00	2.08	L71
2024	4,785,000	5.00	2.23	L89
2025	5,030,000	5.00	2.34	L97
2026	5,260,000	4.00	2.46[c]	M21
2027	5,460,000	3.50	2.75[c]	M39
2028	5,670,000	4.00	2.80[c]	M47
2029	5,870,000	3.00	3.07	M54
2030	6,050,000	3.00	3.12	M62
2031	6,235,000	3.00	3.22	M70
2032	6,425,000	3.00	3.27	M88

[†] *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.*

[c] Priced to the first optional redemption date of August 1, 2025.

Maturity Schedule

$192,950,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Cultural
Affairs Refunding Bonds,
Series 2015B

Base CUSIP†: 641461

Maturity Date (November 1)	**Principal Amount**	**Interest Rate**	**Yield**	**CUSIP† Suffix**
2018	$ 5,530,000	5.00%	1.04%	M96
2019	380,000	5.00	1.25	N20
2020	390,000	5.00	1.50	N38
2021	15,400,000	5.00	1.70	N46
2022	16,100,000	5.00	1.91	N53
2023	29,965,000	5.00	2.09	N61
2024	31,380,000	5.00	2.23	N79
2025	45,855,000	5.00	2.34[c]	N87
2026	47,950,000	5.00	2.45[c]	N95

† *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.*

[c] Priced to the first optional redemption date of May 1, 2025.

Maturity Schedule

$21,340,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources Refunding Bonds
Series 2015C

Base CUSIP[†]: 641461

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield or Price	CUSIP[†] Suffix
2015	$ 490,000	5.000%	0.14%	P28
2016	855,000	5.000	0.40	P36
2017	540,000	5.000	0.70	P44
2018	1,455,000	5.000	1.05	P51
2019	1,525,000	5.000	1.25	P69
2020	1,075,000	5.000	1.50	P77
2021	1,130,000	5.000	1.70	P85
2022	1,185,000	5.000	1.91	P93
2023	1,255,000	5.000	2.07	Q27
2024	1,310,000	5.000	2.21	Q35
2025	1,385,000	5.000	2.32[c]	Q43
2026	1,450,000	4.000	2.50[c]	Q50
2027	1,505,000	3.000	2.70[c]	Q68
2028	690,000	3.000	2.84[c]	Q76
2029	715,000	3.000	100.00	Q84
2030	740,000	3.000	99.00	Q92
2031	755,000	3.000	98.50	R26
2032	780,000	3.000	97.50	R34
2033	805,000	3.125	98.25	R42
2034	835,000	3.125	97.50	R59
2035	860,000	3.250	98.00	R67

[†] *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*.

[c] Priced to the first optional redemption date of May 1, 2025.

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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.

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

PART III - INFORMATION CONCERNING ADDITIONAL SOURCE OF PAYMENT FOR THE 2015A BONDS.

TABLES

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 General Obligation (Limited Tax) University System Projects Bonds (Revenue Supported), Series 2015A (the “2015A Bonds”). State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2015B (the “2015B Bonds”). State of Nevada General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2015C (the “2015C Bonds” and together with the 2015A Bonds and the 2015B Bonds, the “Bonds”).
Redemption	The 2015A Bonds, or portions thereof in Authorized Denominations, maturing on and after August 1, 2026, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after August 1, 2025, in whole or in part at any time from any maturities selected by the State and by lot 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 2015B Bonds, or portions thereof in Authorized Denominations, maturing on and after November 1, 2025, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2025, in whole or in part at any time from any maturities selected by the State and by lot 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 2015C Bonds, or portions thereof in Authorized Denominations, maturing on and after November 1, 2025, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2025, in whole or in part at any time from any maturities selected by the State and by lot 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.

	PURPOSE
Purpose	The 2015A Bonds are being issued to finance facilities at the Nevada System of Higher Education (the "System") and to pay capitalized interest on the 2015A Bonds. The 2015B Bonds are being issued to refund a portion of the State of Nevada, General Obligation (Limited Tax) Cultural Affairs Bonds, Series 2006C and the State of Nevada, General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Bonds, Series 2007B. See "Plan of Refunding" below. The 2015C Bonds are being issued to refund a portion of the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2006B, the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2007A and the State of Nevada, General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2010A. See "Plan of Refunding" below.
	AUTHORIZING LEGISLATION
Authorization to Issue Bonds	The 2015A Bonds are being issued pursuant to the to the Constitution and laws of the State, including Section 2, Chapter 514, Statutes of Nevada 2013 and Chapter 507, Statutes of Nevada 2013, as supplemented by NRS 463.370 through 463.400, as amended, and NRS 349.150 through 349.364 and all other laws amendatory thereof or supplemental thereto, cited in NRS 349.150 thereof as the State Securities Law, a resolution adopted by the Board of Regents of the System (the "Regents") on December 5, 2014 (the "2015A Bond Resolution") and a resolution adopted by the Board of Finance of the State (the "Board of Finance") on January 13, 2015. A copy of the 2015A Bond Resolution is available for public inspection at the office of the secretary of the Board of Regents of the System. The 2015B Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 349.150 through and including 349.364, as amended (the "Bond Act") and Chapter 348, Nevada Revised Statutes (together with all laws amendatory thereof, the "Supplemental Bond Act") and a resolution adopted by the Board of Finance on January 13, 2015 (the "2015B Bond Resolution"). A copy of the 2015B Bond Resolution is on file in the office of the Secretary of the Board of Finance in Carson City, Nevada, and is available for public inspection. The 2015C Bonds are being issued pursuant to the Constitution and laws of the State, including the Bond Act and the Supplemental Bond Act and a resolution adopted by the Board of Finance on January 13, 2015 (the "2015C Bond Resolution"). A copy of the 2015C Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

PLAN OF REFUNDING

Refunding	A portion of the proceeds of the sale of the 2015B and 2015C Bonds and other lawfully available moneys will be set aside in one or more irrevocable escrow accounts, established with U.S. Bank National Association, as escrow agent, to refund the selected maturities of outstanding State general obligations bonds described in Schedule 1 to Part 1 of this Official Statement on their maturity or first redemption dates.

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 2015A 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 2015A Bonds because the 2015A Bonds are payable from revenues from an annual tax on each slot machine operated in the State and are self-supporting bonds. See Part III of this Official Statement.

OFFICIAL STATEMENT

$78,335,000 State of Nevada General Obligation (Limited Tax) University System Projects Bonds (Revenue Supported), Series 2015A	$192,950,000 State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2015B	$21,340,000 State of Nevada General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2015C

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 following: the $78,335,000 State of Nevada General Obligation (Limited Tax) University System Projects Bonds (Revenue Supported), Series 2015A (the "2015A Bonds"); the $192,950,000 State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2015B (the "2015B Bonds"); and the $21,340,000 State of Nevada General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2015C (the "2015C Bonds"), and referred to collectively as the "Bonds."

The Bonds will mature on the dates and in the principal amounts, and bear interest at the rates, set forth on the inside cover page of this Official Statement.

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 each series of 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 2014, (ii) a brief history of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2010, 2011, 2012, 2013, and 2014, and (iii) the Economic Forum forecast of general fund revenues as of December 3, 2014. 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 2015A Bonds

Part III sets forth certain information relating to certain pledged revenues which are additional security for the 2015A Bonds. The pledge of these revenues is on parity with the pledge thereof securing the State's General Obligation (Limited Tax) University System Refunding Bonds (Revenue Supported) Series 2005G outstanding as of February 1, 2015 in the aggregate principal amount of $12,410,000 and any additional parity securities issued in the future.

Tax Status

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS — Federal Tax Matters" in Part I of this Official Statement. 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 the NRS. See "TAX MATTERS — State Tax Exemption" 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 Bond Resolution (as defined herein) are included in this Official Statement. All references herein to the Bonds and the Bond Resolutions 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 Resolutions.

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 Resolutions 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 2015A Bonds. The 2015A Bonds, or portions thereof in Authorized Denominations, maturing on and after August 1, 2026, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after August 1, 2025, in whole or in part at any time from any maturities selected by the State and by lot 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.

Optional Redemption of 2015B Bonds. The 2015B Bonds, or portions thereof in Authorized Denominations, maturing on and after November 1, 2025, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2025, in whole or in part at any time from any maturities selected by the State and by lot 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.

Optional Redemption of 2015C Bonds. The 2015C Bonds, or portions thereof in Authorized Denominations, maturing on and after November 1, 2025, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2025, in whole or in part at any time from any maturities selected by the State and by lot 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.

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 Resolutions. 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.

Authorization and Purpose of Bonds

2015A Bonds. The 2015A Bonds are being issued to finance certain facilities of the Nevada System of Higher Education (the "System"). The 2015A Bonds are being issued pursuant to the to the Constitution and laws of the State, including Section 2, Chapter 514, Statutes of Nevada 2013 and Chapter 507, Statutes of Nevada 2013 (the "Project Act"), as supplemented by NRS 463.370 through 463.400, as amended (the "Slot Tax Act"), and NRS 349.150 through 349.364 and all other laws amendatory thereof or supplemental thereto, cited in NRS 349.150 thereof as the State Securities Law (the "(the "State Securities Law"), a resolution adopted by the Board of Regents of the System (the "Regents") on December 5, 2014 (the "2015A Bond Resolution") and a resolution adopted by the Board of Finance of the State (the "Board of Finance") on January 13, 2015. A copy of the 2015A Bond Resolution is available for public inspection at the office of the secretary of the Board of Regents of the Nevada System of Higher Education in Reno, Nevada.

2015B Bonds. The 2015B Bonds are being issued to refund a portion of the State of Nevada, General Obligation (Limited Tax) Cultural Affairs Bonds, Series 2006C (the "2006C Bonds") and the State of Nevada, General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Bonds, Series 2007B (the "2007B Bonds" and together with the 2006C Bonds, the "2015B Refunded Bonds"). See "Plan of Refunding" below. The 2015B Refunded Bonds were issued for the purpose of financing various capital improvement projects; provide financial assistance to certain governmental entities and nonprofit organizations for the expenses of preserving or protecting historical buildings to be used to develop a network of cultural centers and activities. The 2015B Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 349.150 through and including 349.364, as amended (the "Bond Act") and Chapter 348, Nevada Revised Statutes (together with all laws amendatory thereof, the "Supplemental Bond Act") and a resolution adopted by the Board of Finance on January 13, 2015 (the "2015B Bond Resolution"). A copy of the 2015B Bond Resolution is on file in the office of the Secretary of the Board of Finance in Carson City, Nevada, and is available for public inspection.

2015C Bonds. The 2015C Bonds are being issued to refund a portion of the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2006B (the "2006B Bonds"), the State of Nevada, General Obligation (Limited Tax) Natural Resources Bonds, Series 2007A (the "2007A Bonds") and the State of Nevada, General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2010A (the "2010A Bonds" and together with the 2006B and 2007A Bonds, the "2015C Refunded Bonds"). See "Plan of Refunding" below. The 2015C Refunded Bonds were issued to finance the property acquisition or capital improvements and renovations by the Division of State Parks; provide grants for State agencies, local governments or qualifying private nonprofit organizations for various programs including recreational trails, urban parks, habitat conservation, open spaces and general natural resource protection. The 2015C Bonds are being issued pursuant to the Constitution and laws of the State, including the Bond Act and the Supplemental Bond Act and a resolution adopted by the Board of Finance on January 13, 2015 (the "2015C Bond Resolution"). A copy of the 2015C Bond Resolution is on file in the office of the Secretary of the Board of Finance in Carson City, Nevada for public inspection.

The 2015A Bond Resolution, the 2015B Bond Resolution and the 2015C Bond Resolution are collectively referred to in this Official Statement as the "Bond Resolutions."

Plan of Refunding

A portion of the proceeds of the sale of the 2015B and 2015C Bonds and other lawfully available moneys will be set aside in one or more irrevocable escrow accounts, established with U.S. Bank National Association, as escrow agent (the "Escrow Bank"), to refund all or a portion of the maturities of outstanding State general obligations bonds described in Schedule 1 to Part 1 of this Official Statement on their maturity or first redemption dates. Amounts held by the Escrow Bank will be invested in obligations of, or obligations unconditionally guaranteed by, the United States, that in each case are not callable for redemption prior to their maturities except at the option of the holder thereof.

The tables in Schedule 1 to Part 1 of this Official Statement describe the maturity date, outstanding aggregate par amount, coupon, CUSIP number, maturity or redemption date, and redemption price of the outstanding State general obligations bonds which may be refunded. The State will determine the particular maturities to be refunded at the time of sale of the 2015B Bonds and 2015C Bonds, depending on market conditions and other factors.

Sources and Uses of Proceeds of the Bonds

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

SOURCES	2015A Bonds	2015B Bonds	2015C Bonds
Principal Amount of Bonds	78,335,000.00	$192,950,000.00	$21,340,000.00
Net Original Issue Premium	8,452,951.40	43,854,068.65	2,389,055.45
Consolidated Bond Interest and Redemption Fund	- -	3,515,352.08	347,849.42
TOTAL SOURCES	**$86,787,951.40**	**$240,319,420.73**	**$24,076,904.87**
USES			
New Money Projects	$80,112,428.53		
Refunding Escrows	- -	$239,132,623.00	$23,794,964.00
Capitalized Interest	6,117,555.42	- -	- -
Costs of Issuance[(1)]	557,967.45	1,186,797.73	281,940.87
TOTAL USES	**$86,787,951.40**	**$240,319,420.73**	**$24,076,904.87**

(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 Resolutions, State law authorizes holders of the Bonds 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 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 2015A 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 2015A Bonds

Although the 2015A 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 2015A Bonds because the 2015A Bonds are payable from revenues from an annual tax on each slot machine operated in the State and are self-supporting bonds.

The State's annual tax on slot machines covers all coin-operated gaming devices, including typical slot machines and electronic poker, "21" and craps. The slot machine tax is not dependent upon the gaming revenues generated by the slot machines. The proceeds of the slot machine tax are allocated each year as follows: the first $5,000,000 to the Capital Construction Fund for Higher Education (the "Capital Fund"); 20% of the total tax to the

Special Capital Construction Fund for Higher Education (the "Special Fund"); and the balance to a fund for elementary and secondary education. Part III of this Official Statement includes certain information relating to the annual slot tax and the additional source of payment for the 2015A Bonds.

Summary of Certain Provisions of the Bond Resolutions

The Bond Resolutions include 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 Resolutions, 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 RESOLUTIONS" 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 opinions will be delivered to the State concurrently with the delivery of each series of the Bonds. A copy of the proposed text of the approving opinions of Bond Counsel is set forth in Appendix A to Part I of this Official

Statement. Stradling Yocca Carlson & Rauth, a Professional Corporation, 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, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and such interest is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest on the Bonds is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The State will covenant and represent in the Bond Resolutions that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws in effect when the Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Bonds.

With respect to the 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 those Bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on February 1 and August 1, for the 2015A Bonds, and May 1 and November 1 for the 2015C Bonds, with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

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, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the State as the taxpayer and the Bond owners may have no right to participate in such procedures. The State has covenanted in the Bond Resolutions not to take any action that would cause the interest on the Bonds to lose their exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the State, the financial advisors, any initial purchaser, Bond Counsel or Disclosure Counsel is responsible for paying or reimbursing any Bond owner with respect to any audit or litigation costs relating to the Bonds.

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 2014 is included as Appendix A to Part II of this Official Statement. Eide Bailly, LLP, 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, 2014, 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 2015A Bonds were sold in a competitive sale on February 25, 2015. The successful bidder for the 2015A Bonds was Bank of America Merrill Lynch. The aggregate purchase price of the 2015A Bonds is $86,499,983.95, being the par amount of the 2015A Bonds plus a net premium of $8,452,951.40 and less underwriter's discount of $287,967.45.

The 2015B Bonds were sold in a competitive sale on February 25, 2015. The successful bidder for the 2015B Bonds was Morgan Stanley & Co., LLC. The aggregate purchase price of the 2015B Bonds is $236,195,696.50, being the par amount of the 2015B Bonds plus a premium of $43,854,068.65 and less underwriter's discount of $608,372.12.

The 2015C Bonds were sold in a competitive sale on February 25, 2015. The successful bidder for the 2015C Bonds was Morgan Stanley& Co., LLC. The aggregate purchase price of the 2015C Bonds is $23,562,292.35, being the par amount of the 2015C Bonds plus a net premium of $2,389,055.45 and less underwriter's discount of $166,763.10.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

VERIFICATION AGENT

Upon delivery of the 2015B Bonds and the 2015C Bonds, Causey Demgen & Moore Inc., independent accountants, will deliver a report that the firm has verified (1) the mathematical accuracy of certain computations relating to the adequacy of the deposits to be made to the escrow accounts to pay the amounts required as described under "Description of the Bonds – Plan of Refunding" above and (2) the computations of yield of the 2015B Bonds and the 2015C Bonds and of the investment in the escrow account with respect to the 2015B Refunded Bonds and the 2015C Refunded Bonds. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of interest on the Bonds.

FINANCIAL ADVISORS

JNA Consulting Group, LLC and Montague DeRose and Associates, LLC are serving as financial advisors to the State in connection with the Bonds. The financial advisors have 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/ Daniel M. Schwartz
State Treasurer

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PART I

SCHEDULE I

REFUNDED BONDS

2015B Bonds The proceeds of the 2015B Bonds will be used to refund the portion of the bonds set forth in the following table.

State of Nevada, General Obligation (Limited Tax)
Cultural Affairs Bonds, Series 2006C
Base CUSIP†: 641460

Maturity Date (June 1)	Par Amount Refunded	CUSIP	Redemption Date
2017	$ 155,000	5V8	6/1/2016
2018	160,000	5W6	6/1/2016
2019	170,000	5X4	6/1/2016
2020	175,000	5Y2	6/1/2016
2021	185,000	5Z9	6/1/2016
2022	190,000	6A3	6/1/2016
2023	200,000	6B1	6/1/2016
2024	210,000	6C9	6/1/2016
2025	215,000	6D7	6/1/2016

State of Nevada, General Obligation (Limited Tax)
Capital Improvement and Cultural Affairs Bonds, Series 2007B
Base CUSIP†: 641461

Maturity Date (December 1)	Par Amount Refunded	CUSIP	Redemption Date
2018	$ 7,140,000	DY1	12/1/2017
2019	2,075,000	DZ8	12/1/2017
2020	2,170,000	EA2	12/1/2017
2021	17,270,000	EB0	12/1/2017
2022	18,065,000	EC8	12/1/2017
2023	32,030,000	ED6	12/1/2017
2024	33,515,000	EE4	12/1/2017
2025	48,290,000	EF1	12/1/2017
2026	50,510,000	EG9	12/1/2017

2015C Bonds The proceeds of the 2015C Bonds will be used to refund all or a portion of the bonds set forth in the following table. The State will determine the particular maturities to be refunded at the time of sale of the 2015C Bonds, depending on market conditions and other factors.

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† *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.*

State of Nevada, General Obligation (Limited Tax)
Natural Resources Bonds, Series 2006B

Maturity Date (June 1)	Par Amount Refunded	CUSIP†	Redemption Date
2017	$ 390,000	6414604P2	6/1/2016
2030	1,415,000	641461ZV3	6/1/2016
2036	5,195,000	6414605J5	6/1/2016

State of Nevada, General Obligation (Limited Tax)
Natural Resources Bonds, Series 2007A
Base CUSIP†: 641461

Maturity Date (December 1)	Par Amount Refunded	CUSIP	Redemption Date
2018	$ 960,000	DC9	12/1/2017
2019	1,010,000	DD7	12/1/2017
2020	1,060,000	DE5	12/1/2017
2021	1,115,000	DF2	12/1/2017
2022	1,175,000	DG0	12/1/2017
2023	1,240,000	DH8	12/1/2017
2024	1,300,000	DJ4	12/1/2017
2025	1,370,000	DK1	12/1/2017
2026	1,445,000	DL9	12/1/2017
2027	1,520,000	DM7	12/1/2017

† *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.*

State of Nevada, General Obligation (Limited Tax)
Natural Resources and Refunding Bonds, Series 2010A*

Maturity Date (June 1)	Par Amount Refunded	Redemption Date
2016	$ 475,000	6/1/2015
2017	490,000	6/1/2015
2018	505,000	6/1/2015
2019	525,000	6/1/2015
2020	540,000	6/1/2015

* This issue has no CUSIPs

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PART I – APPENDIX A

FORM OF APPROVING OPINIONS OF BOND COUNSEL

March 10, 2015

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

Nevada System of Higher Education
3901 Enterprise Road
Reno, Nevada

$78,335,000
State of Nevada
General Obligation (Limited Tax)
University System Projects Bonds (Revenue Supported), Series 2015A

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the “State”) in connection with the issuance of the above-captioned bonds (the “Bonds”) pursuant to an authorizing resolution of the Board of Regents of the Nevada System of Higher Education (“NSHE”) adopted on December 5, 2014 (the “NSHE Resolution”) and the resolution of the Board of Finance of the State adopted on January 13, 2015 (the “Board of Finance Resolution” and together with the NSHE Resolution, the “Bond Resolution”). In such capacity, we have examined the certified proceedings of NSHE and the State 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 State'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 NRS 361.453.

4. The Bonds are additionally secured by and payable from the Gross Revenues. The Bond Resolution creates a valid lien on the Gross Revenues pledged therein for the security of the Bonds on a parity with any parity securities outstanding or hereafter issued, and subordinate to any superior securities hereafter issued which have a lien on the Gross Revenues which is superior to the lien thereon securing the Bonds. Except as otherwise described in this paragraph, we express no opinion regarding the priority of the lien on the Gross Revenues securing the Bonds.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the corporate alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in NSHE's and the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

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 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.

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 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,

March 10, 2015

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$192,950,000
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Cultural Affairs Refunding Bonds
Series 2015B

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2015B, in the aggregate principal amount of $192,950,000 (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on January 13, 2015 (the "Bond Resolution"). In such capacity, we have examined the State'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 State'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 NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the corporate alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. 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 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.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

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 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,

March 10, 2015

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$21,340,000
State of Nevada
General Obligation (Limited Tax)
Natural Resources Refunding Bonds
Series 2015C

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2015C, in the aggregate principal amount of $21,340,000 (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on January 13, 2015 (the "Bond Resolution"). In such capacity, we have examined the State'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 State'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 NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the corporate alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. 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 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.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

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 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

DISCLOSURE DISSEMINATION AGENT AGREEMENT FOR 2015A BONDS

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of March 10, 2015, 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. Provision of Annual Reports and Other Disclosures.

(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, 2015. 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. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) 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. Content of Annual Reports.

(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 entitled "TABLES" 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. Reporting of Notice Events.

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

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 Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

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

11. Rating changes;

12. 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.

13. 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

14. 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 the 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.

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: Daniel M. Schwartz
Title: State Treasurer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

$78,335,000
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
UNIVERSITY SYSTEM PROJECTS BONDS (REVENUE SUPPORTED)
SERIES 2015A

Base CUSIP†: 641461

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP† Suffix
2017	$3,370,000	5.00%	K98
2018	3,545,000	5.00	L22
2019	3,725,000	5.00	L30
2020	3,915,000	5.00	L48
2021	4,115,000	5.00	L55
2022	4,330,000	5.00	L63
2023	4,550,000	5.00	L71
2024	4,785,000	5.00	L89
2025	5,030,000	5.00	L97
2026	5,260,000	4.00	M21
2027	5,460,000	3.50	M39
2028	5,670,000	4.00	M47
2029	5,870,000	3.00	M54
2030	6,050,000	3.00	M62
2031	6,235,000	3.00	M70
2032	6,425,000	3.00	M88

† *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.*

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	**State of Nevada**
Name of Bond Issue:	**General Obligation (Limited Tax) University System Projects Bonds (Revenue Supported), Series 2015A**
Date of Issuance:	**March 10, 2015**

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

DISCLOSURE DISSEMINATION AGENT AGREEMENT
FOR 2015B BONDS AND 2015C BONDS

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of March 10, 2015, 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. Provision of Annual Reports and Other Disclosures.

(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, 2015. 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. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) 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. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information in tables marked with an asterisk on the page entitled “TABLES” 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. Reporting of Notice Events.

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

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 Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

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

11. Rating changes;

12. 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.

13. 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

14. 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 the 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.

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: Daniel M. Schwartz
Title: State Treasurer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

$192,950,000
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT AND CULTURAL AFFAIRS REFUNDING BONDS
SERIES 2015B

Base CUSIP†: 641461

Maturity Date (November 1)	Principal Amount	Interest Rate	CUSIP† Suffix
2018	$ 5,530,000	5.00%	M96
2019	380,000	5.00	N20
2020	390,000	5.00	N38
2021	15,400,000	5.00	N46
2022	16,100,000	5.00	N53
2023	29,965,000	5.00	N61
2024	31,380,000	5.00	N79
2025	45,855,000	5.00	N87
2026	47,950,000	5.00	N95

† *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.*

$21,340,000
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
NATURAL RESOURCES REFUNDING BONDS
SERIES 2015C

Base CUSIP†: 641461

Maturity Date (November 1)	Principal Amount	Interest Rate	CUSIP† Suffix
2015	$ 490,000	5.000%	P28
2016	855,000	5.000	P36
2017	540,000	5.000	P44
2018	1,455,000	5.000	P51
2019	1,525,000	5.000	P69
2020	1,075,000	5.000	P77
2021	1,130,000	5.000	P85
2022	1,185,000	5.000	P93
2023	1,255,000	5.000	Q27
2024	1,310,000	5.000	Q35
2025	1,385,000	5.000	Q43
2026	1,450,000	4.000	Q50
2027	1,505,000	3.000	Q68
2028	690,000	3.000	Q76
2029	715,000	3.000	Q84
2030	740,000	3.000	Q92
2031	755,000	3.000	R26
2032	780,000	3.000	R34
2033	805,000	3.125	R42
2034	835,000	3.125	R59
2035	860,000	3.250	R67

† *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.*

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	**State of Nevada**
Name of Bond Issue:	**General Obligation (Limited Tax) Capital Improvement and Cultural Affairs Refunding Bonds, Series 2015B**
	General Obligation (Limited Tax) Natural Resources Refunding Bonds, Series 2015C
Date of Issuance:	**March 10, 2015**

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

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PART I – APPENDIX C

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 by reference in this Official Statement.

PART I – APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS

The following is a summary of certain provisions of the Bond Resolutions 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 applicable Bond Resolution for a complete statement of the provisions of such Bond Resolution.

Events of Default; Remedies

2015A Bonds. The 2015A Bond Resolution contains the following events of default: (1) payment of the principal of any of the 2015A Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise; (2) payment of any installment of interest on the 2015A Bonds is not made when the same becomes due and payable; (3) the System or the State for any reason is rendered incapable of fulfilling either's respective obligations under the 2015A Bond Resolution; (4) the System or 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 the Gross Revenues, or otherwise, including, without limitation, the 2015A Bond Resolution, and such failure continues for 60 days after receipt of notice from the owners of 10% in aggregate principal amount of the 2015A Bonds then outstanding; (5) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the System, the Treasurer or the State, or both, appointing a receiver or receivers for the Gross Revenues and any other money subject to the lien to secure the payment of the 2015A Bonds, or an order or decree having been entered without the consent or acquiescence of the System or the State, or both, is not vacated or discharged or stayed on appeal within 60 days after entry; and (6) the System or 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 2015A Bonds or in the 2015A Bond Resolution on its part to be performed, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the State or the System, or both, as the case may be, by the owners of 10% in aggregate principal amount of the 2015A Bonds then outstanding.

Upon the happening and continuance of any of the events of default, as provided in the 2015A Bond Resolution, then and in every case the owner or owners of not less than 10% in aggregate principal amount of the 2015A Bonds then outstanding, may proceed against the State or the System, or both, and their respective agents, officers, and employees to protect and to enforce the rights of any owner of 2015A Bonds under the 2015A 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 2015A Bond Resolution or by an award of execution of any power herein granted for the enforcement of any proper, legal, or equitable remedy as such 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 holder of any 2015A Bond, or to require the State or the System, or both, to act as if they were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had, and maintained for the equal benefit of all holders of the 2015A Bonds.

2015B Bonds and 2015C Bonds. The 2015B Bond Resolution and the 2015C Bond Resolution do not contain any events of default. State law authorizes holders of their Bonds to bring actions, at law or 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 actions.

Supplemental Bond Resolutions

2015A Bonds. Except as provided in the 2015A Bond Resolution, the 2015A Bond Resolution may be amended or supplemented by instruments adopted by the Board of Regents with the consent of the Treasurer in accordance with the laws of the State, without receipt by the State of any additional consideration, but with the written consent of the insurer of the 2015A Bonds, if any, or in lieu thereof, the owners of at least 66% in aggregate principal amount of the 2015A Bonds authorized by the 2015A Bond Resolution and outstanding at the time of the adoption of such amendatory or supplemental instrument, excluding any 2015A Bonds which may then be held or owned for the account of the System or the State, but including such refunding securities as may be issued for the purpose of refunding any of the 2015A Bonds if such refunding securities are not owned by either the System or the State. No such instrument shall permit: (1) a change in the maturity or in the terms of redemption of the principal of any outstanding 2015A Bond or any installment of interest thereon; (2) a reduction in the principal amount of any 2015A Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the owner of the 2015A Bond; (3) the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the 2015A Bond Resolution, except as expressly permitted in the 2015A Bond Resolution; (4) a reduction of the principal amount or percentages or otherwise affecting the description of 2015A Bonds or the consent of the owners of which is required for any such amendment or other modifications; (5) the establishment of priorities as between 2015A Bonds issued and outstanding under the provisions of the 2015A 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 2015A Bonds outstanding.

2015B Bonds and 2015C Bonds. The Board of Finance may, from time to time, modify, amend, supplement or alter the 2015B Bond Resolution or the 2015C Bond Resolution without the consent of, or notice to any of the Owners of the applicable series of Bonds or the insurer of the applicable series of Bonds, if any, for any one or more of the following purposes: (1) to add to the agreements of the Board of Finance or the State contained in the 2015B Bond Resolution or the 2015C Bond Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power in the 2015B Bond Resolution or the 2015C Bond Resolution reserved to or conferred upon the Board of Finance or the State; (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the 2015B Bond Resolution or the 2015C Bond Resolution, or in regard to matters or questions arising under the 2015B Bond Resolution or the 2015C Bond Resolution, as the Board of Finance may deem necessary or desirable and not inconsistent with the 2015B Bond Resolution or the 2015C Bond Resolution; (3) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the applicable series of Bonds; (4) to evidence the appointment of successors to any depositories, custodians, Paying Agent(s) or Registrar(s); or (5) to make any other change which shall not have a material adverse effect on the interests of the Owners of the applicable series of Bonds.

The Board of Finance may, from time to time, modify, amend, alter, or supplement the 2015B Bond Resolution or the 2015C Bond Resolution other than as provided in the preceding paragraph; provided that the Board of Finance shall give notice to insurer of the applicable series of Bonds, if any, and the Owners of the applicable series of Bonds in the manner herein described and shall receive the written consent of the insurer of the applicable series of Bonds, if any, or the Owners of not less than 51% of the applicable series of Bonds then outstanding; provided, however, that no such supplemental proceedings shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any 2015B Bond or 2015C Bond outstanding under the applicable Bond Resolution; (2) reduce or extend the time of payment of the principal of, redemption premium or interest on any 2015B Bond or 2015C Bond outstanding under the applicable Bond Resolution; (3) reduce any premium payable upon the redemption of any 2015B Bond or 2015C Bond under the applicable Bond Resolution or advance the date upon which any 2015B Bond or 2015C Bond may first be called for redemption prior to its stated maturity date; (4) give to any 2015B Bond or 2015C Bond a preference over any other 2015B Bond or 2015C Bond; or (5) reduce the percentage of 2015B Bonds or 2015C Bonds the respective Owners of which are required to consent to any proceedings amending or supplementing the provisions of the applicable Bond Resolution.

In the event that the Board of Finance intends to enter into or adopt any modification, alteration or amendment of the 2015B Bond Resolution or the 2015C Bonds Resolution as described in the preceding paragraph, the Treasurer shall mail, by registered or certified mail, to insurer of the applicable series of Bonds, if any, and the Owners of the applicable series of Bonds at their addresses as shown on the registration records maintained by the Registrar, a notice of such intention along with a description of such amendment or modification not less than 30 days prior to the proposed effective date of such amendment or modification. The consents of the insurer of the applicable series of Bonds, if any, or the Owners of the applicable series of Bonds need not approve the particular form of wording of the proposed amendment, modification or supplement, but it shall be sufficient if such consents approve the substance thereof. Failure of the insurer of the applicable series of Bonds, if any, or the Owner of any 2015B Bond or 2015C Bond to receive the notice required in the applicable Bond Resolution shall not affect the validity of any such proceedings if the insurer of the applicable series of Bonds, if any, or the required number of Owners of the applicable series of Bonds provides their written consent to such amendment or modification. No such supplemental resolution which is described in in the applicable Bond Resolution shall become effective unless the insurer of the applicable series of Bonds, if any, or Owners of at least 51% in aggregate principal amount of the applicable series of Bonds then outstanding shall have filed with the secretary of the Board of Finance within three (3) months after the date of adoption of such supplemental resolution properly executed instruments approving the adoption of such supplemental resolution, each such instrument to be accompanied by proof of insurance or ownership of the applicable series of Bonds satisfactory to the secretary of the Board of Finance to which such instrument refers.

Any supplemental resolution adopted and becoming effective in accordance with the provisions of the applicable Bond Resolution shall thereafter form a part of such Bond Resolution and all conditions of such Bond Resolution for any and all purposes, and shall be effective as to all Owners of the applicable series of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Defeasance

2015A Bonds. When all Bond Requirements of the 2015A Bonds have been duly paid, the pledge and lien and all obligations under the 2015A Bond Resolution shall thereby be discharged and they shall no longer be deemed to be outstanding within the meaning of the 2015A Bond Resolution. There shall be deemed to be such due payment if the State has placed in escrow or in trust with a trust bank exercising trust powers, 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 2015A Bonds, as such requirements become due to the fixed maturity dates of the 2015A Bonds or to any Redemption Date or Redemption Dates as of which the State shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the 2015A Bonds thereafter maturing for payment then, all in accordance with the terms of the 2015A Bond Resolution. The principal of and the interest on the federal securities, as so defined, 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 such bank 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. Upon the establishment of such an escrow or trust account and upon provision also being made for paying all other sums payable to the trust bank or any other incidental expenses pertaining to the defeasance of the designated securities, then and in that case the Treasurer shall give a notice of the defeasance of the designated refunded securities and of any prior redemption of any or all of them in accordance with the 2015A Bond Resolution.

2015B Bonds and 2015C Bonds. When all Bond Requirements of any 2015B Bond and 2015C Bond have been duly paid, the pledge and lien and all obligations under the applicable Bond Resolution with respect to such 2015B Bond and 2015C Bond shall thereby be discharged and such Bond shall no longer be deemed to be outstanding within the meaning of the applicable Bond Resolution. Except as provided in the last sentence of this paragraph, a 2015B Bond and 2015C Bond will be deemed to be paid when there has been placed in irrevocable 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 such 2015B Bond and 2015C Bond, as the same become due to the final maturity thereof or upon any prior redemption date as of which the Board of Finance shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of such 2015B Bond and 2015C Bond for payment, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the Bond Requirements of such 2015B Bond and 2015C Bond, as the same become due. The Federal Securities shall become due at or before 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. For the purpose of this section "Federal Securities" shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the holder thereof. Upon written direction of the Treasurer, the Paying Agent shall mail written notice of the defeasance of any 2015B Bonds and 2015C Bonds to the Owners of such 2015B Bonds and 2015C Bonds at the addresses last shown on the registration records for such 2015B Bonds and 2015C Bonds maintained by the Registrar.

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 2015, FY 2016 and FY 2017. 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). 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—2015-2017 Biennium Budget" summarizes elements of the Governor's proposed budget for the 2015-2017 biennium. The Section titled "FINANCIAL INFORMATION—Budget Procedure" summarizes the process that is followed to adopt a balanced budget for each biennium.

Statewide assessed values increased in FY 2014 for the first time in several years, and increased again for FY 2015. See Table 5 for a summary of assessed valuations for fiscal years 2011-2015.

On May 1, 2013, the Economic Forum issued its forecast for fiscal years 2014 and 2015. The State adopted a balanced budget in June 2013 for the 2013-2015 Biennium. The legislatively enacted budget, which was signed by the Governor, was balanced to this amount after statutorily enacted adjustments. The 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.

On December 3, 2014, the Economic Forum set the revenue projections that the Governor uses to construct his recommended 2015–2017 biennial budget. The December 3, 2014 Economic Forum Forecast is attached as Appendix C to Part II of this Official Statement. Table 12 provides a summary of general fund revenues for fiscal years 2012-2014 and the December 3, 2014 Economic Forum Forecast for fiscal years 2015-2017. No assurances can be made that the increases in general fund revenues in FY 2015, FY 2016, and FY 2017 will be predictive of a continuing or future trend, or that the assumptions and projections set forth in the Economic Forum Forecast for 2015-2017 will be predictive of actual results.

Nevada's economy has posted steady gains since 2010. The Quarterly Census of Employment and Wages data shows that between 2012 and 2013, Nevada employment growth ranked 7th in the nation. From 2010-2013, Nevada added 52,000 jobs, a 4.7 percent increase that out-paced 32 states. Meanwhile, in December 2014 the State's unemployment rate declined to 6.8% (seasonally adjusted) and 6.7% (non-seasonally adjusted), its lowest point in six years. In the third quarter of 2014, Nevada's personal income grew 4.0 percent compared to the same period in 2013.

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, gaming tax, modified business tax, insurance premium tax, live entertainment tax, cigarette tax, real property transfer tax, and business license fees – each posted increases compared to FY 2012. See Table 12. In FY 2013, total General Fund revenue was above forecast by $46 million. In FY 2014, total revenue was closely in line with the Economic Forum's forecast with the exception of net proceeds of minerals, which fell short of projections by $69 million. However, other revenue sources made-up some of the short-fall. In total, FY 2014 revenue fell $59 million short of budgeted. During FY 2015, the State has experienced a significant budget shortfall. For a discussion of the causes of this shortfall and solutions proposed by the Governor to the legislature, see "FINANCIAL INFORMATION – 2013-2015 Biennium" in this Part II.

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

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 (78^{th}) biennial legislative session convened on February 2, 2014. 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	2019
Lieutenant Governor	Mark Hutchison	Republican	2015	2019
Secretary of State	Barbara K. Cegavske	Republican	2015	2019
Treasurer	Daniel M. Schwartz	Republican	2015	2019
Controller	Ronald L. Knecht	Republican	2015	2019
Attorney General	Adam Paul Laxalt	Republican	2015	2019

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 January 1, 2015, there were approximately 17,172 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 January 1, 2015, approximately 3,295 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 9 to the State's Comprehensive Annual Financial Report for FY 2014 (excluding the statistical section) included in Appendix A to this Part II (the "2014 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, 2014 set forth in Table 1 is the most current final assessed value available and will be applicable for determining the debt limitation during FY 2015, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II. The preliminary assessed valuation as reported by the State Department of Taxation on February 17, 2015 is presented in in Table 1 below. However, such valuation is not yet effective and is subject to change.

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.

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Table 1
Constitutional Debt Limitation[1]

Effective June 30	Assessed Valuation[2]	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
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	1,701,163,542	1,178,185,000	522,978,542
2014	92,727,490,889[3]	1,854,549,818	1,151,010,000	703,539,818
2015	92,727,490,889[3][5]	1,854,549,818	1,104,120,000[4]	750,429,818

(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 9 to the 2014 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: 2011-$2,324,227,437; 2012-$1,568,613,686, 2013-$1,360,419,727, 2014-$1,391,049,246 and 2015-$1,681,744,227. 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 certified by the Nevada Tax Commission on June 25, 2014 and reported by the State Department of Taxation.

(4) Debt outstanding as of February 1, 2015.

(5) Based on the preliminary assessed valuation as reported by the State Department of Taxation on February 17, 2015, which valuation is not yet effective and is subject to change, Assessed Valuation would be $101,512,757,179, Debt Limitation would be $2,030,255,144 and Remaining Constitutional Debt Capacity would be $926,135,144.

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 February 1, 2015 and does not reflect the planned issuance of the 2015A Bonds, the 2015B Bonds, or the 2015C 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 part by the 2015B Bonds and the 2015C Bonds.

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

Table 2
Outstanding General Obligation Bonds(1)
As of February 1, 2015

	Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Open Space, Parks, and Cultural Resources Bonds	04/01/05	C	$ 6,100,000	$ 440,000
*	University System Refunding Bonds	04/01/05	G	40,580,000	12,410,000
	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	1,950,000
	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	230,655,000
	Capital Improvement and Cultural Affairs Bonds	07/31/08	C	279,825,000	253,185,000
	Open Space, Parks, and Cultural Resources Bonds	07/31/08	E	7,500,000	6,045,000
	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	3,730,000
	Capital Improvement and Refunding Bonds	12/21/10	C	121,920,000	119,115,000
	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	29,435,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	03/22/12	B	50,800,000	47,395,000
	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	63,460,000
	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					$ 1,104,120,000

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	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	$ 460,000
**	Natural Resources and Refunding Bonds	04/01/05	B	26,655,000	7,670,000
	Open Space, Parks, and Natural Resources Bonds	04/01/05	D	5,000,000	250,000
*	Safe Drinking Water Act Revolving Fund Matching and Refdg Bonds	04/01/05	E	8,085,000	2,935,000
*	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, R-12	05/17/05	F	272,560,000	193,335,000
	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	195,000
*	Water Pollution Control Revolving Fund Matching Bonds	09/14/05	M	1,960,000	235,000
**	Natural Resources Bonds	07/18/06	B	16,000,000	7,735,000
*	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	2,340,000
	Natural Resources Bonds	07/12/07	A	19,500,000	14,790,000
	Open Space, Parks, and Natural Resources Bonds	07/12/07	C	4,500,000	3,270,000
**	Natural Resources Bonds	04/22/08	A	22,545,000	18,250,000
	Open Space, Parks, and Natural Resources Bonds	04/22/08	B	10,000,000	7,840,000
	Natural Resources Bonds	07/31/08	D	13,000,000	11,790,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	07/31/08	F	3,330,000	1,480,000
	Natural Resources and Refunding Bonds	11/17/09	C	14,680,000	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	4,675,000	2,990,000
*	Colorado River Commission Water Refunding Bonds	06/24/10	B	7,405,000	6,460,000
**	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	2,940,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	12/21/10	H-1	4,625,000	1,275,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	12/21/10	H-2	3,725,000	1,925,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/21/10	I	6,235,000	4,790,000
*	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	25,405,000
	Open Space, Parks, and Natural Resources Refunding Bonds	11/16/11	E	14,530,000	13,000,000
*	Safe Drinking Water Revolving Fund Matching Bonds	11/16/11	F	2,820,000	740,000
*	Municipal Bond Bank Project Nos. 80, 81, 82, 83, and 84	03/22/12	A	25,445,000	22,335,000
**	Natural Resources Refunding Bonds	03/22/12	C	25,510,000	24,825,000
	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	8,960,000
*	Municipal Bond Bank Project Nos. 84, 85, and 86	02/20/13	A	23,505,000	23,255,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	02/20/13	B	17,045,000	14,545,000
*	Water Pollution Control Revolving Fund Matching Bonds	02/20/13	C	3,000,000	1,000,000
**	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
**	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
*	Colorado River Commission Hoover VC/Air Slots Bonds	06/24/14	E	29,475,000	29,475,000
TOTAL					$701,135,000

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GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)		$1,805,255,000
LESS: Self-Supporting Debt Outstanding		
* University System Refunding Bonds	12,410,000	
* Colorado River Commission Water Refunding Bonds	152,035,000	
* Colorado River Commission Hoover Uprating Bonds	43,980,000	
* Municipal Bond Bank Bonds	239,385,000	
* Water Pollution Control Revolving Fund Bonds	47,325,000	
* Safe Drinking Water Act Revolving Fund Bonds	17,430,000	
TOTAL SELF-SUPPORTING DEBT		512,565,000
NET DIRECT DEBT		$1,292,690,000

* 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 9 to the 2014 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.

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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 February 1, 2015 and does not reflect the planned issuance of the 2015A Bonds, the 2015B Bonds, or the 2015C Bonds described in this Official Statement. 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 February 1, 2015)

	General Obligation Bonds[(2)]		Self-Supporting General Obligation Bonds		
Fiscal Year	**Principal**	**Interest[(3)]**	**Principal**	**Interest**	**Grand Total**
2015	$ 42,520,000	$ 26,356,201	$ 980,000	$ 7,438,552	$ 77,294,753
2016	88,885,000	58,328,079	38,590,000	22,747,528	208,550,607
2017	93,355,000	55,042,074	46,390,000	20,818,710	215,605,784
2018	97,710,000	51,295,551	40,810,000	18,764,435	208,579,986
2019	98,745,000	46,947,235	36,270,000	16,965,656	198,927,891
2020	106,075,000	42,436,945	37,100,000	15,278,406	200,890,351
2021	111,240,000	36,965,236	36,340,000	13,532,579	198,077,815
2022	108,250,000	31,395,629	33,190,000	11,885,739	184,721,368
2023	101,855,000	25,956,196	35,520,000	10,268,783	173,599,979
2024	92,230,000	20,816,635	33,535,000	8,622,015	155,203,650
2025	95,595,000	16,345,423	34,735,000	6,966,064	153,641,487
2026	95,930,000	11,441,995	37,540,000	5,221,738	150,133,733
2027	96,810,000	6,576,648	38,670,000	3,393,620	145,450,268
2028	21,450,000	3,003,027	38,840,000	1,739,720	65,032,747
2029	17,445,000	1,962,487	2,975,000	949,843	23,332,330
2030	5,910,000	1,057,493	2,130,000	841,321	9,938,814
2031	6,185,000	793,080	1,445,000	768,583	9,191,663
2032	3,605,000	575,560	1,505,000	710,100	6,395,660
2033	3,755,000	419,860	1,115,000	656,306	5,946,166
2034	1,260,000	257,605	1,170,000	607,750	3,295,355
2035	1,320,000	194,495	1,215,000	557,069	3,286,564
2036	1,385,000	128,380	1,270,000	504,263	3,287,643
2037	575,000	59,010	1,320,000	449,225	2,403,235
2038	600,000	30,130	1,380,000	391,850	2,401,980
2039	-	-	1,280,000	335,325	1,615,325
2040	-	-	1,330,000	279,863	1,609,863
2041	-	-	1,390,000	222,063	1,612,063
2042	-	-	1,450,000	161,713	1,611,713
2043	-	-	1,510,000	98,813	1,608,813
2044	-	-	1,570,000	33,363	1,603,363
Total	$ 1,292,690,000	$438,384,974	$512,565,000	$171,210,995	$ 2,414,850,969

(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 9 to the 2014 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 2011, 2012, 2013, 2014, and 2015 (as of February 1, 2015 for FY 2015).]

Table 4
Direct General Obligation Debt Ratios
(As of February 1, 2015 for the fiscal year ending June 30, 2015)

Fiscal Year Ended June 30	2011	2012	2013	2014	2015
Population	2,721,794[(8)]	2,750,217[(8)]	2,800,967[(8)]	2,828,794[(8)]	2,855,061[(8)]
Assessed Value (000) [(1)(2)]	92,694,097	86,236,927	82,215,209	83,667,128	91,045,747[(6)]
Taxable Value (000) [(1)(2)]	264,840,277	246,391,220	234,900,597	239,048,937	260,130,706
Gross Direct GO Debt (000) [(3) (5)]	2,167,665	2,051,945	1,921,545	1,887,605	1,805,255[(7)]
Gross G.O. Debt Relative to:					
Per Capita	796.41	746.10	686.03	667.28	632.30
Percent of Assessed Value	2.34%	2.38%	2.34%	2.26%	1.98%
Percent of Taxable Value	0.82%	0.83%	0.82%	0.79%	0.69%
Net Direct GO Debt (000) [(4) (5)]	1,517,020	1,461,215	1,369,620	1,339,395	1,292,690[(7)]
Net Direct G.O. Debt Relative to:					
Per Capita	557.36	531.31	488.98	473.49	452.77
Percent of Assessed Value	1.64%	1.69%	1.67%	1.60%	1.42%
Percent of Taxable Value	0.57%	0.59%	0.58%	0.56%	0.50%

(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 9 to the 2014 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, 2014.

(7) Debt outstanding as of February 1, 2015.

(8) FY 2011 through FY 2013 estimates are from the Nevada State Demographer's Office. FY 2014 and FY 2015 projections are from the most recent The Nevada State Demographer's Office report of October 1, 2014.

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.

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Source: State of Nevada Controller's Office.

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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 February 1, 2015, 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 $65,982,844 is currently outstanding. The amount currently available to be issued is $59,017,156.

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, 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 $239,385,000 as of February 1, 2015. 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 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 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 Chapters 514 and 507 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. The State 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 Chapters 514 and 507. A portion of this authorization will be allocated to the 2015A Bonds.

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 $5,525,000.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued certificates of participation in 2004 to finance a State office building project, an additional series of certificates of participation in 2004 to finance a State correctional facility, and another series of certificates of participation in 2006 to finance a State printing office building (the "2006 Certificates"). In 2013, two series of certificates of participation were issued to refund the entire outstanding balance of the certificates issued in 2004 (the "2013 Refunding Certificates"), and another series was issued to finance a new project for the benefit of Nevada State College (the "2013 NSC Certificates"). Currently, the 2006 Certificates are outstanding in the aggregate principal amount of $4,465,000, the 2013 Refunding Certificates are outstanding in the combined aggregate principal amount of $34,690,000, and the 2013 NSC Certificates are outstanding in the aggregate principal amount of $50,445,000.

The facilities so financed (or refinanced) 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.

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"). As part of the BAB program, the State currently expects to receive cash interest subsidy payments from the United States Treasury of approximately $1.23 million annually. Receipt of such subsidy is subject to the limits imposed by federal sequestration summarized under the heading "FINANCIAL INFORMATION—Budget Control Act of 2011" in this Part II.

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 2011-2015. The total assessed valuation decrease between 2011 and 2013 was due to a variety of factors, including the real estate market, unemployment and foreclosures. As shown in Table 5, assessed valuations increased in both FY 2014 and FY 2015.

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

County	Fiscal Year Ended June 30 Tax Rolls 2011	2012	2013	2014	2015[2]
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 - $1,681,744,227.

(2) Assessed valuation certified June 25, 2014 and reported by the State Department of Taxation.

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 ten largest owners of taxable property in the State for FY 2015 are listed in the following table. However, the percentages listed below may not correlate to the actual amount of property tax paid by these entities due to abatement and other factors. The State is not aware that any of these property owners are delinquent in the payment of property taxes, though some entities affiliated with Caesar's Entertainment Corp. are currently in bankruptcy proceedings.

Table 6
Ten Largest Taxable Property Owners
(FY 2015)

	Taxpayer	Type of Business	Assessed Valuation(1) (35% of Taxable Value)	Percent of Total State Assessed Valuation(2)
1.	MGM Resorts International	Hotel/Casino	$ 3,164,727,682	3.41 %
2.	Nevada Power Company	Utility	2,772,964,067	3.00
3.	Caesar's Entertainment Corp.	Hotel/Casino	1,704,195,168	1.84
4.	Las Vegas Sands Corporation	Hotel/Casino	997,888,951	1.08
5.	Wynn Resorts Limited	Hotel/Casino	853,434,852	0.92
6.	Barrick Gold Corporation	Mining	787,101,257	0.85
7.	Newmont Mining Corporation	Mining	776,954,882	0.84
8.	Stations Casino Incorporated	Hotel/Casino	552,630,398	0.60
9.	Ruby Pipeline LLC	Utility	515,663,444	0.56
10.	Nevada Property 1 LLC	Utility	373,026,996	0.40
		Total	**$12,498,587,697**	**13.48 %**

(1) Assessed value is based on information from all Counties and the State Department of Taxation as of November 15, 2013, for the 2014-2015 secured roll plus the 2013-2014 unsecured roll for all properties.

(2) Based on assessed valuations for the State of $92,727,490,889 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on June 25, 2014, Property Tax Rates for Nevada Local Governments, 2014-2015 (Redbook).

Source: State of Nevada – Department of Taxation.

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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%	$47,716,542	$2,264,243,869	99.95%
2011	1,769,810,010	1,736,385,757	98.11	32,642,925	1,769,028,681	99.96
2012	1,600,939,398	1,576,935,410	98.50	22,882,661	1,599,818,070	99.93
2013	1,460,545,384	1,446,106,236	99.01	12,052,568	1,458,158,804	99.84
2014	1,467,991,602	1,453,556,514	99.02	6,030,284	1,459,586,798	99.43
2015	1,519,594,800	933,724,074	61.45	-- [8]	933,724,074	61.45

(1) Represents the real property tax roll levies and collections as of December 31, 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)[4]	412,026,224	96.97
2013	410,445,682	405,976,784	98.91	(6,474,893)[4]	399,501,891	97.33
2014	411,287,837	407,469,285	99.07	5,571,288	413,040,573	100.43
2015	423,991,386	328,015,722[5]	77.36	2,770,832	330,786,554[5]	78.02

(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) Negative collection is direct result of Incline Village/Crystal Bay refunding (Court Ordered). Court ordered refunds were completed in June 2013.
(5) Collections still in progress. Reflects collections through January 15, 2015.

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.

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 February 1, 2015 and does not reflect the planned issuance of the 2015B Bonds or the 2015C Bonds described in this Official Statement. 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 2015, estimated to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2010-2015.

Table 9
State Debt Service On Outstanding Bonds Paid With State-Wide Property Tax[(1)]
(As of February 1, 2015)

Fiscal Year	Principal	Interest[(2)]	Total Debt Service
2015	$ 39,452,321	$ 25,974,115	$ 65,426,436
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	$ 1,260,369,288	$429,470,423	$ 1,689,839,711

(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 2010 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	134,627,753
2015	0.17	135,611,587[(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 2015-2017 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, 2014, the reserve amount in the Consolidated Bond Interest and Redemption Fund was $119,105,824, 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 2015. The actual balance in the Consolidated Bond Interest and Redemption Fund as of such date was $119,793,046.

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.

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

Fiscal Year Ended June 30	2011	2012	2013	2014	2015
AVERAGE STATE-WIDE RATE	$3.1320	$3.1171	$3.1304	$3.1212	$3.1232
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	0.0015	0.0000	0.0000	0.0000	0.0000
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.1011	0.0942	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	$3.2866	$3.2782	$3.2782	$3.2782	$3.2782
CITY OF RENO					
City of Reno	$0.9456	$0.9456	$0.9598	$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	0.0005	0.0000	0.0000	0.0000	0.0000
State of Nevada[2]	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.6463	$3.6458	$3.6600	$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.

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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 2014. Appendix B to this Part II consists of a history of State General Fund Revenues, Expenditures and Changes in Fund Balance for FY 2010, 2011, 2012, 2013 and 2014 which is derived from the comprehensive annual financial reports for FY 2010-2014.

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. State law 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. State law 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 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 December 3, 2014, and Table 12 reflects this latest forecast. The Economic Forum Forecast is attached as Appendix C to this Part II. Such Economic Forecast provides revised revenue estimates for FY 2015 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 2012 through FY 2014 and the revenue forecast for FY 2015 through FY 2017 based on the December 3, 2014 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 2014 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 2014 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 2014 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 Governor's proposed budget for the 2015-2017 biennium proposes to make some of these enhancements permanent. See "2013-2015 Biennium Budget."

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 2012, 2013, and 2014, and the revenue forecast for FY 2015 to 2017 based on the December 3, 2014 Economic Forum Forecast. Forecasts from the December 3, 2014 Economic Forum Forecast 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. Current State law provides for a collection allowance provided to a taxpayer for collecting and remitting sales and use taxes of 0.25%, as well as a General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes of 1.75%. 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, absent further legislative action.

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 collection allowance provided to a taxpayer for collecting and remitting cigarette taxes is currently 0.25%.

Real Property Transfer Taxes. The State levies a tax on the value of transfers of real property. The tax is paid 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 collection allowance provided to a taxpayer for collecting and remitting liquor taxes is currently 0.25%.

Business Licenses. The 2009 Legislature increased the Business License Fee 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. The fee is scheduled to revert to $100 on July 1, 2015, absent further legislative action. 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, though it is proposed to be sun setted on June 30, 2016 as part of the Governor's proposed 2015-2017 budget.

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.

The estimates in Table 12 regarding General Fund revenues for FY 2015 through FY 2017 are based on the December 3, 2014 Economic Forum Forecast. The State believes that such estimates are reasonable in the aggregate 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. See Table 24 for recent trends in taxable transactions and Table 25 for recent trends in gaming revenues and total gaming taxes. **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 <u>not</u> the General Fund.**

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

		Actual						Economic Forum Forecast[2]					
	Fiscal Year Ended June 30 2014 Share of Total Fund[3]	2012		2013		2014		2015		2016		2017	
General Fund Revenue Sources		**Amount**	**Change**	**Amount**	**Change**	**Amount**	**Change**	**Amount**	**Change**	**Amount**	**Change**	**Amount**	**Change**
Sales Tax	31.6%	$875,596	6.0%	$923,199	5.4%	$967,706	4.8%	$1,032,598	6.7%	$1,090,419	5.6%	$1,155,136	5.9%
Gaming Percentage Fees Collections	23.4%	686,450	0.4%	710,526	3.5%	718,816	1.2%	716,885	-0.3%	735,616	2.6%	767,139	4.3%
Modified Business Tax	12.5%	369,661	-3.2%	386,610	4.6%	384,886	-0.4%	403,746	4.9%	295,389	-26.8%	309,884	4.9%
Insurance Premium Tax	8.6%	237,859	0.9%	249,390	4.8%	264,522	6.1%	292,233	10.5%	320,359	9.6%	350,142	9.3%
Live Entertainment Tax	5.0%	136,982	4.9%	137,416	0.3%	154,136	12.2%	151,561	-1.7%	156,780	3.4%	162,711	3.8%
Cigarette Tax	2.6%	82,975	-3.5%	83,018	0.1%	79,629	-4.1%	77,847	-2.2%	76,083	-2.3%	74,270	-2.4%
Real Property Transfer Tax	2.0%	48,374	-6.2%	54,990	13.7%	60,047	9.2%	65,405	8.9%	70,402	7.6%	76,064	8.0%
Liquor Tax	1.4%	40,650	3.0%	39,884	-1.9%	41,839	4.9%	42,614	1.9%	43,470	2.0%	44,330	2.0%
Business License Fee	2.4%	64,790	19.0%	69,011	6.5%	72,166	4.6%	74,401	3.1%	40,750	-45.2%	41,763	2.5%
Net Proceeds of Minerals	0.9%	120,425	-7.1%	111,340	-7.5%	26,222	-76.4%	28,973	10.5%	65[4]	-99.8%	31,076[4]	47709.2%
Other Taxes	2.7%	78,681	-59.1%	81,851	4.0%	81,679	-0.2%	82,458	1.0%	20,355	-75.3%	20,651	1.5%
Total Taxes	93.0%	2,742,443	-2.5%	2,847,234	3.8%	2,851,648	0.2%	2,968,720	4.1%	2,849,688	-4.0%	3,033,167	6.4%
Licenses	3.9%	119,091	-3.0%	116,519	-2.2%	120,227	3.2%	123,170	2.4%	127,329	3.4%	129,317	1.6%
Fees & Fines	1.8%	58,405	1.9%	67,039	14.8%	54,207	-19.1%	55,009	1.5%	55,747	1.3%	56,720	1.7%
Interest Income	0.0%	868	-62.0%	1,087	25.2%	987	-9.2%	1,561	58.2%	3,495	123.9%	6,269	79.4%
Other Revenue	1.3%	160,961	58.0%	100,724	-37.4%	39,877	-60.4%	56,830	42.5%	33,334	-41.3%	35,510	6.5%
Subtotal	7.0%	339,325	19.4%	285,368	-15.9%	215,298	-24.6%	236,569	9.9%	219,905	-7.0%	227,815	3.6%
One-Time Revenue Enhancements	0.0%	19,113		19,219		0		0		0		0	
Total General Fund	100.0%	3,081,768	-2.9%	3,132,602	1.6%	3,066,946	-2.1%	3,205,289	4.5%	3,069,593	-4.2%	3,260,982	6.2%

(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 2014 Financial Statements.
(2) December 3, 2014 Economic Forum Forecast.
(3) Totals may not add due to rounding.
(4) The advanced payment provision of the net proceeds of minerals tax is proposed to be sun setted on June 30, 2016 as part of the Governor's proposed 2015-2017 budget. As a result of this sun setting, the proposed budget assumes a $0 collection from Net Proceeds of Minerals in FY 2017.

Source: Legislative Counsel Bureau, General Fund Revenue Table, Economic Forum December 3, 2014 Forecast.

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	Actual Appropriations[1]					2013 Legislatively Approved Appropriations[1]	
June 30	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.

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Table 14[1]
General Fund Unappropriated Balances
(Dollar Amounts in Thousands)

Fiscal Year Ending June 30	2010	2011[2]	2012[2]	2013[2]	2014[2]
General Fund Resources:					
Unappropriated General Fund Balance - July 1	$211,872	$313,494	$324,069	$335,569	$299,967
Unrestricted General Fund Reversions	$31,947	$83,776	$52,412	$133,475	$133,036
Unrestricted General Fund Revenue					
Actual General Fund Revenue	$3,007,020	$3,175,426	$3,081,768	$3,085,436	$3,066,946
Transfer from Fund to Stabilize the Operation of State Government	0	41,321	0	0	0
Transfers and Reversions from Various Accounts	0	2,031	0	0	0
Budget Reserves / Reductions	2,443	5,484	0	0	0
24th Special Session - Revenue Enhancements[3]	0	0	0	0	0
25th Special Session - Revenue Enhancements[3]	0	0	0	0	0
26th Special Session - Revenue Enhancements[3]	123,974	99,251	0	0	0
Increased FMAP – Reserves	0	0	0	0	0
State Fiscal Stabilization – Reserves	0	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[4]	$3,133,436	$3,323,513	$3,081,768	$3,085,436	$3,066,946
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	$0	$0	$7,600	$7,600	$7,600
Quarterly Slot Tax - Problem Gambling	1,535	1,495	742	727	$1,411
Total Restricted General Fund Revenue[4]	$1,535	$1,495	$8,342	$8,327	$9,011
General Fund Resources[4]	$3,378,790	$3,722,277	$3,466,591	$3,562,806	$3,508,960
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	($3,211,465)	($3,336,977)	($3,104,727)	($3,117,408)	($3,277,621)
Supplemental Operating Appropriations	0	(3,744)	0	(27,008)	0
Operating Appropriations Transfers Between Fiscal Years 08 & 09	0	0	0	0	0
Operating Appropriations Transfers Between Fiscal Years 09 & 10	19,098	0	0	0	0
Operating Appropriations Transfers Between Fiscal Years 10 & 11	(89,818)	89,818	0	0	0
Operating Appropriations Transfers Between Fiscal Years 12 & 13	0	0	37,307	(37,307)	0
Operating Appropriations Transfers Between Fiscal Years 14 & 15	0	0	0	0	(6,310)
Operating Appropriations/Reductions-26th Special Session	251,571	(21,054)	0	0	0
One-Time Appropriations	(33,407)	(51,487)	(548)	(94,538)	(7,427)
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	(15,000)	(138)	0	0
Cost of Regular and Special Sessions of Legislatures	(350)	(18,500)	0	(18,000)	0
Total Unrestricted Appropriations / Transfers[4]	($3,064,370)	($3,356,944)	($3,068,106)	($3,294,262)	($3,291,357)
Restricted Transfers					
Millennium Scholarship	$0	$0	($7,600)	($7,600)	($7,600)
Problem Gambling	(1,535)	(1,495)	(742)	(727)	(1,411)
Disaster Relief Account	(127)	(500)	(1,000)	(2,000)	(1,500)
Fund to Stabilize the Operation of State Government[5]	0	(41,321)	(39,237)	(45,500)	(28,061)
Total Restricted Transfers[4]	($1,662)	($43,316)	($48,579)	($55,827)	(38,572)
Adjustments to Fund Balance	$735	$2,051	($14,337)	$0	$4,513
Total Appropriations / Transfers[4]	($3,065,297)	($3,398,209)	($3,131,022)	($3,350,088)	($3,325,416)
Unappropriated General Fund Balance June 30[4]	$313,494	$324,069	$335,569	$212,718	$183,544
5% Minimum Ending Fund Balance	**$151,531**	**$164,348**	**$153,371**	**$159,086**	**$164,197**
Difference	$161,963	$159,721	$182,198	$53,632	$19,348

(1) Revised.
(2) Unaudited results, subject to revision.
(3) Revenue enhancements include final sweeps, revisions and revenue adjustments.
(4) Totals may not add due to rounding.
(5) 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 2014 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 2014 Financial Statements is determined on a GAAP basis. 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 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.

Budgetary basis and GAAP basis General Fund balances as of June 30, 2013 and June 30, 2014 are reconciled as follows:

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Table 15[1]
General Fund Balance

	June 30, 2013	June 30, 2014
Unappropriated General Fund Balance	$ 292,873,442	$ 176,442,567
Restricted General Fund Balance, Budgetary Basis	430,227,487	403,539,607
Total General Fund Balance, Budgetary Basis	723,100,929	579,982,174
Accrued Medicaid Receivable	155,167,659	190,321,521
Receivables Recorded as Budgetary Expenditures	27,213,876	27,118,364
Encumbrances Recorded as Budgetary Expenditures	3,338,666	8,837,706
Accrued Medicaid Liability	(259,699,696)	(301,429,903)
Unearned Gaming Taxes	(104,835,117)	(102,878,007)
Unavailable Revenue-Intergovernmental, Deferred Inflow	(89,170,367)	(98,743,661)
Liabilities Recorded as Budgetary Revenues	(105,104,583)	(59,344,910)
Other	21,007,473	30,994,878
Total General Fund Balance, GAAP Basis	$ 371,018,840	$ 274,858,162
Fund Balances:		
Nonspendable	33,112,551	39,255,213
Restricted	59,358,721	65,341,718
Committed	345,248,424	306,050,398
Unassigned	(66,700,856)	(135,789,167)
Total General Fund Balance, GAAP Basis	$ 371,018,840	$ 274,858,162

[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, 2014, the Stabilization Account balance was $84,737,276. The majority of this balance is expected to be spent during the 2013-2015 biennium. As noted below, the State has experienced a significant budget shortfall during the 2013-2015 biennium. One of the solutions proposed by the Governor and submitted to the legislature is the transfer of $28 million from the Stabilization Account to the General Fund.

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.

2013-2015 Biennium[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:
  - 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.

During the 2013-2015 biennium, the State experienced a combination of several events that created a short-term budget shortfall. The first event was an approximately 70% shortfall in the projected Net Proceeds of Mining

[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.

revenue. This was due to a combination of factors with the largest being the approximately 1/3 drop in the price of gold from the time revenue forecasts were set in May 2013 to the end of the biennium in June 2015. This lowered the overall taxes due, which when combined with credits that had accumulated due to the pre-payment of this tax, resulted in a significant shortfall in collections for both 2014 and 2015. For FY 2014, these revenues were $69 million below forecast, and for FY 2015 they are expected to be $72 million below forecast.

The second event was a shortfall in projected gaming revenues. For FY 2014, these revenues were $9 million below forecast, and for FY 2015 they are expected to be $41.5 million below forecast.

The third event was an increase in K-12 student enrollment that exceeded the projections used in the legislatively-approved budget. While this may be a sign of an improving Nevada economy, this resulted in enrollment-based payment obligations of the State in excess of what was budgeted. For FY 2014, these payment obligations were $26.9 million above the forecast, and for FY 2015 they are expected to be $70.5 million above the forecast.

Fortunately several revenues have been exceeding budgeted levels, which helped to offset some of the shortfalls discussed above. This resulted in a projected budget shortfall of $161.8 million, which leaves the State $157.1 million below the 5% reserve prior to taking any corrective actions.

The Governor's office has actively monitored the situation and has developed a corrective action plan for the current biennium, which it has submitted to the Legislature. Elements of this plan include: (a) transferring $28 million from the Stabilization Account to the General Fund; (b) providing rate holidays for unemployment insurance (January through June 2015) and employer contributions to health benefit premiums for May and June 2015, which are available due to excess reserves in these fringe benefit funds (see "-Active Employee Group Insurance Holiday"); (c) transferring savings in agency budget accounts to the appropriate funding source, which will result in $20.7 million in general fund revenues; (d) recoveries from various budgets including billing Medicaid for newly eligible services, which will result in $13.3 million in general fund revenues; and (e) transferring available reserves from various accounts, which will result in $79.8 million in general fund revenues.

While the funds discussed in the preceding paragraph had been planned for future needs, the actions discussed in the preceding paragraph were deemed preferable to making operating budget reductions during the second half of the second year of the biennium. Many of these reserve transfers are from settlement fund accounts received at the end of the recession that allow for transfer to the General Fund after three years (which has expired).

These actions, if approved by the Legislature, are expected to bring the projected ending fund balance for FY 2015 to $154.5 million, or 4.5%. The State is continuing to look for additional funds to bring the remaining $15.2 million gap to bring the final ending balance over the 5% threshold.

In addition to addressing the short-term solution, the Governor's office applied the lessons learned from this biennium to the proposed 2015-2017 biennium budget. Elements of the Governor's 2015-2017 budget include:

- Sun setting the prepayment of the Net Proceeds of Minerals tax on June 30, 2016. As a result of this sun setting, the proposed budget assumes a $0 collection from Net Proceeds of Minerals in FY 2017. This change should alleviate future issues from the combination of lower actual taxes due and credits to be applied.
- Increased growth beyond what school districts in the State submitted as enrollment projections. The current biennium budgeted enrollment was based upon the enrollment submitted in November 2012 by the school districts. Enrollment in the budget is based on a trend line since the recession ended. This is expected to significantly reduce the risk of needing additional appropriations beyond the budgeted amount in FY 2016 or FY 2017.
- 1% transfer to the Stabilization Account beginning in FY 2017 to help build a savings account for future needs.
- Reserves above the required 5% level ($20 million in 2016 and $80 million in 2017) to allow some flexibility without dropping reserves below the 5%.

- Making most of the revenue enhancements enacted over the past three biennia permanent instead of extending two years at a time. This more closely aligns on-going revenues with on-going budget needs.
- $550 million in new or revised revenues that serve as a step towards aligning Nevada's state revenue streams with the new Nevada economy.

2015-2017 Biennium Budget

Governor Sandoval unveiled his 2015-2017 biennial Executive Budget on January 15, 2015. The proposed budget uses a "priorities of government" format in addition to the previously employed "line item" format. The priorities of government format provides an inventory of all State services and the outcomes they produce, recording basic information such as the agency mission statement, summary of operations, and the list of activities in which the agency engages. This new format, codified by Assembly Bill 248 of the 2011 Legislative Session discussed above, provides improved transparency regarding the functions supported in the Governor's recommended budget. The Governor's Executive Budget must be balanced to revenue projections made by the Economic Forum, a group of private economic and financial experts appointed by the Legislature and Governor. On December 3, 2014, the Forum set the revenue projections that were used by the Governor to construct the 2015-2017 biennial budget. The general fund revenue projections set by the Economic Forum anticipates about $6.3 billion in revenue for the upcoming 2015-2017 biennium. The Forum projections do not include the temporary revenue enhancements and tax increases which are set to expire on June 30, 2015, though the Governor's proposed budgets proposes to make some of these temporary revenues enhancements permanent.

Despite the continued improvement in the Nevada economy, the current revenue structure is not keeping up with the changing economy and population growth. The level of General Fund tax revenue forecast by the Forum for the upcoming biennium is slightly up from the level in the 2005-2007 biennium. Yet, population and K-12 enrollment have increased by 8% and 9%, respectively and the number of Nevadans in the Supplemental Nutrition Assistance Program and Medicaid has more than tripled over the last eight years.

The Governor's Executive Budget includes $7.4 billion in General Fund appropriations, an increase of $1.2 billion over the previous biennium. The Governor's Executive Budget recognizes some of the revenues scheduled to sunset on June 30, 2015 as permanent in order to provide for an increase in social service needs of Nevadans, and to support the Governor's goal of improving the state education system. The Governor recommends the following treatment of previously enacted revenue enhancements:

- The Modified Business Tax for non-financial institutions should continue at the 1.17% rate and the exemption should be continued at $85,000 per quarter.

- The Net Proceeds of Minerals tax distributed to the General Fund should continue to be prepaid based on an estimate of the current year taxes due, which impacts the timing of the net proceeds of minerals tax payment but does not affect the amount due. This is proposed to be extended to June 30, 2016 only, after which Net Proceeds of Minerals would be collected as it was before 2009.

- Governmental Services Tax revenue resulting from a reduced depreciation allowance should continue diverting to the General Fund through June 30, 2017.

- Governmental Services Tax revenue from commissions and penalties should continue diverting to the General Fund through June 30, 2017.

Additionally, the following revenue initiatives, which directly fund the K-12 school system, are recommended to be continued to ensure no reductions are made to education spending:

- Room tax revenues resulting from Initiative Petition 1 should continue diverting to the Distributive School Account, which supports K-12 education funding.

- The Local School Support Tax rate should remain at 2.60% and not revert back to 2.25%.

- The portion of the net proceeds of minerals tax that directly funds the Distributive School Account should be treated the same as the General Fund portion: it will continue to be prepaid based on an estimate of the current year taxes due through June 30, 2016, then revert to the pre-2009 payment schedule.

Furthermore, the following changes are recommended to modernize the outdated revenue structure:

- Restructure the Business License Fee to a tiered structure based on company size, as determined by revenues.

- Create a new group within the Modified Business Tax specific to the mining industry, raising the payroll tax to 2%, the same rate as for financial institutions.

- Modify the Restricted Slot Tax to be based on total machines or revenues on a slot route instead of on physical location.

- Increase the Cigarette Tax from $0.80 to $1.20 per pack.

The state's widespread efforts to diversify the Nevada economy beyond gaming and tourism have generated growing success, attracting a diverse group of companies to locate to Nevada. Tesla is building the world's largest battery factory and Las Vegas-based Switch will invest $2 billion in new infrastructure in Northern and Southern Nevada, both examples of the changing Nevada economy.

The Governor's recommended budget focuses on providing the necessary investments to improve education and strengthen the workforce for Nevada's new economy. The Governor's Executive Budget includes initiatives for education reform, investing $882 million in education funding in the next biennium. The budget also continues to expand several health and human services initiatives and includes funding for implanting a credit system that balances conservation of the sagebrush ecosystem, important to sage grouse, with energy and economic development.

The Governor's Executive Budget is subject to modification based on the Economic Forum Forecast to be released in May 2015 and approval or modification by the 2015 Legislature. No assurances can be made that the Governor's Executive Budget will not be modified in material respects as a result of Legislative proposals or otherwise prior to a final budget for the 2015-2017 biennium being adopted by the 2015 Legislature. See "FINANCIAL INFORMATION – Budget Procedure" for a description of the State's budget approval process. As described therein, the State is constitutionally required to maintain a balanced budget.

During the course of discussion on the State's budget various alternatives are likely to be proposed and discussed. Statutory responsibility for submitting a budget rests with the Governor. However others, including legislators and elected officials, may offer up different ideas. It is not clear at this time what alternative proposals, if any, will be incorporated into bill drafts or if any such bill drafts will become final legislation. It is also not clear what impact any such bill would have on the State's revenues and finances.

On February 4, 2015, State Treasurer Dan Schwartz issued a statement with alternative ideas for the State's budget for the 2015-2017 biennium.

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 State employees who constitute approximately 17.3% of total active employees covered by PERS as of June 30, 2014. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2014 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 2014 Financial Statements. The most recent valuation reports for PERS , LRS, and JRS were prepared as of June 30, 2014 and are described in Attachment I to this Part II.

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, 2014 include the State, 20 State-related boards and agencies and 169 local governments and related districts and agencies. As of June 30, 2014, the entire PERS (of which the State participation relates to approximately 17.3% of PERS employees) includes 100,522 active members (of whom 88,709 are Regular employees and 11,813 are Police/Fire employees; 14,633 vested inactive members; and 55,208 retirees and beneficiaries (of whom 48,283 are Regular retirees, survivors or disability recipients and 6,925 are Police/Fire retirees, survivors or disability recipients).

Measured by the number of active covered employees, the State was the second-largest PERS employer as of June 30, 2014, representing approximately 17.3% of employees covered by PERS. 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 State's contribution to PERS in FY 2014 was approximately $174,712,000. Approximately 50% of this amount was paid by State employees through payroll deductions or salary increase concessions. 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.

As of June 30, 2014, PERS had total net assets (based on market value) of approximately $33.58 billion, compared to $28.83 billion as of June 30, 2013. As of June 30, 2014, the actuarial value of PERS assets was $31.47 billion (approximately 93.72% of market value), PERS was 71.5% funded (on an actuarial value basis) and PERS' unfunded accrued actuarial liability (the "UAAL") was $ 12.53 billion. These values are for the entire PERS, of which the State is one of numerous participants.

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

In conjunction with GASB Statement No. 67, pension plan participating public employers will implement GASB No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27, effective for fiscal years beginning after June 15, 2014. This Statement establishes accounting and financial reporting requirements for contributing employers related to the recognition of pension expense and pension liabilities.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, the System reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position in the System's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Total Pension Liability for financial reporting was determined on the same basis as the System's Actuarial Accrued Liability measure for funding. The Fiduciary Net Position is equal to the market value of assets. The Net Pension Liability is equal to the difference between the Total Pension Liability and the Fiduciary Net Position.

The System's Net Pension Liability as of June 30, 2014 was $10.42 billion as compared to $13.15 billion as of June 30, 2013, when measured in accordance with GASB 67. The Plan Fiduciary Net Position as a percentage of the Total Pension Liability is 76.31% as of June 30, 2014, as compared to 68.68% as of June 30, 2013.

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 ten members, including the Director of the Department of Administration (or his designee) and nine 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, 2014, 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 2011, 2012, 2013, and 2014, the State and its component units contributed $246,714,713, $212,112,683, $227,620,765, and $239,789,209.03 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2015 is $249,200,164. 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, 2014, the Retirees' Fund had total assets of $4,520,500, of which $1,253,459 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $1,787,619 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2014, after deducting $2,997,009 in liabilities, the Retirees' Fund had net assets of $1,523,491. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

In November 2014, 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, 2014 (the "2014 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, 2014, the present value of the benefits of the Plan was $2,025,895,000 according to the 2014 Valuation. Of this amount, 68% was allocable to currently active employees (future retirees). As of June 30, 2014, the actuarial accrued liability was $1,271,752,000.

Active Employee Group Insurance Holiday

As noted in "FINANCIAL INFORMATION – 2013-2015 Biennium," the Governor has proposed rate holidays for unemployment insurance (January through June 2015) and employer contributions to health benefit premiums (the "AEGIS holiday") for May and June 2015, which are available due to excess reserves in these fringe benefit funds in order to partially close the State budget gap for the 2013-2015 Biennium. Should the proposal be accepted and passed by the Legislature, it would allow the state to suspend AEGIS payments to PEBP for a period of time (proposed is 2 months).

In recent years the premiums for the self-funded consumer driven health plan has been lower than originally projected. PEBP is able to adjust the rates and lower premiums paid by employees in subsequent years. The State's share of the cost of premiums for group insurance for each employee is fixed by the Legislature. However, there is currently no way for the State to take advantage of lower premiums without additional legislative action. The AEGIS holiday would provide a mechanism for the State to take advantage of the lower premiums experienced by the plan.

See Attachment II to this Part II.

Insurance Premium Trust 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 $100,000 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 Trust Fund that is funded from amounts charged to each State agency. The Insurance Premium Trust 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 (comprehensive and collision), property and workers' compensation programs.

At June 30, 2013 and June 30, 2014, total liabilities exceeded total assets by $56,133,913 and $54,176,807, respectively. According to figures derived from actuarial estimates, this Fund is liable for approximately $54,000,000 and $56,000,000 as of June 30, 2013 and June 30, 2014, 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 11B to the 2014 Financial Statements attached as Appendix A to this Part II for more information about the Insurance Premium Trust 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. Through 2013, the State borrowed substantial amounts to pay unemployment benefits from the federal government. The federal loan balances peaked at approximately $846 million in the second quarter of 2012, and thereafter diminished steadily on a year over year basis. The 2013 Legislature adopted a new law which authorized 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. Alongside the repayment of these bonds, the State has begun rebuilding the unemployment insurance benefit fund. As of February 11, 2015 the balance was $254 million, an increase of $151 million on a year-over-year basis.

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 appealed to the Nevada Supreme Court. On December 4, 2014, the Nevada Supreme Court affirmed the District Court's decision on appeal. As the refund requests are made in part on Federal Constitutional grounds, there remains the possibility that NV Energy will petition to the United States Supreme Court for review of the Nevada Supreme Court's decision.

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. On September 18, 2014, the Nevada Supreme Court affirmed the District Court's rulings in their entirety. As the relief is sought in part on Federal Constitutional grounds, there remains the possibility that the taxpayers will petition to the United States Supreme Court for review of the Nevada Supreme Court's decision.

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. The appeal is fully briefed and submitted and awaits a ruling by 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. The issue in this matter is similar to *Sierra Pacific Power*, above. Since the initial request, the refund sought in this matter including interest has increased to in excess of $111 million. At the hearing that was held in late 2008, Southern California Edison's refund request was denied by the Nevada Tax Commission. Trial de novo was held in the First Judicial District on January 21-31, 2014. On December 15, 2014, based on the Nevada Supreme Court's decision in *Sierra Pacific Power*, above, the District Court determined that Southern California Edison was not entitled to a refund. It is possible that Southern California Edison will appeal this refund denial.

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. The District Court has granted the State's motion for summary judgment. That decision is currently on appeal to the Nevada Supreme Court.

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.

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.

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 matter remains in the discovery stage, with trial set for May 2015.

Morrison v. Quest et. al. The widow of deceased former boxer Tommy Morrison is suing the Nevada State Athletic Commission, the former Executive Director Marc Ratner and the former Chairman of the Medical Advisory Board, Dr. Margaret Goodman (along with a lab and its director who are represented by a private attorney) for $110 million for alleged negligence surrounding a lab test performed in order for him to participate in a 1996 bout, and alleged statements made in 2007.

This matter was filed in July 2014 in the Federal District Court in Las Vegas, Nevada. The State has a pending motion to dismiss based on statute of limitations grounds.

Walden et al. v. Nevada Department of Corrections. Brought in the Federal District Court in Reno, Nevada, this is a collective action brought under the Fair Labor Standards Act and a class action under the Nevada Constitution concerning nonpayment of pay and overtime to corrections officers for time on activities before and after work on the clock. Class certification is not complete, but discovery has commenced. In the event of successful class action certification, if Plaintiffs prevail on their claim for three years in pay and overtime, doubled pursuant to statute, the total claims could reach $80 million.

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	2010	2011	2012	2013	2014
Carson City	40,443	52,457	55,850	56,066	55,441	54,668	53,969
Churchill	17,938	23,982	26,360	25,136	25,238	25,322	25,103
Clark	741,459	1,375,765	1,968,831	1,967,722	1,988,195	2,031,723	2,069,450
Douglas	27,637	41,259	49,242	47,661	48,015	48,478	48,553
Elko	33,530	45,291	52,097	49,861	51,771	53,384	53,358
Esmeralda	1,344	971	1,145	825	860	858	926
Eureka	1,547	1,651	1,609	1,994	2,011	2,024	1,903
Humboldt	12,844	16,106	18,364	17,135	17,384	17,457	17,388
Lander	6,266	5,794	5,992	5,988	6,221	6,343	6,560
Lincoln	3,775	4,165	4,631	5,284	5,100	5,020	5,004
Lyon	20,001	34,501	52,334	52,443	52,245	52,960	53,344
Mineral	6,475	5,071	4,471	4,601	4,679	4,662	4,584
Nye	17,781	32,485	45,459	44,513	44,292	44,749	45,456
Pershing	4,336	6,693	7,133	6,847	7,013	6,882	6,714
Storey	2,526	3,399	4,234	4,123	4,103	4,017	3,974
Washoe	254,667	339,486	417,379	421,593	442,704	432,324	436,797
White Pine	9,264	9,181	9,503	10,002	9,945	10,095	10,218
Nevada Total	1,201,833	1,998,257	2,724,634	2,721,794	2,750,217	2,800,967	2,843,301

Source: 1990 and 2000: U.S. Bureau of the Census; 2010-2014: 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	20.2%	18.9%	19.8%	19.4%
15-24	13.1	13.8	13.1	14.0
25-34	14.7	14.2	14.3	13.5
35-54	27.7	26.1	27.2	26.6
55 and older	24.2	27.1	25.7	26.7

Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates.

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
2009	$35,814	$41,344	$36,884	$40,815
2010	35,497	41,124	36,593	41,563
2011	35,927	42,622	37,216	43,750
2012	37,487	45,066	38,933	45,661
2013	37,457	45,168	38,932	46,177

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
*Data not available.

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
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
2013	51,057	53,588	51,230	52,250

Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates.

Table 20
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under $25,000	22.0%	24.4%	22.7%	23.8%
$25,000-$34,999	11.4	9.5	11.0	10.3
$35,000-$49,999	15.4	12.9	15.0	13.6
$50,000 and Over	51.1	53.1	51.4	52.4

Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates.

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 July 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	1,372,529
Unemployed	191,562	184,458	158,802	135,071	107,419
Unemployment Rate[2]	13.8%	13.3%	11.5%	9.8%	7.8%
Total Employment[3]	1,200,410	1,207,785	1,225,136	1,237,791	1,265,110

(1) Based on non-seasonally adjusted information as of December 10, 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 2010 through 2014 were 9.6%, 8.9%, 8.1% and 7.4%, 6.2% 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.

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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	15.0
Construction	59.3	52.2	52.0	57.0	62.5
Manufacturing	37.9	38.3	39.2	40.5	41.8
Trade (wholesale and retail)	160.1	161.3	164.9	168.8	174.3
Transportation, Warehousing and Utilities	50.0	51.4	53.2	54.0	55.1
Information	12.5	12.6	12.7	12.8	12.8
Financial Activities	52.9	52.5	54.4	56.6	57.6
Professional and Business Services	135.7	139.7	144.7	150.0	160.2
Education and Health Services	101.5	105.4	108.5	111.7	116.9
Leisure and Hospitality (casinos excluded)	122.3	126.8	130.7	137.5	140.8
Casino Hotels and Gaming	186.7	188.8	186.5	187.2	191.6
Other Services	32.9	32.4	33.3	33.2	34.2
Government	153.8	150.3	149.4	150.9	151.7
Total all industries	1,117.8	1,125.7	1,144.8	1,175.7	1,214.5

(1) Based on non-seasonally adjusted CES information as of December 10, 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 an annual average; however, December 2014 employment numbers are preliminary

Source: Nevada Department of Employment, Training and Rehabilitation.

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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	49.8%	50.2%	100.0%
Not a high school graduate	14.9%	14.7%	14.8%
High school graduate (including equivalency)	28.5%	28.3%	28.4%
Some college or associate degree	33.7%	34.7%	34.2%
Bachelor's degree	15.2%	15.0%	15.1%
Graduate or Professional Degree	7.7%	7.2%	7.5%

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

Source: U.S. Census, 2013 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
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
2014	47,440,345,167	4.95
July 1, 2013 – November 30, 2013	19,251,037,745	
July 1, 2013 – November 30, 2014	20,378,573,434	5.86%

(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 two of the past four fiscal years (2011 to 2014), gross taxable gaming revenue has increased. However, for the past four consecutive fiscal years, (2011 to 2014), state gaming collections from all sources have experienced increases. The increases in gaming win have been 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
2010	$ 9,667,833,487	-5.6	$829,289,514	-3.4
2011	9,836,469,093	1.7	853,455,347	2.9
2012	9,770,060,305	-0.7	864,621,791	1.3
2013	10,208,521,171	4.5	892,106,457	3.2
2014	10,208,208,859	-0.003	912,371,316	2.3
July 13 – December 13	4,874,274,672	--	411,908,582	--
July 14 –December 14	5,006,318,902	2.71	400,920,288	-2.67

(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]
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	--
2014	41,126,512	150,544	86.8	--

(1) The sample size for this survey represents approximately 75% of the total hotel/motel rooms available.
(2) Source: 2010 through 2012 - 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]
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	--
2014	4,631,195	24,224*	63.6	--

(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: 2010 through 2012 - Smith Travel Research, Lodging Outlook.
* Preliminary- Subject to change.

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**
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
2014	223,709,496	9.88	2014	16,954,518	1.38
July 13 – Nov 13	88,584,774	--	July 13 – Dec 13	9,158,135	--
July 14 – Nov 14	95,817,020	8.2	July 14 – Dec 14	9,564,902	4.4

(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 $8.8 billion in 2013. Gold is the primary source of mining revenue which reached $7.7 billion in 2013. Nevada leads the nation in gold production.

Oil and natural gas exploration activity continues in Nevada. During 2013, the total net oil produced was 336,672 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 2.6 million megawatt-hours in 2013 from 22 electrical generating plants.

According to the Department of Employment, Training and Rehabilitation, in 2013, there was an average of 15,323 people employed in the mining industry at an average annual salary of $87,335.

According to the Division of Minerals, gold and silver currently account for 89% 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
2009	5,927	-2.8
2010	7,300	23.2
2011	9,600	31.5
2012	10,244	6.7
2013	8,820	-13.7

(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)

	2009	2010	2011	2012	2013
Gold	5,033 ozs	5,339 ozs	5,536 ozs	5,615 ozs	5,441 ozs
Silver	7,310 ozs	7,361 ozs	7,141 ozs	8,527 ozs	8,679 ozs
Gypsum	1,198 tons	1,056 tons	996 tons	1,482 tons	1,804 tons
Barite (1)	476 tons	657 tons	698 tons	745 tons	811 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, was acquired by Berkshire Hathaway Energy in 2013. 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, particularly in its two most populous counties, Clark County and Washoe County. The water providers for those two counties are briefly 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.

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.

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, and Washoe County. Portions of Washoe County are served either by special districts, private companies and/or private wells.

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.

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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 obligation of the State to 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 17.3% of total active employees as of June 30, 2014. 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 every other year, and then only if the increases or decreases recommended by the actuary exceed the percentages set forth in Nevada statutes, as described herein in "PERS Contribution Rates." 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. 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 10 to the 2014 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 2014 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, 2014, PERS includes 100,522 active members, of whom 88,709 are Regular employees and 11,813 are Police/Fire employees; 14,633 vested inactive members; and 55,208 retirees and beneficiaries, of whom 48,283 are Regular retirees, survivors or disability recipients and 6,925 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, 2014 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 as of June 30, 2014, representing approximately 17.3% of the current active employees covered by PERS.

Benefits. Benefits, as required by the State statute, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS 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 members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

PERS Funding. 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, 2014, 19.8% of Regular employees and 13.3% Police/Fire employees are covered under this employee/employer pay program. See "PERS Contribution Rates" below.

The State's actual annual contribution to PERS (relating to the State's employee members) since for FY 2010 through FY 2014 is set forth in the table below.

STATE CONTRIBUTIONS TO PERS
FISCAL YEARS ENDING JUNE 30

Year	*Contribution*
2010	$164,630,000
2011	160,959,000
2012	163,219,000
2013	162,484,000
2014	174,712,000

PERS Actuarial Valuations, Reports and Methods. The Public Employees' Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and, subject to certain limitations described below, 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, 2014 (the "2014 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 2014 PERS Valuation Report is the most recent assessment of PERS actuarial assets and liabilities and funding status, and along with the GASB Statement No. 67 Actuarial Valuation as of June 30, 2014, was the basis for PERS audited financial statements for FY 2014. The actuarial information included in the PERS 2014 Financial Statements is based upon the PERS valuations as of June 30, 2014. The 2014 PERS Valuation Report will be the basis for contribution rates for the 2015-2017 biennium, effective July 1, 2015.

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. In addition to the normal cost and administrative expense components described above, 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, in response to the significant investment losses at the time, 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 2014 was 9.15% and for FY 2013 was 7.23%, compared to the investment return assumption for each year of 8%. As a result, PERS experienced an investment gain on an actuarial value basis of approximately $251 million for Regular employees and $82 million for Police/Fire employees in FY 2014 as compared to an investment loss of $175 million for Regular employees and $36 million for Police/Fire employees in FY 2013. The return on the market value of PERS assets, however, was 17.6% in FY 2014 and 12.4% for FY 2013, resulting in an investment gain not yet recognized as of June 30, 2014 of $2,110 million ($1,639 million for Regular employees and $471 million for Police/Fire employees) or 6.3% of PERS' market value of assets. By comparison, the unrecognized investment loss as of June 30, 2013 was $274 million or 1.0% of the market value of assets. In the 2014 PERS Valuation Report the ratio of the actuarial value of PERS assets to the market value of PERS assets is 93.76% for Regular members and 93.57% for Police/fire members (compared to 101.4% for Regular members and 100.61% for Police/fire members at June 30, 2013). 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 2014 deferred losses were recognized immediately instead of being smoothed over five years, PERS' funded percentage described below would increase from 70.8% to 75.5% for Regular members and from 74.3% to 79.4% for Police/fire members and that actuarially determined contribution rates would decrease.

PERS Contribution Rates. The following tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for PERS for 2013-2015 and for 2015-2017, 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.

The Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for employer-pay and more than 0.25% higher for employee/employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for employer-pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for employee/employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll. Since the 2014 valuation is for an even-numbered year, this valuation establishes the contribution rates effective July 1, 2015.

Table 1A
PERS 2014 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 Funding	6.5% per year for Regular employees and 7.5% for Police/Fire employees (assuming inflation at 3.5% per year). For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees. 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 2014 PERS Valuation Report.

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Table 2A
PERS Contribution Rates 2013-2015 and 2015-2017

Contribution Rates (as a percentage of payroll)	**Regular Employees**	**Police/Fire Employees**
Employer-Pay Actuarial Rate (1)		
Normal Cost	16.72%	26.76%
Amortization Percentage	11.12	12.74
Administrative Expenses	0.15	0.15
Employer-Pay Total Rate (2)	27.99	39.65
Employer-Pay 2013-15 Statutory Rate (3)	25.75	40.50
Employer-Pay 2015-17 Statutory Rate (4)	28.00	40.50
Employee/Employer Pay Actuarial Rate (1)		
Normal Cost	17.68	27.91
Amortization Percentage	11.12	12.74
Administrative Expenses	0.15	0.15
Employee/Employer Total Rate(5)	28.95	40.80
Employee/Employer 2013-15 Statutory Rate(3)	26.50	41.50
Employee/Employer 2015-17 Statutory Rate(4)	29.00	41.50

(1) These actuarial rates are based upon the 2014 PERS Valuation Report as of June 30, 2014.
(2) The actuarial employer-pay contribution rate would have been 26.14% for regular employees and 37.11% for police/fire employees if the deferred investment gains had not been smoothed over five years.
(3) These statutory rates apply for July 1, 2013 through June 30, 2015.
(4) These statutory rates apply for July 1, 2015 through June 30, 2017. 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 27.10% for regular employees and 38.26% for police/fire employees if the deferred investment gains had not been smoothed over five years.

Source: State of Nevada, compiled from the 2014 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 2014 (the "2014 PERS Financial Report") and from the 2014 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 2014 PERS Valuation Report that using the methods, assumptions and results of the June 30, 2014 valuation, payments required to amortize the UAAL represent 11.12% of projected payroll for Regular employees and 12.74% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 21.8 years for Regular employees and 21.1 years for Police/fire employees.

PERS notes in the 2014 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 may continue to impact contribution rates and the UAAL. PERS and the actuary note that the number of active employees increased in 2014 in the regular fund and decreased in the Police/Fire fund. Between 2005 and 2014, the ratio of active PERS Regular members to retirees decreased from 3.5 to 2.1 and that the ratio of active PERS Police/Fire members to retirees decreased from 3.1 to 2.0 during the same period. In FY 2014, the number of benefit recipients (excluding survivors and beneficiaries) increased 5.4% from FY 2013.

The PERS actuary does not calculate actuarial assets and liabilities by employer for funding purposes, but the State expects the State's contribution rates to increase in the future. Measured by the number of active covered employees, the State was the second-largest PERS employer in FY 2014 representing approximately 17.3% of active PERS employees.

Table 3A
PERS Schedule of Funding Progress[(1)]
2010 to 2014
(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
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	5,100.2	252.5
2014	31,465.6	33,575.10	43,997.1	12,531.5	71.5	5,113.5	245.1

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

Source: State of Nevada, compiled from the 2014 PERS Financial Report and 2014 PERS Valuation Report.

Table 4A is derived from the Schedule of Employer Contributions included in the 2014 PERS Financial Report. Due to the implementation of GASB Statement No. 67 in fiscal year 2014, the Schedule of Employer Contributions includes different information from previous schedules of the same name. The current Schedule of Employer Contributions was developed this year and includes information for prior years. The schedule no longer includes the concept of the annual required contribution but rather includes the actuarially determined contribution and contributions in relation to the actuarially required contributions.

The contributions in relation to the actuarially determined contributions can be greater or less than the actuarially determined contributions due to the fact that the actuarially determined contributions are set annually pursuant to the annual actuarial valuation, and as described above the contribution rates (stated as a percentage of payroll) are set biennially. In addition, actual salary increases and payroll growth has been less than the actuarial assumed rates. Since actual contributions are based on payroll, lower than expected growth in salary increases and payroll growth will contribute to actual contributions being lower than the actuarially required contribution. Table 4A reflects all PERS, of which the State is a participant.

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Table 4A
PERS Schedule of Employer Contributions
2010 to 2014
(in millions)

Year Ended June 30	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions[(1)]	Contribution Deficiency (Excess)	Covered Employee Payroll[(2)]	Contributions as a Percentage of Covered Employee Payroll
2010	$1,339.5	$1,281.7	57.8	5,958.9	21.5%
2011	1,326.8	1,264.8	62.0	5,911.9	21.4
2012	1,425.8	1,332.3	93.5	5,817.6	22.9
2013	1,370.0	1,310.1	59.9	5,574.6	23.5
2014	1,508.8	1,405.0	103.8	5,715.3	24.6

(1) Includes employer contributions towards administrative expenses.
(2) Measurement as of beginning of year.

Source: 2014 PERS Financial Report.

All contributions shown in Table 4A reflect employer-paid contributions only. Member contributions are excluded. Actuarially Determined Contributions in Table 4A are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

Pursuant to GASB Statement No. 67, the System provided information on the Net Pension Liability in the 2014 PERS Financial Report. The components of the Net Pension Liability at June 30, 2014 were as follows:

Total Pension Liability	$43,997,060,180
Plan Fiduciary Net Position	(33,575,081,157)
Net Pension Liability	$10,421,979,023
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.3%

The discount rate used to measure the Total Pension Liability was 8.0% as of June 30, 2014. The projection of cash flows used to determine the discount rate assume plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

The 2014 PERS Financial Report also contains the sensitivity of the net pension liability to changes in the discount rate pursuant to GASB Statement No. 67. The following presents the Net Pension Liability using the discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9%) than the current rate.

1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
$16,207,317,042	$10,421,979,023	$5,612,889,953

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 10, the Required Supplementary Information Schedule of Funding Progress Pension Plans, and the Fiduciary Funds section to the 2014 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 "2014 LRS Valuation Report") is the Valuation and Review dated June 30, 2014.

As of July 1, 2014, LRS had 40 active legislators, 11 inactive members entitled to future benefits, 79 retirees and beneficiaries and 21 inactive non-vested members LRS had total net assets (at market value) of $4,873,000 as of June 30, 2014(compared to $4,322,723 as of June 30,2013), and as of June 30, 2014, the actuarial value of LRS assets was $4,302,952 (compared to $3,806,156 as of June 30, 2012) and reflected in Appendix A to this Part II. LRS actuarial value of assets as of June 30, 2014 was 88% of market value. As of June 30, 2014, LRS was 77.5% funded on an actuarial basis compared to 68.2% funded as of July 1, 2012. The unfunded actuarial accrued liability was $1,247,220 as of June 30, 2014 as compared to $1,771,630 as of July 1, 2012. The State's annual contribution to LRS was $213,351 in FY 2013. The annual contribution calculated as of June 30, 2014 to be required to meet the normal cost of LRS and to amortize LRS' UAAL over 20 years from July 1, 2014 is $155,855.

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, the LRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position for the fiscal year ended June 30, 2014. The components of the Net Pension Liability of the LRS at June 30, 2014, were as follows:

Total pension liability	$5,531,424
Plan fiduciary net position	(4,873,000)
Net pension liability	$ 658,424
Plan fiduciary net position as a percentage of the total pension liability	88.1%

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, 2014, the date as of the most recent annual valuation report (the "2014 JRS Valuation Report"), the Supreme Court and District Courts (State courts) and 11 municipalities have elected to participate in JRS. As of June 30, 2014, JRS has 109 active members (of whom 87 are State judges), four vested, inactive members (three of whom are attributed to the State), 44 retirees (of whom 37 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, 2014 (approximately $18.9 million) is 85.9% (approximately $16.3 million).

As of June 30, 2014, JRS as a whole has total net assets at market value of $94,175,104, an actuarial value of $85,611,668, an accrued actuarial liability of $107,993,659 and a UAAL of $22,381,991. The return on market value of assets for FY 2014 was 18.37% and the return on the actuarial value of assets as of June 30, 2014 was 12.25%, 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 $3.2 million in FY 2014. Taking into account smoothing over a 5-year period, the total net investment gain not yet recognized as of June 30, 2014 is approximately $8.6 million. The ratio of actuarial value of assets to the market value of assets is 91% as of June 30, 2014. The actuary noted in the 2014 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, 2014 would increase from 79.3% to 87.2% and that the contribution requirement for the State alone would decrease from 32.36 of State covered payroll to 29.59% of the State covered payroll.

As of June 30, 2014, the State portion of JRS has total net assets at market value of $75,177,526, an actuarial value of $68,341,559, an accrued actuarial liability of $92,526,610 and a UAAL of $24,185,051. Annual payments required to fund the State's normal costs and administrative expenses (approximately $3.5 million or 21.20% of covered payroll) and to amortize the State portion of the UAAL (approximately $1.8 million or 11.16% of covered payroll) are calculated to be a total of $5.3 million or 32.36% of the State's 2013 expected JRS payroll of approximately $16.3 million.

The State's annual contribution to JRS was $4,624,000 in FY 2010, $4,972,000 in FY 2011, $5,546,000 in FY 2012, $5,606,000 in FY 2013 and $5,444,000 in FY 2014, and covered payroll was $18.9 million as of June 30, 2014. See Note 10, the Required Supplementary Information Schedule of Funding Progress Pension Plans, and the Fiduciary Funds section to the 2014 Financial Statements for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the June 30, 2014 actuarial valuation of JRS, the funding status, funding progress and schedule of funding progress as of June 30, 2014.

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, the JRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position for the fiscal year ended June 30, 2014. The components of the Net Pension Liability of the JRS at June 30, 2014, were as follows:

Total pension liability	$108,630,337
Plan fiduciary net position	(92,113,212)
Net pension liability	$ 16,517,125
Plan fiduciary net position as a percentage of the total pension liability	84.8%

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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 ten members, including the Director of the Department of Administration (or his designee) and nine 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 49% of PEBP participants participate in the CDHP Plan, 26% participate in one of the HMOs and 25% 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.

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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, 2014, 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, 2014 is shown in Table 2A below. The figures below do not include approximately 25,428 dependent spouses, domestic partners and children.

Table 2A

	PPO	HMO	Exchange	Total
State				
Employees	15,657	8,036	0	26,693
Retirees-NonMedicare	2,406	901	1	3,308
Retirees-Medicare	482	97	5,478	6,057
Total Retirees	2,888	998	5,479	9,365
Total	18,545	9,034	5,479	33,058
Local Government				
Employees	5	9	0	14
Retirees-Non Medicare	1,153	1,144	0	2,297
Retirees-Medicare	183	150	4,862	5,195
Total Retirees	1,336	1,294	4,862	7,492
Total	1,341	1,303	4,862	7,506
Total				
Employees	15,662	8,045	0	23,707
Retirees-Non Medicare	3,559	2,045	1	5,605
Retirees-Medicare	665	247	10,340	11,252
Total Retirees	4,224	2,292	10,341	16,857
Total	19,886	10,337	10,341	40,564

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 2011, 2012, 2013, and 2014, the State and its component units contributed $246,714,713, $212,112,683, $227,620,765, and $239,789,209.03 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2015 is $249,200,164. 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, 2014, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of $29,654,000 a fully funded reserve for Health Reimbursement Arrangement contributions made by PEBP but not spent by participants of $22,481,255, and net assets of $114,682,544, which includes a $27,800,000 catastrophic reserve actuarially determined to provide a 95% probability that the PEBP will maintain long-term solvency and approximately $74,428,544 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, 2014.

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, 2014.

For FY 2011, 2012, 2013, and 2014 the State and its component units contributed to the Retirees' Fund $9,649,348, $27,881,834, $36,686,124, and $32,697,856, respectively. For FY 2011, 2012, 2013 and, 2014, $35,159,114, $31,768,571, $33,609,882 and $35,867,060, 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, 2014, the Retirees' Fund had total assets of $4,520,500, of which $1,253,459 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $1,787,619 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2014, after deducting $2,997,009 in liabilities, the Retirees' Fund had net assets of $1,523,491. 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 November 2014, 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, 2014 (the "2014 Valuation"). The 2014 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 2014 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, 2014, the present value of the benefits of the Plan was $2,025,895,000 according to the 2014 Valuation. Of this amount, 68% was 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, 2014 (a valuation was not completed for the fiscal year ending June 30, 2012).

Table 2B
GASB 43 and GASB 45 Statistics

	June 30, 2011	June 30, 2013	June 30, 2014
Present Value of Benefits	$1,768,710,000	$1,951,424,000	$2,025,895,000
Actuarial Accrued Liability (AAL)	$ 977,045,000	$1,182,766,000	$1,271,752,000
Annual Required Contribution (ARC)	$ 119,959,000	$ 142,455,000	$ 140,846,000
Annual OPEB Cost	$ 109,802,000	$ 130,049,000	$ 127,019,000

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 2014 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 $1,253,459 as of June 30, 2014. 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
7/1/2010	$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%
7/1/2013	$ 1,061	$1,271,752	$1,270,691	0.1%	$1,374,462	92.5%

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 2014.

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.

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PART II

APPENDIX A

STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2014
(EXCLUDING THE STATISTICAL SECTION)

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Financial Section

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2014, 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 42.22 percent of the assets and deferred outflows of resources, 46.31 percent of net position, and 3.29 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units and represent more than 99 percent of assets and deferred outflows of resources, net position, and revenues of the discretely presented component units;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 2.61 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 67.20 percent of the assets and deferred outflows of resources, 67.87 percent of the net position and 48.16 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 27.19 percent of the assets and deferred outflows of resources, 28.69 percent of the net position and 37.78 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information;

- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, fund balance and revenues of the aggregate remaining fund information.

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2014, 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.

Emphasis of Matter

As described in Note 17 to the financial statements, the State of Nevada adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 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 92 through 96 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 19, 2014, on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
December 19, 2014

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, 2014. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

Highlights

Government-wide:

Net Position – The assets and deferred outflows of the State exceeded liabilities and deferred inflows at the close of the fiscal year ended June 30, 2014 by $5.8 billion (reported as *net position*). Of the $5.8 billion in net position, $1.5 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is $4.7 billion net investment in capital assets.

Changes in Net Position – The State's total net position increased by $494.5 million in fiscal year 2014. The net position of governmental activities increased by $318.6 million and net position of the business-type activities increased by $175.9 million.

Fund-level:

At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of $1.7 billion, an increase of $161.8 million from the prior year. Of the ending fund balance, $1.1 billion is available for spending and $639.0 million is not in spendable form, primarily municipal securities and permanent fund principal. The spendable portion consists of: $662.7 million restricted to expenditures for specific purposes such as transportation, capital projects, and health and human services; $541.3 million committed to expenditures for specific purposes such as servicing bonds payable, health and education development, and fiscal emergencies; and a negative $135.8 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 $378.9 million, an increase of $175.6 million from the prior year, primarily from increases in net position of $135.6 million in the Unemployment Compensation Fund. Of the combined ending net position, $224.3 million represents a deficit in net position-unrestricted of which $237.8 million is from the Unemployment Compensation Fund.

The State's fiduciary funds reported combined ending net position of $49.0 billion, an increase of $7.7 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 increased by $486.1 million or 14.8% from $3.3 billion in fiscal year 2013 to $3.8 billion in fiscal year 2014.

Overview of the Financial Statements

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

Government-wide Financial Statements:

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

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

The *statement of activities* presents information showing how the State's net position changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or is 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 outflows and inflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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

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

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

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

Required Supplementary Information:
The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of 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, 2014 and 2013 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
	2014	2013	2014	2013	2014	2013	2014-2013
Assets							
Current and other assets	$ 3,604,390	$ 3,406,393	$ 1,918,000	$ 1,846,659	$ 5,522,390	$ 5,253,052	$ 269,338
Net capital assets	6,020,493	5,816,201	12,321	12,471	6,032,814	5,828,672	204,142
Total assets	9,624,883	9,222,594	1,930,321	1,859,130	11,555,204	11,081,724	473,480
Total deferred outflows of resources	13,978	-	1,612	-	15,590	-	15,590
Liabilities							
Current liabilities	1,513,414	1,445,839	69,382	69,073	1,582,796	1,514,912	67,884
Long-term liabilities	2,710,278	2,680,905	1,483,298	1,586,713	4,193,576	4,267,618	(74,042)
Total liabilities	4,223,692	4,126,744	1,552,680	1,655,786	5,776,372	5,782,530	(6,158)
Total deferred inflows of resources	704	-	-	-	704	-	704
Net Position							
Net investment in capital assets	4,672,738	4,357,735	3,434	3,422	4,676,172	4,361,157	315,015
Restricted	866,071	741,250	599,806	560,410	1,465,877	1,301,660	164,217
Unrestricted (deficit)	(124,344)	(3,135)	(223,987)	(360,488)	(348,331)	(363,623)	15,292
Total net position	$ 5,414,465	$ 5,095,850	$ 379,253	$ 203,344	$ 5,793,718	$ 5,299,194	$ 494,524

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 $5.8 billion at the end of 2014, compared with $5.3 billion at the end of the previous year.

The largest portion of the State's net position ($4.7 billion or 80.7%) 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 ($1.5 billion or 25.3%) 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 $348.3 million or (6.0%), as compared to a $364.0 million deficit in the prior year.

The unrestricted net position in governmental activities decreased by $121.2 million from a deficit of $3.1 million to a deficit of $124.3 million. In business-type activities the unrestricted net position increased by $136.5 million from a deficit of $360.5 million to a deficit of $224.0 million. The decrease in governmental activities was a result of several factors, including a decrease in the unrestricted fund balances of the General Fund of $102.1 million and a decrease of $14.6 million in deferred inflows of resources for unavailable revenue recognized as revenue in the government-wide statement of net activities. Of the $14.6 million in deferred inflows of resources for unavailable revenue, approximately $1.0 million is from rebates for health and social services and $12.3 million is 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 $135.6 million.

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

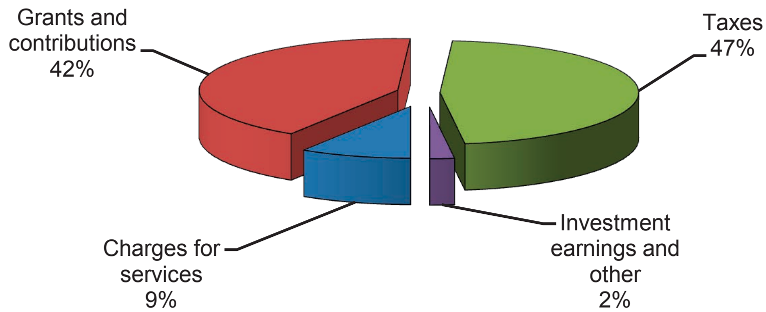
	Governmental Activities		Business-type Activities		Total		Total Change
	2014	2013	2014	2013	2014	2013	2014-2013
Revenues							
Program revenues							
Charges for services	$ 767,186	$ 787,665	$ 121,264	$ 97,088	$ 888,450	$ 884,753	$ 3,697
Operating grants and contributions	3,416,382	3,116,377	196,653	523,895	3,613,035	3,640,272	(27,237)
Capital grants and contributions	9,349	56,003	-	-	9,349	56,003	(46,654)
General revenues							
Sales and use taxes	1,085,656	1,027,124	-	-	1,085,656	1,027,124	58,532
Gaming taxes	922,999	901,085	-	-	922,999	901,085	21,914
Modified business taxes	382,976	386,928	-	-	382,976	386,928	(3,952)
Insurance premium taxes	256,587	252,195	-	-	256,587	252,195	4,392
Property and transfer taxes	209,784	215,211	-	-	209,784	215,211	(5,427)
Motor and special fuel taxes	269,544	269,232	-	-	269,544	269,232	312
Other taxes	688,399	685,650	537,372	566,137	1,225,771	1,251,787	(26,016)
Investment earnings	5,462	2,892	-	-	5,462	2,892	2,570
Other	160,298	229,733	-	-	160,298	229,733	(69,435)
Total Revenues	8,174,622	7,930,095	855,289	1,187,120	9,029,911	9,117,215	(87,304)
Expenses							
General government	202,620	229,136	-	-	202,620	229,136	(26,516)
Health and social services	3,784,055	3,464,334	-	-	3,784,055	3,464,334	319,721
Education and support services	2,326,498	2,290,844	-	-	2,326,498	2,290,844	35,654
Law, justice and public safety	662,330	657,728	-	-	662,330	657,728	4,602
Regulation of business	303,020	85,688	-	-	303,020	85,688	217,332
Transportation	327,519	505,354	-	-	327,519	505,354	(177,835)
Recreation and resource development	139,188	134,578	-	-	139,188	134,578	4,610
Interest on long-term debt	121,224	106,126	-	-	121,224	106,126	15,098
Unallocated depreciation	2,150	2,023	-	-	2,150	2,023	127
Unemployment insurance	-	-	552,246	867,600	552,246	867,600	(315,354)
Housing	-	-	31,954	34,247	31,954	34,247	(2,293)
Water loans	-	-	7,837	8,942	7,837	8,942	(1,105)
Workers' compensation and safety	-	-	26,715	28,685	26,715	28,685	(1,970)
Higher education tuition	-	-	21,325	25,081	21,325	25,081	(3,756)
Other	-	-	32,944	32,107	32,944	32,107	837
Total Expenses	7,868,604	7,475,811	673,021	996,662	8,541,625	8,472,473	69,152
Change in net position before contributions to permanent funds, special items and transfers	306,018	454,284	182,268	190,458	488,286	644,742	(156,456)
Contributions to permanent fund	5,908	5,376	-	-	5,908	5,376	532
Special item - Settlement	-	-	330	-	330	-	330
Transfers	6,689	(22,229)	(6,689)	22,229	-	-	-
Change in net position	318,615	437,431	175,909	212,687	494,524	650,118	(155,594)
Net position - beginning of year	5,095,850	4,658,419	203,344	(9,343)	5,299,194	4,649,076	650,118
Net position - end of year	$ 5,414,465	$ 5,095,850	$ 379,253	$ 203,344	$ 5,793,718	$ 5,299,194	$ 494,524

Changes in Net Position:

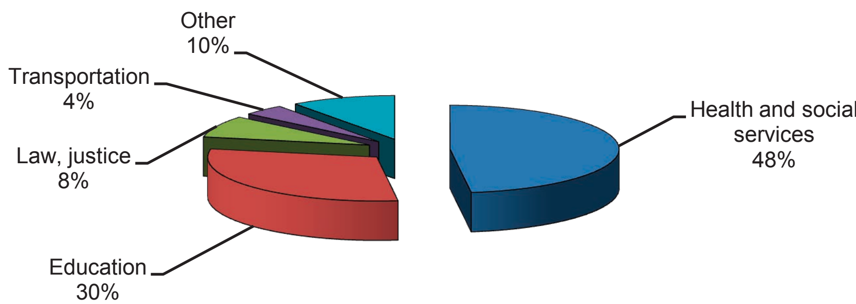
Total government-wide revenues decreased by $87.3 million during the current year. The decrease in revenues is a result of several factors, including decreases of $73.9 million in federal funding, $42.0 million in unclaimed property revenues, $20.8 million in agreement income and $8.9 million in settlement income. Revenues increased primarily in sales and use taxes of $58.5 million and gaming taxes of $21.9 million.

Governmental activities – The net position increased by $318.6 million or 6.3%. Approximately 47.0% of the total revenue came from taxes, while 42.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 9.0% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were 48.0% for health and social services and 30.0% for education (see chart below). In 2014, governmental activities expenses exceeded program revenues, resulting in the use of $3.7 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:



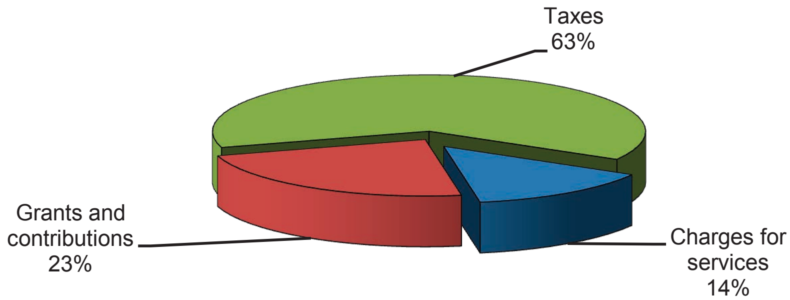
The following table depicts the total program revenues and expenses for each function of governmental activities:

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

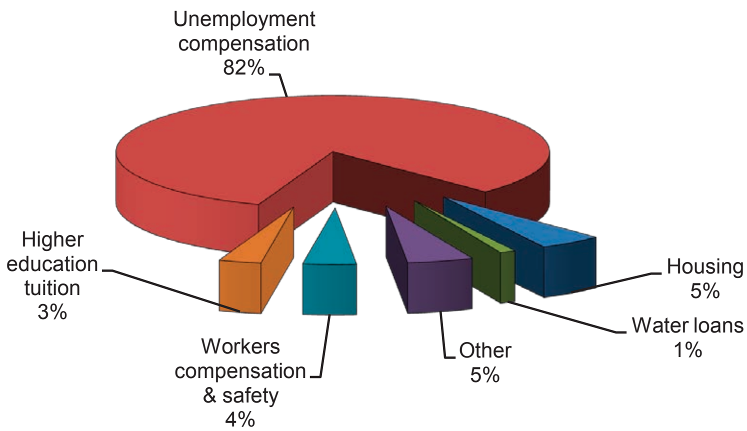
	Expenses	Revenue
General government	$ 202,620	$ 188,641
Health and social services	3,784,055	2,747,384
Education	2,326,498	263,811
Law, justice	662,330	333,595
Regulation	303,020	221,233
Transportation	327,519	347,859
Recreation	139,188	89,128
Total	$ 7,745,230	$ 4,191,651

Business-type activities – The net position increased by $175.9 million. Approximately 63.0% of the total revenue came from taxes, while 23.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 14.0% of the total revenues (see chart below). The State's business-type activities expenses cover a range of services. The largest expenses were 82.0% for unemployment compensation (see chart below). In 2014, business-type activities expenses exceeded program revenues by $355.1 million. Of this amount, unemployment compensation was the largest, with net expenses of $406.2 million, resulting in the use of $537.1 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	$ 552,246	$ 146,035
Housing	31,954	29,176
Water loans	7,837	17,329
Workers compensation	26,715	43,235
Higher education tuition	21,325	47,018
Other	32,944	35,124
Total	$ 673,021	$ 317,917

The State government's overall financial position improved over the past fiscal year, with a $318.6 million or 6.3% increase in the net position of the governmental activities and a $175.9 million or 86.5% increase in the net position of the business-type activities. Nevada continues to recover at a slow pace. Key economic indicators from the State's sales and gaming taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year $79.0 million or 2.1%, compared to an increase of $135.8 million or 3.8% in the prior fiscal year. In addition, General Fund intergovernmental revenues increased $294.9 million primarily due to Medicaid receipts. In the Highway Fund, revenues increased $21.7 million in other taxes, $10.9 million in driver's license and motor carrier fees and $10.0 million in motor and special fuels 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 $1.7 billion, an increase of $161.8 million from the prior year. Of these total ending fund balances, $639.0 million (37.4%) is nonspendable, either due to its form or legal constraints, and $662.7 million (38.8%) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional $541.3 million (31.7%) 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 $28.1 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 account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations, in which case forty percent of the excess is deposited to the Stabilization Account. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. There were no additions to the Stabilization Account in the current fiscal year as compared to $28.1 million in the prior fiscal year. The remaining negative $135.8 million (7.9%) 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 $274.8 million compared to $371.0 million in the prior fiscal year. The fund balance decreased from operations by $96.2 million, or 25.9%, during the current fiscal year. Reasons for this decrease are discussed in further detail below. The negative unassigned fund balance of $135.8 million is mostly due to an accrual for Medicaid expenditures and for unearned gaming taxes and mining taxes already collected and budgeted but not yet recognized as revenues.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2014 and 2013 (expressed in thousands). Other financing sources are not included.

General Fund Revenues *(expressed in thousands)*

	2014		2013		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	$ 913,960	13.5%	$ 882,575	13.6%	$ 31,385	3.6%
Sales taxes	1,081,735	15.9%	1,024,624	15.8%	57,111	5.6%
Modified business taxes	384,886	5.7%	386,610	6.0%	(1,724)	-0.5%
Insurance premium taxes	263,532	3.9%	248,512	3.8%	15,020	6.0%
Property and transfer taxes	63,528	0.9%	57,325	0.9%	6,203	10.8%
Motor and special fuel taxes	2,671	0.0%	2,693	0.0%	(22)	-0.8%
Other taxes	544,436	8.0%	604,968	9.3%	(60,532)	-10.0%
Intergovernmental	3,118,097	46.0%	2,823,208	43.5%	294,889	10.5%
Licenses, fees and permits	289,652	4.3%	279,736	4.3%	9,916	3.5%
Sales and charges for services	58,016	0.9%	57,267	0.9%	749	1.3%
Interest and investment income	9,913	0.1%	9,620	0.2%	293	3.0%
Other revenues	53,555	0.8%	107,361	1.7%	(53,806)	-50.1%
Total revenues	$ 6,783,981	100.0%	$ 6,484,499	100.0%	$ 299,482	4.6%

The total General Fund revenues increased $299.4 million or 4.6%. The largest increases in revenue sources were $294.9 million or 10.5% in intergovernmental revenues, $57.1 million or 5.6% in sales taxes, $31.4 million or 3.6% in gaming taxes, fees and licenses and $15.0 million or 6.0% in insurance premium taxes. Intergovernmental revenues primarily increased by $343.0 million in receipts for Medicaid offset by a decrease of $35.6 million in county revenues. The largest decline in revenue sources was $60.5 million or 10.0% in other taxes, which includes a $52.2 million or 45.0% decrease in mineral tax revenues due to a decline in the price of gold resulting in mining companies ceasing the production and/or selling of gold. In other revenues, unclaimed property revenues decreased by $42.0 million due to a decline in abandoned property received by the State coupled with an increase in claims paid out for abandoned property.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2014 and 2013 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures *(expressed in thousands)*	2014		2013		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 112,076	1.6%	$ 142,506	2.2%	$ (30,430)	-21.4%
Health and social services	3,490,663	50.1%	3,154,196	49.3%	336,467	10.7%
Education and support services	30,192	0.4%	52,475	0.8%	(22,283)	-42.5%
Law, justice and public safety	435,425	6.2%	420,597	6.6%	14,828	3.5%
Regulation of business	272,317	4.0%	62,351	1.0%	209,966	336.7%
Recreation, resource development	104,852	1.5%	96,833	1.5%	8,019	8.3%
Intergovernmental	2,523,472	36.2%	2,469,662	38.6%	53,810	2.2%
Debt service	3,716	0.0%	3,270	0.0%	446	13.6%
Total expenditures	$ 6,972,713	100.0%	$ 6,401,890	100.0%	$ 570,823	8.9%

The total General Fund expenditures increased 8.9%. Health and social services expenditures increased $336.5 million or 10.7%. The largest portion of this amount was for the Medicaid program. The net increase in remaining expenditures was $234.3 million with the largest increase of $210.0 million occurring in regulation of business expenditures due to the commodity food and school lunch programs moving into the Department of Agriculture.

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 increased $204.7 million during the current fiscal year, a 137.4% increase, as compared to a 3.3% decrease in the prior year. This was primarily due to a decrease in transportation expenditures of $125.4 million or 21.7%. Expenditures decreased as fewer contracts for road projects were entered into due to the uncertainty of future federal funding. Intergovernmental revenues decreased by $37.4 million primarily due to a $21.3 million decrease in federal aid. The remaining 111.2% increase in other taxes is due to the Legislative allocation to the Highway Fund of $22.1 million of Motor Vehicle Government Services tax commissions and penalties previously allocated to the General Fund. The nonspendable fund balance is $18.2 million, the restricted fund balance is $325.7 million and the committed fund balance is $9.9 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 $15.2 million during the current fiscal year, which is a 5.6% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

The Permanent School Fund is a permanent fund used to account for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education. The fund balance increased by $5.8 million during the current fiscal year, which is a 1.8% increase from the prior year. This increase is primarily due to $4.0 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 $328.6 million, the net position of the nonmajor funds is $50.3 million and the total combined net position of all enterprise funds is $378.9 million. The combined net position of the enterprise funds increased by $175.6 million in 2014. The major enterprise funds are discussed below:

The Housing Division Fund was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time homebuyers with low or moderate incomes. The net assets decreased by $2.7 million, or 1.4%, resulting in an ending net position of $190.2 million. Revenues from interest on loans decreased by 25.5% due to loan delinquencies reflecting Nevada's high and continuing unemployment and foreclosure rate, along with a reduction in interest and investment income of 24.9%. Operating expenses decreased due to the repayment of $151.0 million in bonds which reduced interest payments by 23.0%.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by $135.6 million during the current fiscal year, which is a 36.3% increase from the prior year. Operating revenue exceeded expenses by $144.4 million for the fiscal year. Fiscal year 2014 total claims expense of $536.8 million was less than the fiscal year 2013 total claims expense of $849.3 million, or a 36.8% decrease. The leading cause for the net position increase is due to a reduction of $6.4 million in interest expense on federal loan advances as well as a reduction in unemployment claims. During the fiscal year 2014, the State issued $548.9 million in special revenue bonds for the purpose of repaying the entire amount of advances due the U.S. Department of Labor in accordance with the provisions of Title XII, Section 1201 of the Social Security Act. The repayment of federal advances was made using $540.9 million of the proceeds from these special revenue bonds.

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 $8.1 million during the current fiscal year, for a final net position of $332.7 million, which is a 2.5% 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 sixteenth enrollment period during the fiscal year with 1,255 new enrollments. The net position increased $28.0 million or 181.4% during the current fiscal year. This increase is mainly due to $2.0 million in new tuition contracts, a $3.6 million reduction in tuition benefits expense and $8.8 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 fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2014, total internal service fund net position increased by $26.0 million, for a final net position of $85.8 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 $19.4 million during the current fiscal year, which is a 20.3% increase from the prior year, leaving final net position of $114.7 million. This year's increase was caused primarily by a 3.3% 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 decreased by $2.0 million or 3.5% during fiscal year 2014, to a total deficit of $54.2 million. The decrease is the result of an increase in net premium income of 27.9% and a decrease of 27% in claims expense.

Analysis of General Fund Budget Variations

The General Fund budgetary revenues and other financing sources were $617.9 million or 7.1% less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was $584.7 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 $584.7 million.

Capital Assets and Debt Administration

Capital Assets:
The State's capital assets for governmental and business-type activities as of June 30, 2014, amount to $7.1 billion, net of accumulated depreciation of $1.1 billion, leaving a net book value of $6.0 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

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

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 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%

Condition Level of the Bridges
Percentage of substandard bridges

	2012	2011	2009
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	5%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2014 by $72.4 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 2014 (expressed in millions):

	Expended by June 30, 2014	Total Budget
Nevada State College Facilities	$ 4.5	$ 47.2
Healthcare Reform Software	23.2	44.7
Unemployment Insurance Software Development	27.3	40.4
New Readiness Center North Las Vegas	29.4	35.8
Field Maintenance Shop Facility - LV Readiness Center	23.9	27.0
Elko County Readiness Center	15.9	16.6
Southern Nevada Veterans' Cemetary Expansion	8.3	11.4
NDOT Integrated Right of Way Software	8.2	9.3
Southern Desert CC Finish Core Expansion	4.7	5.0

The total increase in the State's capital assets for the primary government for the current fiscal year was $289.6 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled $71.9 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 $4.2 billion in long-term liabilities outstanding, compared to $4.3 billion last year, a decrease of $74.0 million or 1.7% 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+, Aaa and AAA, 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 2014 fiscal year were (expressed in thousands):

Unemployment Compensation Fund Special Revenue Bonds	11/06/2013	$ 548,900
Lease Revenue Refunding Certificates of Participation - Capital Complex Building 1 Project	11/26/2013	17,740
Lease Revenue Refunding Certificates of Participation - Casa Grande Project	11/26/2013	18,045
Lease Revenue Certificates of Participation - Nevada State College Project	11/26/2013	50,445
Highway Revenue Bonds - Motor Vehicle Fuel Tax	03/19/2014	86,020
General Obligation Capital Improvement and Cultural Affairs Bonds	04/22/2014A	51,385
General Obligation Natural Resources and Refunding Bonds	04/22/2014B	5,580
General Obligation Open Space, Parks, and Natural Resources Bonds	04/22/2014C	2,185
General Obligation Safe Drinking Water Revolving Fund Matching and Refunding Bonds	04/22/2014D	5,145
Housing Multi-Unit Henderson Family	08/15/2013	9,309
Housing Multi-Unit Agate Avenue	11/27/2013	55
Housing Multi-Unit Landsman Gardens	12/12/2013	55
Housing Multi-Unit Landsman Gardens	12/12/2013	6,300
Housing Multi-Unit Orvis Ring	04/17/2014	3,650

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

Requests for Information
This financial report is designed to provide a general overview of the State of Nevada's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701-4786 or visit our website at: www.controller.nv.gov.

Basic Financial Section

Statement of Net Position

NEVADA

June 30, 2014 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and pooled investments	$ 1,701,899	$ 341,461	$ 2,043,360	$ 270,259
Investments	542,058	697,879	1,239,937	1,233,813
Internal balances	3,602	(3,602)	-	-
Due from component unit	5,795	-	5,795	-
Due from primary government	-	-	-	27,444
Accounts receivable	75,304	7,390	82,694	48,232
Taxes/assessments receivable	837,072	202,001	1,039,073	-
Intergovernmental receivables	376,206	886	377,092	37,087
Accrued interest and dividends	4,539	12,241	16,780	27
Contracts receivable	-	39,030	39,030	-
Mortgages receivable	-	461,065	461,065	-
Notes/loans receivable	16,357	64,118	80,475	12,887
Other receivables	326	-	326	83,162
Inventory	27,563	1,420	28,983	6,713
Prepaid expenses	13,666	257	13,923	44,141
Restricted assets:				
Cash	-	-	-	86,767
Investments	-	93,839	93,839	38,515
Other assets	3	15	18	54,207
Capital assets:				
Land, infrastructure and construction in progress	4,766,647	10,851	4,777,498	145,040
Other capital assets, net	1,253,846	1,470	1,255,316	1,805,209
Total assets	9,624,883	1,930,321	11,555,204	3,893,503
Deferred Outflows of Resources				
Deferred charge on refunding	13,978	1,612	15,590	14,106
Total deferred outflows of resources	13,978	1,612	15,590	14,106
Liabilities				
Accounts payable	938,617	49,956	988,573	56,274
Accrued payroll and related liabilities	71,617	1,421	73,038	69,874
Intergovernmental payables	145,150	35	145,185	-
Interest payable	17,876	8,258	26,134	11,891
Due to component units	27,411	-	27,411	-
Due to primary government	-	-	-	5,795
Contracts/retentions payable	39,021	-	39,021	-
Unearned revenues	199,430	9,700	209,130	51,070
Other liabilities	74,292	12	74,304	50,549

Long-term liabilities:				
Portion due or payable within one year:				
Reserve for losses	64,074	-	64,074	-
Obligations under capital leases	2,269	-	2,269	954
Compensated absences	59,659	1,256	60,915	31,090
Benefits payable	-	15,960	15,960	-
Bonds payable	168,772	170,140	338,912	29,043
Certificates of participation payable	2,756	-	2,756	-
Portion due or payable after one year:				
Federal advances	-	-	-	8,209
Reserve for losses	48,458	-	48,458	-
Obligations under capital leases	22,825	-	22,825	1,634
Compensated absences	37,467	745	38,212	17,079
Benefits payable	-	169,193	169,193	-
Bonds payable	2,209,310	1,125,433	3,334,743	587,719
Certificates of participation payable	94,655	-	94,655	-
Due to component unit	33	-	33	-
Arbitrage rebate liability	-	571	571	-
Total liabilities	4,223,692	1,552,680	5,776,372	921,181
Deferred Inflows of Resources				
Taxes	55	-	55	-
Fines and forfeitures	649	-	649	-
Donations	-	-	-	10,071
Total deferred inflows of resources	704	-	704	10,071
Net Position				
Net investment in capital assets	4,672,738	3,434	4,676,172	1,462,227
Restricted for:				
Security of outstanding obligations	-	186,644	186,644	-
Workers' compensation	-	37,115	37,115	-
Tuition contract benefits	-	43,355	43,355	-
Capital projects	-	-	-	57,594
Debt service	26,312	-	26,312	21,116
Education and support services	2,276	-	2,276	345
Transportation	231,488	-	231,488	-
Recreation and resource development	61,075	332,690	393,765	-
Law, justice and public safety	43,730	-	43,730	-
Health and social services	165,269	-	165,269	-
Regulation of business	10,918	2	10,920	-
Scholarships	-	-	-	404,249
Loans	-	-	-	8,296
Operations and maintenance	-	-	-	712
Research and development	-	-	-	8,126
Other purposes	124	-	124	2,949
Funds held as permanent investments:				
Nonexpendable	324,859	-	324,859	353,220
Expendable	20	-	20	-
Unrestricted (deficit)	(124,344)	(223,987)	(348,331)	657,523
Total net position	$ 5,414,465	$ 379,253	$ 5,793,718	$ 2,976,357

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

For the Fiscal Year Ended June 30, 2014 (Expressed in Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government								
Governmental activities:								
General government	$ 202,620	$ 174,265	$ 14,376	$ -	$ (13,979)	$ -	$ (13,979)	$ -
Health and social services	3,784,055	172,459	2,574,925	-	(1,036,671)	-	(1,036,671)	-
Education and support services	2,326,498	3,252	260,549	10	(2,062,687)	-	(2,062,687)	-
Law, justice and public safety	662,330	273,895	55,268	4,432	(328,735)	-	(328,735)	-
Regulation of business	303,020	78,222	143,011	-	(81,787)	-	(81,787)	-
Transportation	327,519	14,520	329,150	4,189	20,340	-	20,340	-
Recreation and resource development	139,188	50,573	37,837	718	(50,060)	-	(50,060)	-
Interest on long-term debt	121,224	-	1,266	-	(119,958)	-	(119,958)	-
Unallocated depreciation	2,150	-	-	-	(2,150)	-	(2,150)	-
Total governmental activities	7,868,604	767,186	3,416,382	9,349	(3,675,687)	-	(3,675,687)	-
Business-type activities:								
Unemployment insurance	552,246	1,393	144,643	-	-	(406,210)	(406,210)	-
Housing	31,954	16,003	13,172	-	-	(2,779)	(2,779)	-
Water loans	7,837	8,924	8,405	-	-	9,492	9,492	-
Workers' compensation and safety	26,715	40,671	2,564	-	-	16,520	16,520	-
Higher education tuition	21,325	22,063	24,955	-	-	25,693	25,693	-
Other	32,944	32,210	2,914	-	-	2,180	2,180	-
Total business-type activities	673,021	121,264	196,653	-	-	(355,104)	(355,104)	-
Total primary government	$ 8,541,625	$ 888,450	$ 3,613,035	$ 9,349	(3,675,687)	(355,104)	(4,030,791)	-
Total component units	$ 1,667,114	$ 715,072	$ 436,873	$ 10,177	-	-	-	(504,992)

General revenues:				
Taxes:				
Gaming	892,545	-	892,545	-
Sales and use	971,627	-	971,627	-
Modified business	382,976	-	382,976	-
Insurance premium	256,587	-	256,587	-
Property and transfer	63,528	-	63,528	-
Motor and special fuel	2,671	-	2,671	-
Other	357,671	252	357,923	-
Restricted for unemployment compensation:				
Other taxes	-	537,120	537,120	-
Restricted for educational purposes:				
Sales and use taxes	114,029	-	114,029	-
Gaming taxes	30,454	-	30,454	-
Other taxes	141,118	-	141,118	-
Restricted for debt service purposes:				
Property and transfer taxes	134,628	-	134,628	-
Motor and special fuel taxes	70,101	-	70,101	-
Other	17,531	-	17,531	-
Restricted for recreation and resource development purposes:				
Other taxes	33,772	-	33,772	-
Restricted for health and social services purposes:				
Property and transfer taxes	11,628	-	11,628	-
Other taxes	109,783	-	109,783	-
Restricted for transportation purposes:				
Motor and special fuel taxes	196,772	-	196,772	-
Other taxes	41,167	-	41,167	-
Restricted for regulation purposes:				
Other taxes	4,888	-	4,888	-
Settlement income	38,524	-	38,524	-
Unrestricted investment earnings	5,462	-	5,462	162,738
Gain on sale of assets	-	-	-	2,815
Other general revenues	104,243	-	104,243	4,773
Contributions to permanent funds	5,908	-	5,908	9,264
Payments from State of Nevada	-	-	-	500,562
Special item - settlement	-	330	330	-
Transfers	6,689	(6,689)	-	-
Total general revenues, special items, and transfers	3,994,302	531,013	4,525,315	680,152
Change in net position	318,615	175,909	494,524	175,160
Net position - beginning	5,095,850	203,344	5,299,194	2,801,197
Net position - ending	$ 5,414,465	$ 379,253	$ 5,793,718	$ 2,976,357

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

Balance Sheet
Governmental Funds

June 30, 2014

	General Fund	State Highway	Municipal Bond Bank
Assets			
Cash and pooled investments:			
Cash with treasurer	$ 522,152,415	$ 365,197,429	$ 1,572
Cash in custody of other officials	3,920,704	171,584	-
Investments	10,858,183	-	255,620,000
Receivables:			
Accounts receivable	46,934,158	1,225,699	-
Taxes receivable	793,109,109	39,874,795	-
Intergovernmental receivables	348,551,673	17,415,864	-
Accrued interest and dividends	2,603,250	-	1,240,225
Notes/loans receivable	16,267,054	-	-
Other receivables	15,830	-	-
Due from other funds	44,683,647	6,328,629	1,358
Due from fiduciary funds	370,568	-	-
Due from component units	211,086	2,056	-
Inventory	10,957,867	15,856,583	-
Advances to other funds	3,174,989	-	-
Prepaid items	10,210,922	2,312,017	-
Total assets	$ 1,814,021,455	$ 448,384,656	$ 256,863,155
Liabilities			
Accounts payable and accruals:			
Accounts payable	$ 394,088,818	$ 19,016,915	$ -
Accrued payroll and related liabilities	50,159,682	16,541,337	-
Intergovernmental payables	127,175,516	16,524,572	-
Interest payable	-	-	-
Contracts/retentions payable	244,046	33,927,838	-
Due to other funds	21,309,312	2,519,302	-
Due to fiduciary funds	500,920,577	815,134	-
Due to component units	14,196,223	1,029,366	-
Unearned revenues	183,732,200	511,288	-
Other liabilities	50,703,990	1,201,169	-
Total liabilities	1,342,530,364	92,086,921	-
Deferred Inflows of Resources			
Unavailable revenue:			
Taxes	76,197,535	268,218	-
Intergovernmental	98,865,681	270	-
Licenses, fees and permits	4,120,704	-	-
Sales and charges for services	6,533,975	58,117	-
Settlement income	-	-	-
Interest	411,022	231,732	1,240,535
Other	9,799,836	1,982,483	-
Taxes	55,145	-	-
Fines and forfeitures	649,031	-	-
Total deferred inflows of resources	196,632,929	2,540,820	1,240,535
Fund Balances			
Nonspendable	39,255,213	18,168,600	255,620,000
Restricted	65,341,718	325,732,934	-
Committed	306,050,398	9,855,381	2,620
Unassigned	(135,789,167)	-	-
Total fund balances	274,858,162	353,756,915	255,622,620
Total liabilities, deferred inflows of resources and fund balances	$ 1,814,021,455	$ 448,384,656	$ 256,863,155

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

NEVADA

Permanent School Fund	Other Governmental Funds	Total Governmental Funds
$ 11,859,405	$ 455,085,748	$ 1,354,296,569
34,248,489	104,262,958	142,603,735
274,075,515	1,503,907	542,057,605
660	21,982,056	70,142,573
-	4,088,292	837,072,196
357,342	9,009,024	375,333,903
693,568	2,112	4,539,155
-	-	16,267,054
-	310,000	325,830
30,079	16,662,816	67,706,529
-	864,807	1,235,375
5,402,968	430	5,616,540
-	485,916	27,300,366
-	903,819	4,078,808
-	612,383	13,135,322
$ 326,668,026	$ 615,774,268	$ 3,461,711,560
$ -	$ 7,793,973	$ 420,899,706
-	3,038,629	69,739,648
-	1,312,560	145,012,648
-	2,386,356	2,386,356
-	4,848,628	39,020,512
2,024,484	42,468,874	68,321,972
-	5,602	501,741,313
-	12,185,669	27,411,258
-	1,243,211	185,486,699
244,622	22,142,027	74,291,808
2,269,106	97,425,529	1,534,311,920
-	-	76,465,753
-	-	98,865,951
-	-	4,120,704
-	3,796	6,595,888
-	19,000,000	19,000,000
7,014	366,276	2,256,579
660	350,143	12,133,122
-	-	55,145
-	-	649,031
7,674	19,720,215	220,142,173
324,391,246	1,566,310	639,001,369
-	271,655,892	662,730,544
-	225,406,322	541,314,721
-	-	(135,789,167)
324,391,246	498,628,524	1,707,257,467
$ 326,668,026	$ 615,774,268	$ 3,461,711,560

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

June 30, 2014

Total fund balances - governmental funds		$ 1,707,257,467
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 149,573,677	
Construction in progress	186,824,131	
Infrastructure assets	3,808,689,158	
Rights-of-way	620,527,855	
Buildings	1,643,589,580	
Improvements other than buildings	119,941,176	
Furniture and equipment	347,973,833	
Software costs	168,060,486	
Accumulated depreciation/amortization	(1,050,128,433)	
Total capital assets		5,995,051,463
Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds.		219,437,997
Intergovernmental receivable not providing current resources.		221,045
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.		85,510,648
The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.		13,978,220
Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.		(4,713,384)
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	(2,372,318,649)	
Accrued interest on bonds	(15,489,911)	
Certificates of participation	(97,410,877)	
Capital leases	(23,248,640)	
Compensated absences	(93,810,418)	
Total long-term liabilities		(2,602,278,495)
Net position of governmental activities		$ 5,414,464,961

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, 2014

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	$ 913,960,497	$ -	$ -
Sales taxes	1,081,735,280	-	-
Modified business taxes	384,885,778	-	-
Insurance premium taxes	263,531,578	-	-
Property and transfer taxes	63,528,021	-	-
Motor and special fuel taxes	2,670,546	196,771,953	-
Other taxes	544,436,050	41,152,882	-
Intergovernmental	3,118,097,338	337,794,426	-
Licenses, fees and permits	289,651,654	194,200,165	-
Sales and charges for services	58,015,816	15,445,946	-
Interest and investment income	9,913,524	(1,975,551)	11,075,052
Settlement income	-	-	-
Land sales	-	-	-
Other	53,555,289	16,364,166	-
Total revenues	6,783,981,371	799,753,987	11,075,052
Expenditures			
Current:			
General government	112,075,644	-	-
Health and social services	3,490,662,679	-	-
Education and support services	30,192,041	-	-
Law, justice and public safety	435,425,591	159,597,058	-
Regulation of business	272,316,673	-	-
Transportation	-	452,820,764	-
Recreation and resource development	104,852,466	-	-
Intergovernmental	2,523,471,979	78,360,779	-
Capital outlay	-	-	-
Debt service:			
Principal	1,821,252	-	-
Interest, fiscal charges	1,309,192	1,787	-
Debt issuance costs	92,113	654,614	-
Arbitrage payments	493,602	-	-
Total expenditures	6,972,713,232	691,435,002	-
Excess (deficiency) of revenues over expenditures	(188,731,861)	108,318,985	11,075,052
Other Financing Sources (Uses)			
Sale of general obligation bonds	3,140,000	86,020,000	-
Sale of general obligation refunding bonds	-	-	-
Premium on general obligation bonds	206,121	14,653,279	-
Payment to refunded bond agent	-	-	-
Sale of certificates of participation	-	-	-
Sale of refunding certificates of participation	-	-	-
Premium on certificates of participation	-	-	-
Payment to refunded certificates of participation agent	-	-	-
Sale of capital assets	218,806	61,035	-
Transfers in	119,805,531	3,972,267	-
Transfers out	(30,799,275)	(8,276,144)	(26,280,391)
Total other financing sources (uses)	92,571,183	96,430,437	(26,280,391)
Net change in fund balances	(96,160,678)	204,749,422	(15,205,339)
Fund balances, July 1	371,018,840	149,007,493	270,827,959
Fund balances, June 30	$ 274,858,162	$ 353,756,915	$ 255,622,620

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

NEVADA

Permanent School Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ 13,863,433	$ 927,823,930
-	-	1,081,735,280
-	-	384,885,778
-	-	263,531,578
-	146,255,683	209,783,704
-	70,100,866	269,543,365
-	106,603,199	692,192,131
-	96,435,263	3,552,327,027
-	24,549,211	508,401,030
-	16,860,355	90,322,117
1,551,338	4,832,902	25,397,265
-	40,120,320	40,120,320
1,932,509	-	1,932,509
4,003,179	9,354,259	83,276,893
7,487,026	528,975,491	8,131,272,927
-	681,161	112,756,805
-	103,165,238	3,593,827,917
-	652,998	30,845,039
-	27,043,743	622,066,392
-	21,121,493	293,438,166
-	-	452,820,764
-	27,829,075	132,681,541
-	36,195,140	2,638,027,898
-	29,740,827	29,740,827
-	164,200,000	166,021,252
-	105,560,279	106,871,258
-	1,535,041	2,281,768
-	236,602	730,204
-	517,961,597	8,182,109,831
7,487,026	11,013,894	(50,836,904)
-	51,885,000	141,045,000
-	4,125,000	4,125,000
-	6,152,793	21,012,193
-	(4,424,628)	(4,424,628)
-	50,445,000	50,445,000
-	35,785,000	35,785,000
-	2,794,120	2,794,120
-	(42,799,477)	(42,799,477)
-	55,559	335,400
-	68,414,610	192,192,408
(1,654,534)	(120,896,584)	(187,906,928)
(1,654,534)	51,536,393	212,603,088
5,832,492	62,550,287	161,766,184
318,558,754	436,078,237	1,545,491,283
$ 324,391,246	$ 498,628,524	$ 1,707,257,467

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

For the Fiscal Year Ended June 30, 2014

Net change in fund balances - total governmental funds		$ 161,766,184
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	$ 271,655,152	
Depreciation expense	(68,585,172)	
Excess of capital outlay over depreciation expense		203,069,980
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	(141,045,000)	
Refunding bonds issued	(4,125,000)	
Certificates of participation issued	(50,445,000)	
Refunding certificates of participation issued	(35,785,000)	
Premiums on debt issued	(23,806,313)	
Total bond proceeds		(255,206,313)
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	161,301,677	
Certficates of participation retirement	2,385,000	
Payments to the bond refunding agent	47,224,105	
Capital lease payments	1,599,048	
Total long-term debt repayment		212,509,830
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.		25,661,809
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources decreased by this amount.		(7,240,655)
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.		(4,317,777)
In the statement of activities, prior year's unamortized debt issuance costs are expensed to comply with GASB 65		(11,770,670)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(17,716,457)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		18,207,668
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 asset	(268,106)	
Increase in accrued interest payable	(6,931)	
Increase in compensated absences	(2,402,991)	
Decrease in arbitrage liability	1,042,557	
Increase in settlement agreement liability	(4,713,384)	
Total additional expenditures		(6,348,855)
Change in net position of governmental activities		$ 318,614,744

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

Statement of Net Position
Proprietary Funds

June 30, 2014

	Enterprise Funds						
Assets	**Housing Division**	**Unemployment Compensation**	**Water Projects Loans**	**Higher Education Tuition Trust**	**Other Enterprise Funds**	**Total Enterprise Funds**	**Internal Service Funds**
Current assets:							
Cash and pooled investments:							
Cash with treasurer	$ 588,175	$ -	$101,644,655	$ 2,074,457	$ 65,245,137	$ 169,552,424	$204,998,533
Cash in custody of other officials	573,607	170,891,408	-	229,963	213,281	171,908,259	-
Investments	52,468,527	-	-	191,919,850	-	244,388,377	-
Receivables:							
Accounts receivable	-	-	-	-	7,374,449	7,374,449	928,586
Assessments receivable	-	202,001,593	-	-	225	202,001,818	-
Intergovernmental receivables	-	-	610,045	-	276,116	886,161	651,015
Contracts receivable	-	-	-	8,924,543	-	8,924,543	-
Mortgages receivable	12,284,711	-	-	-	-	12,284,711	-
Accrued interest and dividends	7,767,643	-	4,054,939	418,700	-	12,241,282	-
Notes/loans receivable	-	-	-	-	-	-	5,000
Due from other funds	73,569	3,432,807	319,497	8,736	999,342	4,833,951	5,788,844
Due from fiduciary funds	-	-	-	-	15,241	15,241	2,997,085
Due from component units	-	-	-	-	-	-	178,233
Inventory	-	-	-	-	1,420,321	1,420,321	262,859
Prepaid items	-	-	3,724	1,490	251,359	256,573	530,929
Restricted assets:							
Investments	64,053,229	-	-	-	-	64,053,229	-
Total current assets	137,809,461	376,325,808	106,632,860	203,577,739	75,795,471	900,141,339	216,341,084
Noncurrent assets:							
Investments	160,404,377	-	293,086,497	-	-	453,490,874	-
Receivables:							
Contracts receivable	-	-	-	30,105,659	-	30,105,659	-
Mortgages receivable	448,779,941	-	-	-	-	448,779,941	-
Notes/loans receivable	51,853,147	-	12,265,132	-	-	64,118,279	85,000
Restricted assets:							
Investments	29,785,901	-	-	-	-	29,785,901	-
Other assets	-	-	-	-	15,000	15,000	2,565
Capital assets:							
Land	-	-	-	-	567,812	567,812	1,032,737
Buildings	-	-	-	-	3,388,840	3,388,840	20,392,485
Improvements other than buildings	-	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	757,755	-	35,280	183,374	5,311,726	6,288,135	51,912,739
Software costs	-	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	-	10,283,035	10,283,035	-
Less accumulated depreciation/ amortization	(423,908)	-	(35,280)	(58,206)	(8,320,892)	(8,838,286)	(67,059,829)
Total noncurrent assets	691,157,213	-	305,351,629	30,230,827	11,876,168	1,038,615,837	25,529,128
Total assets	828,966,674	376,325,808	411,984,489	233,808,566	87,671,639	1,938,757,176	241,870,212
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	1,534,336	-	77,771	1,612,107	-
Total deferred outflows of resources	-	-	1,534,336	-	77,771	1,612,107	-

(Continued)

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable and accruals:							
Accounts payable	$ 27,019,342	$ 9,947,876	$ 56,898	$ 100,356	$ 12,730,873	$ 49,855,345	$ 7,212,133
Accrued payroll and related liabilities	110,937	-	21,331	9,587	1,279,351	1,421,206	1,877,538
Interest payable	3,585,414	3,431,245	1,197,816	-	43,322	8,257,797	-
Intergovernmental payables	-	-	9,275	-	25,346	34,621	75,057
Bank overdraft	-	-	-	-	-	-	4,099,293
Due to other funds	111,979	495,411	284,136	5,048,740	2,557,975	8,498,241	1,509,111
Due to fiduciary funds	-	-	-	-	99,501	99,501	13,179
Due to component units	-	-	-	-	200	200	32,842
Unearned revenues	-	-	-	-	9,700,100	9,700,100	13,943,456
Other liabilities	-	-	-	-	12,050	12,050	-
Short-term portion of long-term liabilities:							
Reserve for losses	-	-	-	-	-	-	64,074,268
Compensated absences	85,855	-	19,948	10,836	1,139,648	1,256,287	1,912,538
Benefits payable	-	-	-	15,959,629	-	15,959,629	-
Bonds payable	7,999,000	151,550,825	10,376,761	-	213,599	170,140,185	513,323
Obligations under capital leases	-	-	-	-	-	-	507,121
Arbitrage rebate liability	-	-	-	-	-	-	-
Total current liabilities	38,912,527	165,425,357	11,966,165	21,129,148	27,801,965	265,235,162	95,769,859
Noncurrent liabilities:							
Advances from funds	-	-	-	-	248,040	248,040	3,830,768
Reserve for losses	-	-	-	-	-	-	48,457,633
Compensated absences	72,494	-	9,329	5,720	657,321	744,864	1,403,246
Benefits payable	-	-	-	169,193,767	-	169,193,767	-
Bonds payable	599,795,277	448,112,408	68,852,945	-	8,672,281	1,125,432,911	5,249,572
Obligations under capital leases	-	-	-	-	-	-	1,338,626
Arbitrage rebate liability	-	571,064	-	-	-	571,064	-
Total noncurrent liabilities	599,867,771	448,683,472	68,862,274	169,199,487	9,577,642	1,296,190,646	60,279,845
Total liabilities	638,780,298	614,108,829	80,828,439	190,328,635	37,379,607	1,561,425,808	156,049,704
Net Position							
Net investment in capital assets	333,847	-	-	125,168	2,975,288	3,434,303	17,966,764
Restricted for:							
Tuition contract benefits	-	-	-	43,354,763	-	43,354,763	-
Security of outstanding obligations	186,643,952	-	-	-	-	186,643,952	-
Workers' compensation	-	-	-	-	37,114,884	37,114,884	-
Revolving loans	-	-	332,690,386	-	-	332,690,386	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	3,208,577	(237,783,021)	-	-	10,277,631	(224,296,813)	67,853,744
Total net position	$190,186,376	$ (237,783,021)	$332,690,386	$ 43,479,931	$ 50,369,803	378,943,475	$ 85,820,508

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.	309,860
Net position of business-type activities	$ 379,253,335

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

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

NEVADA

For the Fiscal Year Ended June 30, 2014

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues							
Net premium income	$ -	$ -	$ -	$ -	$ -	$ -	$ 358,771,137
Sales	-	-	-	21,911,502	6,833,167	28,744,669	2,173,236
Assessments	-	537,120,329	-	-	251,814	537,372,143	-
Charges for services	-	-	123,751	152,200	14,746,524	15,022,475	45,886,598
Rental income	-	-	-	-	83,159	83,159	19,533,976
Interest income on loans/notes	12,327,241	-	8,800,064	-	-	21,127,305	-
Federal government	-	142,725,174	8,741,917	-	-	151,467,091	-
Licenses, fees and permits	-	-	-	-	46,620,661	46,620,661	-
Fines	-	-	-	-	3,631,707	3,631,707	-
Other	3,675,884	1,392,558	-	-	960,027	6,028,469	362,159
Total operating revenues	16,003,125	681,238,061	17,665,732	22,063,702	73,127,059	810,097,679	426,727,106
Operating Expenses							
Salaries and benefits	1,846,457	-	358,841	153,803	34,523,583	36,882,684	35,097,145
Operating	5,387,857	-	4,253,012	512,194	14,950,056	25,103,119	35,626,287
Claims and benefits expense	-	536,790,532	-	20,641,465	6,231,281	563,663,278	201,366,533
Interest on bonds payable	17,881,780	-	2,388,311	-	-	20,270,091	-
Materials or supplies used	-	-	-	-	3,334,657	3,334,657	843,170
Servicers' fees	108,556	-	-	-	-	108,556	-
Depreciation	38,369	-	-	17,822	392,926	449,117	2,889,194
Bond issuance costs	2,138,319	-	840,690	-	-	2,979,009	-
Insurance premiums	-	-	-	-	-	-	128,459,800
Total operating expenses	27,401,338	536,790,532	7,840,854	21,325,284	59,432,503	652,790,511	404,282,129
Operating income (loss)	(11,398,213)	144,447,529	9,824,878	738,418	13,694,556	157,307,168	22,444,977
Nonoperating Revenues (Expenses)							
Interest and investment income	8,401,367	1,917,406	(336,845)	24,954,546	203,341	35,139,815	1,042,727
Interest expense	-	(11,853,517)	-	-	(350,877)	(12,204,394)	(8,582)
Bond issuance costs	-	(3,023,777)	-	-	(141,054)	(3,164,831)	-
Federal grant revenue	4,772,040	-	-	-	5,274,669	10,046,709	-
Federal grant expense	(4,572,464)	-	-	-	-	(4,572,464)	-
Reed Act expenses	-	(7,085)	-	-	-	(7,085)	-
Gain (loss) on disposal of assets	-	-	-	-	5,778	5,778	68,182
Arbitrage rebate	-	(571,064)	-	-	-	(571,064)	-
Total nonoperating revenues (expenses)	8,600,943	(13,538,037)	(336,845)	24,954,546	4,991,857	24,672,464	1,102,327
Income (loss) before transfers	(2,797,270)	130,909,492	9,488,033	25,692,964	18,686,413	181,979,632	23,547,304
Special Items and Transfers							
Special item - settlement	-	-	-	-	330,000	330,000	-
Transfers in	98,812	7,615,373	-	2,334,084	13,720	10,061,989	2,483,279
Transfers out	-	(2,936,617)	(1,431,820)	-	(12,382,547)	(16,750,984)	(79,764)
Change in net position	(2,698,458)	135,588,248	8,056,213	28,027,048	6,647,586	175,620,637	25,950,819
Net position, July 1	192,884,834	(373,371,269)	324,634,173	15,452,883	43,722,217		59,869,689
Net position, June 30	$ 190,186,376	$ (237,783,021)	$ 332,690,386	$ 43,479,931	$ 50,369,803		$ 85,820,508
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						289,010	
Change in net position of business-type activities						$ 175,909,647	

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, 2014

	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	$ 13,953,875	$ 536,122,938	$ 123,751	$ 15,276,900	$ 73,545,904	$ 639,023,368	$ 53,815,207
Receipts for interfund services provided	13,657	2,105,630	-	11,423	3,472,524	5,603,234	289,209,203
Receipts from component units	-	-	-	-	-	-	75,718,194
Receipts of principal on loans/notes	71,731,944	-	23,877,618	-	-	95,609,562	5,000
Receipts of interest on loans/notes	25,004,314	-	8,966,028	-	-	33,970,342	-
Receipts from federal government	-	142,725,174	8,550,689	-	-	151,275,863	-
Payments to suppliers, other governments and beneficiaries	(7,568,616)	(541,664,021)	(4,156,445)	(4,855,601)	(17,079,202)	(575,323,885)	(349,962,373)
Payments to employees	(1,683,923)	-	(353,316)	(148,872)	(33,224,222)	(35,410,333)	(35,065,725)
Payments for interfund services	(1,166,450)	-	(115,801)	(101,234)	(7,799,378)	(9,182,863)	(18,787,978)
Payments to component units	-	-	-	(5,523,385)	(42,151)	(5,565,536)	(160,207)
Purchase of loans and notes	(18,084,601)	-	(5,215,585)	-	-	(23,300,186)	-
Net cash provided by (used for) operating activities	82,200,200	139,289,721	31,676,939	4,659,231	18,873,475	276,699,566	14,771,321
Cash flows from noncapital financing activities							
Grant receipts	4,772,040	-	-	-	6,141,406	10,913,446	-
Advances from federal government	-	136,952,892	-	-	-	136,952,892	-
Proceeds from sale of bonds	19,369,386	608,303,783	5,295,055	-	-	632,968,224	-
Transfers and advances from other fund	98,812	17,424,412	-	2,334,084	13,720	19,871,028	5,156,555
Settlement receipts	-	-	-	-	330,000	330,000	-
Payment on federal advance	-	(710,909,538)	-	-	-	(710,909,538)	-
Payment on refunding bonds	-	-	(2,227,419)	-	-	(2,227,419)	-
Principal paid on noncapital debt	(151,461,337)	-	(10,535,000)	-	-	(161,996,337)	-
Interest paid on noncapital debt	(19,612,987)	(30,310,191)	(3,077,585)	-	-	(53,000,763)	-
Issue costs	-	(3,023,777)	-	-	-	(3,023,777)	-
Transfers and advances to other funds	-	(2,872,764)	(1,422,192)	-	(12,455,867)	(16,750,823)	(79,764)
Payments to other governments and organizations	(4,572,464)	-	-	-	-	(4,572,464)	-
Net cash provided by (used for) noncapital financing activities	(151,406,550)	15,564,817	(11,967,141)	2,334,084	(5,970,741)	(151,445,531)	5,076,791
Cash flows from capital and related financing activities							
Proceeds from sale of capital assets	-	-	-	-	17,845	17,845	93,522
Purchase of capital assets	(12,687)	-	-	(21,500)	(115,275)	(149,462)	(6,314,569)
Principal paid on capital debt	-	-	-	-	(175,670)	(175,670)	(1,312,224)
Interest paid on capital debt	-	-	-	-	(422,896)	(422,896)	(8,582)
Payments on construction projects	-	-	-	-	(94,561)	(94,561)	-
Net cash provided by (used for) capital and related financing activities	(12,687)	-	-	(21,500)	(790,557)	(824,744)	(7,541,853)
Cash flows from investing activities							
Proceeds from sale of investments	641,068,785	-	-	46,519,251	-	687,588,036	-
Purchase of investments	(529,670,119)	-	-	(55,941,366)	-	(585,611,485)	-
Interest, dividends and gains (losses)	8,979,163	1,917,406	(440,319)	3,086,277	136,609	13,679,136	948,744
Issuance of note to related party	(51,000,000)	-	-	-	-	(51,000,000)	-
Net cash provided by (used for) investing activities	69,377,829	1,917,406	(440,319)	(6,335,838)	136,609	64,655,687	948,744
Net increase (decrease) in cash	158,792	156,771,944	19,269,479	635,977	12,248,786	189,084,978	13,255,003
Cash and cash equivalents, July 1	1,002,990	14,119,464	82,375,176	1,668,443	53,209,632	152,375,705	191,743,530
Cash and cash equivalents, June 30	$ 1,161,782	$ 170,891,408	$ 101,644,655	$ 2,304,420	$ 65,458,418	$ 341,460,683	$ 204,998,533

	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)	$ (11,398,213)	$ 144,447,529	$ 9,824,878	$ 738,418	$ 13,694,556	$ 157,307,168	$ 22,444,977
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	38,369	-	-	17,822	392,926	449,117	2,889,194
Interest on bonds payable	17,881,780	-	2,388,311	-	-	20,270,091	-
Decrease (increase) in loans and notes receivable	66,673,067	-	18,662,033	-	-	85,335,100	5,000
Decrease (increase) in accrued interest and receivables	553,654	(284,319)	(25,264)	(6,775,379)	(5,142,662)	(11,673,970)	(601,435)
Decrease (increase) in inventory, deferred charges, other assets	2,138,319	-	778,151	(1,490)	(185,345)	2,729,635	(399,421)
Increase (decrease) in accounts payable, accruals, other liabilities	6,313,224	(4,873,489)	48,830	10,679,860	10,114,000	22,282,425	(9,566,994)
Total adjustments	93,598,413	(5,157,808)	21,852,061	3,920,813	5,178,919	119,392,398	(7,673,656)
Net cash provided by (used for) operating activities	$ 82,200,200	$ 139,289,721	$ 31,676,939	$ 4,659,231	$ 18,873,475	$ 276,699,566	$ 14,771,321
Noncash investing, capital and financing activities							
Capital assets acquired under lease	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,139,826
Increase (decrease) in fair value of investments	-	-	-	21,891,757	-	21,891,757	-

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

Statement of Fiduciary Net Position
Fiduciary Funds

NEVADA

June 30, 2014

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 1,787,619	$ -	$ 6,516,804	$ 86,478,471
Cash in custody of other officials	1,023,056,223	2,984,669	13,634,171	32,749,915
Investments:				
Investments	1,253,459	1,069,475,059	14,217,750,721	216,538,645
Fixed income securities	8,793,311,478	-	-	-
Marketable equity securities	14,355,624,219	-	-	-
International securities	7,680,531,021	-	-	-
Real estate	1,337,751,979	-	-	-
Alternative investments	1,111,639,569	-	-	-
Collateral on loaned securities	541,523,662	-	-	-
Receivables:				
Accrued interest and dividends	100,182,820	2,431,911	4,191,871	-
Taxes receivable	-	-	-	55,691,934
Trades pending settlement	136,040,433	4,665,484	432,252	-
Intergovernmental receivables	101,108,106	-	44,719	16,521
Contributions receivable	-	-	11,650,516	-
Other receivables	4,377	-	-	96,690
Due from other funds	127,599	-	162,669	501,563,725
Due from fiduciary funds	19,120,277	-	-	11,536,380
Due from component unit	1,330,987	-	-	1,202,326
Other assets	2,240,330	-	-	-
Furniture and equipment	39,174,100	-	48,222	-
Accumulated depreciation	(35,282,196)	-	(48,222)	-
Total assets	35,210,526,062	1,079,557,123	14,254,383,723	905,874,607
Liabilities				
Accounts payable and accruals:				
Accounts payable	12,786,796	143,255	2,702,584	-
Accrued payroll and related liabilities	-	-	714	1,025,191
Intergovernmental payables	-	3,717	18,597	561,623,730
Redemptions payable	-	-	6,210,610	-
Trades pending settlement	979,585,668	8,473,477	5,055,978	-
Bank overdraft	-	-	70,000	-
Obligations under securities lending	541,523,662	-	-	-
Due to other funds	2,997,085	26,917	1,223,699	-
Due to fiduciary funds	41,991	-	25,516	30,589,150
Other liabilities:				
Deposits	-	-	-	307,418,846
Other liabilities	-	-	-	5,217,690
Total liabilities	1,536,935,202	8,647,366	15,307,698	905,874,607
Net Position				
Held in trust for:				
Employees' pension benefits	33,672,067,369	-	-	-
OPEB benefits	1,523,491	-	-	-
Pool participants	-	1,070,909,757	-	-
Individuals	-	-	14,239,076,025	-
Total net position	$ 33,673,590,860	$ 1,070,909,757	$ 14,239,076,025	$ -

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, 2014

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
Contributions:			
Employer	$ 1,444,909,524	$ -	$ -
Plan members	109,683,264	-	-
Participants	-	-	3,383,635,370
Repayment and purchase of service	42,752,491	-	-
Total contributions	1,597,345,279	-	3,383,635,370
Investment income:			
Net increase (decrease) in fair value of investments	4,189,445,061	27,109,713	1,581,529,549
Interest, dividends	802,785,110	13,289,158	267,582,885
Securities lending	8,075,580	-	-
Other	91,594,469	-	-
	5,091,900,220	40,398,871	1,849,112,434
Less investment expense:			
Other	(45,162,435)	(40,841)	-
Net investment income	5,046,737,785	40,358,030	1,849,112,434
Other:			
Investment from local governments	-	851,001,257	-
Reinvestment from interest income	-	431,158	-
Other	1,987,587	255	-
Total other	1,987,587	851,432,670	-
Total additions	6,646,070,651	891,790,700	5,232,747,804
Deductions			
Principal redeemed	-	914,016,727	2,215,500,426
Benefit payments	1,857,389,257	-	19,058,005
Refunds	23,047,743	-	-
Contribution distributions	990,121	-	-
Dividends to investors	-	482,697	-
Administrative expense	9,721,813	628,727	26,511,044
Total deductions	1,891,148,934	915,128,151	2,261,069,475
Change in net position	4,754,921,717	(23,337,451)	2,971,678,329
Net position, July 1	28,918,669,143	1,094,247,208	11,267,397,696
Net position, June 30	$ 33,673,590,860	$ 1,070,909,757	$ 14,239,076,025

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, 2014

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	$ 12,903,667	$ 257,355,000	$ -	$ 270,258,667
Investments	-	1,228,065,000	5,747,639	1,233,812,639
Due from primary government	75,116	27,369,184	-	27,444,300
Accounts receivable	11,977,437	36,254,816	-	48,232,253
Intergovernmental receivables	-	37,087,000	-	37,087,000
Accrued interest and dividends	26,743	-	-	26,743
Notes/loans receivable	-	12,887,000	-	12,887,000
Other receivables	-	83,162,000	-	83,162,000
Inventory	-	6,713,000	-	6,713,000
Prepaid expenses	44,141,235	-	-	44,141,235
Restricted assets:				
Cash	9,694,940	77,072,000	-	86,766,940
Investments	-	38,515,000	-	38,515,000
Other assets	-	54,207,000	-	54,207,000
Capital assets:				
Land, infrastructure and construction in progress	-	145,040,000	-	145,040,000
Other capital assets, net	48,433,042	1,756,776,000	-	1,805,209,042
Total assets	127,252,180	3,760,503,000	5,747,639	3,893,502,819
Deferred Outflows of Resources				
Deferred charge on refunding	2,377,149	11,729,000	-	14,106,149
Total deferred outflows of resources	2,377,149	11,729,000	-	14,106,149
Liabilities				
Accounts payable	4,913,136	51,361,111	-	56,274,247
Accrued payroll and related liabilities	-	69,874,000	-	69,874,000
Interest payable	1,179,024	10,712,000	-	11,891,024
Due to primary government	43,923	347,889	-	391,812
Unearned revenues	147,593	50,922,000	-	51,069,593
Other liabilities	17,224,525	33,325,000	-	50,549,525
Long-term liabilities:				
Portion due or payable within one year:				
Obligations under capital leases	-	954,000	-	954,000
Compensated absences	206,870	30,883,000	-	31,089,870
Bonds payable	4,804,000	24,239,000	-	29,043,000
Portion due or payable after one year:				
Federal advances	-	8,209,000	-	8,209,000
Obligations under capital leases	-	1,634,000	-	1,634,000
Compensated absences	131,697	16,947,000	-	17,078,697
Bonds payable	93,162,365	494,557,000	-	587,719,365
Due to primary government	-	-	5,402,968	5,402,968
Total liabilities	121,813,133	793,965,000	5,402,968	921,181,101
Deferred Inflows of Resources				
Donations	-	10,071,000	-	10,071,000
Total deferred inflows of resources	-	10,071,000	-	10,071,000
Net Position				
Net investment in capital assets	1,736,293	1,460,491,000	-	1,462,227,293
Restricted for:				
Capital projects	-	57,594,000	-	57,594,000
Debt service	-	21,116,000	-	21,116,000
Education and support services	-	-	344,671	344,671
Scholarships	-	404,249,000	-	404,249,000
Loans	-	8,296,000	-	8,296,000
Operations and maintenance	712,019	-	-	712,019
Research and development	8,125,768	-	-	8,125,768
Other purposes	-	2,949,000	-	2,949,000
Funds held as permanent investments:				
Nonexpendable	-	353,220,000	-	353,220,000
Unrestricted (deficit)	(2,757,884)	660,281,000	-	657,523,116
Total net position	$ 7,816,196	$ 2,968,196,000	$ 344,671	$ 2,976,356,867

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

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	**Nevada System of Higher Education**	**Nevada Capital Investment Corporation**	**Total**
Expenses	$ 67,051,303	$ 1,600,030,000	$ 33,092	$ 1,667,114,395
Program Revenues				
Charges for services	65,182,858	649,889,000	-	715,071,858
Operating grants and contributions	-	436,873,000	-	436,873,000
Capital grants and contributions	-	10,177,000	-	10,177,000
Total program revenues	65,182,858	1,096,939,000	-	1,162,121,858
General Revenues				
Unrestricted investment earnings	26,735	162,017,000	694,088	162,737,823
Gain on sale of assets	-	2,815,000	-	2,815,000
Other general revenues	59,652	4,714,000	-	4,773,652
Contributions to permanent funds	-	9,264,000	-	9,264,000
Payments from State of Nevada	-	500,562,000	-	500,562,000
Total general revenues	86,387	679,372,000	694,088	680,152,475
Change in net position	(1,782,058)	176,281,000	660,996	175,159,938
Net position, July 1	9,598,254	2,791,915,000	(316,325)	2,801,196,929
Net position, June 30	$ 7,816,196	$ 2,968,196,000	$ 344,671	$ 2,976,356,867

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

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Note 1 - Summary of Significant Accounting Policies

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

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

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

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

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

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

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

(Note 1 Continued)

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

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

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

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

Public Employees' Retirement System
Carson City, NV
Legislators' Retirement System
Carson City, NV
Judicial Retirement System
Carson City, NV
Retirement Benefits Investment Fund
Carson City, NV
Nevada System of Higher Education
Reno, NV
Colorado River Commission
Las Vegas, NV
Nevada Capital Investment Corporation
Carson City, NV

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

C. Basis of Presentation

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

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

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

(Note 1 Continued)

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.

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

The State reports the following major enterprise funds:

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

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

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

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

Additionally, the State reports the following fund types:

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in

(Note 1 Continued)

the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Position and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments 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 inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

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

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

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

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

(Note 1 Continued)

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

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

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

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

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

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

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

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

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

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

(Note 1 Continued)

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 12 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

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

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

Stabilization Arrangement – NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2014 is $28,061,106.

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.

(Note 1 Continued)

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

Note 2 - Budgetary and Legal Compliance

Budgetary Process and Control

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

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

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of $30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or $75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling $13,533,722 were made in the 2014 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

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

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

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

Note 3 - Deposits and Investments

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

A. Deposits

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2014, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled $338,984,492, of which $11,621,357 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, 2014 NSHE's deposits in money market funds totaled $208,105,000 and cash in bank was $5,714,000. Of these balances, $250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

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

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

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

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays 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, 2014 (expressed in thousands):

(Note 3 Continued)

		Maturities in Years			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	$ 3,515,491	$ 264,464	$ 2,380,729	$ 504,485	$ 365,813
Negotiable certificate of deposit	25,000	25,000	-	-	-
U. S. agencies	5,099,659	1,284,779	631,568	224,495	2,958,817
Mutual funds	100,806	100,806	-	-	-
Asset backed corporate securities	522,285	180,955	181,124	144,795	15,411
Corporate bonds and notes	2,865,256	79,680	1,242,885	752,864	789,827
Commercial paper	65,242	65,242	-	-	-
Fixed income securities	27,549	27,549	-	-	-
International investments	332,555	2,000	165,522	75,312	89,721
Municipal bonds	666,026	34,983	82,612	78,743	469,688
Investment agreements	1,513	-	-	-	1,513
Other short-term investments	1,109,276	1,106,724	2,552	-	-
Collateralized mortgage obligations	236,752	26,413	33,794	18,355	158,190
Other investments	253	253	-	-	-
Total	$ 14,567,663	$ 3,198,848	$ 4,720,786	$ 1,799,049	$ 4,848,980

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 36 days to 12 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, 2014 (expressed in thousands):

Less than 1 year	$ 186,125
1 to 5 years	182,172
6 to 10 years	67,429
More than 10 years	-
Total	$ 435,726

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, 2014 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	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -
U.S. agencies	32,706	3,221,894	850,831	390	-	-	819,186
Mutual funds	100,806	-	-	-	-	-	13,955,127
Asset backed corporate securities	125,017	161,969	163,426	7,259	597	401	13,358
Corporate bonds and notes	92,328	435,843	1,199,521	1,084,766	7,576	-	35,200
Commerical paper	-	-	65,242	-	-	-	-
Fixed income securities	-	-	-	-	-	-	27,484
International investments	91,650	36,051	48,797	109,456	-	-	46,600
Municipal bonds	-	666,026	-	-	-	-	-
Investment agreements	-	-	947	566	-	-	-
Other short-term investments	82,940	9,302	54,497	-	-	-	1,045,403
Collateralized mortgage obligations	64,423	62,212	22,300	30,701	2,300	-	52,600
Total	$ 589,870	$ 4,593,297	$ 2,430,561	$ 1,233,138	$ 10,473	$ 401	$ 15,994,958

As of June 30, 2014, the State of Nevada held debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The State recovered $13.6 million from the bankruptcy proceedings. On July 14, 2014, the State sold its share of the bonds for an additional $10 million. However, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2014.

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, 2014 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	$ 637,712
Partnerships	87,180
Endowment cash/cash equivalents	1,068
Trust(s)	6,024
Private commingled funds	101,970
Total	$ 833,954

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, 2014, 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	$ 868,694	25.49%
So Nevada Water Authority	196,035	5.75%
Investment Trust Funds		
Federal Home Loan Bank	285,950	25.03%
Federal National Mortgage Assoc	94,045	8.23%

At June 30, 2014, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corp-U.S. Agency Coupon Security	$ 14,551	7.58%
Federal National Mortgage Association-Asset-Backed Mortgage Security	11,932	6.22%

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, 2014, the Housing Division's investments in Fannie Mae and Ginnie Mae are 1.08% and 54.61% 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, 2014 the investment in equity interest of SSOF exceeded 5% of NCIC's total investments.

(Note 3 Continued)

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. LRS and JRS had no exposure to foreign currency risk as of June 30, 2014. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2014 (expressed in thousands):

	Currency by Investment and Fair Value			
	Equity	Derivatives	Cash	Total
Australian Dollar	$ 486,735	$ 400	$ 802	$ 487,937
British Pound Sterling	1,351,838	(2,100)	6,232	1,355,970
Danish Krone	93,543	-	-	93,543
Euro	1,958,548	-	8,537	1,967,085
Hong Kong Dollar	177,994	200	1,215	179,409
Israeli Shekel	32,658	-	103	32,761
Japanese Yen	1,273,744	900	475	1,275,119
Norwegian Krone	8,666	-	1	8,667
Polish Zloty	54,442	-	401	54,843
Singapore Dollar	88,402	100	609	89,111
Swedish Krona	191,929	200	203	192,332
Swiss Franc	567,303	300	102	567,705
Total	$ 6,285,802	$ -	$ 18,680	$ 6,304,482

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, 2014 (expressed in thousands):

	Currency at Fair Value
Japenese Yen	$ 3
Taiwan Dollar	16
Total	$ 19

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has $235,603,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2014.

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, 2014 (excluding PERS).

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

(Note 3 Continued)

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

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

The fair value of underlying securities on loan at June 30, 2014 is $1,524,913,444. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of $541,523,662 and non-cash in the amount of $1,023,419,860. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2014, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Primary Government – The Office of the State Treasurer's investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2014.

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, 2014. 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 2014 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	$ 117,739	$ 922	$ (51,713)	$ 375	$ 1,297
British Pound Sterling	101,838	(19)	(248,569)	(442)	(461)
Canadian Dollar	13,638	34	(90,699)	76	110
Danish Krone	27,728	(23)	(44,640)	58	35
Euro	182,468	(257)	(976,026)	2,585	2,328
Hong Kong Dollar	20,216	2	(9,530)	(2)	-
Israeli Shekel	8,949	1	(2,814)	45	46
Japanese Yen	402,610	(357)	(775,234)	6,154	5,797
Malaysian Ringgit	-	-	(5,281)	11	11
Mexican New Peso	1,632	(7)	(17,545)	90	83
New Zealand Dollar	2,695	10	(410)	2	12
Norwegian Krone	13,643	47	(69,509)	47	94
Polish Zloty	1,302	9	(13,478)	40	49
S African Comm Rand	3,644	(26)	(12,216)	(28)	(54)
Singapore Dollar	3,148	-	(20,861)	62	62
Swedish Krona	39,685	(74)	(21,454)	(137)	(211)
Swiss Franc	71,394	(210)	(89,690)	220	10
Total	$ 1,012,329	$ 52	$ (2,449,669)	$ 9,156	$ 9,208

(Note 3 Continued)

The PERS derivative pending transactions as of June 30, 2014, 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	$ 416	$ 1	$ -	$ -	$ 1
British Pound Sterling	-	-	(2,150)	(10)	(10)
Danish Krone	37	-	-	-	-
Hong Kong Dollar	102	-	-	-	-
Japanese Yen	930	1	-	-	1
Norwegian Krone	33	-	-	-	-
Singapore Dollar	109	-	-	-	-
Swedish Krona	219	2	-	-	2
Swiss Franc	332	1	-	-	1
Total	$ 2,178	$ 5	$ (2,150)	$ (10)	$ (5)

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 seven types of derivatives: futures contracts, forward currency contracts, OTC (over-the-counter) total return swap contracts, OTC and CC (centrally cleared) interest rate swap contracts, and OTC and centrally cleared credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All seven 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, 2014, 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	$ -	$ -	$ 143
CC Interest Rate Swap Contracts, gross	8,397	28	28
OTC Total Return Swap Contracts, gross	15,861	(6)	4
OTC Credit Default Contracts, gross	868	33	87
CC Credit Default Contracts, gross	18,220	248	248
Forward Currency Contracts, net	48,648	(181)	163
Futures Contracts, gross	-	31	168
Total	$ 91,994	$ 153	$ 841

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

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

The Portfolios entered into OTC total return swap contracts, which are arrangements to exchange a market linked return for a periodic payment, both based on a notional principal amount, to manage sector exposure, manage exposure to specific sectors or industries, manage exposure to 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

(Note 3 Continued)

or the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios' maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared interest rate swap contracts to manage interest rate risk and to gain exposure on interest. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared credit default contracts to manage credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting OTC and centrally cleared credit default contracts which could mitigate their risk of loss. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios' maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared credit default contracts through the daily exchange of the variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. 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. Centrally cleared contracts are not considered brokered contracts and have mitigated risks.

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, 2014 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
CC Interest Rate Swap Contracts	$ -	$ 9	$ 23	$ (4)	$ 28
OTC Total Return Swap Contracts	(6)	-	-	-	(6)
OTC Credit Default Contracts	-	-	-	33	33
CC Credit Default Contracts	-	248	-	-	248
Forward Currency Contracts	(181)	-	-	-	(181)
Futures Contracts	31	-	-	-	31
Total	$ (156)	$ 257	$ 23	$ 29	$ 153

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, 2014 (expressed in thousands):

(Note 3 Continued)

	Forward Currency Contracts				
	Buy	Fair Value	Sell	Fair Value	Total Fair Value
Australian Dollar	$ 2,059	$ 36	$ 3,759	$ (68)	$ (32)
Brazilian Real	2,432	31	1,628	(3)	28
British Pound	1,375	23	2,482	(49)	(26)
Canadian Dollar	2,090	58	3,082	(104)	(46)
Chilean Peso	195	(2)	305	(6)	(8)
Columbian Peso	204	10	203	(7)	3
Czech Koruna	122	1	122	(1)	-
Danish Krone	-	-	116	(1)	(1)
Euro	493	3	5,626	(34)	(31)
Hong Kong Dollar	-	-	134	-	-
Hungarian Forint	-	-	110	1	1
Indian Rupee	617	(4)	-	-	(4)
Indonesian Rupiah	230	(5)	230	2	(3)
Japanese Yen	553	4	4,301	(53)	(49)
Mexican Peso	783	9	458	-	9
New Taiwan Dollar	-	-	346	(2)	(2)
New Zealand Dollar	3,470	77	2,041	(47)	30
Norwegian Krone	2,733	(46)	589	8	(38)
Polish Zloty	118	1	-	-	1
Singapore Dollar	-	-	408	(3)	(3)
South African Rand	114	(3)	227	(1)	(4)
South Korean Won	552	10	-	-	10
Swedish Krona	621	(4)	2,624	(1)	(5)
Swiss Franc	28	-	816	(10)	(10)
Thai Baht	126	(1)	126	-	(1)
Total	$ 18,915	$ 198	$ 29,733	$ (379)	$ (181)

At the end of the reporting period the Portfolios had the following foreign currency exposure (expressed in thousands):

	Foreign Currency
Japanese Yen	$ 3
New Taiwan Dollar	16
Total	$ 19

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	$ 348,552	$ 357	$ 348,909
Notes/loans receivable	16,267	-	16,267
Due from Component Unit	211	5,403	5,614
Total	$ 365,030	$ 5,760	$ 370,790
Classified:			
Current portion	$ 342,325	$ 357	$ 342,682
Noncurrent portion:			
Intergovernmental receivables	7,794	-	7,794
Notes/loans receivable	14,911	-	14,911
Due from Component Unit	-	5,403	5,403
Total noncurrent portion	22,705	5,403	28,108
Total	$ 365,030	$ 5,760	$ 370,790

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at $41.0 million, and uncollectible accounts receivable are estimated at $115.5 million. The proprietary funds have $66.2 million in uncollectible accounts receivable of which $15.3 million are from uninsured employers' fines and penalties, and $42.7 million are from unemployment contributions and benefit overpayments.

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2014, follows (expressed in thousands):

	Advances From		
	General	Nonmajor Governmental	Total
Advances To			
Nonmajor enterprise	$ 248	$ -	$ 248
Internal service	2,927	904	3,831
Total other funds	$ 3,175	$ 904	$ 4,079

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, 2014, is shown below (expressed in thousands):

	Due To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental	Total Governmental
Due From						
Major Governmental Funds:						
General	$ -	$ 2,301	$ 1	$ 30	$ 12,935	$ 15,267
State Highway	1,931	-	-	-	17	1,948
Permanent School Fund	2,025	-	-	-	-	2,025
Nonmajor governmental	31,890	3,883	-	-	3,048	38,821
Total Governmental	35,846	6,184	1	30	16,000	58,061
Major Enterprise Funds:						
Housing Division	108	-	-	-	-	108
Unemployment Comp	-	-	-	-	495	495
Water Projects Loans	282	-	-	-	2	284
Higher Ed Tuition Trust	5,046	-	-	-	-	5,046
Nonmajor enterprise	2,470	6	-	-	-	2,476
Total Enterprise	7,906	6	-	-	497	8,409
Internal Service	932	139	-	-	166	1,237
Total other funds	$ 44,684	$ 6,329	$ 1	$ 30	$ 16,663	$ 67,707
Fiduciary	$ 371	$ -	$ -	$ -	$ 865	$ 1,236
Component Units:						
Colorado River Commission	$ 28	$ -	$ -	$ -	$ -	$ 28
Nevada System of Higher Education	183	2	-	-	1	186
Nevada Capital Investment Corporation	-	-	-	5,403	-	5,403
Total Component Units	$ 211	$ 2	$ -	$ 5,403	$ 1	$ 5,617

(Note 5 Continued)

	Due To								
	Major Enterprise Funds								
Due From	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Ed Tuition Trust	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Major Governmental Funds:									
General	$ 74	$ -	$ 318	$ 9	$ 978	$ 1,379	$ 4,663	$ 21,309	$ 500,920
State Highway	-	-	-	-	-	-	571	2,519	815
Permanent School Fund	-	-	-	-	-	-	-	2,025	-
Nonmajor governmental	-	3,433	1	-	15	3,449	199	42,469	6
Total Governmental	74	3,433	319	9	993	4,828	5,433	68,322	501,741
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	4	112	-
Unemployment Comp	-	-	-	-	-	-	-	495	-
Water Projects Loans	-	-	-	-	-	-	1	285	-
Higher Ed Tuition Trust	-	-	-	-	1	1	2	5,049	-
Nonmajor enterprise	-	-	-	-	3	3	79	2,558	100
Total Enterprise	-	-	-	-	4	4	86	8,499	100
Internal Service	-	-	-	-	2	2	270	1,509	13
Total other funds	$ 74	$ 3,433	$ 319	$ 9	$ 999	$ 4,834	$ 5,789	$ 78,330	$ 501,854
Fiduciary	$ -	$ -	$ -	$ -	$ 15	$ 15	$ 2,997	$ 4,248	$ 30,657
Component Units:									
Colorado River Commission	$ -	$ -	$ -	$ -	$ -	$ -	$ 16	$ 44	$ -
Nevada System of Higher Education	-	-	-	-	-	-	162	348	2,533
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	5,403	-
Total Component Units	$ -	$ -	$ -	$ -	$ -	$ -	$ 178	$ 5,795	$ 2,533

	Due To		
	Component Units		
Due From	Colorado River Commission	Nevada System of Higher Education	Total Component Units
Major Governmental Funds:			
General	$ 48	$ 14,148	$ 14,196
State Highway	-	1,029	1,029
Nonmajor governmental	27	12,159	12,186
Total Governmental Funds	75	27,336	27,411
Internal Service	-	33	33
Total	$ 75	$ 27,369	$ 27,444

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, 2014, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental	Total Governmental
Transfers In/From						
Major Governmental Funds:						
General	$ -	$ 6,554	$ -	$ 1,655	$ 97,797	$ 106,006
State Highway	537	-	-	-	3,435	3,972
Nonmajor governmental	25,900	1,168	26,280	-	12,050	65,398
Total Governmental	26,437	7,722	26,280	1,655	113,282	175,376
Major Enterprise Funds:						
Housing	99	-	-	-	-	99
Unemployment Comp	-	-	-	-	7,615	7,615
Higher Ed Tuition Trust	2,334	-	-	-	-	2,334
Total Enterprise	2,433	-	-	-	7,615	10,048
Internal Service	1,929	554	-	-	-	2,483
Total other funds	$ 30,799	$ 8,276	$ 26,280	$ 1,655	$ 120,897	$ 187,907

	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	$ -	$ 1,432	$ 12,368	$ 13,800	$ -	$ 119,806
State Highway	-	-	-	-	-	3,972
Nonmajor governmental	2,937	-	-	2,937	80	68,415
Total Governmental	2,937	1,432	12,368	16,737	80	192,193
Major Enterprise Funds:						
Housing	-	-	-	-	-	99
Unemployment Comp	-	-	-	-	-	7,615
Higher Ed Tuition Trust	-	-	-	-	-	2,334
Nonmajor enterprise	-	-	14	14	-	14
Total Enterprise	-	-	14	14	-	10,062
Internal Service	-	-	-	-	-	2,483
Total other funds	$ 2,937	$ 1,432	$ 12,382	$ 16,751	$ 80	$ 204,738

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 $49 million from the Attorney General Settlement Fund, a nonmajor special revenue fund to the General Fund for the Nevada Home Retention Program.

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 $501 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, 2014 are as follows (expressed in thousands):

	Primary Government Business-Type Activities	Component Units
Restricted:		
Cash	$ -	$ 86,767
Investments	93,839	38,515
Total	$ 93,839	$ 125,282
Restricted for:		
Debt service	$ 93,839	$ 3,490
Construction	-	78,375
Other purposes	-	43,417
Total	$ 93,839	$ 125,282

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2014, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 145,667	$ 4,939	$ -	$ 150,606
Construction in progress	157,716	39,628	(10,520)	186,824
Infrastructure	3,605,406	203,283	-	3,808,689
Rights-of-way	618,482	2,164	(118)	620,528
Total capital assets, not being depreciated	4,527,271	250,014	(10,638)	4,766,647
Capital assets, being depreciated/amortized				
Buildings	1,663,583	5,123	(4,724)	1,663,982
Improvements other than buildings	123,224	557	-	123,781
Furniture and equipment	384,555	25,790	(10,458)	399,887
Software costs	175,997	7,755	(368)	183,384
Total capital assets, being depreciated/amortized	2,347,359	39,225	(15,550)	2,371,034
Less accumulated depreciation/amortization for:				
Buildings	(508,096)	(41,707)	2,490	(547,313)
Improvements other than buildings	(77,880)	(3,901)	-	(81,781)
Furniture and equipment	(319,326)	(22,053)	9,892	(331,487)
Software costs	(153,127)	(3,813)	333	(156,607)
Total accumulated depreciation/amortization	(1,058,429)	(71,474)	12,715	(1,117,188)
Total capital assets, being depreciated/amortized, net	1,288,930	(32,249)	(2,835)	1,253,846
Governmental activities capital assets, net	$ 5,816,201	$ 217,765	$ (13,473)	$ 6,020,493
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 568	$ -	$ -	$ 568
Construction in progress	10,122	161	-	10,283
Total capital assets, not being depreciated	10,690	161	-	10,851
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	6,402	150	(264)	6,288
Total capital assets, being depreciated	10,422	150	(264)	10,308
Less accumulated depreciation for:				
Buildings	(2,724)	(103)	-	(2,827)
Improvements other than buildings	(572)	-	-	(572)
Furniture and equipment	(5,345)	(346)	252	(5,439)
Total accumulated depreciation	(8,641)	(449)	252	(8,838)
Total capital assets, being depreciated, net	1,781	(299)	(12)	1,470
Business-type activities capital assets, net	$ 12,471	$ (138)	$ (12)	$ 12,321

(Note 7 Continued)

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

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

Governmental activities:		
General government	$	3,813
Education, support services		928
Health, social services		10,949
Law, justice, public safety		31,991
Recreation, resource development		4,123
Transportation		11,021
Regulation of business		3,610
Unallocated		2,150
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		2,889
Total depreciation/amortization expense - governmental activities	$	71,474
Business-type activities:		
Enterprise	$	449
Total depreciation expense - business-type activities	$	449

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2014, 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	$ 34,763	$ 43,146	$ (29,788)	$ 48,121
Land	82,627	1,325	-	83,952
Intangibles	808	266	(786)	288
Collections	11,939	747	(7)	12,679
Total capital assets, not being depreciated	130,137	45,484	(30,581)	145,040
Capital assets, being depreciated				
Buildings	2,336,271	26,998	(168)	2,363,101
Land and improvements	118,322	732	(20)	119,034
Machinery and equipment	342,447	24,598	(20,256)	346,789
Intangibles	41,267	1,669	-	42,936
Library books and media	118,690	2,644	(2,337)	118,997
Total capital assets, being depreciated	2,956,997	56,641	(22,781)	2,990,857
Less accumulated depreciation for:				
Buildings	(699,616)	(58,403)	168	(757,851)
Land and improvements	(89,689)	(3,899)	-	(93,588)
Machinery and equipment	(244,634)	(24,606)	18,509	(250,731)
Intangibles	(14,861)	(4,750)	-	(19,611)
Library books and media	(110,650)	(3,956)	2,306	(112,300)
Total accumulated depreciation	(1,159,450)	(95,614)	20,983	(1,234,081)
Total capital assets, being depreciated, net	1,797,547	(38,973)	(1,798)	1,756,776
Nevada System of Higher Education activity capital assets, net	$ 1,927,684	$ 6,511	$ (32,379)	$ 1,901,816

Note 8 - Short-Term Obligations

Component Unit - On March 12, 2014, Colorado River Commission (CRC) issued interim bonds of $28,425,000 to fund CRC's expected share of the construction cost of the visitor's center at Hoover Dam. These bonds were issued due to delays in determining a final allocation of shared costs. In June 2014, CRC issued $29,475,000 Series 2014E General Obligation Refunding bonds as disclosed in Section N of Note 9, proceeds from which were used to fully refund the interim bonds. These bonds mature annually on October 1, 2015 through 2043, with interest payable semi-annually on October 1 and April 1 at the annual rates of 0.50% to 4.25%. There was no short-term debt outstanding at July 1, 2013 or June 30, 2014.

Note 9 - Long-Term Obligations

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2014 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,754,520	$ 59,150	$ (109,830)	$ 1,703,840	$ 110,530
Special obligation bonds	497,650	86,020	(56,220)	527,450	41,310
Subtotal	2,252,170	145,170	(166,050)	2,231,290	151,840
Issuance premiums (discounts)	143,968	21,012	(18,188)	146,792	16,932
Total bonds payable	2,396,138	166,182	(184,238)	2,378,082	168,772
Certificates of participation	52,000	86,230	(43,775)	94,455	2,520
Issuance premiums (discounts)	339	2,794	(177)	2,956	236
Total certificates of participation	52,339	89,024	(43,952)	97,411	2,756
Other Governmental long-term activities:					
Obligations under capital leases	25,096	2,139	(2,141)	25,094	2,269
Compensated absences obligations	94,720	73,617	(71,211)	97,126	59,659
Arbitrage rebate liability	1,043	-	(1,043)	-	-
Total other governmental long-term activities	120,859	75,756	(74,395)	122,220	61,928
Governmental activities long-term obligations	$ 2,569,336	$ 330,962	$ (302,585)	$ 2,597,713	$ 233,456
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 90,720	$ 5,145	$ (12,840)	$ 83,025	$ 9,710
Special obligation bonds	739,797	568,269	(151,432)	1,156,634	146,587
Subtotal	830,517	573,414	(164,272)	1,239,659	156,297
Issuance premiums (discounts)	5,942	59,582	(9,610)	55,914	13,843
Total bonds payable	836,459	632,996	(173,882)	1,295,573	170,140
Compensated absences obligations	1,898	1,571	(1,468)	2,001	1,256
Arbitrage rebate liability	-	571	-	571	-
Federal unemployment advance	573,957	-	(573,957)	-	-
Tuition benefits payable	174,399	18,914	(8,160)	185,153	15,960
Business-type activities long-term obligations	$ 1,586,713	$ 654,052	$ (757,467)	$ 1,483,298	$ 187,356

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

B. Bonds Payable

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

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

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2014 are comprised of the following (expressed in thousands):

(Note 9 Continued)

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	.25-7.0%	$ 1,761,855	$ 1,146,155
Exempt from Constitutional Debt Limitation	2.0-7.0%	814,130	557,685
Special obligation bonds:			
Exempt from Constitutional Debt Limitation-Highway Improvement Revenue Bonds	2.5-5.5%	971,245	527,450
Subtotal		3,547,230	2,231,290
Issuance premiums (discounts)		245,681	146,792
Governmental activities bonds payable		3,792,911	2,378,082
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	1.75-5.1%	106,035	83,025
Special obligation bonds:			
Unemployment Compensation Bonds	2.0-5.0%	548,900	548,900
Housing Bonds	*.35-6.95%	850,810	607,734
Subtotal		1,505,745	1,239,659
Issuance premiums (discounts)		66,712	55,914
Business-type activities bonds payable		1,572,457	1,295,573
Total bonds payable		$ 5,365,368	$ 3,673,655

*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, 2014, 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
2015	$ 151,840	$ 102,669	$ 156,297	$ 41,632
2016	162,880	95,431	156,733	36,842
2017	170,535	88,555	172,943	29,678
2018	169,995	81,344	150,222	21,160
2019	174,710	73,487	19,785	15,780
2020-2024	840,880	240,678	114,027	65,891
2025-2029	539,110	53,652	103,202	43,047
2030-2034	19,700	2,267	133,462	28,105
2035-2039	1,640	124	174,641	13,369
2040-2044	-	-	57,346	1,839
2045-2049	-	-	1,001	84
Total	$ 2,231,290	$ 738,207	$ 1,239,659	$ 297,427

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, 2014, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$ 1,854,550
Less : Bonds and leases payable as of June 30, 2014, subject to limitation	(1,151,010)
Remaining debt capacity	$ 703,540

(Note 9 Continued)

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of $1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Sixteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2014, and total investments in local governments amounted to $255,620,000.

E. Refunded Debt and Redemptions

During the fiscal year 2014, the State of Nevada refunded $6,385,000 in general obligation, limited tax, bonds related to natural resources and water projects loans by issuing refunding bonds with a total par amount of $6,320,000 at a $466,550 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings. In addition, the Nevada Real Property Corporation (NRPC) repaid $41,390,000 Certificates of Participation by issuing refunding bonds with a total par amount of $35,785,000 at a $1,944,061 premium and using $5,453,229 of its fund reserve. The refunding decreased the aggregate debt service payments by $9,595,452 with an economic or present value gain of $6,047,706. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of $1,509,503. This amount is being reported as a deferred outflow of resources 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:				
Natural Resources and Refunding Bonds Series 2014B	$ 4,425	$ 4,235	$ 385	$ 354
Safe Drinking Water Revolving Fund Matching and Refunding Bonds Series 2014D	2,227	2,150	148	143
Certificates of Participation:				
Lease Revenue Refunding Capitol Complex Building 1 Project Series 2013	21,746	21,250	5,580	3,354
Lease Revenue Refunding Casa Grande Project Series 2013	21,054	20,140	3,482	2,197
Total	$ 49,452	$ 47,775	$ 9,595	$ 6,048

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, 2014 is $530,602,633.

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, 2014, include equipment with a historical cost of $3,200,869 with accumulated depreciation of $1,004,106 and building improvements of $27,810,128 with accumulated depreciation of $4,176,342.

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, 2014 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2015	$ 3,333
2016	3,625
2017	3,693
2018	3,157
2019	3,240
2020-2024	12,677
2025	1,348
Total minimum lease payments	31,073
Less: amount representing interest	(5,979)
Obligations under capital leases	$ 25,094

H. Certificates of Participation

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

In fiscal year 2014, the NRPC issued $35,785,000 of Lease Revenue Refunding Certificates of Participation Series 2013 at 3.0-5.0% interest to refund the outstanding balances of Lease Revenue Certificates of Participation Series 2004 and 2004B as discussed in Section E of this note. The original Series 2004 and 2004B were to finance the acquisition and construction of the State's Capitol Complex Building 1 and Casa Grande Projects respectively.

In fiscal year 2014, the NRPC issued $50,445,000 of new Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest to finance the State's Nevada State College Project. The Project will be leased to the Nevada System of Higher Education (NSHE), the State's discretely presented component unit, upon the completion of the construction (approximately at the end of fiscal year 2015) pursuant to a Lease Purchase Agreement. Meanwhile, the NRPC has entered into a Ground Lease with respect to the real property on which the Project is located.

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

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

The following schedule presents future certificates of participation payments as of June 30, 2014 (expressed in thousands):

Year Ending June 30	Principal	Interest
2015	$ 2,520	$ 4,345
2016	2,710	4,242
2017	3,845	4,132
2018	4,080	3,957
2019	2,960	3,805
2020-2024	17,315	16,853
2025-2029	21,660	12,298
2030-2034	15,265	7,703
2035-2039	12,105	4,807
2040-2043	11,995	1,536
Total	$ 94,455	$ 63,678

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	$185,153
Net position available	228,633
Net position as a percentage of tuition benefits obligation	123.48%

The actuarial valuation used an investment yield assumption of 6.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2015-16	4.00%	4.00%
2016-17	4.00%	4.00%
2017-18	4.00%	4.00%
2018-19	4.00%	4.00%
2019-20 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.

(Note 9 Continued)

In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2014, and changes for the fiscal year then ended are 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, 2014, there are seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $594,616,576.

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 March 19, 2014, additional Highway Revenue Bonds Series 2014 were issued for $86,020,000 as disclosed in Section A of this note. As of June 30, 2014, the outstanding balance of Highway Improvement Revenue and Refunding bonds is $527,450,000. The total of principal and interest remaining on the bonds is $669,316,630 payable through December 2026. Upon completion of eligible projects, federal aid of $320,183,500 is expected to be received in fiscal year 2015. For the current year, principal and interest paid was $78,642,421 and total motor vehicle fuel and special fuel tax revenues were $266,872,819.

Pledged additional assessments of unemployment contributions - The State has pledged additional assessments on unemployment contributions (special bond contributions), the proceeds derived from the sale of bonds, and related investment earnings to repay $548,900,000 of Unemployment Compensation Fund Special Revenue Bonds issued on November 6, 2013. The revenue bonds were issued for the purposes of repaying the Federal Unemployment Advance as discussed in section M of this note, funding a deposit to the Nevada UITF Account to avoid the need for further advances, funding a deposit to the trustee as a reserve, and paying costs of issuance and related program administrative costs. The previously existing State Unemployment Compensation Law was amended by Chapter 450, Statutes of Nevada, 2013 (the 2013 Act) to create additional powers of assessment and revenue bond issuing authority. The 2013 Act, which was enacted during the 2013 State legislative session, authorizes and directs the State Department of Employment, Training and Rehabilitation to assess and collect special bond contributions from Nevada employers who are obligated to pay unemployment contributions under the State Unemployment Compensation Law. Pursuant to the 2013 Act, special bond contributions must be established at levels sufficient to pay debt service on the bonds. As of June 30, 2014, the entire amount of the above bonds is outstanding. The total principal and interest remaining on the bonds is $608,120,025, payable through June 2018. In fiscal year 2014, interest of $13,644,228 was paid, substantially from remaining bond proceeds, and special bond contributions revenue totaled $57,969,434. As of June 30, 2014, $57,204,386 was held by the trustee for the benefit of the bondholders. Special bond contributions of $160,700,000 are expected to be collected in fiscal year 2015, which, along with assets held by the trustee, will be used to pay the fiscal year 2015 debt service principal and interest of $161,949,950.

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

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

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

M. Federal Unemployment Advance

As of June 30, 2014, the entire amount of advances due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act has been repaid. The repayment of federal advances was made using $540,926,259 of the proceeds of Unemployment Compensation Fund Special Revenue Bonds as discussed in Section L of this note.

N. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2014, 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	$ 460,610	$ 50,595	$ (22,514)	$ 488,691	$ 22,280
Issuance premiums (discounts)	27,384	4,428	(1,774)	30,038	1,892
Total bonds payable	487,994	55,023	(24,288)	518,729	24,172
Obligations under capital leases	3,245	28	(822)	2,451	817
Compensated absences obligations	46,727	30,966	(29,863)	47,830	30,883
Total	$ 537,966	$ 86,017	$ (54,973)	569,010	55,872
Discretely presented component units of the NSHE:					
Capital leases				137	137
Long-term debt				67	67
Total				$ 569,214	$ 56,076

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, 2014 (expressed in thousands):

Year Ending June 30	Principal	Interest
2015	$ 24,172	$ 21,959
2016	24,744	21,444
2017	32,559	20,239
2018	22,422	19,192
2019	22,796	18,272
2020-2024	110,186	76,811
2025-2029	97,886	53,931
2030-2034	105,500	31,884
2035-2039	61,482	10,712
2040-2044	16,982	1,760
Total	$ 518,729	$ 276,204

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
2015	$ 880
2016	762
2017	624
2018	305
Total minimum lease payments	2,571
Less: amount representing interest	(120)
Obligations under capital leases	$ 2,451

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2014, and the changes for the year then ended, consist of the following (expressed in thousands):

(Note 9 Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 70,385	$ 29,475	$ (3,975)	$ 95,885	$ 4,150
Issuance premiums (discounts)	2,915	(174)	(660)	2,081	654
Total bonds payable	73,300	29,301	(4,635)	97,966	4,804
Compensated absences obligations	349	282	(292)	339	207
Total	$ 73,649	$ 29,583	$ (4,927)	$ 98,305	$ 5,011

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
2015	$ 4,150	$ 3,923
2016	4,785	3,957
2017	7,920	3,659
2018	9,020	3,254
2019	3,920	2,960
2020-2024	22,170	12,135
2025-2029	24,075	6,698
2030-2034	6,130	3,508
2035-2039	6,465	2,238
2040-2044	7,250	796
Total	$ 95,885	$ 43,128

Note 10 - 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, 2014, 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.

(Note 10 Continued)

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 and provided by the general partner of the respective investment partnership, based on the most recent financial information available for the underlying companies at the measurement date adjusted for subsequent cash flow activities through June 30, 2014. 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, 2014 were as follows:

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

The State's contribution requirements for the current fiscal year and each of the two preceding years were (expressed in thousands):

	2014	**2013**	**2012**
Primary Government	$ 174,712	$ 162,484	$ 163,219
Component Units:			
Colorado River Commission	523	485	476
Nevada System of Higher Education	29,163	26,750	27,019
Total component units	29,686	27,235	27,495
Total reporting entity	$ 204,398	$ 189,719	$ 190,714
Contributions as % of covered payroll	20%	19%	19%
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.

(Note 10 Continued)

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 recognized as employer contributions 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 recorded as employee contributions 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, 2014, actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2012 and 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:	5-year smoothed market, limited to not less than 75% or greater than 125% of the market value of assets
Assumed inflation rate:	3.5% per annum
Assumed investment rate of return:	8% per annum, net of investment expenses, compounded annually
Mortality rates:	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males)
Salary increases:	3.5%
Disability rates:	Rates assumed to be zero for all ages
Retirement age for active members:	Age 75
Benefit commencement age for inactive vested members:	Age 60
Non re-election rates:	The assumed non re-election rates (termination rates) vary with years of service as shown below:

Years of Service	Rate (%)
0 - 1	0
1 - 2	30
2 - 3	0
3 - 4	22
4 - 5	0
5 - 6	22
6 - 7	0
7 - 8	18
8 - 9	0
9 - 10	18
10 - 11	0
11 - 12	18
13 & over, odd years	0
14 & over, even years	80

(Continued on following page)

(Note 10 Continued)

(Continued from previous page)

	Once a member ceases employment, if he/she has enough service to qualify for a pension (generally ten years), they are assumed to begin receiving their pensions at age 60. If service is not sufficient to qualify for a pension, they are assumed to immediately receive their own accumulated contributions with no further benefit payable. Rates end at age 75.
Form of benefit election:	All active and inactive vested members are assumed to elect a single life annuity at retirement
Annual future salary for member contributions:	$4,400 (projected with assumed salary increases of 3.5% per year)
Post-retirement benefit increases:	For members with an effective date of membership before January 1, 2010, the lessor of: (a) 2.0% per year following the third anniversary of commencement of benefits, 3.0% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4.0% per year following the twelfth anniversary, 5.0% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceeding years. In any event, a member's benefit must be increased by the percentages in paragraph (a) if it 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, the same as above, except the increases in paragraph (a) do not exceed 4.0% per year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

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	2012	$ 182	$ 182	100%	$ -
6/30/12	2013	213	213	100%	-
6/30/12	2014	213	213	100%	-

Funded Status and Funding Progress – As of June 30, 2014, the most recent actuarial valuation date, the LRS was 78% funded. The actuarial accrued liability for benefits was $5.5 million, and the actuarial value of assets was $4.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.2 million. There is no covered payroll, as the stipend received by legislators does not qualify.

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, 2014, the Supreme Court and eleven 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.

(Note 10 Continued)

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.

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. The most recent actuarial valuation, dated June 30, 2014, is based on June 30, 2014 census data and includes 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, and 20 years for each non-state agency
Asset valuation method :	5-year smoothed market
Assumed inflation rate:	3.5% per annum
Assumed investment rate of return:	8%, net of investment expenses, compounded annually
Mortality rates:	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males)
Salary increases:	Less than 4 years of service, increase of 3% per year; 4 years of service, increase of 8% per year; 5 to 11 years of service, increase of 4% per year; 12 or more years of service, increase of 3% per year
Retirement rates:	Retirement rates after completion of five years of service and attainment of the following ages:

Age	Rate per Age
50 - 59	5.0%
60 - 61	15.0%
62 - 64	17.5%
65 - 67	22.5%
68 - 69	25.0%
70	100.0%

Retirement age for inactive vested participants:	Age 60
Disability rates:	None

(Continued on following page)

(Note 10 Continued)

(Continued from previous page)

Withdrawal rates:	5% per year during each of the first four years of service; 0% after four years of service
Post-retirement benefit increases:	For members with an effective date of membership before January 1, 2010, the lessor of: (a) 2.0% per year following the third anniversary of commencement of benefits, 3.0% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4.0% per year following the twelfth anniversary, 5.0% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceeding years.
	In any event, a member's benefit must be increased by the percentages in paragraph (a) if it 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, the same as above, except the increases in paragraph (a) do not exceed 4.0% per year.
	For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

Trend Information - Three-year trend information for the current fiscal year and each of the two preceding fiscal years follows (expressed in thousands):

	2014	2013	2012
Annual required contribution	$ 5,349	$ 5,337	$ 5,407
Interest on net pension obligation	(21)	-	13
Adjustment to annual required contribution	62	-	(38)
Annual pension cost	5,390	5,337	5,382
State contribution made	(5,444)	(5,606)	(5,546)
Increase (decrease) in net pension obligation	(54)	(269)	(164)
Net pension obligation (asset) at beginning of year	(268)	1	165
Net pension obligation (asset) at end of year	$ (322)	$ (268)	$ 1
Percentage of annual pension costs contributed	100%	100%	100%

Funded Status and Funding Progress – As of June 30, 2014, the most recent actuarial valuation date, the JRS was 79% funded. The actuarial accrued liability for benefits was $108.0 million, and the actuarial value of assets was $85.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of $22.4 million. The covered payroll (annual payroll of active employees covered by the plan) was $18.9 million, and the ratio of the UAAL to the covered payroll was 118%.

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.

(Note 10 Continued)

D. Other Postemployment Benefits

Plan Description – The State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program ("PEBP") of the State of Nevada ("Retirees' Fund") was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees' Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees' Fund is a multiple-employer cost sharing defined postemployment benefit plan administered by the Board of the Public Employees' Benefits Program of the State of Nevada. The Retirees' Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees' Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

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

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

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

Contributions and Funding Policy - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2013 through June 30, 2014 the rate assessed was 2.406% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2014, the State, its component units, State Boards and Commissions, and other participating public employers contributed $32,697,856 to the plan, which is 100% of the contractually required contribution. For the years ended June 30, 2013 and 2012 the State, its component units, State Boards and Commissions, and other participating public employers contributed $36,686,124, and $27,881,834, respectively, to the plan, which equaled 100% of the contractually required contribution each year.

Note 11 - Risk Management

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

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

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 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
Claims and changes in estimates	188,296	13,070
Claim payments	(186,033)	(14,331)
Balance June 30, 2014	$ 47,154	$ 65,378
Due Within One Year	$ 47,154	$ 16,920

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, 2014. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are five public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-two public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or their designee.

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

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

B. Insurance Premiums Fund

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

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of $52,989,939 as of June 30, 2014 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, 2014.

(Note 11 Continued)

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, 2014, 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 $4,681,600 to $16,481,100 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, 2014 total liabilities exceeded total assets by $54,176,807. The Fund is liable for approximately $54,000,000 as of June 30, 2014 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 12 - Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports $1,465,876,600 of net position-restricted for the primary government, of which $183,746,549 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, 2014, is shown below (expressed in thousands):

(Note 12 Continued)

	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental Funds	Total Governmental
Fund balances:						
Nonspendable:						
Municipal securities	$ -	$ -	$ 255,620	$ -	$ -	$ 255,620
Long term notes/loans receivable	14,911	-	-	-	-	14,911
Inventory	10,958	15,857	-	-	486	27,301
Advances	3,175	-	-	-	-	3,175
Prepaid items	10,211	2,312	-	-	612	13,135
Permanent fund principal	-	-	-	324,391	468	324,859
Restricted for:						
Capital projects	-		-	-	115,945	115,945
Conservation, parks and land	33,348	-	-	-	14,924	48,272
Debt service	-	-	-	-	26,312	26,312
Environmental protection	7,130	-	-	-	-	7,130
Health and social services	3,246	-	-	-	65,353	68,599
Housing, real estate & mortgage lending	3,652	-	-	-	29,970	33,622
Law, justice, and public safety	2,033	26,340	-	-	11,426	39,799
Other purposes	126	-	-	-	2,083	2,209
Regulation of business	1,790	-	-	-	5,642	7,432
Transportation	-	299,393	-	-	-	299,393
Wildlife	14,016	-	-	-	-	14,016
Committed to:						
Agriculture	5,026	-	-	-	448	5,474
Capital projects	-	-	-	-	7,137	7,137
College savings endowment	7,019	-	-	-	-	7,019
Conservation, parks and land	5,736	-	-	-	244	5,980
Debt service	-	-	3	-	125,875	125,878
Economic development	14,441	-	-	-	4,494	18,935
Education and support services	19,031	-	-	-	-	19,031
Environmental protection	41,353	-	-	-	7,343	48,696
Fiscal emergency	28,061	-	-	-	-	28,061
Gaming control	5,308	-	-	-	-	5,308
Health care financing and policy	32,350	-	-	-	-	32,350
Health and social services	27,584	-	-	-	3,994	31,578
Housing, real estate & mortgage lending	17,609	-	-	-	1,275	18,884
Law and justice	10,205	-	-	-	2,386	12,591
Legislative counsel bureau	27,895	-	-	-	-	27,895
Motor vehicles and public safety	13,623	1,412	-	-	-	15,035
Other purposes	9,184	-	-	-	-	9,184
Regulation of business	8,359	-	-	-	3,224	11,583
State energy office	5,337	-	-	-	-	5,337
Tobacco settlement programs	-	-	-	-	68,987	68,987
Transportation	-	8,443	-	-	-	8,443
Veterans' services	5,990	-	-	-	-	5,990
Welfare services	7,379	-	-	-	-	7,379
Wildlife	14,561	-	-	-	-	14,561
Unassigned:	(135,789)	-	-	-	-	(135,789)
Total fund balances	$ 274,858	$ 353,757	$ 255,623	$ 324,391	$ 498,628	$ 1,707,257

C. Individual Fund Deficit

Nonmajor Special Revenue Funds

Hospital Care to Indigent Persons - The Hospital Care to Indigent Persons Fund 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. The fund recorded a decrease in net position of $373,823 for the year ended June 30, 2014, resulting in negative net position of $190,129 at June 30, 2014.

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 an increase in net position of $1,957,106 for the year ended June 30, 2014, resulting in negative net position of $54,176,807 at June 30, 2014.

Note 13 - Principal Tax Revenues

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

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

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

Modified Business Tax is imposed at different rates for businesses and financial institutions. If the sum of all the wages paid by the employer exceeds $85,000 for the calendar quarter, the tax is 1.17% of the amounts the wages exceed $85,000. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

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

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

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

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

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

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

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

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

Note 14 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, 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 15 - Commitments and Contingencies

A. Primary Government

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

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

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

The State is litigating vigorously a Fair Labor Standards Act action brought by correctional officers against the State of Nevada's Department of Corrections, for back wages and overtime pay. The plaintiffs have yet to provide their actual damage amount. If the plaintiffs are successful in obtaining certification and in proving all of their claims, the back wages and overtime pay for three years could result in liability of $40.0 million or more.

In litigation filed against the Department of Taxation (DOT), the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the DOT as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is $113.6 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation has litigated vigorously two lawsuits of like nature against utility companies. The lawsuits arose out of claims for the refund of $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. The State won both cases in the Nevada Supreme Court and the 1st Judicial District Court. The utility companies have yet to appeal. The use tax distribution is shared between the State, counties and local governments. If the utility companies appeal and are successful, the State's exposure upon a potentially unfavorable outcome is $43.1 million.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between the State and Lehman Brothers Commercial Bank, a Utah industrial bank (LBCB). LBCB claimed that as a result of the termination, the State owed LBCB $30.0 million. The State prevailed on the merits in state district court. LBCB has appealed that decision to the Nevada Supreme Court. In August of 2014 the briefing on the matter concluded and the Court has ordered the matter submitted for decision without oral argument. A decision could be issued at any time.

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

PERS - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional $967.6 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, 2014 amounted to $35.6 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, 2014 (expressed in thousands):

(Note 15 Continued)

For the Year Ending June 30	Amount
2015	$ 26,739
2016	21,535
2017	17,486
2018	12,566
2019	9,409
2020-2024	24,985
2025-2029	5,779
2030-2034	527
Total	$ 119,026

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, 2014, 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 $571,000 and has been recorded as a liability in the Statement of Net Position at June 30, 2014. Future calculations might result in different rebatable arbitrage amounts.

Nonexchange Financial Guarantees – The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed $40 million. Total bond guarantees at June 30, 2014 were $200.4 million which includes accrued interest of $1.3 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

Encumbrances – As of June 30, 2014, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	$ 8,838
State Highway	3,976
Nonmajor governmental funds	260
Total	$ 13,074

Construction Commitments – As of June 30, 2014, the Nevada Department of Transportation had total contractual commitments of approximately $127.4 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $24.1 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2014, NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net position, changes in net position or cash flows of NSHE.

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

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the NSHE cannot be reasonably determined as of June 30, 2014.

The NSHE receives Federal grants and awards, and amounts are subject to change based on outcomes of Federal audits. Management believes any changes made will not materially

(Note 15 Continued)

affect the net position, changes in net position or cash flows of the NSHE.

The estimated cost to complete property authorized or under construction at June 30, 2014 is $193.0 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

The Board of Regents, at its June 6, 2014 meeting, approved the issuance of a Promissory Note in an amount up to $2.0 million. The authorized note is not expected to be issued until calendar year 2015.

The Board of Regents approved at its June 6, 2014 meeting the issuance of up to $85.0 million of State of Nevada General Obligation (Limited Tax) University System Bonds (Revenue Supported). These bonds will be secured by a general obligation of the State of Nevada and pledged revenues collected by the State. The bonds are expected to be issued during fiscal year 2015.

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

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

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has commitments to the Silver State Opportunity Fund of $50.0 million (the First Tranche). As of June 30, 2014, the NCIC has fulfilled $5.7 million of its total commitment. The NCIC has the right, but not the obligation, to increase its capital commitment by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 16 - Subsequent Events

A. Primary Government

Nevada Housing Division – On September 22, 2014, the Division launched the Home is Possible Down Payment (HiP-D) Grant program to offer single-family mortgages to qualified homeowners. The HiP-D program uses the To Be Announced (TBA) pass-through securities market to generate funds for mortgage loans. The TBA model provides for the generation of a significant premium on the sale of pooled mortgage-backed securities and provides a positive revenue stream to the Division. Via the HiP-D program, the Division's network of approved lenders fund loans and associated down payment grants on behalf of the Division. The lenders then sell the loans to the Division's master servicer, U.S. Bank. The Division has partnered with Raymond James as its investment partner who buys the securitized mortgage pools provided by the master servicer. Raymond James assumes all of the TBA hedging risk in this program and the Division, as the programs sponsor, receives a fee from each completed loan.

B. Discretely Presented Component Units

Nevada System of Higher Education – The Board of Regents, at its June 6, 2014 meeting, approved the issuance of up to $36.2 million of NSHE Certificates of Participation. NSHE issued $34.2 million of such certificates on August 7, 2014.

The Board of Regents, at its June 6, 2014 meeting, approved the issuance of a promissory Note in an amount up to $16.0 million. On August 14, 2014, NSHE issued such note as a draw-down line of credit with an initial draw of $100,000.

C. New Accounting Pronouncement

For the year ended June 30, 2014, the State adopted Governmental Accounting Standards Board (GASB) Statement No. 67*, Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. In conjunction with GASB No. 67, pension plan participating employers are required to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* (effective for fiscal years beginning after June 15, 2014). This Statement establishes accounting and financial reporting requirements for contributing employers related to the recognition of pension expense and pension liabilities. Prior to this standard, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be proportioned among the participating employers.

Note 17 - Accounting Changes and Restatements

The State implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, in the current year which changed classifications on the Statement of Net Position to include new categories for deferred outflows of resources and deferred inflows of resources. The Statement of Net Position shows $15,590,000 in deferred outflows of resources and $704,000 in deferred inflows of resources at June 30, 2014.

Required Supplementary Information

Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources				
Fund balances, July 1	$ 723,100,929	$ 723,100,929	$ 723,100,929	$ -
Revenues:				
Sales taxes	969,852,700	969,852,700	967,706,171	(2,146,529)
Gaming taxes, fees, licenses	871,705,421	871,705,421	881,839,657	10,134,236
Intergovernmental	2,405,052,919	2,769,343,119	2,416,191,428	(353,151,691)
Other taxes	1,373,173,165	1,400,134,773	1,334,278,598	(65,856,175)
Sales, charges for services	205,819,415	225,814,924	211,948,671	(13,866,253)
Licenses, fees and permits	573,960,891	598,856,774	589,655,179	(9,201,595)
Interest	8,721,423	9,345,442	1,630,405	(7,715,037)
Other	297,402,334	343,198,237	291,461,908	(51,736,329)
Other financing sources:				
Proceeds from sale of bonds	-	3,253,000	3,257,915	4,915
Transfers	548,842,572	738,761,089	612,674,051	(126,087,038)
Reversions from other funds	-	-	1,703,169	1,703,169
Total sources	7,977,631,769	8,653,366,408	8,035,448,081	(617,918,327)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officials	193,355,973	200,688,036	168,611,074	32,076,962
Legislative and judicial	95,225,125	97,799,768	65,940,744	31,859,024
Finance and administration	80,783,112	84,117,808	64,269,344	19,848,464
Education	2,742,391,078	2,884,409,499	2,740,544,271	143,865,228
Human services	3,519,626,351	3,734,030,262	3,446,837,196	287,193,066
Commerce and industry	361,909,630	394,411,340	304,888,654	89,522,686
Public safety	402,573,124	438,984,552	382,108,839	56,875,713
Infrastructure	310,086,686	393,052,182	178,112,420	214,939,762
Special purpose agencies	50,632,720	106,223,769	61,197,806	45,025,963
Other financing uses:				
Transfers to other funds	34,836,180	42,374,764	42,374,764	-
Reversions to other funds	-	-	580,795	(580,795)
Projected reversions	(40,000,000)	(40,000,000)	-	(40,000,000)
Total uses	7,751,419,979	8,336,091,980	7,455,465,907	880,626,073
Fund balances, June 30	$ 226,211,790	$ 317,274,428	$ 579,982,174	$ 262,707,746

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ 131,663,989	$ 131,663,989	$ 131,663,989	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
321,846,293	354,935,550	332,901,740	(22,033,810)	-	-	-	-
300,456,700	312,238,381	308,031,749	(4,206,632)	-	-	-	-
16,781,007	17,239,407	18,001,798	762,391	-	-	-	-
185,422,107	195,278,438	194,564,353	(714,085)	-	-	-	-
202,814	556,215	575,580	19,365	16,328,629	16,328,629	11,027,602	(5,301,027)
47,872,887	28,742,375	23,983,484	(4,758,891)	-	-	4,815,000	4,815,000
-	100,026,125	100,018,664	(7,461)	-	-	-	-
11,592,815	20,025,142	18,970,417	(1,054,725)	-	-	-	-
-	-	-	-	-	-	-	-
1,015,838,612	1,160,705,622	1,128,711,774	(31,993,848)	16,328,629	16,328,629	15,842,602	(486,027)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
194,084,818	202,569,562	178,411,690	24,157,872	-	-	-	-
614,173,155	789,198,769	541,256,921	247,941,848	-	-	-	-
-	-	-	-	-	-	-	-
73,869,114	75,563,773	75,563,773	-	16,328,629	16,328,629	15,840,391	488,238
-	-	33,476	(33,476)	-	-	-	-
(46,302,875)	(130,302,875)	-	(130,302,875)	-	-	-	-
835,824,212	937,029,229	795,265,860	141,763,369	16,328,629	16,328,629	15,840,391	488,238
$ 180,014,400	$ 223,676,393	$ 333,445,914	$109,769,521	$ -	$ -	$ 2,211	$ 2,211

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 27 are reported instead of the amounts disclosed in the original budget. The August 27, 2014 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, 2014 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, 2014	$ 579,982	$ 333,446	$ 2
Adjustments:			
Basis differences:			
Petty cash or outside bank accounts	3,921	172	-
Investments not recorded on the budgetary basis	10,858	-	255,620
Accrual of certain other receivables	204,528	726	1
Inventory	10,958	18,155	-
Advances to other funds	8,505	-	-
Accrual of certain accounts payable and other liabilities	(325,412)	-	-
Unearned revenues	(138,241)	-	-
Deferred inflows - unavailable	(99,155)	-	-
Encumbrances	8,838	3,976	-
Other	(1,242)	(2,718)	-
Perspective differences:			
Special revenue fund reclassified to General Fund for GAAP purposes	11,318	-	-
Fund balances (GAAP basis) June 30, 2014	$ 274,858	$ 353,757	$ 255,623

Total fund balance on the budgetary basis in the General Fund at June 30, 2014, 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)	$ 579,982
Restricted funds	(403,540)
Unrestricted fund balance (budgetary basis)	$ 176,442

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. Beginning with July 1, 2010, the Plan changed the biennial valuation 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
07/01/10	$ 5,608	$ 4,134	$ 1,474	74%	N/A	N/A
06/30/12	5,578	3,806	1,772	68%	N/A	N/A
06/30/14	5,550	4,303	1,247	78%	N/A	N/A

*Stipend legislators received does not qualify as payroll for purposes of GASB 67/68

Trends can be affected by the assets of the Plan, investment experience (favorable or unfavorable), characteristics of the covered members and beneficiaries, salary experience and retirement experience. 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, 2014, is based on financial data as of that date. 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
06/30/12	$ 93,133	$ 63,934	$ 29,199	69%	$ 16,635	176%
06/30/13	102,125	73,887	28,238	72%	17,186	164%
06/30/14	107,994	85,612	22,382	79%	18,934	118%

Trends can be affected by the assets of the Plan, investment experience (favorable or unfavorable), characteristics of the covered members and beneficiaries, salary experience and retirement experience. 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. 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 condition assessments show the condition level of the roadways for categories IV and V below the State's minimum percentage. Categories IV and V are non-national highway system roadways. Management is aware of the decline and will continue to monitor the results of future condition assessments. Considering the results of all three condition assessments together, they provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established. 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 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%

Condition Level of the Bridges

Percentage of substandard bridges

	2012	2011	2009
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	5%

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)

	2014	2013	2012	2011	2010
Estimated	$ 433,338	$ 402,650	$ 322,210	$ 490,910	$ 181,054
Actual	360,904	325,313	304,333	404,871	151,448

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

Combining Statements and Schedules

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

Nonmajor Permanent Fund

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

Combining Balance Sheet
Nonmajor Governmental Funds

NEVADA

June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 220,448,142	$ 145,601,550	$ 88,985,640	$ 50,416	$ 455,085,748
Cash in custody of other officials	104,262,958	-	-	-	104,262,958
Investments	1,503,907	-	-	-	1,503,907
Receivables:					
Accounts receivable	21,982,056	-	-	-	21,982,056
Taxes receivable	4,088,292	-	-	-	4,088,292
Intergovernmental receivables	7,152,110	767,714	1,089,200	-	9,009,024
Accrued interest and dividends	2,112	-	-	-	2,112
Other receivables	-	-	310,000	-	310,000
Due from other funds	13,109,051	648,307	2,905,324	134	16,662,816
Due from fiduciary funds	864,807	-	-	-	864,807
Due from component units	430	-	-	-	430
Inventory	485,916	-	-	-	485,916
Advances to other funds	-	903,819	-	-	903,819
Prepaid items	612,383	-	-	-	612,383
Total assets	$ 374,512,164	$ 147,921,390	$ 93,290,164	$ 50,550	$ 615,774,268
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 7,484,856	$ 263,495	$ 45,622	$ -	$ 7,793,973
Accrued payroll and related liabilities	3,038,629	-	-	-	3,038,629
Intergovernmental payables	1,312,560	-	-	-	1,312,560
Interest payable	-	2,386,356	-	-	2,386,356
Contracts payable	-	-	4,328,711	-	4,328,711
Retention payable	-	-	519,917	-	519,917
Due to other funds	41,602,885	55,604	810,261	124	42,468,874
Due to fiduciary funds	5,602	-	-	-	5,602
Due to component units	1,401,238	27,062	10,757,369	-	12,185,669
Unearned revenues	1,243,211	-	-	-	1,243,211
Other liabilities	22,142,027	-	-	-	22,142,027
Total liabilities	78,231,008	2,732,517	16,461,880	124	97,425,529
Deferred Inflows of Resources					
Unavailable revenue:					
Sales and charges for services	3,796	-	-	-	3,796
Settlement income	19,000,000	-	-	-	19,000,000
Interest	344,317	20,950	978	31	366,276
Other	350,143	-	-	-	350,143
Total deferred inflows of resources	19,698,256	20,950	978	31	19,720,215
Fund Balances					
Nonspendable	1,536,310	-	-	30,000	1,566,310
Restricted	175,632,754	26,312,106	69,690,637	20,395	271,655,892
Committed	99,413,836	118,855,817	7,136,669	-	225,406,322
Total fund balances	276,582,900	145,167,923	76,827,306	50,395	498,628,524
Total liabilities, deferred inflows of resources and fund balances	$ 374,512,164	$ 147,921,390	$ 93,290,164	$ 50,550	$ 615,774,268

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

NEVADA

For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	$ 13,863,433	$ -	$ -	$ -	$ 13,863,433
Property and transfer taxes	11,627,930	134,627,753	-	-	146,255,683
Motor and special fuel taxes	-	70,100,866	-	-	70,100,866
Other taxes	106,603,199	-	-	-	106,603,199
Intergovernmental	83,918,707	7,787,880	4,728,676	-	96,435,263
Licenses, fees and permits	24,549,211	-	-	-	24,549,211
Sales and charges for services	16,382,902	477,453	-	-	16,860,355
Interest and investment income	3,939,122	893,446	11	323	4,832,902
Settlement income	40,120,320	-	-	-	40,120,320
Other	5,936,569	-	3,417,690	-	9,354,259
Total revenues	306,941,393	213,887,398	8,146,377	323	528,975,491
Expenditures					
Current:					
General government	348,397	332,764	-	-	681,161
Health and social services	103,165,238	-	-	-	103,165,238
Education and support services	652,998	-	-	-	652,998
Law, justice and public safety	27,043,743	-	-	-	27,043,743
Regulation of business	21,121,493	-	-	-	21,121,493
Recreation, resource development	27,829,075	-	-	-	27,829,075
Intergovernmental	26,027,890	167,250	10,000,000	-	36,195,140
Capital outlay	4,540,718	-	25,200,109	-	29,740,827
Debt service:					
Principal	-	164,200,000	-	-	164,200,000
Interest, fiscal charges	1,250,684	104,309,595	-	-	105,560,279
Debt issuance costs	849,109	76,400	609,532	-	1,535,041
Arbitrage payments	236,602	-	-	-	236,602
Total expenditures	213,065,947	269,086,009	35,809,641	-	517,961,597
Excess (deficiency) of revenues over expenditures	93,875,446	(55,198,611)	(27,663,264)	323	11,013,894
Other Financing Sources (Uses)					
Sale of general obligation bonds	1,455,000	-	50,430,000	-	51,885,000
Sale of general obligation refunding bonds	-	4,125,000	-	-	4,125,000
Premium on general obligation bonds	76,761	391,244	5,684,788	-	6,152,793
Payment to refunded bond agent	-	(4,424,628)	-	-	(4,424,628)
Sale of certificates of participation	50,445,000	-	-	-	50,445,000
Sale of refunding certificates of participation	35,785,000	-	-	-	35,785,000
Premium on certificates of participation	2,794,120	-	-	-	2,794,120
Payment to refunded certificates of participation agent	(42,799,477)	-	-	-	(42,799,477)
Sale of capital assets	55,559	-	-	-	55,559
Transfers in	20,985,871	40,519,426	6,909,313	-	68,414,610
Transfers out	(119,827,551)	(1,007,839)	(61,070)	(124)	(120,896,584)
Total other financing sources (uses)	(51,029,717)	39,603,203	62,963,031	(124)	51,536,393
Net change in fund balances	42,845,729	(15,595,408)	35,299,767	199	62,550,287
Fund balances, July 1	233,737,171	160,763,331	41,527,539	50,196	436,078,237
Fund balances, June 30	$ 276,582,900	$ 145,167,923	$ 76,827,306	$ 50,395	$ 498,628,524

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2014

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 12,244,248	$ -	$ 12,595,872	$ 4,995,467
Cash in custody of other officials	125	57,204,386	500	-
Investments	-	-	-	-
Receivables:				
Accounts receivable	7,441	-	608,764	-
Taxes receivable	233,579	-	-	-
Intergovernmental receivables	6,580,367	-	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	2,259,347	42,784	144,950	9,550,569
Due from fiduciary funds	-	-	-	-
Due from component units	430	-	-	-
Inventory	-	-	-	-
Prepaid items	374,261	-	144,278	-
Total assets	$ 21,699,798	$ 57,247,170	$ 13,494,364	$ 14,546,036
Liabilities				
Accounts payable and accruals:				
Accounts payable	$ 2,465,061	$ -	$ 192,855	$ 750
Accrued payroll and related liabilities	1,689,232	-	829,490	-
Intergovernmental payables	744,335	-	27	-
Due to other funds	4,592,549	2,006,504	645,906	7,526,295
Due to fiduciary funds	56	-	28	-
Due to component units	24,966	-	7,500	-
Unearned revenues	-	-	1,243,211	-
Other liabilities	-	-	-	-
Total liabilities	9,516,199	2,006,504	2,919,017	7,527,045
Deferred Inflows of Resources				
Unavailable revenue:				
Sales and charges for services	-	-	3,796	-
Settlement income	-	-	-	-
Interest	223,334	9,977	4,808	-
Other	-	-	-	-
Total deferred inflows of resources	223,334	9,977	8,604	-
Fund Balances				
Nonspendable	374,261	-	144,278	-
Restricted	8,462,811	55,230,689	5,474,787	-
Committed	3,123,193	-	4,947,678	7,018,991
Total fund balances	11,960,265	55,230,689	10,566,743	7,018,991
Total liabilities, deferred inflows of resources and fund balances	$ 21,699,798	$ 57,247,170	$ 13,494,364	$ 14,546,036

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement
$ 11,208,274	$ 12,226,517	$ 3,579,974	$ 4,399,841	$ 74,104,619	$ 31,397,807
-	-	-	-	-	-
-	-	-	-	-	-
700	-	-	752,446	19,000,000	-
-	444,013	3,410,700	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,583	33,828	95,194	44,197	313,823	124,609
-	-	-	811,520	-	-
-	-	-	-	-	-
-	-	-	300,730	-	-
-	-	16,385	46,922	3,724	2,234
$ 11,240,557	$ 12,704,358	$ 7,102,253	$ 6,355,656	$ 93,422,166	$ 31,524,650
$ 348,811	$ 377	$ 2,012,237	$ 431,805	$ 668,807	$ 621,243
243	-	105,265	205,636	17,489	20,577
-	-	311,416	250	115,357	-
3,541,591	12,886,222	162,974	258,176	4,575,142	882,907
-	-	-	5,518	-	-
-	-	-	-	16,612	-
-	-	-	-	-	-
-	-	-	-	-	-
3,890,645	12,886,599	2,591,892	901,385	5,393,407	1,524,727
-	-	-	-	-	-
-	-	-	-	19,000,000	-
7,288	7,888	-	10,213	38,081	27,352
-	-	-	350,143	-	-
7,288	7,888	-	360,356	19,038,081	27,352
-	-	16,385	347,652	3,724	2,234
-	-	-	4,746,263	-	29,970,337
7,342,624	(190,129)	4,493,976	-	68,986,954	-
7,342,624	(190,129)	4,510,361	5,093,915	68,990,678	29,972,571
$ 11,240,557	$ 12,704,358	$ 7,102,253	$ 6,355,656	$ 93,422,166	$ 31,524,650

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 2,344,119	$ 14,959,817	$ 481,593	$ 35,909,994	$ 220,448,142
Cash in custody of other officials	14,552	-	46,902,349	141,046	104,262,958
Investments	252,288	-	-	1,251,619	1,503,907
Receivables:					
Accounts receivable	2,655	-	-	1,610,050	21,982,056
Taxes receivable	-	-	-	-	4,088,292
Intergovernmental receivables	-	-	-	571,743	7,152,110
Accrued interest and dividends	2,112	-	-	-	2,112
Due from other funds	8,642	36,335	243,244	179,946	13,109,051
Due from fiduciary funds	-	-	-	53,287	864,807
Due from component units	-	-	-	-	430
Inventory	-	-	-	185,186	485,916
Prepaid items	-	-	-	24,579	612,383
Total assets	$ 2,624,368	$ 14,996,152	$ 47,627,186	$ 39,927,450	$ 374,512,164
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 22,103	$ 7,086	$ -	$ 713,721	$ 7,484,856
Accrued payroll and related liabilities	-	-	-	170,697	3,038,629
Intergovernmental payables	500	140,371	-	304	1,312,560
Due to other funds	-	94,386	20,630	4,409,603	41,602,885
Due to fiduciary funds	-	-	-	-	5,602
Due to component units	-	-	1,352,160	-	1,401,238
Unearned revenues	-	-	-	-	1,243,211
Other liabilities	-	-	-	22,142,027	22,142,027
Total liabilities	22,603	241,843	1,372,790	27,436,352	78,231,008
Deferred Inflows of Resources					
Unavailable revenue:					
Sales and charges for services	-	-	-	-	3,796
Settlement income	-	-	-	-	19,000,000
Interest	1,613	8,196	-	5,567	344,317
Other	-	-	-	-	350,143
Total deferred inflows of resources	1,613	8,196	-	5,567	19,698,256
Fund Balances					
Nonspendable	-	-	-	647,776	1,536,310
Restricted	2,355,950	14,746,113	46,254,396	8,391,408	175,632,754
Committed	244,202	-	-	3,446,347	99,413,836
Total fund balances	2,600,152	14,746,113	46,254,396	12,485,531	276,582,900
Total liabilities, deferred inflows of resources and fund balances	$ 2,624,368	$ 14,996,152	$ 47,627,186	$ 39,927,450	$ 374,512,164

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

For the Fiscal Year Ended June 30, 2014

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 13,863,433
Property and transfer taxes	-	-	-	-
Other taxes	12,728,531	57,969,434	59,480	-
Intergovernmental	79,939,941	-	535,204	-
Licenses, fees and permits	311,712	-	19,322,482	-
Sales and charges for services	754,484	-	4,347	-
Interest and investment income	101,727	33,293	53,676	-
Settlement income	-	-	-	-
Other	1,117	-	967,469	-
Total revenues	93,837,512	58,002,727	20,942,658	13,863,433
Expenditures				
Current:				
General government	-	-	-	-
Health and social services	95,934,345	-	-	-
Education and support services	-	-	-	-
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	20,760,229	-
Recreation, resource development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	183	325
Debt issuance costs	-	-	-	-
Arbitrage payments	-	-	-	-
Total expenditures	95,934,345	-	20,760,412	325
Excess (deficiency) of revenues over expenditures	(2,096,833)	58,002,727	182,246	13,863,108
Other Financing Sources (Uses)				
Sale of general obligation bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Sale of certificates of participation	-	-	-	-
Sale of refunding certificates of participation	-	-	-	-
Premium on certificates of participation	-	-	-	-
Payment to refunded certificates of participation agent	-	-	-	-
Sale of capital assets	1,754	-	53,805	-
Transfers in	4,260,916	-	212,557	-
Transfers out	(8,602,174)	(2,772,038)	(422,977)	(11,687,375)
Total other financing sources (uses)	(4,339,504)	(2,772,038)	(156,615)	(11,687,375)
Net change in fund balances	(6,436,337)	55,230,689	25,631	2,175,733
Fund balances, July 1	18,396,602	-	10,541,112	4,843,258
Fund balances, June 30	$ 11,960,265	$ 55,230,689	$ 10,566,743	$ 7,018,991

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement
$ -	$ -	$ -	$ -	$ -	$ -
-	11,627,930	-	-	-	-
12,905,650	-	19,279,041	-	-	-
-	1,279,803	-	-	-	-
418,312	-	11,357	-	-	-
-	-	-	15,040,324	-	-
86,884	189,681	2,077	23,027	287,692	1,246,690
-	-	-	-	40,120,320	-
-	-	6,520	9,958	47,144	-
13,410,846	13,097,414	19,298,995	15,073,309	40,455,156	1,246,690
-	-	-	-	344,760	-
-	60,000	-	-	7,124,022	-
-	-	-	-	-	-
-	-	-	11,543,963	-	3,778,943
-	-	-	-	-	-
8,457,791	-	14,766,354	-	-	-
365,600	535,424	-	-	24,832,856	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,823,391	595,424	14,766,354	11,543,963	32,301,638	3,778,943
4,587,455	12,501,990	4,532,641	3,529,346	8,153,518	(2,532,253)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	69,873	-	14,951,008	-
(4,554,688)	(12,875,813)	(4,451,069)	(1,977,021)	(18,305,012)	(50,623,541)
(4,554,688)	(12,875,813)	(4,381,196)	(1,977,021)	(3,354,004)	(50,623,541)
32,767	(373,823)	151,445	1,552,325	4,799,514	(53,155,794)
7,309,857	183,694	4,358,916	3,541,590	64,191,164	83,128,365
$ 7,342,624	$ (190,129)	$ 4,510,361	$ 5,093,915	$ 68,990,678	$ 29,972,571

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues					
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ -	$ 13,863,433
Property and transfer taxes	-	-	-	-	11,627,930
Other taxes	-	-	-	3,661,063	106,603,199
Intergovernmental	-	7,797	-	2,155,962	83,918,707
Licenses, fees and permits	-	-	-	4,485,348	24,549,211
Sales and charges for services	-	-	-	583,747	16,382,902
Interest and investment income	58,664	161,263	1,402,200	292,248	3,939,122
Settlement income	-	-	-	-	40,120,320
Other	636,661	346	2,699,768	1,567,586	5,936,569
Total revenues	695,325	169,406	4,101,968	12,745,954	306,941,393
Expenditures					
Current:					
General government	-	-	3,637	-	348,397
Health and social services	45,193	-	-	1,678	103,165,238
Education and support services	5,583	-	-	647,415	652,998
Law, justice and public safety	-	-	-	11,720,837	27,043,743
Regulation of business	-	-	-	361,264	21,121,493
Recreation, resource development	202,798	4,402,132	-	-	27,829,075
Intergovernmental	-	294,010	-	-	26,027,890
Capital outlay	-	-	4,540,718	-	4,540,718
Debt service:					
Interest	-	-	1,250,176	-	1,250,684
Debt issuance costs	-	29,670	819,439	-	849,109
Arbitrage payments	-	236,602	-	-	236,602
Total expenditures	253,574	4,962,414	6,613,970	12,731,194	213,065,947
Excess (deficiency) of revenues over expenditures	441,751	(4,793,008)	(2,512,002)	14,760	93,875,446
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	1,455,000	-	-	1,455,000
Premium on general obligation bonds	-	76,761	-	-	76,761
Sale of certificates of participation	-	-	50,445,000	-	50,445,000
Sale of refunding certificates of participation	-	-	35,785,000	-	35,785,000
Premium on certificates of participation	-	-	2,794,120	-	2,794,120
Payment to refunded certificates of participation agent	-	-	(42,799,477)	-	(42,799,477)
Sale of capital assets	-	-	-	-	55,559
Transfers in	3,420	10,000	1,003,931	474,166	20,985,871
Transfers out	-	(343,923)	(3,019,775)	(192,145)	(119,827,551)
Total other financing sources (uses)	3,420	1,197,838	44,208,799	282,021	(51,029,717)
Net change in fund balances	445,171	(3,595,170)	41,696,797	296,781	42,845,729
Fund balances, July 1	2,154,981	18,341,283	4,557,599	12,188,750	233,737,171
Fund balances, June 30	$ 2,600,152	$ 14,746,113	$ 46,254,396	$ 12,485,531	$ 276,582,900

Combining Balance Sheet
Other Nonmajor Governmental Funds

June 30, 2014

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 119,289,444	$ 26,312,106	$ 145,601,550	$ 251,416	$ 655,579
Receivables:					
Intergovernmental receivables	767,714	-	767,714	-	-
Other receivables	-	-	-	-	-
Due from other funds	648,307	-	648,307	235,833	49,437
Advances to other funds	903,819	-	903,819	-	-
Total assets	$ 121,609,284	$ 26,312,106	$ 147,921,390	$ 487,249	$ 705,016
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 263,495	$ -	$ 263,495	$ 12	$ 295
Interest payable	2,386,356	-	2,386,356	-	-
Contracts payable	-	-	-	49,255	74,464
Retentions payable	-	-	-	-	-
Due to other funds	55,604	-	55,604	387,331	407,983
Due to component units	27,062	-	27,062	-	-
Total liabilities	2,732,517	-	2,732,517	436,598	482,742
Deferred Inflows of Resources					
Unavailable revenue:					
Interest	20,950	-	20,950	-	-
Total deferred inflows of resources	20,950	-	20,950	-	-
Fund Balances					
Restricted	-	26,312,106	26,312,106	-	-
Committed	118,855,817	-	118,855,817	50,651	222,274
Total fund balances	118,855,817	26,312,106	145,167,923	50,651	222,274
Total liabilities, deferred inflows of resources and fund balances	$ 121,609,284	$ 26,312,106	$ 147,921,390	$ 487,249	$ 705,016

Capital Projects Funds						
CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
$ 3,684	$ 8,565,399	$ 33,929,881	$ 33,875,840	$ 11,563,334	$ 140,507	$ 88,985,640
-	-	-	93,184	988,550	7,466	1,089,200
-	-	310,000	-	-	-	310,000
-	2,504,194	-	-	23,649	92,211	2,905,324
-	-	-	-	-	-	-
$ 3,684	$ 11,069,593	$ 34,239,881	$ 33,969,024	$ 12,575,533	$ 240,184	$ 93,290,164
$ -	$ 1,325	$ 5,221	$ 2,241	$ 7	$ 36,521	$ 45,622
-	-	-	-	-	-	-
-	309,561	1,638,050	471,869	1,701,750	83,762	4,328,711
-	360	238,894	124,088	156,575	-	519,917
-	-	3,030	-	25	11,892	810,261
-	10,757,369	-	-	-	-	10,757,369
-	11,068,615	1,885,195	598,198	1,858,357	132,175	16,461,880
-	978	-	-	-	-	978
-	978	-	-	-	-	978
3,684	-	26,897,850	32,977,639	9,703,455	108,009	69,690,637
-	-	5,456,836	393,187	1,013,721	-	7,136,669
3,684	-	32,354,686	33,370,826	10,717,176	108,009	76,827,306
$ 3,684	$ 11,069,593	$ 34,239,881	$ 33,969,024	$ 12,575,533	$ 240,184	$ 93,290,164

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

For the Fiscal Year Ended June 30, 2014

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Revenues					
Property and transfer taxes	$ 134,627,753	$ -	$ 134,627,753	$ -	$ -
Motor and special fuel taxes	-	70,100,866	70,100,866	-	-
Intergovernmental	7,787,880	-	7,787,880	3,350	-
Sales and charges for services	477,453	-	477,453	-	-
Interest and investment income	893,446	-	893,446	11	-
Other	-	-	-	-	-
Total revenues	143,786,532	70,100,866	213,887,398	3,361	-
Expenditures					
Current:					
General government	332,764	-	332,764	-	-
Intergovernmental	167,250	-	167,250	-	-
Capital outlay	-	-	-	516,119	496,530
Debt service:					
Principal	107,980,000	56,220,000	164,200,000	-	-
Interest	81,887,175	22,422,420	104,309,595	-	-
Debt issuance costs	76,400	-	76,400	-	-
Total expenditures	190,443,589	78,642,420	269,086,009	516,119	496,530
Excess (deficiency) of revenues over expenditures	(46,657,057)	(8,541,554)	(55,198,611)	(512,758)	(496,530)
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	-	-	-	-
Sale of general obligation refunding bonds	4,125,000	-	4,125,000	-	-
Premium on general obligation bonds	391,244	-	391,244	-	-
Payment to refunded bond agent	(4,424,628)	-	(4,424,628)	-	-
Transfers in	40,519,426	-	40,519,426	471,022	718,804
Transfers out	(1,007,839)	-	(1,007,839)	-	-
Total other financing sources (uses)	39,603,203	-	39,603,203	471,022	718,804
Net change in fund balances	(7,053,854)	(8,541,554)	(15,595,408)	(41,736)	222,274
Fund balances, July 1	125,909,671	34,853,660	160,763,331	92,387	-
Fund balances, June 30	$ 118,855,817	$ 26,312,106	$ 145,167,923	$ 50,651	$ 222,274

Capital Projects Funds						
CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	106,984	4,289,572	328,770	4,728,676
-	-	-	-	-	-	-
-	-	-	-	-	-	11
1,070	-	3,416,620	-	-	-	3,417,690
1,070	-	3,416,620	106,984	4,289,572	328,770	8,146,377
-	-	-	-	-	-	-
-	10,000,000	-	-	-	-	10,000,000
3,208	-	11,114,015	4,513,201	7,548,852	1,008,184	25,200,109
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	109,815	228,479	237,104	34,134	-	609,532
3,208	10,109,815	11,342,494	4,750,305	7,582,986	1,008,184	35,809,641
(2,138)	(10,109,815)	(7,925,874)	(4,643,321)	(3,293,414)	(679,414)	(27,663,264)
-	9,085,626	18,903,376	19,616,934	2,824,064	-	50,430,000
-	-	-	-	-	-	-
-	1,024,189	2,130,908	2,211,345	318,346	-	5,684,788
-	-	-	-	-	-	-
-	-	3,887,888	-	1,239,004	592,595	6,909,313
(1,070)	-	(40,000)	-	(20,000)	-	(61,070)
(1,070)	10,109,815	24,882,172	21,828,279	4,361,414	592,595	62,963,031
(3,208)	-	16,956,298	17,184,958	1,068,000	(86,819)	35,299,767
6,892	-	15,398,388	16,185,868	9,649,176	194,828	41,527,539
$ 3,684	$ -	$ 32,354,686	$ 33,370,826	$ 10,717,176	$ 108,009	$ 76,827,306

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

	Final Budget	Actual	Variance
General Fund Unbudgeted Activity/Refunds	$ -	$ 2,527,552	$ (2,527,552)
Elected Officials			
Office of the Governor	2,232,955	2,189,360	43,595
Governor's Mansion Maintenance	307,472	282,684	24,788
Governor's Washington Office	253,256	253,256	-
Ethics Commission	787,866	694,959	92,907
High Level Nuclear Waste	1,208,731	1,064,447	144,284
Governor's Office Energy Conservation	4,370,881	3,954,070	416,811
Renewable Energy/Energy Efficiency Loan Program	6,676,354	1,708,924	4,967,430
Renewable Energy	5,890,280	553,118	5,337,162
Lieutenant Governor	494,211	471,318	22,893
Attorney General Administrative Account	27,584,396	26,507,402	1,076,994
Attorney General Extradition Coordinator	670,428	658,164	12,264
Attorney General Special Fund	3,585,490	1,743,891	1,841,599
Attorney General Workers' Compensation Fraud	4,024,784	3,711,575	313,209
Attorney General Crime Prevention	277,405	269,020	8,385
Attorney General Medicaid Fraud	4,329,349	1,872,480	2,456,869
Attorney General Violence Against Women Grants	4,600,251	2,285,626	2,314,625
Attorney General Council For Prosecuting Attorneys	394,546	200,087	194,459
Attorney General Victims of Domestic Violence	522,182	381,632	140,550
Private Investigators Licensing Board	1,378,475	1,177,812	200,663
Secretary of State	15,085,921	13,817,046	1,268,875
Secretary of State HAVA Elections Account	3,608,985	983,598	2,625,387
Secretary of State Advisory Committee Gift	61	-	61
Secretary of State Notary Training	280,462	99,576	180,886
State Treasurer	2,606,977	2,469,967	137,010
Silicosis and Disabled Pensions	146,309	38,503	107,806
Nevada College Savings Trust	4,023,182	3,727,243	295,939
Endowment Account	12,938,295	5,931,344	7,006,951
College Savings Private Entity	83,419	-	83,419
Unclaimed Property	1,932,070	1,850,691	81,379
Controller's Office	5,172,037	4,890,163	281,874
Debt Recovery	483,730	85,842	397,888
Rainy Day	84,737,276	84,737,276	-
	200,688,036	168,611,074	32,076,962
Legislative–Judicial			
Judicial Branch			
Administrative Office of the Courts	5,603,972	3,360,377	2,243,595
Judicial Programs and Services Division	1,316,284	1,166,855	149,429
Uniform System of Judicial Records	3,705,226	987,739	2,717,487
Judicial Education	1,824,868	842,464	982,404
State Judicial Elected Officials	21,229,006	21,220,789	8,217
Judicial Support, Governance and Special Events	1,006,971	319,784	687,187
Judicial Retirement System State Share	2,037,650	2,037,650	-
Supreme Court	11,055,105	10,555,187	499,918
Specialty Courts	8,360,434	5,720,384	2,640,050
Senior Justice and Senior Judge Program	1,529,798	1,400,769	129,029
Judicial Selection	18,270	1,529	16,741
Foreclosure Mediation Program	3,539,350	1,927,498	1,611,852
Law Library Gift Fund	87,826	18,598	69,228
Law Library	1,641,753	1,596,393	45,360
Judicial Discipline	817,783	761,251	56,532
Legislative Branch			
Interim Finance Committee	26,511,021	13,727,148	12,783,873
Disaster Relief	7,513,130	296,329	7,216,801
So Nevada Community Project Fund	1,321	-	1,321
	97,799,768	65,940,744	31,859,024

	Final Budget	Actual	Variance
Finance and Administration			
Department of Administration			
Construction Education Account	$ 345,708	$ 204,529	$ 141,179
Commission For Women	1,504	-	1,504
State Archives	1,235,006	1,195,416	39,590
NSLA - IPS Equipment/Software	32,444	-	32,444
Nevada State Library	4,904,680	4,735,961	168,719
Nevada State Library - CLAN	462,356	312,925	149,431
Special Appropriations	1,700,000	665,309	1,034,691
Judicial College/Juvenile and Family Justice	130,430	130,430	-
Budget and Planning	4,175,225	4,086,890	88,335
Internal Audit	1,236,708	1,230,806	5,902
Graffiti Reward Fund	7,706	-	7,706
Merit Award Board	1,100	-	1,100
Roof Maintenance Reserve	808,507	50,750	757,757
Public Works Division Administration	864,878	864,875	3
Public Works Division	272,104	267,974	4,130
Public Works Inspection	4,373,020	3,639,024	733,996
Public Works Retention Payment	94,330	866	93,464
Building Official Admin	1,934,076	481,547	1,452,529
State Unemployment Compensation	6,316,463	1,936,947	4,379,516
Hearings and Appeals	4,502,884	4,308,955	193,929
General Fund Salary Adjustment	16,024,944	6,384,908	9,640,036
Stale Claims	3,902,708	1,558,813	2,343,895
Emergency Fund	460,765	237,951	222,814
Statutory Contingency	3,393,110	2,917,601	475,509
Department of Taxation			
Department of Taxation	26,937,152	26,529,315	407,837
	84,117,808	61,741,792	22,376,016
Education			
Department of Education			
Distributive School Account	1,444,906,084	1,444,906,081	3
School Health Education - AIDS	40,228	27,112	13,116
Educator Effectiveness	150,000	150,000	-
School Remediation	99,565,966	87,804,251	11,761,715
State Supplemental School Support	144,981,421	141,236,516	3,744,905
Education State Programs	4,576,414	3,846,868	729,546
Educational Trust Fund	736,095	366,149	369,946
Career and Technical Education	11,089,848	8,829,818	2,260,030
Gear Up	7,732,279	4,822,682	2,909,597
Gear Up Scholarship Trust	11,849,261	1,825,074	10,024,187
Continuing Education	8,265,246	6,184,822	2,080,424
Proficiency Testing	6,732,044	5,783,831	948,213
Other State Education Programs	30,430,651	29,672,994	757,657
Account for Health Education of Minors	550	-	550
Education Technology Trust	20,420	-	20,420
Professional Licensing and Testing	2,464,827	1,360,703	1,104,124
Discretionary Grants - Unrestricted	455,447	216,247	239,200
Public Charter School Loan Program	750,000	144,413	605,587
Discretionary Grants - Restricted	32,994,507	18,777,687	14,216,820
Elementary and Secondary Ed - Title I	149,954,498	107,878,695	42,075,803
Elementary and Secondary Ed Titles II, V & VI	45,452,808	29,356,923	16,095,885
Individuals with Disabilities (IDEA)	93,803,269	76,607,730	17,195,539
Education Staffing Services	1,851,756	1,760,511	91,245
Education Support Services	3,813,430	2,250,597	1,562,833
Incentives for Licensed Educational Personnel	8,800,000	4,940,767	3,859,233
Student Indemnification Account	269,887	-	269,887
Nevada System of Higher Education			
Special Projects	3,150,561	1,672,012	1,478,549

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

	Final Budget	Actual	Variance
Education for Dependent Children	$ 48,231	$ 2,812	$ 45,419
University of Nevada - Reno	167,816,734	167,279,169	537,565
School of Medical Sciences	36,164,251	36,045,826	118,425
Intercollegiate Athletics UNR	4,965,230	4,965,230	-
Statewide Programs - UNR	7,018,477	7,016,541	1,936
University System Administration	4,747,300	4,747,300	-
University of Nevada Las Vegas	232,250,464	231,595,664	654,800
Intercollegiate Athletics UNLV	7,038,125	7,038,125	-
Agricultural Experiment Station	6,461,411	6,455,608	5,803
Cooperative Extension Service	5,332,529	4,948,152	384,377
System Computing Center	16,567,790	16,567,788	2
UNLV Law School	12,470,902	12,020,780	450,122
National Direct Student Loan Program	35,793	35,793	-
University Press	397,206	397,206	-
Statewide Programs - UNLV	2,862,214	2,862,214	-
Business Center North	1,826,295	1,826,295	-
Business Center South	1,628,993	1,628,993	-
Anatomical Gift Account	444,376	65,000	379,376
UNLV Dental School	15,581,477	15,311,475	270,002
Collegiate License Plate Account	322,744	310,295	12,449
Nevada State College at Henderson	18,554,882	18,528,868	26,014
College of Southern Nevada	130,526,153	128,305,502	2,220,651
Laboratory and Research	1,502,190	1,502,190	-
Great Basin College	16,145,501	15,883,896	261,605
Desert Research Institute	7,655,368	7,655,368	-
Western Nevada College	19,109,668	18,031,288	1,078,380
Truckee Meadows Community College	43,273,222	42,441,015	832,207
WICHE Loan and Stipend	1,184,320	1,008,237	176,083
WICHE Administration	328,459	326,063	2,396
State Public Charter School Authority	6,896,072	4,933,608	1,962,464
Commission on Postsecondary Education	415,625	385,487	30,138
	2,884,409,499	2,740,544,271	143,865,228
Human Services			
Director's Office			
DHR Administration	7,175,371	4,060,468	3,114,903
Grants Management Unit	28,311,710	26,685,823	1,625,887
Prevention/Treatment of Problem Gambling	2,013,617	1,386,811	626,806
IDEA Part C Compliance	3,972,105	3,846,447	125,658
Developmental Disabilities	658,901	567,341	91,560
Victims of Human Trafficking	50,000	-	50,000
Public Defender	3,592,319	3,506,079	86,240
Consumer Health Assistance	1,766,190	1,422,401	343,789
DHR Children's Trust Account	1,025,987	572,114	453,873
UPL Holding Account	5,411,315	912,500	4,498,815
Aging and Disability Services Division			
Early Intervention Services	33,579,668	28,117,404	5,462,264
Family Preservation Program	2,776,202	2,672,978	103,224
Rural Regional Center	15,537,825	14,411,859	1,125,966
Desert Regional Center	100,673,513	97,236,528	3,436,985
Sierra Regional Center	35,934,676	35,608,046	326,630
Aging Federal Programs and Administration	26,878,190	19,353,224	7,524,966
Disability Services	26,382,434	22,354,177	4,028,257
Division of Health Care Financing and Policy			
Intergovernmental Transfer Program	122,478,503	89,071,905	33,406,598
Health Care Financing and Policy	147,483,747	123,305,298	24,178,449
Increased Quality of Nursing Care	30,947,740	28,830,294	2,117,446
Nevada Check-Up Program	40,591,807	38,074,359	2,517,448
Nevada Medicaid	2,062,434,781	2,027,481,858	34,952,923

	Final Budget	Actual	Variance
Division of Public and Behavioral Health			
Radiological Health	$ 4,538,675	$ 2,674,405	$ 1,864,270
Cancer Control Registry	1,464,599	807,123	657,476
HHS - SAPTA	23,735,617	20,242,747	3,492,870
Health Statistics and Planning	1,987,473	1,208,262	779,211
Consumer Protection	2,556,328	1,899,735	656,593
So NV Adult Mental Health Services	91,600,361	88,921,695	2,678,666
No NV Adult Mental Health Services	30,236,554	28,913,375	1,323,179
Behavioral Health Information System	2,801,121	2,460,861	340,260
Behavioral Health Administration	10,418,765	7,473,380	2,945,385
Facility for the Mental Offender	10,243,185	9,976,694	266,491
Alcohol Tax Program	1,805,676	1,451,873	353,803
Rural Clinics	12,473,431	11,623,594	849,837
Immunization Program	10,040,087	7,464,812	2,575,275
Marijuana Health Registry	3,567,612	1,146,523	2,421,089
WIC Food Supplement	72,826,006	65,534,267	7,291,739
Communicable Diseases	20,099,804	17,797,878	2,301,926
Health Facilities	16,868,915	8,914,366	7,954,549
Health Facilities-Admin Penalty	349,412	62,570	286,842
Public Health Preparedness Program	12,659,391	12,057,398	601,993
Biostatistics and Epidemiology	5,521,522	4,937,803	583,719
Chronic Disease	7,655,805	6,307,077	1,348,728
Maternal Child Health Services	10,166,908	8,440,002	1,726,906
Office of State Health Administration	6,444,284	4,451,834	1,992,450
Community Health Services	3,627,420	3,087,994	539,426
Emergency Medical Services	1,085,706	925,263	160,443
Child Care Services	1,575,691	1,202,671	373,020
Division of Welfare and Supportive Services			
Welfare Administration	64,836,971	46,605,759	18,231,212
Temp Assistance for Needy Families	51,241,139	50,109,126	1,132,013
Assistance to Aged and Blind	8,608,987	8,608,987	-
Welfare Field Services	89,839,767	83,717,620	6,122,147
Child Support Enforcement Program	21,743,596	12,926,950	8,816,646
Collection and Distribution Account	39,052,413	22,029,300	17,023,113
Child Care Assistance and Development	38,568,840	31,086,551	7,482,289
Energy Assistance - Welfare	23,366,764	19,421,921	3,944,843
Division of Child and Family Services			
Community Juvenile Justice Programs	4,911,449	3,664,135	1,247,314
Washoe County Integration	35,446,377	28,827,696	6,618,681
Clark County Child Welfare	104,887,534	89,645,359	15,242,175
UNITY/SACWIS	6,438,047	6,059,985	378,062
Children, Youth and Family Administration	21,808,582	17,390,810	4,417,772
Youth Alternative Placement	4,191,465	4,191,465	-
Juvenile Correctional Facility	3,524,879	3,038,031	486,848
Caliente Youth Center	8,050,686	7,783,566	267,120
Victims of Domestic Violence	3,572,354	2,826,831	745,523
Rural Child Welfare	19,680,774	17,676,105	2,004,669
Transition from Foster Care	1,912,512	644,272	1,268,240
Review of Death of Children	355,511	75,019	280,492
Nevada Youth Training Center	6,992,494	6,405,830	586,664
Youth Parole Services	6,127,415	5,217,298	910,117
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	7,822,879	7,459,591	363,288
So NV Child and Adolescent Services	24,202,191	21,406,965	2,795,226
Department of Employment, Training and Rehabilitation			
Blind Business Enterprise Program	6,653,279	2,203,800	4,449,479
Services to the Blind	4,265,246	3,919,906	345,340
Vocational Rehabilitation	17,585,854	16,609,518	976,336
Rehabilitation Administration	1,416,834	1,167,479	249,355
Disability Adjudication	16,749,703	15,070,226	1,679,477

	Final Budget	Actual	Variance
Office of Equal Rights	$ 1,416,068	$ 1,231,131	$ 184,937
DETR Administrative Services	6,113,865	5,557,118	556,747
Research and Analysis	2,931,188	2,526,068	405,120
Information Develoment and Processing	13,676,000	12,270,662	1,405,338
	3,734,030,262	3,446,837,196	287,193,066
Commerce and Industry			
Office of Economic Development			
Governor's Office of Economic Development	10,273,164	10,139,259	133,905
Motion Pictures	987,521	681,331	306,190
Rural Community Development	2,379,964	1,719,391	660,573
NV SSBCI Program	8,642,685	850,251	7,792,434
Nevada Catalyst Fund	10,040,932	-	10,040,932
GOED Nevada Knowledge Fund	5,018,679	824,146	4,194,533
Small Business and Procurement	549,569	527,079	22,490
Commission on Mineral Resources			
Minerals	3,257,098	2,276,914	980,184
Bond Reclamation	6,330,510	513,512	5,816,998
Department of Agriculture			
Nevada Beef Council	301,045	293,807	7,238
Commodity Food Program	17,283,493	15,089,885	2,193,608
Nutrition Education Programs	130,578,974	127,494,363	3,084,611
Weed Abatement and Control	100,076	-	100,076
Plant Health and Quarantine Services	449,144	443,619	5,525
Agriculture Research and Promotion	107,904	1,692	106,212
Agricultural Registration/Enforcement	4,454,628	2,865,933	1,588,695
Livestock Inspection	1,938,490	1,487,538	450,952
Agriculture License Plates	32,105	16,925	15,180
Veterinary Medical Services	1,128,533	1,027,653	100,880
Consumer Equitibility	3,704,519	2,502,171	1,202,348
Pest, Plant Disease and Noxious Weed	1,382,788	1,148,594	234,194
Junior Agricultural Loan Program	254,845	-	254,845
Agriculture Administration	2,712,499	2,696,362	16,137
Rangeland Resources Commission	224,090	101,562	122,528
Rangeland Grasshopper and Morman Cricket	476,349	84,611	391,738
Predatory Animal and Rodent Control	1,142,706	988,440	154,266
Department of Tourism and Cultural Affairs			
Lost City Museum	448,949	418,083	30,866
LV Springs Preserve Museum Dev	602,835	173,536	429,299
Nevada Historical Society	552,054	493,362	58,692
Nevada State Museum	1,608,036	1,560,063	47,973
Museums and History Administration	363,962	362,514	1,448
Nevada State Museum, Las Vegas	1,418,322	1,394,842	23,480
State Railroad Museums	1,308,793	1,168,296	140,497
Nevada Humanities	50,000	50,000	-
Nevada Arts Council	2,051,080	1,939,605	111,475
Indian Commission	261,757	245,597	16,160
Gaming Control Board			
Gaming Control Board	43,694,797	38,189,529	5,505,268
Gaming Control Federal Forfeiture	673,369	46,708	626,661
Gaming Control - Forfeiture Account	642,449	89,444	553,005
Gaming Control - Other State Forfeiture	505,440	-	505,440
Federal Forfeiture Treasury	5,198,497	179,380	5,019,117
Gaming Commission	412,303	359,170	53,133
Department of Business and Industry			
Business and Industry Administration	4,674,963	4,145,982	528,981
New Market Performance Guarantee	6,250,000	-	6,250,000
Nevada Home Retention Program	49,000,000	49,000,000	-
Industrial Development Bonds	546,181	19,249	526,932
Special Housing Assistance	5,003,042	2,708,357	2,294,685
Low Income Housing Trust Fund	20,640,002	5,981,920	14,658,082

	Final Budget	Actual	Variance
DOE Weatherization	$ 6,016,954	$ 4,515,078	$ 1,501,876
Employee Management Relations	607,211	440,118	167,093
Common Interest Communities	3,925,238	1,774,913	2,150,325
Real Estate	2,746,623	2,587,334	159,289
Athletic Commission	859,585	630,775	228,810
Labor Relations	1,452,509	1,312,315	140,194
Division of Mortgage Lending	4,660,218	1,869,617	2,790,601
Attorney for Injured Workers	3,348,670	3,217,291	131,379
Financial Institutions Investigations	974,839	35,306	939,533
Financial Institutions	6,383,078	3,141,743	3,241,335
Financial Institutions Audit	271,718	101,649	170,069
Transportation Services Authority	2,949,140	2,788,512	160,628
TSA Administrative Fines	556,416	173,328	383,088
	394,411,340	304,888,654	89,522,686
Public Safety			
Department of Corrections			
Prison Medical Care	45,888,200	45,374,607	513,593
Corrections Administration	24,065,552	23,795,887	269,665
Correctional Programs	7,301,563	7,044,952	256,611
So Nevada Correctional Center	232,079	231,532	547
Warm Springs Correctional Center	10,216,228	10,130,449	85,779
No Nevada Correctional Center	25,903,687	25,833,118	70,569
Nevada State Prison	83,507	83,427	80
Stewart Conservation Camp	1,701,627	1,691,984	9,643
Pioche Conservation Camp	1,612,661	1,608,679	3,982
Restitution Center North	1,272,719	1,250,454	22,265
Three Lakes Valley Conservation Camp	2,230,362	2,227,979	2,383
Southern Desert Correctional Center	21,355,170	21,330,045	25,125
Wells Conservation Camp	1,182,997	1,168,259	14,738
Humboldt Conservation Camp	1,197,266	1,188,836	8,430
Ely Conservation Camp	1,245,140	1,231,237	13,903
Jean Conservation Camp	1,490,219	1,425,740	64,479
Silver Springs Conservation Camp	2,352	2,352	-
Ely State Prison	25,475,416	25,336,303	139,113
Carlin Conservation Camp	1,189,786	1,179,465	10,321
Tonopah Conservation Camp	1,280,030	1,267,610	12,420
Lovelock Correctional Center	21,915,492	21,810,227	105,265
Florence McClure Women's Correctional Center	13,968,329	13,917,694	50,635
High Desert State Prison	44,431,188	44,403,320	27,868
Casa Grande Transitional Housing	4,330,360	4,272,875	57,485
Department of Public Safety			
Emergency Management Division	6,847,316	4,034,106	2,813,210
Emergency Mgmt Assistance Grant	37,775,474	16,900,718	20,874,756
Emergency Assistance Subaccount	520,599	85,247	435,352
Parole and Probation	42,132,469	41,243,117	889,352
Fund for Reentry Programs	6,947	-	6,947
Investigations	7,521,591	6,356,003	1,165,588
Training Division	1,133,228	1,072,996	60,232
Parole Board	2,579,111	2,505,324	73,787
Fire Marshal	3,091,341	2,528,407	562,934
Traffic Safety	13,206,121	6,288,691	6,917,430
Highway Safety Plan and Administration	8,666,527	4,567,255	4,099,272
Motorcycle Safety Program	703,203	372,215	330,988
Public Safety General Services	6,246,393	5,398,705	847,688
K-9 Program	58,614	46,187	12,427
Forfeitures	2,540,251	1,795,803	744,448
Justice Assistance Account	2,117,107	536,436	1,580,671
Justice Assistance Grant	3,970,094	2,461,820	1,508,274
Criminal History Repository	23,434,762	14,038,033	9,396,729
Office of Homeland Security	431,510	416,089	15,421

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

	Final Budget	Actual	Variance
Child Volunteer Background Checks Trust	$ 15,087	$ 15,087	$ -
Contingency Account for Haz Mat	514,309	311,803	202,506
Cigarette Fire Safety Standard	186,448	29,435	157,013
Justice Grant	508,624	479,713	28,911
Dignitary Protection	1,040,493	981,643	58,850
Department of Motor Vehicles			
Motor Vehicle Pollution Control	11,924,365	9,898,038	2,026,327
Peace Officers Standards and Training	2,240,638	1,938,937	301,701
	438,984,552	382,108,839	56,875,713
Infrastructure			
Department of Wildlife			
Conservation Education	2,519,923	2,129,557	390,366
Law Enforcement	7,072,597	6,323,162	749,435
Game Management	5,721,625	4,979,639	741,986
Fisheries Management	8,223,457	6,974,627	1,248,830
Diversity	2,476,967	2,014,092	462,875
Habitat	6,860,546	5,587,888	1,272,658
Wildlife Director's Office	3,837,872	3,576,470	261,402
Wildlife Operations	8,588,037	7,969,193	618,844
Wildlife Heritage Account	7,636,498	387,788	7,248,710
Wildlife Fund	34,359,400	20,093,249	14,266,151
Wildlife Habitat Enhancements	7,695,477	921,316	6,774,161
Department of Conservation and Natural Resources			
State Environmental Commission	283,701	168,968	114,733
Natural Resources Administration	1,263,049	1,090,370	172,679
Conservation and Natural Resources Gift	157,500	10,000	147,500
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Water Resources Legal Cost	2,825,706	322,035	2,503,671
Tahoe Regional Planning Agency	14,807,760	1,537,553	13,270,207
Conservation Districts	537,696	417,348	120,348
Cultural Resource Program	1,144,689	155,597	989,092
Historic Preservation and Archives	1,788,918	1,489,236	299,682
Comstock Historic District	164,959	164,873	86
Comstock Historical District Gifts	55,429	18,028	37,401
Parks Federal Grant Programs	6,686,229	1,476,651	5,209,578
State Parks	13,083,710	10,670,487	2,413,223
State Parks Interpretive and Educational Program	888,609	560,389	328,220
Maintenance of State Parks	2,543,643	900,429	1,643,214
State Parks Facility and Grounds Maintenance	14,956,785	170,363	14,786,422
Coyote Srings Groundwater Basin	38,136	4,175	33,961
Flood Control Revenue Fund	251,982	10,913	241,069
USGS Co-Op	1,317,399	467,514	849,885
Groundwater Recharge Projects	332,166	48,889	283,277
Water Right Surveyors	70,617	7,155	63,462
Well Driller's Licenses	50,549	32,759	17,790
Water Resources	8,681,482	6,185,257	2,496,225
Water Resources Cooperative Project	1,373,631	431,744	941,887
State Engineer Revenue	267,917	64,087	203,830
Little Humboldt River	147,416	46,655	100,761
Quinn River Distribution	53,430	2,659	50,771
Water Studies	277,000	-	277,000
Adjudication Emergency	16,623	677	15,946
Steptoe Valley Water Basin	15,543	8,212	7,331
Diamond Valley Ground Water	24,821	12,709	12,112
Lake Valley Ground Water Basin	33,548	3,294	30,254
Middle Reese River Ground Water Basin	35,069	1,551	33,518
Dixie Creek/10 Mi Ground Water	15,815	5,147	10,668
Churchill Valley Ground Water	16,174	6,563	9,611
Colorado River Valley	17,427	170	17,257
Washoe Valley Ground Water	15,276	4,192	11,084

	Final Budget	Actual	Variance
Amargosa Valley Ground Water	$ 23,745	$ 6,053	$ 17,692
Las Vegas Basin Water District	4,983,756	1,306,157	3,677,599
Muddy River Surface Water	27,869	12,068	15,801
Pahranagat Lake	76,777	56,023	20,754
Pahrump Artesian Basin	184,764	38,984	145,780
Boulder Flat Ground Water	125,917	6,166	119,751
Dayton Valley Ground Water	26,629	12,686	13,943
Mason Valley Ground Water	138,484	18,054	120,430
Humboldt Water District	458,975	266,558	192,417
Water District Revenue Fund	3,702,896	3,405,096	297,800
Smith Valley Artesian Basin	56,919	16,124	40,795
Currant Creek	5,251	-	5,251
Duckwater Creek	51,038	11,505	39,533
Paradise Valley Ground Water	37,211	10,335	26,876
Upper White River	12,109	3,143	8,966
Muddy River Springs	15,283	1,928	13,355
Kingston Creek	6,103	-	6,103
Warm Springs/Winnemucca Creek	15,672	3,632	12,040
Eagle Valley	71,023	4,938	66,085
Carson Valley Ground Water	47,795	14,835	32,960
Fish Lake Valley Artesian	20,437	5,657	14,780
Carico Creek	443	12	431
Lemmon Valley	52,364	3,876	48,488
Truckee Meadows/Sun Valley	126,167	30,214	95,953
Antelope Valley Ground Water Basin	15,983	1,067	14,916
Warm Springs Ground Water	35,328	393	34,935
Lower Moapa Valley Groundwater	11,002	202	10,800
Honey Lake Valley	20,665	217	20,448
Whirlwind Valley	12,575	286	12,289
Crescent Water Groundwater	26,622	2,524	24,098
Clovers Area Groundwater	40,558	2,218	38,340
Cold Springs Valley	26,336	658	25,678
Imlay Ground Water	10,198	5,859	4,339
Kelly Creek Ground Water	37,718	1,617	36,101
Lower Reese River Valley	28,982	1,199	27,783
Maggie Creek	47,678	5,137	42,541
North Fork Ground Water	25,062	1,394	23,668
Pleasant Valley	6,603	3,397	3,206
Forestry	19,492,440	11,449,628	8,042,812
Forest Fire Suppression/Emergency Response	11,531,036	8,404,934	3,126,102
Forestry Conservation Camps	11,744,959	9,151,397	2,593,562
Forestry Inter-Gov Agreements	3,724,606	3,052,776	671,830
Wildland Fire Protection Program	1,482,774	665,303	817,471
Tahoe License Plates	1,956,324	179,294	1,777,030
Nevada Tahoe Regional Planning Agency	1,318	474	844
State Lands	1,958,839	1,634,397	324,442
State Lands Revolving Account	125,806	57,548	68,258
Tahoe Bond Sale	1,232,814	37,992	1,194,822
Tahoe Mitigation	3,453,100	539,263	2,913,837
Nevada Natural Heritage	1,078,807	787,274	291,533
AB9/Q1 Bonds	12,137,417	3,177,006	8,960,411
Storage Tank Management	329,886	-	329,886
Environmental Protection Administration	6,713,092	5,848,386	864,706
Chemical Hazard Prevention	1,139,438	480,881	658,557
Reclamation Surety Account	35,755,316	-	35,755,316
Air Quality Management Account	12,491,348	3,372,445	9,118,903
Air Quality	9,173,174	6,673,457	2,499,717
Bureau of Water	7,540,605	3,920,559	3,620,046
Water Quality Planning	7,185,228	3,873,200	3,312,028
Safe Drinking Water Regulatory Program	5,057,683	3,014,321	2,043,362

	Final Budget	Actual	Variance
Bureau of Waste Management and Corrective Actions	$ 19,679,864	$ 11,292,852	$ 8,387,012
Mining Regulation/Reclamation	7,084,105	2,424,784	4,659,321
Interim Fluid Management Trust	1,291,432	-	1,291,432
Hazardous Waste Management	17,772,693	4,421,123	13,351,570
Hazardous Waste - Beatty Site	11,384,157	919,199	10,464,958
Water Planning - Capital Improvement	178,181	20,085	158,096
	393,052,182	178,112,420	214,939,762
Special Purpose Agencies			
Department of Veterans' Services			
Department of Veterans' Services	3,151,704	3,028,134	123,570
Veterans' Home Account	21,977,422	16,366,113	5,611,309
Veterans' Gifts and Donations	327,353	68,197	259,156
Veterans' Home Donation	54,860	23,124	31,736
Gift Account for Veterans	1,549,919	634,086	915,833
Office of the Military			
Military	28,424,223	17,545,201	10,879,022
Military Emergency Operations Center	483,570	264,189	219,381
Military Carlin Armory	1,108,541	1,030,304	78,237
Adjutant General Special Facilities Account	25,765	403	25,362
National Guard Benefits	59,100	57,824	1,276
Patriot Relief Account	279,517	129,994	149,523
Silver State Health Insurance Exchange Admin	48,306,952	21,748,056	26,558,896
Deferred Compensation Committee	413,039	267,721	145,318
Civil Air Patrol	61,804	34,460	27,344
	106,223,769	61,197,806	45,025,963
Appropriated Transfers to Other Funds			
Legislative Fund	30,564,489	30,564,489	-
Attorney General Special Fund	622,415	622,415	-
Highway Fund	43,554	43,554	-
Millennium Scholarship Fund	7,000,000	7,000,000	-
Internal Service Funds	4,144,306	4,144,306	-
	42,374,764	42,374,764	-
Reversions to Other Funds			
Reversion to Highway Fund	-	127,194	(127,194)
Reversion to Workers' Comp and Safety Fund	-	352,225	(352,225)
Reversion to Consolidated Bond Interest and Redemption Fund	-	2,503	(2,503)
Reversion to Tourism Promotion Fund	-	69,873	(69,873)
Reversion to Internal Service Fund	-	29,000	(29,000)
	-	580,795	(580,795)
Projected Reversions	(40,000,000)	-	(40,000,000)
Total General Fund	$ 8,336,091,980	$ 7,455,465,907	$ 880,626,073

	Final Budget	Actual	Variance
State Highway			
Finance and Administration			
Unbudgeted Activity	$ -	$ 960,394	$ (960,394)
Appropriations to Other Funds	5,462,908	5,462,908	-
Infrastructure			
Transportation Administration	619,936,521	498,043,524	121,892,997
Bond Construction	100,026,125	5,927,852	94,098,273
Aviation Trust Fund	37,522	18,345	19,177
AB 595 Revenue Rental Car Tax	2,020	713	1,307
AB 595 Revenue Clark Co.	45,221,564	22,910,728	22,310,836
AB 595 Revenue Washoe Co.	4,010,000	3,637,302	372,698
NDOT - SB 5 RTC Public Road Project	19,480,349	9,471,061	10,009,288
System of Providing Information to the Traveling Public	484,668	287,002	197,666
Public Safety			
Director's Office - Public Safety	3,152,522	2,908,170	244,352
Professional Responsibility	600,468	565,898	34,570
Records Search	6,978,903	6,907,132	71,771
Highway Patrol	78,991,870	74,139,435	4,852,435
DMV Motor Vehicle Information Technology	10,980,351	9,039,876	1,940,475
Motor Carrier	4,710,007	3,782,148	927,859
PS Highway Safety Grants Account	3,096,766	1,563,993	1,532,773
Emergency Response Commission	2,786,442	1,240,333	1,546,109
Verification of Insurance	3,245,340	1,994,194	1,251,146
License Plate Factory	4,192,888	2,441,878	1,751,010
Hearings - DMV	1,223,157	1,118,365	104,792
Special Plates Trust Account	2,177,439	470,509	1,706,930
Salvage Titles Trust Account	310,116	152,897	157,219
DMV Field Services	44,571,137	39,203,169	5,367,968
Forfeitures	2,756	1,959	797
Compliance Enforcement	4,762,424	4,206,857	555,567
Central Services	10,630,157	9,771,520	858,637
Evidence Vault	542,322	531,793	10,529
Management Services	1,648,628	1,610,047	38,581
Admin Off Highway Vehicle Titling and Registration	668,965	313,278	355,687
Assistance of Off Highway Vehicle Titling	35,848	6,000	29,848
Director's Office - DMV	4,347,583	4,228,541	119,042
DMV Real ID	646,103	393,311	252,792
Administrative Services	12,267,370	11,853,863	413,507
Debt Service Transfers			
Debt Service	70,100,865	70,100,865	-
Projected Reversions	(130,302,875)	-	(130,302,875)
Total	937,029,229	795,265,860	141,763,369
Municipal Bond Bank			
Elected Officials			
Municipal Bond Bank Revenue	16,328,629	15,840,391	488,238
Total	16,328,629	15,840,391	488,238
Employment Security			
Human Services			
Employment Security	131,808,433	111,911,885	19,896,548
Employment Security Special Fund	17,444,203	4,651,505	12,792,698
Total	149,252,636	116,563,390	32,689,246
Unemployment Comp Bond Fund			
Elected Officials			
Unemployment Comp Bond Account	59,501,000	57,988,288	1,512,712
Total	59,501,000	57,988,288	1,512,712

	Final Budget	Actual	Variance
Regulatory			
Commerce and Industry			
Manufactured Housing	$ 1,615,642	$ 870,100	$ 745,542
Real Estate Education and Research	1,565,768	578,285	987,483
Real Estate Recovery	506,000	189,922	316,078
Mobile Home Parks	369,677	168,837	200,840
Mfg Housing-Education/Recovery	299,856	63,607	236,249
Regulatory Fund	14,273,384	11,001,112	3,272,272
Administrative Fines	741,955	741,955	-
Taxicab Authority	11,280,521	6,711,039	4,569,482
Dairy Commission	1,839,370	1,287,158	552,212
Total	32,492,173	21,612,015	10,880,158
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	9,187,700	9,187,700	-
Total	14,187,700	14,187,700	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	21,785,636	13,378,080	8,407,556
Total	21,785,636	13,378,080	8,407,556
Hospital Care to Indigent Persons			
Finance and Administration			
Supplemental Fund - Indigents	19,042,539	13,471,236	5,571,303
Total	19,042,539	13,471,236	5,571,303
Tourism Promotion			
Commerce and Industry			
Tourism Development	132,069	12,000	120,069
Commission on Tourism	23,672,646	19,319,912	4,352,734
Total	23,804,715	19,331,912	4,472,803
Offenders’ Store			
Public Safety			
Offenders' Store Fund	17,778,074	13,356,780	4,421,294
Inmate Welfare Account	5,230,901	3,345,691	1,885,210
Total	23,008,975	16,702,471	6,306,504
Tobacco Settlement			
Elected Officials			
Millennium Scholarship Fund	57,135,581	23,832,685	33,302,896
Millennium Scholarship Administration	373,780	337,474	36,306
Guinn Memorial Millennium Scholarship Fund	449,683	9,000	440,683
Trust Fund for Healthy Nevada	70,145,642	25,639,839	44,505,803
MSA Compliance Administration	973,008	782,599	190,409
Human Services			
Tobacco Settlement Program	5,425,417	5,177,900	247,517
Senior RX and Disability RX	4,858,174	3,430,118	1,428,056
Healthy Nevada Fund Administration	9,026,212	-	9,026,212
Total	148,387,497	59,209,615	89,177,882
Attorney General Settlement			
Public Safety			
National Settlement Administration	84,860,704	54,412,031	30,448,673
Total	84,860,704	54,412,031	30,448,673
Gift			
Education			
Education Gift Fund	28,345	2,534	25,811
Library and Archives Gift Fund	540,555	3,049	537,506

	Final Budget	Actual	Variance
Human Services			
Rural Services Gift Account	$ 12,793	$ -	$ 12,793
SNAMHS Gift Fund	29,156	-	29,156
Health Division Gifts	39,210	2,350	36,860
Aging Services Gift	54,138	150	53,988
CBS Washoe Gift Fund	23,033	21	23,012
Indian Commission Gift Acct	43,300	6,069	37,231
Hospital Gift Fund	233,148	-	233,148
SRC Gift Fund	9,791	-	9,791
NV Equal Rights Commission Gift Fund	9,403	-	9,403
Blind Gift Fund	371,166	1,470	369,696
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	25,769	494	25,275
Henry Woods Christmas Fund	373	-	373
Nevada Children's Gift Account	597,607	33,000	564,607
CYC Gift Fund	3,450	554	2,896
Youth Training Center Gift Fund	39,954	5,000	34,954
DRC Gift Fund	8,663	-	8,663
Infrastructure			
Wildlife Trust Account	548,405	128,012	420,393
Park Gift and Grants	298,172	74,785	223,387
Total	2,926,318	257,488	2,668,830
Natural Resources			
Infrastructure			
Grants To Water Purveyors	421,630	294,010	127,620
Erosion Control Bond Q12	685,501	35,799	649,702
Protect Lake Tahoe	19,858,903	4,946,859	14,912,044
Total	20,966,034	5,276,668	15,689,366
Miscellaneous			
Elected Officials			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	5,383,013	3,483,513	1,899,500
Unfair Trade Practices	750,000	149,354	600,646
Commerce and Industry			
Lot Rent Trust Subsidy	559,577	385,864	173,713
Museums and History Board Trust	25,437	25,204	233
Museums Administrator Trust	41,279	19,720	21,559
Nevada Historical Society Trust	270,032	103,630	166,402
Nevada State Museum Trust	676,169	378,137	298,032
Nevada Railroad Museum Trust	403,726	192,315	211,411
Lost City Museum Trust	128,050	95,422	32,628
LV Museum and Historical Society Trust	184,362	127,437	56,925
Human Services			
Radioactive Material Disposal	1,084,803	8,075	1,076,728
Finance and Administration			
Victims of Crime	16,680,169	8,363,197	8,316,972
Total	26,186,742	13,331,868	12,854,874
Legislative (Non-GAAP Fund)			
Legislative Branch			
Nevada Legislative Interim	633,315	623,696	9,619
Legislative Counsel Bureau	40,970,966	32,979,975	7,990,991
Audit Contingency Account	364,499	352,733	11,766
Total	41,968,780	33,956,404	8,012,376
Total Special Revenue Funds	$ 1,621,729,307	$ 1,250,785,417	$ 370,943,890

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

For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			**Unemployment Compensation Bond**		
Fund balances, July 1	$ 14,043,657	$ 14,043,657	$ -	$ -	$ -	$ -
Revenues:						
Federal	100,172,586	81,406,425	(18,766,161)	-	-	-
Other taxes	-	-	-	59,500,000	57,969,434	(1,530,566)
Sales and charges for services	1,038,151	756,238	(281,913)	-	-	-
Licenses, fees and permits	340,000	311,712	(28,288)	-	-	-
Interest	17,433	64,045	46,612	1,000	18,854	17,854
Other	30,475,154	31,856,186	1,381,032	-	-	-
Other financing sources:						
Transfer from other funds	3,165,655	1,324,299	(1,841,356)	-	-	-
Total sources	$ 149,252,636	$ 129,762,562	$ (19,490,074)	$ 59,501,000	$ 57,988,288	$ (1,512,712)
	Regulatory			**Higher Education Capital Construction**		
Fund balances, July 1	$ 10,666,518	$ 10,666,518	$ -	$ -	$ -	$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	13,863,433	13,863,433	-
Federal	568,955	568,955	-	-	-	-
Other taxes	11,858,322	11,767,870	(90,452)	-	-	-
Sales, charges for services	5,643,334	5,481,176	(162,158)	-	-	-
Licenses, fees and permits	2,215,321	2,137,228	(78,093)	-	-	-
Interest	18,773	21,842	3,069	-	-	-
Other	1,122,448	1,050,935	(71,513)	-	-	-
Other financing sources:						
Transfer from other funds	398,502	395,399	(3,103)	-	-	-
Total sources	$ 32,492,173	$ 32,089,923	$ (402,250)	$ 13,863,433	$ 13,863,433	$ -
	Cleaning Up Petroleum Discharges			**Hospital Care to Indigent Persons**		
Fund balances, July 1	$ 7,535,636	$ 7,535,636	$ -	$ 535,423	$ 535,423	$ -
Revenues:						
Other taxes	13,500,000	12,905,650	(594,350)	18,361,524	11,627,930	(6,733,594)
Intergovernmental	-	-	-	-	1,270,803	1,270,803
Licenses, fees and permits	550,000	418,312	(131,688)	-	-	-
Interest	100,000	30,488	(69,512)	31,592	28,080	(3,512)
Other	100,000	-	(100,000)	114,000	9,000	(105,000)
Total sources	$ 21,785,636	$ 20,890,086	$ (895,550)	$ 19,042,539	$ 13,471,236	$ (5,571,303)
	Tourism Promotion			**Offenders' Store**		
Fund balances, July 1	$ 4,359,334	$ 4,359,334	$ -	$ 3,398,462	$ 3,398,462	$ -
Revenues:						
Other taxes	19,326,605	19,279,041	(47,564)	-	-	-
Sales, charges for services	-	-	-	15,034,718	15,041,024	6,306
Licenses, fees and permits	11,420	11,420	-	-	-	-
Interest	-	-	-	20,749	23,612	2,863
Other	7,356	6,520	(836)	414,032	386,591	(27,441)
Other financing sources:						
Transfer from other funds	100,000	169,873	69,873	4,141,014	2,656,630	(1,484,384)
Total sources	$ 23,804,715	$ 23,826,188	$ 21,473	$ 23,008,975	$ 21,506,319	$ (1,502,656)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			**Attorney General Settlement**		
Fund balances, July 1	$ 65,514,669	$ 65,514,669	$ -	$ 84,667,248	$ 84,667,248	$ -
Revenues:						
Interest	2,500	115,924	113,424	151,845	151,845	-
Other	48,352,698	40,167,464	(8,185,234)	41,611	7,315	(34,296)
Other financing sources:						
Transfer from other funds	34,517,630	23,559,026	(10,958,604)	-	-	-
Total sources	$ 148,387,497	$ 129,357,083	$ (19,030,414)	$ 84,860,704	$ 84,826,408	$ (34,296)
	Gift			**Natural Resources**		
Fund balances, July 1	$ 1,956,805	$ 1,956,805	$ -	$ 18,699,866	$ 18,699,866	$ -
Revenues:						
Federal	-	-	-	594,341	7,797	(586,544)
Interest	22,206	6,641	(15,565)	158,735	37,350	(121,385)
Other	943,811	645,221	(298,590)	1,000	346	(654)
Other financing sources:						
Proceeds from sale of bonds	-	-	-	1,502,092	1,502,091	(1)
Transfer from other funds	3,496	5,770	2,274	10,000	10,000	-
Total sources	$ 2,926,318	$ 2,614,437	$ (311,881)	$ 20,966,034	$ 20,257,450	$ (708,584)
	Miscellaneous			**Legislative (Non-GAAP Fund)**		
Fund balances, July 1	$ 10,961,813	$ 10,961,813	$ -	$ 9,667,466	$ 9,667,466	$ -
Revenues:						
Federal	3,289,125	2,155,962	(1,133,163)	-	-	-
Other taxes	2,948,933	2,948,933	-	-	-	-
Sales, charges for services	720,364	636,041	(84,323)	1,106,500	885,115	(221,385)
Licenses, fees and permits	5,276,811	4,888,542	(388,269)	-	-	-
Interest	15,822	22,841	7,019	-	-	-
Other	2,351,459	2,005,796	(345,663)	193,770	341,046	147,276
Other financing sources:						
Transfer from other funds	622,415	622,415	-	30,569,489	30,989,245	419,756
Total sources	$ 26,186,742	$ 24,242,343	$ (1,944,399)	$ 41,537,225	$ 41,882,872	$ 345,647
	Total Nonmajor Special Revenue Funds					
Fund balances, July 1	$ 232,006,897	$ 232,006,897	$ -			
Revenues:						
Gaming taxes, fees, licenses	13,863,433	13,863,433	-			
Federal	104,625,007	84,139,139	(20,485,868)			
Other taxes	125,495,384	116,498,858	(8,996,526)			
Sales, charges for services	23,543,067	22,799,594	(743,473)			
Intergovernmental	-	1,270,803	1,270,803			
Licenses, fees and permits	8,393,552	7,767,214	(626,338)			
Interest	540,655	521,522	(19,133)			
Other	84,117,339	76,476,420	(7,640,919)			
Other financing sources:						
Proceeds from sale of bonds	1,502,092	1,502,091	(1)			
Transfer from other funds	73,528,201	59,732,657	(13,795,544)			
Total sources	$ 667,615,627	$ 616,578,628	$ (51,036,999)			

Nonmajor Enterprise Funds

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

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

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

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

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

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

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

Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2014

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 44,123,775	$ 5,872,539	$ 11,753,551	$ 276,401
Cash in custody of other officials	250	-	212,831	100
Receivables:				
Accounts receivable	6,483,143	82,573	135,875	17,538
Assessments receivable	-	225	-	-
Intergovernmental receivables	-	-	-	-
Due from other funds	676,362	44,323	399	85,514
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	187,653
Prepaid items	136,297	56,604	24,161	2,979
Total current assets	51,419,827	6,056,264	12,126,817	570,185
Noncurrent assets:				
Receivables:				
Other assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,410,761	220,621	163,726	78,561
Construction in progress	-	-	-	-
Less accumulated depreciation	(2,159,372)	(146,687)	(163,726)	(78,561)
Total noncurrent assets	251,389	73,934	-	-
Total assets	51,671,216	6,130,198	12,126,817	570,185
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	12,211,096	268,525	61,821	13,562
Accrued payroll and related liabilities	822,924	323,022	-	8,660
Interest payable	-	-	-	-
Intergovernmental payables	20,804	-	192	-
Due to other funds	69,518	41,278	2,386,127	21,865
Due to fiduciary funds	8,284	-	-	483
Due to component units	200	-	-	-
Unearned revenues	-	-	9,426,677	-
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	739,468	268,379	-	3,943
Bonds payable	-	-	-	-
Total current liabilities	13,872,294	901,204	11,874,817	48,513
Noncurrent liabilities:				
Advances from general fund	-	-	-	248,040
Compensated absences	432,649	115,483	-	997
Bonds payable	-	-	-	-
Total noncurrent liabilities	432,649	115,483	-	249,037
Total liabilities	14,304,943	1,016,687	11,874,817	297,550
Net Position				
Net investment in capital assets	251,389	73,934	-	-
Restricted for workers' compensation	37,114,884	-	-	-
Restricted for regulation of business	-	-	2,000	-
Unrestricted	-	5,039,577	250,000	272,635
Total net position	$ 37,366,273	$ 5,113,511	$ 252,000	$ 272,635

NEVADA

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 1,983,627	$ 143,068	$ 1,092,176	$ 65,245,137
100	-	-	213,281
558,005	97,315	-	7,374,449
-	-	-	225
197,566	-	78,550	276,116
177,711	14,677	356	999,342
15,241	-	-	15,241
1,180,534	52,134	-	1,420,321
14,896	14,932	1,490	251,359
4,127,680	322,126	1,172,572	75,795,471
15,000	-	-	15,000
153,140	-	414,672	567,812
2,890,227	-	498,613	3,388,840
-	-	630,647	630,647
973,332	-	1,464,725	5,311,726
-	-	10,283,035	10,283,035
(3,297,965)	-	(2,474,581)	(8,320,892)
733,734	-	10,817,111	11,876,168
4,861,414	322,126	11,989,683	87,671,639
-	-	77,771	77,771
-	-	77,771	77,771
122,169	46,606	7,094	12,730,873
84,486	30,987	9,272	1,279,351
-	-	43,322	43,322
30	-	4,320	25,346
33,514	4,714	959	2,557,975
90,734	-	-	99,501
-	-	-	200
110,711	162,712	-	9,700,100
10,000	-	2,050	12,050
101,995	14,214	11,649	1,139,648
-	-	213,599	213,599
553,639	259,233	292,265	27,801,965
-	-	-	248,040
98,178	3,595	6,419	657,321
-	-	8,672,281	8,672,281
98,178	3,595	8,678,700	9,577,642
651,817	262,828	8,970,965	37,379,607
718,734	-	1,931,231	2,975,288
-	-	-	37,114,884
-	-	-	2,000
3,490,863	59,298	1,165,258	10,277,631
$ 4,209,597	$ 59,298	$ 3,096,489	$ 50,369,803

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

For the Fiscal Year Ended June 30, 2014

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	$ -	$ -	$ -	$ 719,135
Assessments	-	251,814	-	-
Charges for services	-	8,284	14,212,675	-
Rental income	-	-	-	-
Licenses, fees and permits	36,439,026	10,181,635	-	-
Fines	3,565,832	65,875	-	-
Other	660,505	-	-	13,424
Total operating revenues	40,665,363	10,507,608	14,212,675	732,559
Operating Expenses				
Salaries and benefits	14,957,027	5,693,946	11,537,248	90,591
Operating	5,563,822	4,827,305	1,492,215	60,826
Claims and benefits expense	6,231,281	-	-	-
Materials or supplies used	-	-	-	522,658
Depreciation	142,142	59,119	664	-
Total operating expenses	26,894,272	10,580,370	13,030,127	674,075
Operating income (loss)	13,771,091	(72,762)	1,182,548	58,484
Nonoperating Revenues (Expenses)				
Interest and investment income	176,938	20,814	-	-
Interest expense	(83)	-	-	-
Bond issuance costs	-	-	-	-
Federal grants	2,386,730	898,476	-	-
Gain (loss) on disposal/sale of assets	5,778	-	-	-
Total nonoperating revenues (expenses)	2,569,363	919,290	-	-
Income (loss) before special items and transfers	16,340,454	846,528	1,182,548	58,484
Special Items and Transfers				
Special item - settlement	-	330,000	-	-
Transfers in	-	13,720	-	-
Transfers out	(10,380,280)	(786,888)	(1,183,212)	-
Change in net position	5,960,174	403,360	(664)	58,484
Net position, July 1	31,406,099	4,710,151	252,664	214,151
Net position, June 30	$ 37,366,273	$ 5,113,511	$ 252,000	$ 272,635

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 4,193,832	$ 1,010,137	$ 910,063	$ 6,833,167
-	-	-	251,814
525,565	-	-	14,746,524
83,159	-	-	83,159
-	-	-	46,620,661
-	-	-	3,631,707
127,243	13,698	145,157	960,027
4,929,799	1,023,835	1,055,220	73,127,059
1,517,683	558,098	168,990	34,523,583
2,647,164	162,988	195,736	14,950,056
-	-	-	6,231,281
2,486,715	325,284	-	3,334,657
114,735	-	76,266	392,926
6,766,297	1,046,370	440,992	59,432,503
(1,836,498)	(22,535)	614,228	13,694,556
5,589	-	-	203,341
(285)	-	(350,509)	(350,877)
-	-	(141,054)	(141,054)
1,989,463	-	-	5,274,669
-	-	-	5,778
1,994,767	-	(491,563)	4,991,857
158,269	(22,535)	122,665	18,686,413
-	-	-	330,000
-	-	-	13,720
(32,167)	-	-	(12,382,547)
126,102	(22,535)	122,665	6,647,586
4,083,495	81,833	2,973,824	43,722,217
$ 4,209,597	$ 59,298	$ 3,096,489	$ 50,369,803

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2014

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative
Cash flows from operating activities			
Receipts from customers and users	$ 46,834,670	$ 9,543,292	$ 11,627,059
Receipts for interfund services provided	65,888	1,031,621	-
Payments to suppliers, other governments and beneficiaries	(9,143,732)	(2,518,899)	(1,415,060)
Payments to employees	(14,896,499)	(5,680,748)	(10,337,248)
Payments for interfund services used	(3,174,360)	(2,234,380)	(34,279)
Payments to component units	(703)	-	-
Net cash provided by (used for) operating activities	19,685,264	140,886	(159,528)
Cash flows from noncapital financing activities			
Grant receipts	3,199,352	963,797	-
Transfers and advances from other funds	-	13,720	-
Settlement receipts	-	330,000	-
Transfers and advances to other funds	(10,034,567)	(786,888)	(1,602,245)
Net cash provided by (used for) noncapital financing activities	(6,835,215)	520,629	(1,602,245)
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	13,673	-	-
Purchase of capital assets	(33,267)	(5,655)	-
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	(19,594)	(5,655)	-
Cash flows from investing activities			
Interest, dividends and gains (losses)	114,785	19,414	-
Net cash provided by (used for) investing activities	114,785	19,414	-
Net increase (decrease) in cash	12,945,240	675,274	(1,761,773)
Cash and cash equivalents, July 1	31,178,785	5,197,265	13,728,155
Cash and cash equivalents, June 30	$ 44,124,025	$ 5,872,539	$ 11,966,382
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	$ 13,771,091	$ (72,762)	$ 1,182,548
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	142,142	59,119	664
Decrease (increase) in accrued interest and receivables	(5,513,476)	67,305	1,923
Decrease (increase) in inventory, deferred charges, other assets	(136,297)	(56,604)	(7,760)
Increase (decrease) in accounts payable, accruals, other liabilities	11,421,804	143,828	(1,336,903)
Total adjustments	5,914,173	213,648	(1,342,076)
Net cash provided by (used for) operating activities	$ 19,685,264	$ 140,886	$ (159,528)

	Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
	$ 200,267	$ 3,422,626	$ 762,310	$ 1,155,680	$ 73,545,904
	493,811	1,615,182	266,022	-	3,472,524
	(526,394)	(2,874,555)	(493,120)	(107,442)	(17,079,202)
	(83,929)	(1,496,067)	(561,415)	(168,316)	(33,224,222)
	(20,330)	(2,211,231)	(46,181)	(78,617)	(7,799,378)
	-	(35,325)	-	(6,123)	(42,151)
	63,425	(1,579,370)	(72,384)	795,182	18,873,475
	-	1,978,257	-	-	6,141,406
	-	-	-	-	13,720
	-	-	-	-	330,000
	-	(32,167)	-	-	(12,455,867)
	-	1,946,090	-	-	(5,970,741)
	-	4,172	-	-	17,845
	-	(30,900)	-	(45,453)	(115,275)
	(20,670)	-	-	(155,000)	(175,670)
	-	-	-	(422,896)	(422,896)
	-	-	-	(94,561)	(94,561)
	(20,670)	(26,728)	-	(717,910)	(790,557)
		2,410	-	-	136,609
	-	2,410	-	-	136,609
	42,755	342,402	(72,384)	77,272	12,248,786
	233,746	1,641,325	215,452	1,014,904	53,209,632
	$ 276,501	$ 1,983,727	$ 143,068	$ 1,092,176	$ 65,458,418
	$ 58,484	$ (1,836,498)	$ (22,535)	$ 614,228	$ 13,694,556
	-	114,735	-	76,266	392,926
	(38,481)	239,141	466	100,460	(5,142,662)
	23,099	46,860	(53,153)	(1,490)	(185,345)
	20,323	(143,608)	2,838	5,718	10,114,000
	4,941	257,128	(49,849)	180,954	5,178,919
	$ 63,425	$ (1,579,370)	$ (72,384)	$ 795,182	$ 18,873,475

Internal Service Funds

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

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

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

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

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

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

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

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

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

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

Combining Statement of Net Position
Internal Service Funds

June 30, 2014

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 179,842,777	$ 4,528,939	$ 908,698	$ 404,315
Receivables:				
Accounts receivable	660,763	18,163	105	-
Intergovernmental receivables	551,002	-	1,366	524
Notes receivable	-	-	-	-
Due from other funds	552,776	626,578	412,638	637,014
Due from fiduciary funds	2,997,009	-	-	76
Due from component units	12,172	-	11,746	755
Inventory	-	-	-	-
Prepaid items	22,344	58,094	9,682	13,406
Total current assets	184,638,843	5,231,774	1,344,235	1,056,090
Noncurrent assets:				
Notes receivable	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	362,879	711,736	16,259,378	1,071,169
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(311,124)	(2,167,697)	(13,014,697)	(1,168,277)
Total noncurrent assets	51,755	1,123,723	6,623,426	325,343
Total assets	184,690,598	6,355,497	7,967,661	1,381,433
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	4,468,856	974,596	104,792	16,909
Accrued payroll and related liabilities	110,884	304,315	43,467	46,072
Intergovernmental payables	-	58,972	359	-
Bank overdraft	4,099,293	-	-	-
Due to other funds	27,030	93,568	268,042	22,154
Due to fiduciary funds	-	7,133	471	-
Due to component units	-	-	-	-
Unearned revenues	13,940,514	-	-	-
Short-term portion of long-term liabilities:				
Reserve for losses	47,154,255	-	-	-
Compensated absences	123,558	306,521	37,815	57,910
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	69,924,390	1,745,105	454,946	143,045
Noncurrent liabilities:				
Advances:				
Advances from general fund	-	-	2,437,500	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	83,664	156,432	43,830	48,887
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	83,664	156,432	2,481,330	48,887
Net Position	70,008,054	1,901,537	2,936,276	191,932
Net Position				
Net investment in capital assets	51,755	1,123,723	6,623,426	325,343
Unrestricted (deficit)	114,630,789	3,330,237	(1,592,041)	864,158
Total net position	$ 114,682,544	$ 4,453,960	$ 5,031,385	$ 1,189,501

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 10,629,132	$ 552,799	$ 1,863,909	$ 465,878	$ 4,630,344	$ 1,171,742	$ 204,998,533
113,591	-	-	917	70,611	64,436	928,586
-	-	-	-	98,123	-	651,015
5,000	-	-	-	-	-	5,000
1,106,525	-	11,214	11,315	2,357,448	73,336	5,788,844
-	-	-	-	-	-	2,997,085
-	-	138,719	-	14,841	-	178,233
-	-	-	-	-	262,859	262,859
193,370	23,833	60,496	17,875	119,912	11,917	530,929
12,047,618	576,632	2,074,338	495,985	7,291,279	1,584,290	216,341,084
85,000	-	-	-	-	-	85,000
-	-	-	-	2,565	-	2,565
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
36,877	59,699	256,710	152,380	28,937,598	4,064,313	51,912,739
-	-	15,323,810	-	-	-	15,323,810
(32,048)	(58,505)	(15,550,339)	(292,064)	(29,541,927)	(4,923,151)	(67,059,829)
89,829	1,194	30,181	95,870	14,176,074	3,011,733	25,529,128
12,137,447	577,826	2,104,519	591,855	21,467,353	4,596,023	241,870,212
811,976	4,454	79,793	3,194	542,095	205,468	7,212,133
38,271	118,971	261,746	130,027	765,456	58,329	1,877,538
-	-	-	-	15,726	-	75,057
-	-	-	-	-	-	4,099,293
19,037	12,007	655,408	96,907	312,270	2,688	1,509,111
-	-	-	-	-	5,575	13,179
14,772	-	7,683	-	10,387	-	32,842
-	-	-	-	2,942	-	13,943,456
16,920,013	-	-	-	-	-	64,074,268
33,424	113,953	273,358	115,046	792,771	58,182	1,912,538
-	-	-	-	513,323	-	513,323
-	-	-	-	507,121	-	507,121
17,837,493	249,385	1,277,988	345,174	3,462,091	330,242	95,769,859
-	-	-	-	489,449	-	2,926,949
-	-	-	-	903,819	-	903,819
48,457,633	-	-	-	-	-	48,457,633
19,128	56,636	221,216	101,722	602,658	69,073	1,403,246
-	-	-	-	5,249,572	-	5,249,572
-	-	-	-	1,338,626	-	1,338,626
48,476,761	56,636	221,216	101,722	8,584,124	69,073	60,279,845
66,314,254	306,021	1,499,204	446,896	12,046,215	399,315	156,049,704
4,829	1,194	30,181	95,870	6,698,710	3,011,733	17,966,764
(54,181,636)	270,611	575,134	49,089	2,722,428	1,184,975	67,853,744
$ (54,176,807)	$ 271,805	$ 605,315	$ 144,959	$ 9,421,138	$ 4,196,708	$ 85,820,508

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

For the Fiscal Year Ended June 30, 2014

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Operating Revenues				
Net premium income	$ 336,198,780	$ -	$ -	$ -
Sales	-	-	-	-
Charges for services	-	1,225,167	59,608	6,449,516
Rental income	-	14,744,482	4,428,697	-
Other	85,604	56,305	-	-
Total operating revenues	336,284,384	16,025,954	4,488,305	6,449,516
Operating Expenses				
Salaries and benefits	2,149,080	5,436,713	781,218	1,007,486
Operating	4,093,911	10,338,224	2,289,561	5,334,151
Claims expense	188,296,196	-	-	-
Materials or supplies used	-	-	313,302	-
Depreciation	28,369	119,319	1,013,294	64,820
Insurance premiums	123,404,245	-	-	-
Total operating expenses	317,971,801	15,894,256	4,397,375	6,406,457
Operating income (loss)	18,312,583	131,698	90,930	43,059
Nonoperating Revenues (Expenses)				
Interest and investment income	1,042,260	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	400	67,782	-
Total nonoperating revenues (expenses)	1,042,260	400	67,782	-
Income (loss) before transfers	19,354,843	132,098	158,712	43,059
Transfers				
Transfers in	-	77,910	2,126,623	-
Transfers out	-	-	(29,764)	-
Change in net position	19,354,843	210,008	2,255,571	43,059
Net position, July 1	95,327,701	4,243,952	2,775,814	1,146,442
Net position, June 30	$ 114,682,544	$ 4,453,960	$ 5,031,385	$ 1,189,501

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 22,572,357	$ -	$ -	$ -	$ -	$ -	$ 358,771,137
-	-	-	-	-	2,173,236	2,173,236
-	2,469,094	7,837,522	2,649,953	25,195,738	-	45,886,598
-	-	-	-	360,797	-	19,533,976
155,601	-	36,685	1,325	433	26,206	362,159
22,727,958	2,469,094	7,874,207	2,651,278	25,556,968	2,199,442	426,727,106
673,596	2,110,259	4,888,081	1,907,265	14,825,661	1,317,786	35,097,145
1,921,031	345,818	2,940,421	686,453	7,078,670	598,047	35,626,287
13,070,337	-	-	-	-	-	201,366,533
-	-	-	-	-	529,868	843,170
800	1,140	21,103	2,421	1,365,329	272,599	2,889,194
5,055,555	-	-	-	-	-	128,459,800
20,721,319	2,457,217	7,849,605	2,596,139	23,269,660	2,718,300	404,282,129
2,006,639	11,877	24,602	55,139	2,287,308	(518,858)	22,444,977
467	-	-	-	-	-	1,042,727
-	-	-	-	(8,582)	-	(8,582)
-	-	-	-	-	-	68,182
467	-	-	-	(8,582)	-	1,102,327
2,007,106	11,877	24,602	55,139	2,278,726	(518,858)	23,547,304
-	-	-	-	127,264	151,482	2,483,279
(50,000)	-	-	-	-	-	(79,764)
1,957,106	11,877	24,602	55,139	2,405,990	(367,376)	25,950,819
(56,133,913)	259,928	580,713	89,820	7,015,148	4,564,084	59,869,689
$ (54,176,807)	$ 271,805	$ 605,315	$ 144,959	$ 9,421,138	$ 4,196,708	$ 85,820,508

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2014

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	$ 52,614,621	$ 54,889	$ 30,179	$ 32,298
Receipts for interfund services provided	200,903,180	15,799,347	4,288,253	6,386,731
Receipts from component units	75,374,655	-	84,720	5,477
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(315,452,795)	(8,542,062)	(1,960,332)	(5,267,960)
Payments to employees	(2,168,164)	(5,580,634)	(771,186)	(998,723)
Payments for interfund services used	(1,114,666)	(1,763,998)	(864,322)	(268,348)
Payments to component units	-	(144)	-	-
Net cash provided by (used for) operating activities	10,156,831	(32,602)	807,312	(110,525)
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	-	4,770,937	-
Transfers and advances to other funds	-	-	(29,764)	-
Net cash provided by (used for) noncapital financing activities	-	-	4,741,173	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	400	93,122	-
Purchase of capital assets	(12,355)	(67,686)	(5,440,135)	(10,200)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(12,355)	(67,286)	(5,347,013)	(10,200)
Cash flows from investing activities				
Interest, dividends and gains (losses)	948,277	-	-	-
Net cash provided by (used for) investing activities	948,277	-	-	-
Net increase (decrease) in cash	11,092,753	(99,888)	201,472	(120,725)
Cash and cash equivalents, July 1	168,750,024	4,628,827	707,226	525,040
Cash and cash equivalents, June 30	$ 179,842,777	$ 4,528,939	$ 908,698	$ 404,315
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ 18,312,583	$ 131,698	$ 90,930	$ 43,059
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	28,369	119,319	1,013,294	64,820
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	18,005	(171,718)	(85,153)	(25,101)
Decrease (increase) in inventory, deferred charges, other assets	(22,344)	(58,094)	(9,682)	(13,406)
Increase (decrease) in accounts payable, accruals, other liabilities	(8,179,782)	(53,807)	(202,077)	(179,897)
Total adjustments	(8,155,752)	(164,300)	716,382	(153,584)
Net cash provided by (used for) operating activities	$ 10,156,831	$ (32,602)	$ 807,312	$ (110,525)
Noncash investing, capital and financing activities				
Capital assets acquired under lease	$ -	$ -	$ -	$ -

NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 239,107	$ -	$ 19,699	$ 47,425	$ 568,001	$ 208,988	$ 53,815,207
22,038,651	2,469,094	7,768,499	2,599,727	24,697,682	2,258,039	289,209,203
249,342	-	-	4,000	-	-	75,718,194
5,000	-	-	-	-	-	5,000
(9,781,274)	(68,770)	(1,364,337)	(140,038)	(6,688,681)	(696,124)	(349,962,373)
(665,544)	(2,142,601)	(4,827,631)	(1,901,034)	(14,651,009)	(1,359,199)	(35,065,725)
(11,353,870)	(267,689)	(1,566,206)	(568,094)	(544,464)	(476,321)	(18,787,978)
(88,445)	-	(14,958)	-	(56,660)	-	(160,207)
642,967	(9,966)	15,066	41,986	3,324,869	(64,617)	14,771,321
20,013	-	-	-	214,123	151,482	5,156,555
(50,000)	-	-	-	-	-	(79,764)
(29,987)	-	-	-	214,123	151,482	5,076,791
-	-	-	-	-	-	93,522
-	-	(8,056)	-	(611,824)	(164,313)	(6,314,569)
-	-	-	-	(1,312,224)	-	(1,312,224)
-	-	-	-	(8,582)	-	(8,582)
-	-	(8,056)	-	(1,932,630)	(164,313)	(7,541,853)
467	-	-	-	-	-	948,744
467	-	-	-	-	-	948,744
613,447	(9,966)	7,010	41,986	1,606,362	(77,448)	13,255,003
10,015,685	562,765	1,856,899	423,892	3,023,982	1,249,190	191,743,530
$ 10,629,132	$ 552,799	$ 1,863,909	$ 465,878	$ 4,630,344	$ 1,171,742	$ 204,998,533
$ 2,006,639	$ 11,877	$ 24,602	$ 55,139	$ 2,287,308	$ (518,858)	$ 22,444,977
800	1,140	21,103	2,421	1,365,329	272,599	2,889,194
5,000	-	-	-	-	-	5,000
(200,858)	(23,833)	(86,009)	(126)	(294,227)	267,585	(601,435)
(126,703)	-	(53,796)	(17,875)	(122,477)	24,956	(399,421)
(1,041,911)	850	109,166	2,427	88,936	(110,899)	(9,566,994)
(1,363,672)	(21,843)	(9,536)	(13,153)	1,037,561	454,241	(7,673,656)
$ 642,967	$ (9,966)	$ 15,066	$ 41,986	$ 3,324,869	$ (64,617)	$ 14,771,321
$ -	$ -	$ -	$ -	$ 2,139,826	$ -	$ 2,139,826

Fiduciary Funds

Pension and Other Employee Benefit Trust

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

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

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

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

Investment Trust

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

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

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

Private Purpose Trust

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

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

Agency

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

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

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

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

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

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

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

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

June 30, 2014

	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	$ -	$ -	$ -	$ 1,787,619	$ 1,787,619
Cash in custody of other officials	1,022,818,228	8,169	229,826	-	1,023,056,223
Investments:					
Investments	-	-	-	1,253,459	1,253,459
Fixed income securities	8,765,972,447	1,359,077	25,979,954	-	8,793,311,478
Marketable equity securities	14,289,468,027	3,406,573	62,749,619	-	14,355,624,219
International securities	7,678,599,448	100,118	1,831,455	-	7,680,531,021
Real estate	1,337,751,979	-	-	-	1,337,751,979
Alternative investments	1,111,639,569	-	-	-	1,111,639,569
Collateral on loaned securities	541,523,662	-	-	-	541,523,662
Receivables:					
Accrued interest and dividends	100,132,219	2,589	48,012	-	100,182,820
Trades pending settlement	136,040,433	-	-	-	136,040,433
Intergovernmental receivables	99,783,365	-	1,303,905	20,836	101,108,106
Contributions receivable	-	-	-	-	-
Other receivables	-	-	4,377	-	4,377
Due from other funds	-	-	-	127,599	127,599
Due from fiduciary funds	19,120,277	-	-	-	19,120,277
Due from component units	-	-	-	1,330,987	1,330,987
Other assets	2,240,330	-	-	-	2,240,330
Furniture and equipment	39,174,100	-	-	-	39,174,100
Accumulated depreciation	(35,282,196)	-	-	-	(35,282,196)
Total assets	35,108,981,888	4,876,526	92,147,148	4,520,500	35,210,526,062
Liabilities					
Accounts payable and accruals:					
Accounts payable	12,780,760	1,883	4,153	-	12,786,796
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	979,554,242	1,643	29,783	-	979,585,668
Bank overdraft	-	-	-	-	-
Obligations under securities lending	541,523,662	-	-	-	541,523,662
Due to other funds	76	-	-	2,997,009	2,997,085
Due to fiduciary funds	41,991	-	-	-	41,991
Total liabilities	1,533,900,731	3,526	33,936	2,997,009	1,536,935,202
Net Position					
Held in trust for:					
Employees' pension benefits	33,575,081,157	4,873,000	92,113,212	-	33,672,067,369
OPEB benefits	-	-	-	1,523,491	1,523,491
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	$ 33,575,081,157	$ 4,873,000	$ 92,113,212	$ 1,523,491	$ 33,673,590,860

NEVADA

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
$ -	$ -	$ -	$ -	$ 6,516,804	$ -	$ 6,516,804
-	-	2,984,669	2,984,669	-	13,634,171	13,634,171
427,803,152	407,072,490	234,599,417	1,069,475,059	-	14,217,750,721	14,217,750,721
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
83,238	634,499	1,714,174	2,431,911	-	4,191,871	4,191,871
-	4,665,484	-	4,665,484	-	432,252	432,252
-	-	-	-	44,719	-	44,719
-	-	-	-	-	11,650,516	11,650,516
-	-	-	-	-	-	-
-	-	-	-	162,669	-	162,669
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	48,222	-	48,222
-	-	-	-	(48,222)	-	(48,222)
427,886,390	412,372,473	239,298,260	1,079,557,123	6,724,192	14,247,659,531	14,254,383,723
-	116,161	27,094	143,255	126,605	2,576,693	2,703,298
3,717	-	-	3,717	18,597	-	18,597
-	-	-	-	-	6,210,610	6,210,610
-	5,173,774	3,299,703	8,473,477	-	5,055,978	5,055,978
-	-	-	-	-	70,000	70,000
-	-	-	-	-	-	-
-	26,917	-	26,917	1,223,699	-	1,223,699
-	-	-	-	25,516	-	25,516
3,717	5,316,852	3,326,797	8,647,366	1,394,417	13,913,281	15,307,698
-	-	-	-	-	-	-
-	-	-	-	-	-	-
427,882,673	407,055,621	235,971,463	1,070,909,757	-	-	-
-	-	-	-	5,329,775	14,233,746,250	14,239,076,025
$ 427,882,673	$407,055,621	$ 235,971,463	$ 1,070,909,757	$ 5,329,775	$14,233,746,250	$ 14,239,076,025

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, 2014

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
Contributions:					
Employer	$ 1,405,006,553	$ 213,351	$ 6,991,764	$ 32,697,856	$ 1,444,909,524
Plan members	109,656,492	26,772	-	-	109,683,264
Participants	-	-	-	-	-
Repayment and purchase of service	42,752,491	-	-	-	42,752,491
Total contributions	1,557,415,536	240,123	6,991,764	32,697,856	1,597,345,279
Investment income:					
Net increase (decrease) in fair value of investments	4,175,149,677	754,125	13,333,150	208,109	4,189,445,061
Interest, dividends	801,752,542	53,683	940,175	38,710	802,785,110
Securities lending	8,075,580	-	-	-	8,075,580
Other	91,594,469	-	-	-	91,594,469
	5,076,572,268	807,808	14,273,325	246,819	5,091,900,220
Less investment expense:					
Other	(45,137,425)	(3,608)	(20,930)	(472)	(45,162,435)
Net investment income	5,031,434,843	804,200	14,252,395	246,347	5,046,737,785
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	1,941,816	45,771	-	-	1,987,587
Total other	1,941,816	45,771	-	-	1,987,587
Total additions	6,590,792,195	1,090,094	21,244,159	32,944,203	6,646,070,651
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,816,733,645	493,771	4,294,781	35,867,060	1,857,389,257
Refunds	23,047,743	-	-	-	23,047,743
Contribution distributions	990,121	-	-	-	990,121
Dividends to investors	-	-	-	-	-
Administrative expense	9,592,570	46,046	83,197	-	9,721,813
Total deductions	1,850,364,079	539,817	4,377,978	35,867,060	1,891,148,934
Change in net position	4,740,428,116	550,277	16,866,181	(2,922,857)	4,754,921,717
Net position, July 1	28,834,653,041	4,322,723	75,247,031	4,446,348	28,918,669,143
Net position, June 30	$ 33,575,081,157	$ 4,873,000	$ 92,113,212	$ 1,523,491	$33,673,590,860

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
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	19,506,446	3,364,128,924	3,383,635,370
-	-	-	-	-	-	-
-	-	-	-	19,506,446	3,364,128,924	3,383,635,370
(30,276)	(1,652,744)	28,792,733	27,109,713	-	1,581,529,549	1,581,529,549
505,471	6,851,166	5,932,521	13,289,158	-	267,582,885	267,582,885
-	-	-	-	-	-	-
-	-	-	-	-	-	-
475,195	5,198,422	34,725,254	40,398,871	-	1,849,112,434	1,849,112,434
-	-	(40,841)	(40,841)	-	-	-
475,195	5,198,422	34,684,413	40,358,030	-	1,849,112,434	1,849,112,434
832,696,257	-	18,305,000	851,001,257	-	-	-
431,158	-	-	431,158	-	-	-
-	-	255	255	-	-	-
833,127,415	-	18,305,255	851,432,670	-	-	-
833,602,610	5,198,422	52,989,668	891,790,700	19,506,446	5,213,241,358	5,232,747,804
913,967,898	48,829	-	914,016,727	-	2,215,500,426	2,215,500,426
-	-	-	-	19,058,005	-	19,058,005
-	-	-	-	-	-	-
-	-	-	-	-	-	-
482,697	-	-	482,697	-	-	-
22,773	569,946	36,008	628,727	-	26,511,044	26,511,044
914,473,368	618,775	36,008	915,128,151	19,058,005	2,242,011,470	2,261,069,475
(80,870,758)	4,579,647	52,953,660	(23,337,451)	448,441	2,971,229,888	2,971,678,329
508,753,431	402,475,974	183,017,803	1,094,247,208	4,881,334	11,262,516,362	11,267,397,696
$ 427,882,673	$ 407,055,621	$ 235,971,463	$1,070,909,757	$ 5,329,775	$ 14,233,746,250	$ 14,239,076,025

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2014

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 14,821,002	$ 24,979,085	$ 25,881,768	$ -
Cash in custody of other officials	-	23,371,884	5,741,705	3,636,326
Investments	-	216,538,645	-	-
Receivables:				
Taxes receivable	10,184,131	-	45,507,803	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	96,690	-
Due from other funds	465,946,223	32,221,701	884,880	-
Due from fiduciary funds	11,468,873	-	774	-
Due from component units	-	-	-	-
Total assets	$ 502,420,229	$ 297,111,315	$ 78,113,620	$ 3,636,326
Liabilities				
Accounts payable and accruals:				
Accrued payroll and related liabilities	$ -	$ -	$ -	$ -
Intergovernmental payables	502,420,229	-	59,202,069	-
Due to fiduciary funds	-	-	11,468,873	-
Other liabilities:				
Deposits	-	297,111,315	7,323,762	-
Other liabilities	-	-	118,916	3,636,326
Total liabilities	$ 502,420,229	$ 297,111,315	$ 78,113,620	$ 3,636,326

Child Welfare Trust	Restitution Trust	State Payroll	Total
$ 45,714	$ 1,392,695	$ 19,358,207	$ 86,478,471
-	-	-	32,749,915
-	-	-	216,538,645
-	-	-	55,691,934
-	-	16,521	16,521
-	-	-	96,690
629	100	2,510,192	501,563,725
-	24,742	41,991	11,536,380
-	-	1,202,326	1,202,326
$ 46,343	$ 1,417,537	$ 23,129,237	$ 905,874,607
$ -	$ -	$ 1,025,191	$ 1,025,191
1,432	-	-	561,623,730
-	-	19,120,277	30,589,150
-	-	2,983,769	307,418,846
44,911	1,417,537	-	5,217,690
$ 46,343	$ 1,417,537	$ 23,129,237	$ 905,874,607

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Intergovernmental				
Assets				
Cash with treasurer	$ 13,007,447	$ 3,018,648,548	$ 3,016,834,993	$ 14,821,002
Taxes receivable	11,710,319	40,714,669	42,240,857	10,184,131
Due from other funds	440,898,311	465,944,064	440,896,152	465,946,223
Due from fiduciary funds	10,474,456	11,468,873	10,474,456	11,468,873
Total assets	$ 476,090,533	$ 3,536,776,154	$ 3,510,446,458	$ 502,420,229
Liabilities				
Intergovernmental payables	$ 476,090,533	$ 3,523,506,723	$ 3,497,177,027	$ 502,420,229
Total liabilities	$ 476,090,533	$ 3,523,506,723	$ 3,497,177,027	$ 502,420,229
State Agency Fund for Bonds				
Assets				
Cash with treasurer	$ 23,853,927	$ 5,611,080	$ 4,485,922	$ 24,979,085
Cash in custody of other officials	25,853,235	2,347,144	4,828,495	23,371,884
Investments	208,939,789	53,049,144	45,450,288	216,538,645
Due from other funds	32,560,713	444,089	783,101	32,221,701
Total assets	$ 291,207,664	$ 61,451,457	$ 55,547,806	$ 297,111,315
Liabilities				
Deposits	$ 291,199,481	$ 60,907,831	$ 54,995,997	$ 297,111,315
Other liabilities	8,183	77	8,260	-
Total liabilities	$ 291,207,664	$ 60,907,908	$ 55,004,257	$ 297,111,315
Motor Vehicle				
Assets				
Cash with treasurer	$ 20,389,126	$ 1,143,530,733	$ 1,138,038,091	$ 25,881,768
Cash in custody of other officials	5,714,405	79,400	52,100	5,741,705
Taxes receivable	42,168,718	42,945,662	39,606,577	45,507,803
Other receivables	107,731	-	11,041	96,690
Due from other funds	769,902	884,880	769,902	884,880
Due from fiduciary funds	763	774	763	774
Total assets	$ 69,150,645	$ 1,187,441,449	$ 1,178,478,474	$ 78,113,620
Liabilities				
Intergovernmental payables	$ 51,154,601	$ 1,175,983,458	$ 1,167,935,990	$ 59,202,069
Due to fiduciary funds	10,474,456	11,468,873	10,474,456	11,468,873
Deposits	7,402,671	273,529	352,438	7,323,762
Other liabilities	118,917	-	1	118,916
Total liabilities	$ 69,150,645	$ 1,187,725,860	$ 1,178,762,885	$ 78,113,620
Child Support Disbursement				
Assets				
Cash in custody of other officials	$ 3,070,661	$ 208,199,800	$ 207,634,135	$ 3,636,326
Total assets	$ 3,070,661	$ 208,199,800	$ 207,634,135	$ 3,636,326
Liabilities				
Other liabilities	$ 3,070,661	$ 208,790,351	$ 208,224,686	$ 3,636,326
Total liabilities	$ 3,070,661	$ 208,790,351	$ 208,224,686	$ 3,636,326
Child Welfare Trust				
Assets				
Cash with treasurer	$ 20,263	$ 250,597	$ 225,146	$ 45,714
Due from other funds	663	629	663	629
Total assets	$ 20,926	$ 251,226	$ 225,809	$ 46,343
Liabilities				
Intergovernmental payables	$ 1,510	$ 1,432	$ 1,510	$ 1,432
Other liabilities	19,416	256,874	231,379	44,911
Total liabilities	$ 20,926	$ 258,306	$ 232,889	$ 46,343

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Restitution Trust				
Assets				
Cash with treasurer	$ 1,482,806	$ 3,120,874	$ 3,210,985	$ 1,392,695
Due from other funds	1,718	100	1,718	100
Due from fiduciary funds	15,246	24,742	15,246	24,742
Total assets	$ 1,499,770	$ 3,145,716	$ 3,227,949	$ 1,417,537
Liabilities				
Other liabilities	$ 1,499,770	$ 3,117,572	$ 3,199,805	$ 1,417,537
Total liabilities	$ 1,499,770	$ 3,117,572	$ 3,199,805	$ 1,417,537
State Payroll				
Assets				
Cash with treasurer	$ 15,499,161	$ 736,777,827	$ 732,918,781	$ 19,358,207
Intergovernmental receivables	40,354	16,521	40,354	16,521
Due from other funds	1,139,178	2,510,192	1,139,178	2,510,192
Due from fiduciary funds	44,752	41,991	44,752	41,991
Due from component unit	1,213,449	1,202,326	1,213,449	1,202,326
Total assets	$ 17,936,894	$ 740,548,857	$ 735,356,514	$ 23,129,237
Liabilities				
Accrued payroll and related liabilities	$ 248,890	$ 384,549,190	$ 383,772,889	$ 1,025,191
Due to fiduciary funds	17,420,555	250,440,905	248,741,183	19,120,277
Deposits	267,449	104,727,037	102,010,717	2,983,769
Total liabilities	$ 17,936,894	$ 739,717,132	$ 734,524,789	$ 23,129,237
Totals - All Agency Funds				
Assets				
Cash with treasurer	$ 74,252,730	$ 4,907,939,659	$ 4,895,713,918	$ 86,478,471
Cash in custody of other officials	34,638,301	210,626,344	212,514,730	32,749,915
Investments	208,939,789	53,049,144	45,450,288	216,538,645
Taxes receivable	53,879,037	83,660,331	81,847,434	55,691,934
Intergovernmental receivables	40,354	16,521	40,354	16,521
Other receivables	107,731	-	11,041	96,690
Due from other funds	475,370,485	469,783,954	443,590,714	501,563,725
Due from fiduciary funds	10,535,217	11,536,380	10,535,217	11,536,380
Due from component unit	1,213,449	1,202,326	1,213,449	1,202,326
Total assets	$ 858,977,093	$ 5,737,814,659	$ 5,690,917,145	$ 905,874,607
Liabilities				
Accrued payroll and related liabilities	$ 248,890	$ 384,549,190	$ 383,772,889	$ 1,025,191
Intergovernmental payables	527,246,644	4,699,491,613	4,665,114,527	561,623,730
Due to fiduciary funds	27,895,011	261,909,778	259,215,639	30,589,150
Deposits	298,869,601	165,908,397	157,359,152	307,418,846
Other liabilities	4,716,947	212,164,874	211,664,131	5,217,690
Total liabilities	$ 858,977,093	$ 5,724,023,852	$ 5,677,126,338	$ 905,874,607

Compliance Section

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable 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, 2014, 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 19, 2014. 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 Nevada System of Higher Education, the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Nevada's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as finding 2014-A to be a material weakness.

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. However, we did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

<u>Compliance and Other Matters</u>

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*.

<u>The State of Nevada's Response to Findings</u>

The State of Nevada's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The State of Nevada's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

<u>Purpose of this Report</u>

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.

Eide Bailly LLP

Reno, Nevada
December 19, 2014

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

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

Finding 2014-A

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control is performing an analysis of the collectability of accounts receivable to ensure proper reporting in the financial statements.

During our audit testing over Unemployment Insurance assessments receivable, we noted a large increase in the amount of overpayments due back to the Department of Employment, Training and Rehabilitation (DETR). The large increase was the result of a conversion from the General Unemployment Insurance Development Effort (GUIDE) system to the Unemployment Insurance Claim's Filing System (UInv). The new system identified and/or revised unemployment assessment overpayments; however no analysis was performed to determine the collectability of the overpayments.

Effect: Assessments receivables in the Unemployment Compensation Fund were overstated and required that a material adjustment be made to report the amount determined by management to be uncollectible.

Cause: The GUIDE System utilized by DETR to process claim payments and identify overpayments was not sufficiently functional in prior years. To improve functionality, DETR implemented the new UInv system during the fiscal year. However, adequate controls were not in place that would require a determination be made of the collectability of the overpayments identified by the new system.

Recommendation: We recommend DETR enhance controls to require a determination be made of the collectability of all overpayments. Those determined by management not to be collectible should be offset by an allowance for uncollectible assessments.

Management's Response: The Employment Security Division has reviewed the finding of Eide Bailly CPAs as it pertains to financial reporting of unemployment insurance overpayments. The Division agrees that additional controls are warranted in light of the significant increase in overpayment accounts improperly reported as receivables during the 3rd quarter of 2013. The Division also believes that a detailed review of the issues caused by UInv conversion and recent statute changes is warranted.

The Division anticipates developing and publishing procedures and controls in conjunction with DETR Financial Management, Unemployment Insurance Support Services, U.I. Integrity, and the State Controller's Office to insure that the methodology developed is both appropriate, timely, and in keeping with financial best practices.

PART II

APPENDIX B

STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

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STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DOLLAR AMOUNTS IN THOUSANDS)

	2010	2011	2012	2013	2014
Revenues:					
Gaming taxes, fees, licenses	$ 827,681	$ 835,245	$ 870,007	$ 882,575	$ 913,960
Sales taxes	870,539	925,898	965,060	1,024,624	1,081,735
Intergovernmental	2,708,799	2,688,280	2,678,186	2,823,208	3,118,097
Other Taxes	1,218,920	1,255,065	1,256,166	1,300,109	1,259,052
Licenses, fees and permits	244,507	301,462	278,356	279,736	289,652
Sales and charges for services	53,333	53,284	55,719	57,266	58,016
Interest and investment income	11,657	10,161	6,006	9,620	9,914
Other	81,500	117,688	125,418	107,361	53,555
Total Revenues	6,016,936	6,187,083	6,234,918	6,484,499	6,783,981
Expenditures:					
Current:					
General government	91,485	140,751	134,260	142,506	112,076
Health and social services	2,716,246	2,890,268	2,991,985	3,154,196	3,490,663
Education and support services	56,712	53,333	53,430	52,475	30,192
Law, justice and public safety	462,314	434,004	424,439	420,597	435,425
Regulation of business	84,885	90,492	73,408	62,351	272,317
Recreation & resource development	108,135	107,769	100,956	96,833	104,852
Intergovernmental	2,568,947	2,602,500	2,449,931	2,469,662	2,523,472
Debt Service:					
Principal	933	2,061	1,621	1,674	1,821
Interest, fiscal charges	698	1,622	1,566	1,416	1,309
Debt issuance costs	116	-	3	-	92
Arbitrage payments	-	-	-	180	494
Total Expenditures	6,090,471	6,322,800	6,231,599	6,401,890	6,972,713
Excess of (deficiency) of revenues over expenditures	(73,535)	(135,717)	3,319	82,609	(188,732)
Other Financing Sources (Uses):					
Capital leases	18,209	408	-	-	-
Sale of bonds	15,976	-	451	-	3,140
Premium on bonds	663	-	42	-	206
Sale of fixed assets	71	70	94	92	219
Transfers in	191,823	107,707	61,767	70,343	119,805
Transfers out	(111,471)	(25,195)	(42,089)	(52,353)	(30,799)
Total other financing sources (uses)	115,271	82,990	20,265	18,082	92,571
Net change in fund balances	41,736	(52,727)	23,584	100,690	(96,161)
Fund balances, July 1	192,822	299,472[1]	246,745	270,329	371,019
Fund balances, June 30	$ 234,558	$ 246,745	$ 270,329	$ 371,019	$ 274,858

[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, 2010-2014.

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PART II

APPENDIX C

DECEMBER 3, 2014 ECONOMIC FORUM FORECAST

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STATE OF NEVADA

ECONOMIC FORUM

FORECAST OF FUTURE

STATE REVENUES

December 3, 2014

THE STATE OF NEVADA ECONOMIC FORUM

December 3, 2014

The Honorable Brian Sandoval
Governor of Nevada
Capitol Building
Carson City, Nevada 89701-4747

Dear Governor Sandoval:

Enclosed is the Economic Forum's report on future state revenues prepared pursuant to Nevada Revised Statutes 353.228. This report, which must be presented by December 3, 2014, includes a description of the purpose of the Economic Forum, the methodology employed in arriving at the estimated General Fund revenues, economic assumptions and the final revenue projections. As required by statute, the Economic Forum plans to revisit these projections before May 1, 2015, to determine if any adjustment is necessary.

Respectfully submitted,

Ken Wiles, Chairman
State of Nevada Economic Forum

Matt Maddox, Vice Chairman

Marvin Leavitt

Jennifer Lewis

Linda Rosenthal

Enclosure

THE STATE OF NEVADA ECONOMIC FORUM

December 3, 2014

Members of the 78th Legislature
Legislative Building
Capitol Complex
Carson City, Nevada 89701-4747

Dear Nevada Legislator:

Enclosed is the Economic Forum's report on future state revenues prepared pursuant to Nevada Revised Statutes 353.228. This report, which must be presented by December 3, 2014, includes a description of the purpose of the Economic Forum, the methodology employed in arriving at the estimated General Fund revenues, economic assumptions and the final revenue projections. As required by statute, the Economic Forum plans to revisit these projections before May 1, 2015, to determine if any adjustment is necessary.

Respectfully submitted,

Ken Wiles, Chairman
State of Nevada Economic Forum

Matt Maddox, Vice Chairman

Marvin Leavitt

Jennifer Lewis

Linda Rosenthal

Enclosure

REPORT TO THE GOVERNOR
AND THE LEGISLATURE ON
FUTURE STATE REVENUES

December 3, 2014

Senate Bill 23 (1993) provided for the creation of an Economic Forum to forecast future State General Fund revenues. The Forum, a panel of five representatives from the private sector with backgrounds in economics, business, and taxation, is required to adopt an official forecast of unrestricted General Fund revenues for the biennial budget cycle. All agencies of the state, including the Governor and the Legislature, must use the Forum's forecast. A seven-member Technical Advisory Committee made up of Executive and Legislative Branch staff members as well as a representative of local government was also created in S.B. 23 to provide assistance and resources to the Forum.

The Forum must submit its forecast to the Governor and the Legislature by December 3, 2014, and any required revisions by May 1, 2015. This report includes the December 3, 2014, forecast of unrestricted General Fund revenues for Fiscal Years 2015, 2016, and 2017.

Methodology and Procedures

Based on the provisions of Assembly Bill 332 (2011), the Forum is required to hold two additional informational meetings during each biennium to consider current economic indicators and update the status of actual General Fund revenues compared to the most recent revenue estimates made by the Forum. These two informational meetings of the Forum were held on December 6, 2013, and June 3, 2014. These interim meetings allowed the Forum to receive regular updates on current economic conditions and the outlook for the state’s economy while also tracking the actual

FY 2014 and FY 2015 revenues against the Forum's May 2013 forecast. During these meetings, the Forum reviewed various economic indicators and received a series of presentations from Legislative Counsel Bureau staff and several Executive Branch agencies, including the Department of Taxation; the Department of Employment, Training and Rehabilitation; the Department of Business and Industry; the Department of Health and Human Services; and the Governor's Office of Economic Development.

Governor Sandoval appointed the five members of the Economic Forum in 2014 for a two-year term. These appointments include two members nominated by the leadership of the Senate and Assembly. The Forum has since held public meetings three times on October 17, 2014, November 7, 2014, and December 3, 2014, to complete its assigned responsibilities and duties regarding the approval of forecasts of unrestricted General Fund revenues for Fiscal Years 2015, 2016, and 2017.

The first meeting of the Forum on October 17, 2014, was devoted to organizing and reviewing the assigned tasks; reviewing the accuracy of forecasts prepared in December 2012 and May 2013; and determining a course of action for future meetings. The Forum also reviewed historical taxable sales and gaming market statistics and received presentations on a variety of subjects related to the Nevada economy, such as commercial, industrial, and residential real estate trends; mining industry trends; economic development programs available through the Governor's Office of Economic Development; state Medicaid enrollment and health insurance trends related to the Affordable Care Act; the Nevada New Markets Jobs Act; and the Nevada medical marijuana program.

During the November 7, 2014, meeting, the Forum received presentations on the outlook for the national, state, and local economies. Daniel White and Gregory Bird, Economists, Moody's Analytics (an economic consulting firm under contract with the state), provided a national, regional and Nevada economic outlook; Bill Anderson, Chief Economist, Nevada Department of Employment, Training and Rehabilitation, provided an update to Nevada's employment and unemployment outlook; and Jeff Hardcastle, State Demographer, provided an outlook for Nevada's population.

At the meeting of the Forum on November 7, 2014, the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau provided projections and economic analysis for six major General Fund revenues. The Department of Taxation and the Gaming Control Board also provided projections and analysis concerning the major revenues for which they are responsible to collect. In addition to the state agency information, the Forum received forecasts of gaming percentage fees and sales taxes from Moody's Analytics. The Forum also received forecasts of all non-major General Fund revenues developed by the Technical Advisory Committee for the Forum's review and consideration.

The Economic Forum reviewed the forecast information and requested that any updated forecasts and information be provided at the meeting on December 3, 2014. At that time, the Forum directed the Technical Advisory Committee to prepare forecasts for non-major revenues based on projections by individual state agencies, the Budget Division, and the Fiscal Analysis Division.

At the December 3, 2014, meeting, the Forum received revised forecasts and economic analysis from the Budget Division, Fiscal Analysis Division, Department of Taxation, Gaming Control Board and the Technical Advisory Committee, which were used to produce the binding forecast of all unrestricted General Fund revenue. A copy of the Economic Forum's official December 3, 2014, forecast is provided in the attached table. A final meeting of the Forum will be scheduled during the 78th Legislative Session, on or before May 1, 2015, to make any necessary revisions to the December 3, 2014, forecast.

Economic Review

In spite of the end of the Great Recession in June 2009, according to the National Bureau of Economic Research, the road to recovery has been long for the national and state economies. The last of the 50 states to leave the recession behind – Nevada – did not do so until late 2011, according to Moody's Analytics, and by September 2012, only three states – Alaska, North Dakota, and Texas – had reached economic expansion. As of September 2014, the list of states with economic expansion had grown to fourteen, adding Colorado, Iowa, Louisiana, Massachusetts, Minnesota, Montana, Nebraska, New York, Oklahoma, South Dakota, and Utah. Though a handful of metropolitan areas nationwide are still in recession or at risk of recession, Moody's notes that the remaining 37 states have left the recession behind, but are still recovering from the effects of the Great Recession more than five years after its end.

TABLE 1. ANNUAL GROWTH IN ECONOMIC INDICATORS
CALENDAR YEARS 2008 - 2013

	2008	2009	2010	2011	2012	2013
U.S.						
Real GDP	-0.3%	-2.8%	2.5%	1.6%	2.3%	2.2%
Employment (Total Nonfarm)	-0.6%	-4.3%	-0.7%	1.2%	1.7%	1.7%
Wage Growth	2.1%	-4.3%	2.0%	4.0%	4.5%	2.8%
Personal Income	3.6%	-2.8%	2.8%	6.2%	5.2%	2.0%
Consumer Price Inflation	3.8%	-0.3%	1.6%	3.1%	2.1%	1.5%
Fuels & Utilities	9.6%	-4.1%	1.7%	2.9%	-0.6%	2.8%
Housing Starts	-33.4%	-36.0%	6.1%	5.1%	27.8%	19.2%
Oil ($ per barrel)	$100	$62	$79	$95	$94	$98
Nevada						
Gross State Product	-1.6%	-7.6%	0.4%	2.3%	4.5%	2.4%
Employment (Total Nonfarm)	-2.2%	-9.1%	-2.6%	0.7%	1.7%	2.7%
Personal Income	-0.3%	-6.6%	0.2%	2.7%	6.2%	1.3%
Wage Growth	0.2%	-9.5%	-2.9%	2.3%	2.9%	3.4%
Housing Starts	-36.4%	-52.3%	-4.9%	2.5%	44.5%	23.5%
Las Vegas Visitors	-4.4%	-3.0%	2.7%	4.3%	2.1%	-0.1%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Nevada Department of Employment, Training and Rehabilitation, Las Vegas Convention and Visitors Authority

The improving economic conditions that began nationally in late 2009 and early 2010 occurred in part due to unprecedented monetary and fiscal stimulus programs, such as the American Recovery and Reinvestment Act, Cash for Clunkers, and the extension of Bush-era tax cuts. Real GDP increased by 2.5 percent in 2010, but the rate of growth slowed in 2011 to 1.6 percent as the absence of these programs created a drag on growth. Early in the recovery U.S. employers were reluctant to hire workers and job growth remained weak through the first quarter of 2011.

When the Economic Forum met in December 2012, the nationwide economy was recovering, but uncertainty lingered regarding the speed at which the U.S. would recover from the recession. At the time, unemployment continued to decline, but concerns regarding the labor force participation rate impacted the outlook regarding long-term job growth. Similarly, concerns were raised about the risks of higher inflation after several rounds of quantitative easing by the Federal Reserve caused significant increases in the money supply between late 2008 and 2012. Going into 2014, these concerns have not been actualized, as job growth has continued nationwide, while price increases have remained relatively low over the past two years.

Job growth nationwide has been modest but remarkably stable. During 2011, total U.S. employment increased by an average of 174,000 jobs per month. In 2012 and 2013, job growth averaged 186,000 and 194,000 jobs per month, respectively, and the annual growth rate was 1.7 percent in both 2012 and 2013.

As a result of more workers being added to the payrolls, wage growth nationally exceeded 4.0 percent in 2011 and 2012, and growth in personal income was 6.2 percent and 5.2 percent, respectively. However, in 2013, the growth in both wages and personal income slowed due in part to several policy changes, such as a 2.0 percent increase in the federal payroll tax, mandatory federal spending cuts, and the expiration of federal unemployment benefits, all of which took effect in January 2013. The impacts of the federal government shutdown at the end of 2013 also contributed to the slower overall growth in 2013 compared to 2012.

Signs of Economic Expansion in 2014

As of May 2014, the U.S. economy has recovered all of the 8.7 million jobs that were lost during the recession. Although the economic recovery in Nevada started later than the other 49 states, it has begun to resemble conditions seen elsewhere throughout the country. Continued growth in employment and stabilization of the housing market have led to improvements in economic conditions that are nowhere near the growth rates seen prior to the Great Recession, but are considerably improved compared to conditions immediately following the recession.

After three years of declining employment, Nevada started creating jobs again in the first quarter of 2011. During 2011, 2012 and 2013, Nevada's employment increased by 0.7 percent, 1.7 percent, and 2.7 percent. Nevada's average employment increased by approximately 7,600 jobs in 2011, 19,000 jobs in 2012 and 30,000 jobs in 2013. Employment in Nevada is once again growing at a faster rate than the national average; however, total employment in the 4th quarter of 2013, at 1,189,000, was still 8.2 percent below the pre-recession peak of 1,296,000 achieved in the 2nd quarter of 2007. Initially during the recovery in Nevada, job growth was driven by industries such as leisure and hospitality; trade, transportation and utilities; and professional and business services. More recently though, the construction industry has contributed to Nevada's job growth. The construction industry grew by 9.8 percent in 2013, which accounted for 17 percent of the 30,000 total jobs created in 2013.

After two years of declines, Nevada wages increased by 2.3 percent in 2011, 2.9 percent in 2012 and 3.4 percent in 2013. With the Consumer Price Index (CPI), which measures the increase in consumer prices, growing by 2.1 percent in 2012 and just 1.5 percent in 2013, wages in Nevada have actually been growing in inflation adjusted terms as well since 2012.

As improvements in national economic conditions began in 2010, the number of visitors to Las Vegas also recovered, increasing by an average of 3.0 percent per year over the period from 2010 to 2012. As the rate of growth in wages and personal income slowed in 2013 at the national level, visitors to Las Vegas actually declined by 0.1 percent in 2013. Although the national recovery may still be somewhat sluggish in nature, the number of visitors is actually up by 3.7 percent in 2014 through October.

Despite the increases in economic conditions nationwide and in Nevada, signs of risk to the U.S. economy, including the risk of a third recession in the Eurozone in the past decade, an economic slowdown in China, and continued instability in the Ukraine and the Middle East may hamper growth in the national economy as well as at the regional and state level. Changes in U.S. monetary policy may impact inflation and interest rates which can affect the economic growth in both the consumer and business sectors.

Housing

Early signs of recovery in the housing market in 2008 and 2009, due in part to federal income tax credits for first-time homebuyers approved under the Bush and Obama administrations, were short-lived, as sales of existing single-family homes fell by 4.2 percent in 2010. A modest gain of 2.4 percent in 2011, though, was followed by an 8.9 percent gain in sales in 2012 and an 8.3 percent gain in 2013. For the first three quarters of 2014, however, sales decreased by 5.2 percent compared to the first three quarters of 2013.

After several years of significant declines, home prices showed signs of hitting bottom in 2010, where prices increased by 1.3 percent; 2011, where prices decreased by 3.9 percent; and 2012, where prices again increased by 0.9 percent. Standard and Poor’s Case-Shiller home price index increased by a significant 12.0 percent in 2013 and by 11.1 percent through the first two quarters of 2014, which may be a contributing factor in the decrease in existing single-family home sales that has been seen so far this year.

TABLE 2: SELECTED U.S. HOUSING MARKET STATISTICS
CALENDAR YEARS 2008 - 2013

	2008	2009	2010	2011	2012	2013
New Housing Completions (% change)	-32.8%	-36.8%	-5.1%	-10.0%	7.2%	18.9%
Sales of New Single-Family Homes (% change)	-37.3%	-22.4%	-14.2%	-4.6%	20.0%	17.0%
Case-Shiller Home Price Index (% change)	-15.7%	-13.3%	1.3%	-3.9%	0.9%	12.0%
Sales of Existing Single-Family Homes (% change)	-17.3%	5.8%	-4.2%	2.4%	8.9%	8.3%
Total Mortgage Originations (% change)	-34.4%	30.7%	-14.2%	-16.6%	43.6%	-8.2%
Total Mortgage Loans Delinquent (% change)	29.3%	35.6%	-0.5%	-13.3%	-8.8%	-8.3%
Total Foreclosures Started (% change)	50.0%	26.1%	-7.8%	-16.8%	-14.6%	-29.3%

Sources: National Association of Realtors, Standard and Poor's, U.S. Census Bureau, Federal Reserve Board, Mortgage Bankers' Association

New single-family home completions, after reaching a nationwide low of approximately 446,000 in 2011, increased by 7.2 percent in 2012 and by 18.9 percent in 2013. Despite the decreased demand for existing single-family homes seen thus far this year, in calendar year 2014, Moody’s forecasts a total of approximately 632,000 new single-family homes completed, which represents an increase of 11.1 percent from the 569,000 new homes completed in 2013.

After reaching a near-historical high of 94,000 units in 2011, fueled primarily by sales of foreclosed homes, sales of existing single-family homes in Nevada decreased by nearly 20,000 units in 2012, due in part to the passage of Assembly Bill 284 (2011), which created stricter requirements for the filing of a foreclosure in Nevada. Existing single-family home sales increased by approximately 10.7 percent in 2013 to about 83,000 units, following the trend seen throughout the rest of the U.S. The nationwide trend for these sales in 2013 has also been followed this year, though, as sales for the first two quarters of 2014 have decreased by 8.1 percent in Nevada compared to the first two quarters of 2013.

Home prices, which fell to mid-1990s levels in Nevada by the end of 2011 due in part to the glut of foreclosed homes on the market, have steadily increased as the number of foreclosures has eased. The Case-Shiller index had a modest increase of 1.9 percent in Nevada in 2012, which was followed by a more pronounced increase of 25.2 percent in 2013. Despite these increases, as well as a more modest increase of 17.3 percent for the first two quarters of 2014, the price index indicates that home prices in Nevada are roughly equivalent to prices seen in the middle of 2003.

One of the more encouraging signs in Nevada's housing market over the past several years has been seen in new single-family home completions. After falling to a low of 5,100 units in 2011, completions increased by 21.7 percent in 2012 and by 42.0 percent in 2013, ending that year with a total of more than 8,800 completions. Though Moody's forecasts that completions in 2014 will be approximately 300 units lower than in 2013, the increases that have been seen suggest that home construction will finally be on an upward trend in future years.

Inflation

Shortly before the Economic Forum met in November 2012, the Federal Reserve announced a third round of "quantitative easing" – the creation of additional U.S. currency for the purposes of repurchasing debt held by the U.S. Since the first round of quantitative easing was announced in 2008, the Federal Reserve has repurchased nearly $4 trillion worth of federal debt and securities. Concerns raised that these actions may result in increases in inflation have thus far been unfounded – in fact, the CPI, which grew by 3.1 percent in 2011, grew by only 2.1 percent in 2012 and by only 1.5 percent in 2013.

Average crude oil prices, as measured by the West Texas Intermediate Spot rate, rose from an average of $76 per barrel in the third quarter of 2010 to a high of $106 per barrel in the third quarter of 2013, and has hovered in a range between $97 and $103 from that point through the middle of 2014. In recent months, the price of oil has dropped for a number of reasons, ranging from increased production in the U.S. and North Africa to a decrease in demand in Europe and Asia, which has led Moody's to forecast an average price of less than $84 per barrel during the fourth quarter of 2014. On December 1, 2014, the West Texas Intermediate Spot rate opened at less than $65 per barrel. Moody's is forecasting an average price of less than

$93 per barrel for 2015. However, continued disruptions in the Middle East pose a risk to the price of oil worldwide, and price increases may result from further decreases in stability in that region.

Although prices increased by more than 2.0 percent in the second quarter of 2014, which was the fastest pace since 2012, the recent declines in oil prices are expected to keep the CPI to below 2.0 percent for calendar year 2014. Moody's is forecasting the CPI to increase by 1.9 percent in 2015, 2.3 percent in 2016 and 2.9 percent in 2017.

Employment

The U.S. unemployment rate, which hit a high of 10.0 percent in October 2009, has steadily decreased in the last five years to 5.8 percent in October 2014. During that time period, the number of nonfarm employees nationwide increased from approximately 130 million to nearly 140 million projected at the end of October 2014. Despite this increase in nonfarm employees, much of the decrease in the unemployment rate is also attributable to continued decreases in the percentage of the U.S. working population that is participating in the labor force. This percentage, which was at 65 percent in October 2009, has dropped to approximately 62.8 percent in October 2014.

According to the Bureau of Labor Statistics, approximately 2.6 million more people nationwide were employed at the end of the third quarter of 2014 than were employed in the third quarter of 2013. The gains during that period were primarily in the professional and business services sector, which added nearly 660,000 jobs; the trade, transportation, and utilities sector, which added 550,000 jobs; the education and health services sector, which added 400,000 jobs; the leisure and hospitality sector, which added 370,000 jobs; the construction sector, which added 225,000 jobs, and the manufacturing sector, which added 170,000 jobs. Smaller increases were seen in the financial sector, which added 75,000 jobs; the natural resources and mining sector, which added approximately 50,000 jobs; and the information sector, which added only 6,000 jobs. The government sector, which had seen little (if any) growth since the end of the Great Recession, has added a total of 50,000 jobs between the third quarter of 2013 and the third quarter of 2014. The net increase in public sector jobs during this time period is wholly attributable to state and local governments, which gained about 85,000 jobs during this period – federal employment decreased by approximately 35,000 during the same time period.

When the U.S. unemployment rate reached its peak in October 2009, the Nevada unemployment rate had not yet reached its high – the state unemployment rate would continue to climb to a maximum rate of 13.9 percent in November 2010. The recovery of employment from that point was slow – when the Economic Forum met in November 2012, the state's unemployment rate was still at 11.5 percent, nearly five points higher than the national rate, and the highest state unemployment rate in the country. Nevada's rate dipped below 10 percent in mid-2013, and though the rate is still higher than all but five other states, October 2014's unemployment rate of 7.1 percent is only 1.3 percent higher than the national rate.

For comparison to the U.S., from the third quarter of 2013 to the third quarter of 2014, Nevada's total nonfarm employment has gained 42,000 jobs, with the most significant gains in construction (7,400 jobs gained); trade, transportation, and utilities (7,200 jobs gained); leisure and hospitality services (6,900 jobs gained), and education and health services (6,000 jobs gained). Natural resources and mining government were two of the major sectors that lost employment, though the losses were minimal, with 130 jobs lost in natural resources and mining and 200 jobs lost in government. As with the government sectors at the national level, state and local government jobs were gained (increasing by 170), but federal government jobs were lost (decreasing by 370).

The recent announcement of the Tesla gigafactory, which is expected to bring at least 6,000 manufacturing jobs to Storey County, as well as major casino projects opening on the Las Vegas Strip in the next several years, should continue to create job opportunities for residents of both Northern and Southern Nevada for the next several years.

Consumer Spending

Consumers' balance sheets are beginning to see improvement as a result of stronger job growth and income gains as well as wealth appreciation from increases in home prices and the stock market. Consumer spending has also been enhanced by an increase in purchasing power. Since inflation has remained low following the recession wage increases are outpacing the rate of inflation. Based on Moody's forecast for inflation to remain in the 2.0 to 2.5 percent range for the next two years, this trend is expected to continue in the near term.

Consumer spending, which fell by nearly $170 billion between 2008 and 2009 as a result of the Great Recession, has steadily increased and continues to increase into 2014 due in part to pent-up demand following several years of limited income growth. In the first three quarters of 2014, total consumer expenditures have increased on average by 3.7 percent compared to the first three quarters in 2013. This increase is primarily driven by expenditures on services, which increased by 4.1 percent during this period. However, increases in durable goods of 3.7 percent and a 2.5 percent increase in spending on nondurable goods also contributed to these gains.

In addition to these gains in consumer expenditures, Americans are saving more of their personal income than in previous years. Nationwide, total personal saving has increased by 8.6 percent in the first three quarters of 2014 compared to the same period in 2013.

Although the combination of rising employment and incomes, moderate inflation rates, lower oil prices, and increases in consumer spending are optimistic signs for further recovery and expansion of the economy going forward, the risk of economic and political instability in Europe, southeast Asia, and the Middle East should not be ignored as potential risks that may hinder growth in the international, national and state economies over the forecast horizon.

General Fund Revenue Forecast – Fiscal Years 2015, 2016, and 2017

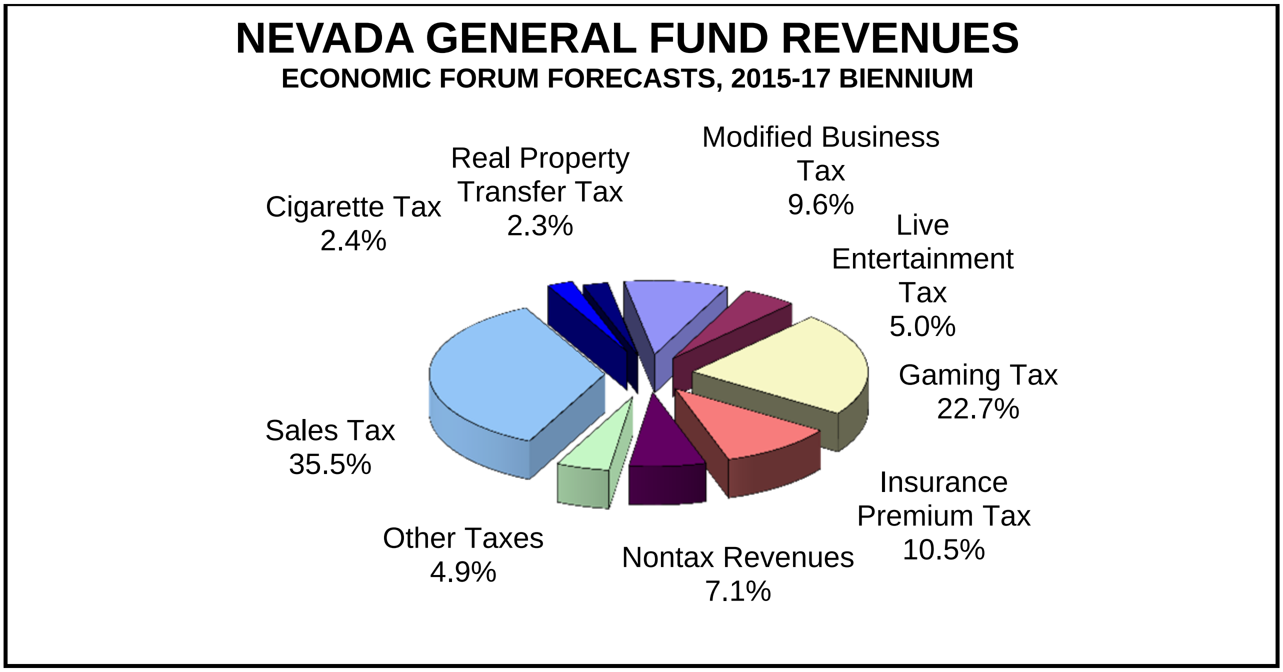
At the December 3, 2014, meeting, the Economic Forum took into consideration presentations made at the meeting on November 7, 2014. These presentations included the Nevada employment outlook made by Bill Anderson from the Nevada Department of Employment, Training, and Rehabilitation; the Nevada population outlook by Jeff Hardcastle, State Demographer; and the U.S. and Nevada general economic outlook by Daniel White and Gregory Bird from Moody's Analytics. The Forum also took into consideration the economic outlooks used to derive the General Fund revenue forecasts made by the Budget Division, the Department of Taxation, the Gaming Control Board, and the Fiscal Analysis Division.

(Exhibits presented to the Economic Forum at its meetings are available from the Fiscal Analysis Division upon request, or on the Legislative Counsel Bureau's website: http://www.leg.state.nv.us/Interim/77th2013/Committee/NonLeg/EcForum/?ID=24

Based on consideration of the information that was provided to the Forum at these meetings, the following forecast was approved at the December 3, 2014, meeting.

Total Nevada General Fund revenues are forecast at $3.07 billion for FY 2016 and $3.26 billion for FY 2017. The 2015-2017 biennial total of $6.33 billion is 0.9 percent higher than the current revised estimate for FY 2015 and the actual collections for FY 2014 of $6.27 billion for the 2013-2015 biennium.

As you will note in the chart below, gaming taxes are forecast to provide 22.7 percent of all General Fund revenues during the 2015-17 biennium, an increase from the 21.8 percent now estimated for the current biennium. Sales tax collections are forecast to provide 35.5 percent of all General Fund revenues during the 2015-17 biennium, an increase from the 31.9 percent currently estimated for the 2013-15 biennium. Modified business tax collections are forecast to provide 9.6 percent of all General Fund revenues during the 2015-17 biennium, a decrease from the 12.6 percent currently estimated for the 2013-15 biennium due to the sunset provisions approved during the 2013 Session of the Legislature.



More detailed information on specific revenues in addition to gaming, sales, and modified business taxes is available in the accompanying table.

Sales Tax

Sales tax collections are forecast to reach $995.8 million in FY 2015, a 6.9 percent increase from FY 2014 levels. Sales taxes are expected to increase by 5.7 percent in FY 2016 and increase by 5.9 percent in FY 2017. These forecasts result in projected total sales tax receipts of $2.2 billion during the 2015-17 biennium.

Gaming Percentage Fee Tax

Total gaming percentage fee tax revenues are forecast to reach $687.2 million in FY 2015, an increase of 0.7 percent from actual FY 2014 collections. From this base, the tax is estimated to increase by 2.8 percent in FY 2016 and increase by 3.3 percent in FY 2017 to yield revenues of $1.4 billion for the General Fund during the 2015-17 biennium.

Modified Business Tax

Total modified business tax revenues are forecast to reach $403.7 million in FY 2015, an increase of 4.9 percent from actual FY 2014 collections. Modified business taxes are estimated to decrease by 26.8 percent in FY 2016. With an increase of 4.9 percent in FY 2017, this revenue source is forecast to yield $605.3 million for the General Fund during the 2015-17 biennium.

For FY 2014 and 2015, the general business portion of the modified business tax is collected at a two-tier rate, with a rate of zero on the first $85,000 in taxable wages in a calendar quarter and a rate of 1.17 percent on all taxable wages in excess of $85,000 in a calendar quarter. Pursuant to Senate Bill 475 (2013), these provisions expire on June 30, 2015, and the modified business tax on general businesses reverts to a tax rate of 0.63 percent on all taxable wages in FY 2016 and future years. This legislative action accounts for the significant decrease in forecasted modified business tax revenue in FY 2016 compared to FY 2015.

Insurance Premium Tax

Total insurance premium tax revenues are forecast to reach $291.2 million in FY 2015, an increase of 10.5 percent from actual FY 2014 collections. From this base, the tax is estimated to increase by 9.7 percent in FY 2016 and increase by 9.3 percent in FY 2017 to yield revenues of $668.5 million for the General Fund during the 2015-17 biennium.

Live Entertainment Tax - Gaming

Total live entertainment tax revenues from gaming establishments are forecast to reach $135.9 million in FY 2015, a decrease of 2.3 percent from actual FY 2014 collections. From this base, the tax is estimated to increase by 3.4 percent in FY 2016 and increase by 3.7 percent in FY 2017 to yield revenues of $286.2 million for the General Fund during the 2015-17 biennium.

Real Property Transfer Tax

Total real property transfer tax revenues are forecast to reach $65.4 million in FY 2015, an increase of 8.9 percent from actual FY 2014 collections. From this base, the tax is estimated to increase by 7.6 percent in FY 2016 and increase by 8.0 percent in FY 2017 to yield revenues of $146.5 million for the General Fund during the 2015-17 biennium.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

							ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
TAXES												
TOTAL MINING TAXES AND FEES [3-09][19/20-10][1/2/3-12][1/2-14]	$120,425,485	-7.1%	$111,339,623	-7.5%	$26,221,970	-76.4%	$28,973,000	10.5%	$65,000		$31,076,000	
TOTAL SALES AND USE TAX [1-04][1A/1B-09][1-10][4-12][3-14]	$875,596,070	6.0%	$923,198,845	5.4%	$967,706,171	4.8%	$1,032,597,500	6.7%	$1,090,418,700	5.6%	$1,155,136,400	5.9%
TOTAL GAMING TAXES [2/3-04][1-06][5-12]	$686,450,412	0.4%	$710,525,734	3.5%	$718,816,067	1.2%	$716,885,200	-0.3%	$735,616,200	2.6%	$767,138,900	4.3%
LIVE ENTERTAINMENT TAX [4a/4b-04][2-06]	$136,982,047	4.9%	$137,416,170	0.3%	$154,136,218	12.2%	$151,561,000	-1.7%	$156,780,000	3.4%	$162,711,000	3.8%
TOTAL INSURANCE TAXES [21-10][1-16]	$237,858,943	0.9%	$249,389,842	4.8%	$264,521,903	6.1%	$292,233,400	10.5%	$320,358,900	9.6%	$350,141,900	9.3%
MBT-NONFINANCIAL [10-04][5/6-06][2-10][6-12][4-14]	$348,943,337	-3.4%	$363,242,006	4.1%	$361,095,880	-0.6%	$379,528,000	5.1%	$270,420,000	-28.7%	$283,941,000	5.0%
MBT-FINANCIAL [11-04][5-06]	$20,717,296	0.8%	$23,368,075	12.8%	$23,789,898	1.8%	$24,218,000	1.8%	$24,969,000	3.1%	$25,943,000	3.9%
CIGARETTE TAX [6-04][2-09][3-10]	$82,974,853	-3.5%	$83,017,546	0.1%	$79,628,983	-4.1%	$77,846,500	-2.2%	$76,082,900	-2.3%	$74,270,400	-2.4%
REAL PROPERTY TRANSFER TAX [13-04][8-06]	$48,373,678	-6.2%	$54,989,831	13.7%	$60,047,457	9.2%	$65,405,000	8.9%	$70,402,000	7.6%	$76,064,000	8.0%
ROOM TAX [5-09][4-10]												
GOVERNMENTAL SERVICES TAX [5-10][5-14]	$62,358,153	1.3%	$63,503,131	1.8%	$62,267,322	-1.9%	$62,890,000	1.0%				
LIQUOR TAX [5-04][2-09][7-10]	$40,649,951	3.0%	$39,884,376	-1.9%	$41,838,536	4.9%	$42,614,000	1.9%	$43,470,000	2.0%	$44,330,000	2.0%
OTHER TOBACCO TAX [7-04][2-09][8-10]	$8,274,310	-17.6%	$10,348,437	25.1%	$11,620,286	12.3%	$11,540,000	-0.7%	$12,442,000	7.8%	$12,738,000	2.4%
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][3/4-06][6-10][7-12][6-14]	$64,790,426	19.0%	$69,010,685	6.5%	$72,166,482	4.6%	$74,401,000	3.1%	$40,750,000	-45.2%	$41,763,000	2.5%
BUSINESS LICENSE TAX [9-04]	$597	-95.6%	$2,941	393.0%	$2,814	-4.3%	$260	-90.7%				
BRANCH BANK EXCISE TAX [12-04][7-06]	$3,047,528	-0.9%	$2,996,521	-1.7%	$2,788,166	-7.0%	$3,027,300	8.6%	$2,913,400	-3.8%	$2,913,400	
TAX AMNESTY [22-10]												
TOTAL TAXES	$2,742,443,087	-2.5%	$2,847,233,762	3.8%	$2,851,648,150	0.2%	$2,968,720,160	4.1%	$2,849,688,100	-4.0%	$3,033,167,000	6.4%
LICENSES												
INSURANCE LICENSES	$15,646,219	-5.4%	$16,625,163	6.3%	$17,925,429	7.8%	$18,642,000	4.0%	$19,202,000	3.0%	$19,778,000	3.0%
MARRIAGE LICENSES	$404,472	-1.7%	$378,324	-6.5%	$371,684	-1.8%	$382,400	2.9%	$385,600	0.8%	$382,500	-0.8%
TOTAL SECRETARY OF STATE [14-04][9/23-10]	$93,679,582	-6.5%	$91,976,297	-1.8%	$94,922,982	3.2%	$96,631,200	1.8%	$98,233,500	1.7%	$100,000,400	1.8%
PRIVATE SCHOOL LICENSES [7-14]	$224,140	-5.8%	$247,504	10.4%	$284,569	15.0%	$285,000	0.2%	$290,000	1.8%	$295,000	1.7%
PRIVATE EMPLOYMENT AGENCY	$11,800	-12.6%	$11,700	-0.8%	$11,400	-2.6%	$11,400		$11,400		$11,300	-0.9%
TOTAL REAL ESTATE [15/16-04]	$4,009,255	69.2%	$3,411,539	-14.9%	$1,376,900	-59.6%	$1,440,500	4.6%	$3,703,300	157.1%	$3,237,300	-12.6%
ATHLETIC COMMISSION FEES [24-10]	$5,115,117	74.8%	$3,867,975	-24.4%	$5,334,498	37.9%	$5,777,000	8.3%	$5,503,000	-4.7%	$5,612,000	2.0%
TOTAL LICENSES	$119,090,583	-3.0%	$116,518,502	-2.2%	$120,227,462	3.2%	$123,169,500	2.4%	$127,328,800	3.4%	$129,316,500	1.6%
FEES AND FINES												
VITAL STATISTICS FEES [17-04][25-10][8-14]	$1,024,903	-0.5%	$1,057,380	3.2%								
DIVORCE FEES	$184,862	-2.9%	$171,211	-7.4%	$174,376	1.8%	$172,000	-1.4%	$172,100	0.1%	$173,400	0.8%
CIVIL ACTION FEES	$1,389,756	-4.0%	$1,324,808	-4.7%	$1,325,805	0.1%	$1,327,000	0.1%	$1,328,000	0.1%	$1,330,000	0.2%
INSURANCE FEES	$1,431,172	153.1%	$1,208,502	-15.6%	$723,272	-40.2%	$900,000	24.4%	$990,000	10.0%	$990,000	
MEDICAL PLAN DISCOUNT REGISTRATION FEES	$9,895	-5.8%	$2,050	-79.3%								
TOTAL REAL ESTATE FEES [9-14]	$718,796	13.2%	$566,926	-21.1%	$549,202	-3.1%	$562,600	2.4%	$540,300	-4.0%	$549,900	1.8%
SHORT-TERM CAR LEASE [4-09][10-10][8-12]	$44,499,016	15.3%	$45,753,454	2.8%	$46,151,238	0.9%	$47,172,000	2.2%	$48,192,000	2.2%	$49,282,000	2.3%
ATHLETIC COMMISSION LICENSES/FINES	$231,865	70.8%	$215,822	-6.9%	$234,245	8.5%	$253,700	8.3%	$241,500	-4.8%	$246,400	2.0%
STATE ENGINEER SALES [11-10][10-14]	$3,366,568	12.4%	$2,617,726	-22.2%								
SUPREME COURT FEES	$211,955	2.6%	$193,275	-8.8%	$216,785	12.2%	$216,800	0.0%	$216,800		$216,800	
NOTICE OF DEFAULT FEES [26-10]	$2,484,840	-69.5%	$2,765,325	11.3%	$1,706,387	-38.3%	$1,254,900	-26.5%	$1,066,700	-15.0%	$931,500	-12.7%
MISC. FINES/FORFEITURES	$2,851,838	-14.0%	$11,162,515	291.4%	$3,125,839	-72.0%	$3,150,000	0.8%	$3,000,000	-4.8%	$3,000,000	
TOTAL FEES AND FINES	$58,405,467	1.9%	$67,038,994	14.8%	$54,207,150	-19.1%	$55,009,000	1.5%	$55,747,400	1.3%	$56,720,000	1.7%
USE OF MONEY AND PROPERTY												
LYON COUNTY REPAYMENTS												
OTHER REPAYMENTS [18-04][11-14]	$363,017	-66.9%	$453,594	25.0%	$392,422	-13.5%	$454,933	15.9%	$251,935	-44.6%	$251,935	
INTEREST INCOME [9-12]	$505,123	-57.2%	$633,273	25.4%	$594,086	-6.2%	$1,106,200	86.2%	$3,243,000	193.2%	$6,017,300	85.5%
TOTAL USE OF MONEY AND PROPERTY	$868,140	-62.0%	$1,086,867	25.2%	$986,508	-9.2%	$1,561,133	58.2%	$3,494,935	123.9%	$6,269,235	79.4%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

							ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 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][12-14]	$24,678,398		$25,127,068	1.8%			$24,911,700					
EXPIRED SLOT MACHINE WAGERING VOUCHERS [11-12]	$3,134,219		$7,193,209	129.5%	$7,486,068	4.1%	$7,444,800	-0.6%	$7,511,300	0.9%	$7,653,400	1.9%
PROPERTY TAX: 4-CENT OPERATING RATE [13-10]	$22											
PROPERTY TAX: 5-CENT CAPITAL RATE [14-10]	$11											
SUPPL. ACCOUNT FOR MED. ASSIST. TO INDIGENT [18-10][12-12]	$19,112,621	-12.7%	$19,218,718	0.6%								
COURT ADMINISTRATIVE ASSESSMENTS [16-10][13-12][13-14]	$4,434,259	-13.5%	$4,118,579	-7.1%	$2,511,100	-39.0%	$2,510,800	0.0%				
COURT ADMINISTRATIVE ASSESSMENT FEE [28-10]	$2,537,600	6.5%	$2,509,553	-1.1%	$2,335,123	-7.0%	$2,218,400	-5.0%	$2,218,400		$2,240,600	1.0%
MISC. SALES AND REFUNDS	$870,945	-21.0%	$867,238	-0.4%	$894,392	3.1%	$907,300	1.4%	$905,300	-0.2%	$912,200	0.8%
COST RECOVERY PLAN [14-14]	$8,495,233	-6.1%	$8,470,707	-0.3%	$8,883,972	4.9%	$8,461,500	-4.8%	$8,514,800	0.6%	$8,525,500	0.1%
UNCLAIMED PROPERTY [9-06][5-09][12/29/30-10][1-11][14-12]	$97,397,588	16.2%	$32,918,563	-66.2%	$17,466,436	-46.9%	$10,075,000	-42.3%	$13,884,000	37.8%	$15,878,000	14.4%
TOTAL OTHER REVENUE	$160,960,897	-11.3%	$100,723,636	-37.4%	$39,877,089	-60.4%	$56,829,500	42.5%	$33,333,800	-41.3%	$35,509,700	6.5%
TOTAL GENERAL FUND REVENUE	$3,081,768,174	-2.9%	$3,132,601,761	1.6%	$3,066,946,360	-2.1%	$3,205,289,294	4.5%	$3,069,593,035	-4.2%	$3,260,982,435	6.2%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

								ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
	DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 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]	$120,414,858	8.0%	$111,275,062	-7.6%	$26,221,970	-76.4%	$28,908,000	10.2%			$31,011,000	
3241	Net Proceeds Penalty												
3245	Centrally Assessed Penalties	$4,327	-78.9%	$64,561	1392.1%			$65,000		$65,000		$65,000	
3116	Mining Claims Fee [20-10][3-12]	$6,300											
	TOTAL MINING TAXES AND FEES	$120,425,485	-7.1%	$111,339,623	-7.5%	$26,221,970	-76.4%	$28,973,000	10.5%	$65,000		$31,076,000	
	SALES AND USE												
3001	Sales & Use Tax [1-04][1A-09][1-10]	$842,941,556	6.0%	$888,658,964	5.4%	$931,319,687	4.8%	$995,792,000	6.9%	$1,052,885,000	5.7%	$1,115,375,000	5.9%
3002	State Share - LSST [1-04][1B-09][1-10][4-12][3-14]	$8,309,073	7.5%	$8,791,462	5.8%	$9,194,669	4.6%	$9,709,000	5.6%	$8,883,700	-8.5%	$9,411,000	5.9%
3003	State Share - BCCRT [1-04][1B-09][1-10]	$3,682,170	6.0%	$3,893,046	5.7%	$4,088,755	5.0%	$4,356,600	6.6%	$4,606,400	5.7%	$4,879,800	5.9%
3004	State Share - SCCRT [1-04][1B-09][1-10]	$12,884,425	6.0%	$13,625,039	5.7%	$14,305,300	5.0%	$15,248,100	6.6%	$16,122,300	5.7%	$17,079,200	5.9%
3005	State Share - PTT [1-04][1B-09][1-10]	$7,778,846	5.9%	$8,230,334	5.8%	$8,797,760	6.9%	$7,491,800	-14.8%	$7,921,300	5.7%	$8,391,400	5.9%
	TOTAL SALES AND USE	$875,596,070	6.0%	$923,198,845	5.4%	$967,706,171	4.8%	$1,032,597,500	6.7%	$1,090,418,700	5.6%	$1,155,136,400	5.9%
	GAMING - STATE												
3032	Pari-mutuel Tax	$2,113	-42.1%	$3,069	45.2%	$2,758	-10.1%	$3,000	8.8%	$3,000		$3,200	6.7%
3181	Racing Fees	$11,616	-1.0%	$8,698	-25.1%	$9,258	6.4%	$7,500	-19.0%	$7,600	1.3%	$7,600	
3247	Racing Fines/Forfeitures			$350				$600					
3041	Percent Fees - Gross Revenue [2-04]	$653,672,645	0.2%	$678,852,045	3.9%	$682,311,672	0.5%	$687,213,000	0.7%	$706,620,000	2.8%	$730,012,000	3.3%
3042	Gaming Penalties	$459,560	-67.5%	$1,456,742	217.0%	$7,862,472	439.7%	$750,000	-90.5%	$750,000		$750,000	
3043	Flat Fees-Restricted Slots [3-04][1-06][1-08][5-12]	$8,485,702	0.8%	$8,403,435	-1.0%	$8,305,289	-1.2%	$8,257,200	-0.6%	$8,276,400	0.2%	$8,339,200	0.8%
3044	Non-Restricted Slots [1-06][1-08][5-12]	$12,628,582	2.9%	$12,298,703	-2.6%	$11,383,000	-7.4%	$11,262,600	-1.1%	$11,186,500	-0.7%	$11,204,300	0.2%
3045	Quarterly Fees-Games	$6,592,935	-1.2%	$6,449,658	-2.2%	$6,410,111	-0.6%	$6,536,500	2.0%	$6,586,400	0.8%	$6,673,500	1.3%
3046	Advance License Fees	$3,996,985	79.3%	$1,340,597	-66.5%	$672,263	-49.9%	$1,553,400	131.1%	$500,000	-67.8%	$8,569,300	1613.9%
3048	Slot Machine Route Operator	$36,500	1.4%	$40,500	11.0%	$37,000	-8.6%	$37,500	1.4%	$38,000	1.3%	$39,000	2.6%
3049	Gaming Info Systems Annual	$18,000	19.0%	$18,000		$18,000		$18,000		$18,000		$18,000	
3028	Interactive Gaming Fee - Operator			$437,500		$604,167	38.1%	$500,000	-17.2%	$854,000	70.8%	$750,000	-12.2%
3029	Interactive Gaming Fee - Service Provider	$1,000		$27,000	2600.0%	$75,000	177.8%	$73,000	-2.7%	$70,000	-4.1%	$65,000	-7.1%
3030	Interactive Gaming Fee - Manufacturer	$125,000		$775,000	520.0%	$700,000	-9.7%	$225,000	-67.9%	$250,000	11.1%	$250,000	
3033	Equip Mfg. License	$264,500	-4.9%	$273,500	3.4%	$290,000	6.0%	$296,000	2.1%	$300,500	1.5%	$303,500	1.0%
3034	Race Wire License	$38,849	16.3%	$34,889	-10.2%	$29,736	-14.8%	$28,800	-3.1%	$28,200	-2.1%	$27,700	-1.8%
3035	Annual Fees on Games	$116,425	-5.6%	$106,046	-8.9%	$105,341	-0.7%	$123,100	16.9%	$127,600	3.7%	$126,600	-0.8%
	TOTAL GAMING - STATE	$686,450,412	0.4%	$710,525,734	3.5%	$718,816,067	1.2%	$716,885,200	-0.3%	$735,616,200	2.6%	$767,138,900	4.3%
	LIVE ENTERTAINMENT TAX (LET)												
3031G	Live Entertainment Tax-Gaming [4b-04]	$125,337,855	5.7%	$125,709,500	0.3%	$139,156,240	10.7%	$135,893,000	-2.3%	$140,473,000	3.4%	$145,721,000	3.7%
3031NG	Live Entertainment Tax-Nongaming [4b-04][2-06][2-08]	$11,644,191	-3.8%	$11,706,670	0.5%	$14,979,978	28.0%	$15,668,000	4.6%	$16,307,000	4.1%	$16,990,000	4.2%
	TOTAL LET	$136,982,047	4.9%	$137,416,170	0.3%	$154,136,218	12.2%	$151,561,000	-1.7%	$156,780,000	3.4%	$162,711,000	3.8%
	INSURANCE TAXES												
3061	Insurance Premium Tax [21-10][1-16]	$236,787,376	0.8%	$248,512,421	5.0%	$263,531,578	6.0%	$291,239,000	10.5%	$319,349,000	9.7%	$349,124,000	9.3%
3062	Insurance Retaliatory Tax	$396,380	81.1%	$242,383	-38.9%	$234,807	-3.1%	$216,200	-7.9%	$216,200		$216,200	
3067	Captive Insurer Premium Tax	$675,188	-9.0%	$635,037	-5.9%	$755,517	19.0%	$778,200	3.0%	$793,700	2.0%	$801,700	1.0%
	TOTAL INSURANCE TAXES	$237,858,943	0.9%	$249,389,842	4.8%	$264,521,903	6.1%	$292,233,400	10.5%	$320,358,900	9.6%	$350,141,900	9.3%
	MODIFIED BUSINESS TAX (MBT)												
3069	MBT - Nonfinancial [10-04][5-06][6-06][3-08][2-10][6-12][4-14]	$348,943,337	-3.4%	$363,242,006	4.1%	$361,095,880	-0.6%	$379,528,000	5.1%	$270,420,000	-28.7%	$283,941,000	5.0%
3069	MBT - Financial [11-04][5-06]	$20,717,296	0.8%	$23,368,075	12.8%	$23,789,898	1.8%	$24,218,000	1.8%	$24,969,000	3.1%	$25,943,000	3.9%
	TOTAL MBT	$369,660,633	-3.2%	$386,610,081	4.6%	$384,885,778	-0.4%	$403,746,000	4.9%	$295,389,000	-26.8%	$309,884,000	4.9%
	CIGARETTE TAX												
3052	Cigarette Tax [6-04][2-09][3-10]	$82,974,853	-3.5%	$83,017,546	0.1%	$79,628,983	-4.1%	$77,846,500	-2.2%	$76,082,900	-2.3%	$74,270,400	-2.4%
	REAL PROPERTY TRANSFER TAX (RPTT)												
3055	Real Property Transfer Tax [13-04][8-06]	$48,373,678	-6.2%	$54,989,831	13.7%	$60,047,457	9.2%	$65,405,000	8.9%	$70,402,000	7.6%	$76,064,000	8.0%
	ROOM TAX												
3057	Room Tax [4-10]												
	GOVERMENTAL SERVICES TAX (GST)												
3051	Governmental Services Tax [5-10][5-14]	$62,358,153	1.3%	$63,503,131	1.8%	$62,267,322	-1.9%	$62,890,000	1.0%				

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							ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
TAXES - CONTINUED												
OTHER TAXES												
3113 Business License Fee [8-04][3-06][4-06][6-10][7-12][6-14]	$64,790,426	19.0%	$69,010,685	6.5%	$72,166,482	4.6%	$74,401,000	3.1%	$40,750,000	-45.2%	$41,763,000	2.5%
3050 Liquor Tax [5-04][2-09][7-10]	$40,649,951	3.0%	$39,884,376	-1.9%	$41,838,536	4.9%	$42,614,000	1.9%	$43,470,000	2.0%	$44,330,000	2.0%
3053 Other Tobacco Tax [7-04][2-09][8-10]	$8,274,310	-17.6%	$10,348,437	25.1%	$11,620,286	12.3%	$11,540,000	-0.7%	$12,442,000	7.8%	$12,738,000	2.4%
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]	$597	-95.6%	$2,941	393.0%	$2,814	-4.3%	$260	-90.7%				
3068 Branch Bank Excise Tax [12-04][7-06]	$3,047,528	-0.9%	$2,996,521	-1.7%	$2,788,166	-7.0%	$3,027,300	8.6%	$2,913,400	-3.8%	$2,913,400	
TOTAL TAXES	$2,742,443,087	-2.5%	$2,847,233,762	3.8%	$2,851,648,150	0.2%	$2,968,720,160	4.1%	$2,849,688,100	-4.0%	$3,033,167,000	6.4%
LICENSES												
3101 Insurance Licenses	$15,646,219	-5.4%	$16,625,163	6.3%	$17,925,429	7.8%	$18,642,000	4.0%	$19,202,000	3.0%	$19,778,000	3.0%
3120 Marriage License	$404,472	-1.7%	$378,324	-6.5%	$371,684	-1.8%	$382,400	2.9%	$385,600	0.8%	$382,500	-0.8%
SECRETARY OF STATE												
3105 UCC [1-02][14-04][23-10]	$1,829,710	-0.4%	$1,685,928	-7.9%	$1,714,724	1.7%	$1,653,000	-3.6%	$1,659,000	0.4%	$1,666,000	0.4%
3129 Notary Fees [23-10]	$579,228	-24.6%	$571,626	-1.3%	$544,060	-4.8%	$549,500	1.0%	$555,000	1.0%	$560,500	1.0%
3130 Commercial Recordings [14-04][9-10][23-10]	$66,693,331	-5.9%	$65,062,391	-2.4%	$66,661,943	2.5%	$67,858,000	1.8%	$68,922,000	1.6%	$70,137,000	1.8%
3131 Video Service Franchise	$8,425		$7,075	-16.0%	$3,525	-50.2%	$2,000	-43.3%	$300	-85.0%	$300	
3121 Domestic Partnership Registry Fee [23-10]	$33,891	42.1%	$43,956	29.7%	$51,621	17.4%	$7,700	-85.1%	$5,200	-32.5%	$2,600	-50.0%
3152 Securities [14-04][23-10]	$24,534,996	2.1%	$24,605,322	0.3%	$25,947,110	5.5%	$26,561,000	2.4%	$27,092,000	2.0%	$27,634,000	2.0%
TOTAL SECRETARY OF STATE	$93,679,582	-6.5%	$91,976,297	-1.8%	$94,922,982	3.2%	$96,631,200	1.8%	$98,233,500	1.7%	$100,000,400	1.8%
3172 Private School Licenses [7-14]	$224,140	-5.8%	$247,504	10.4%	$284,569	15.0%	$285,000	0.2%	$290,000	1.8%	$295,000	1.7%
3173 Private Employment Agency	$11,800	-12.6%	$11,700	-0.8%	$11,400	-2.6%	$11,400		$11,400		$11,300	-0.9%
REAL ESTATE												
3161 Real Estate License [15-04]	$4,005,955	69.4%	$3,408,649	-14.9%	$1,372,080	-59.7%	$1,437,200	4.7%	$3,699,700	157.4%	$3,233,700	-12.6%
3162 Real Estate Fees	$3,300	-31.3%	$2,890	-12.4%	$4,820	66.8%	$3,300	-31.5%	$3,600	9.1%	$3,600	
TOTAL REAL ESTATE	$4,009,255	69.2%	$3,411,539	-14.9%	$1,376,900	-59.6%	$1,440,500	4.6%	$3,703,300	157.1%	$3,237,300	-12.6%
3102 Athletic Commission Fees [24-10]	$5,115,117	74.8%	$3,867,975	-24.4%	$5,334,498	37.9%	$5,777,000	8.3%	$5,503,000	-4.7%	$5,612,000	2.0%
TOTAL LICENSES	$119,090,583	-3.0%	$116,518,502	-2.2%	$120,227,462	3.2%	$123,169,500	2.4%	$127,328,800	3.4%	$129,316,500	1.6%
FEES AND FINES												
3200 Vital Statistics Fees [17-04][25-10][8-14]	$1,024,903	-0.5%	$1,057,380	3.2%								
3203 Divorce Fees	$184,862	-2.9%	$171,211	-7.4%	$174,376	1.8%	$172,000	-1.4%	$172,100	0.1%	$173,400	0.8%
3204 Civil Action Fees	$1,389,756	-4.0%	$1,324,808	-4.7%	$1,325,805	0.1%	$1,327,000	0.1%	$1,328,000	0.1%	$1,330,000	0.2%
3242 Insurance Fines	$1,431,172	153.1%	$1,208,502	-15.6%	$723,272	-40.2%	$900,000	24.4%	$990,000	10.0%	$990,000	
3103MD Medical Plan Discount Reg. Fees	$9,895	-5.8%	$2,050	-79.3%								
REAL ESTATE FEES												
3107IOS IOS Application Fees	$9,800	31.7%	$8,794	-10.3%	$7,840	-10.8%	$6,800	-13.3%	$8,000	17.6%	$8,000	
3165 Land Co Filing Fees	$140,650	15.0%	$131,320	-6.6%	$167,495	27.5%	$140,600	-16.1%	$160,000	13.8%	$162,600	1.6%
3167 Real Estate Adver Fees [9-14]	$4,180	-26.9%	$2,745	-34.3%	$590	-78.5%	$600	1.7%				
3169 Real Estate Reg Fees	$15,725	20.5%	$18,000	14.5%	$15,700	-12.8%	$14,200	-9.6%	$17,000	19.7%	$18,000	5.9%
4741 Real Estate Exam Fees [19-04]	$218,816	1.7%	$171,144	-21.8%	$174,117	1.7%	$200,000	14.9%	$172,000	-14.0%	$174,000	1.2%
3171 CAM Certification Fee	$86,040	31.0%										
3178 Real Estate Accred Fees	$79,050	-8.1%	$80,108	1.3%	$86,475	7.9%	$110,000	27.2%	$83,000	-24.5%	$86,000	3.6%
3254 Real Estate Penalties	$101,285	32.2%	$104,165	2.8%	$36,835	-64.6%	$25,900	-29.7%	$38,000	46.7%	$36,000	-5.3%
3190 A.B. 165, Real Estate Inspectors	$63,250	47.8%	$50,650	-19.9%	$60,150	18.8%	$64,500	7.2%	$62,300	-3.4%	$65,300	4.8%
TOTAL REAL ESTATE FEES	$718,796	13.2%	$566,926	-21.1%	$549,202	-3.1%	$562,600	2.4%	$540,300	-4.0%	$549,900	1.8%
3066 Short Term Car Lease [4-09][10-10][8-12]	$44,499,016	15.3%	$45,753,454	2.8%	$46,151,238	0.9%	$47,172,000	2.2%	$48,192,000	2.2%	$49,282,000	2.3%
3103AC Athletic Commission Licenses/Fines	$231,865	70.8%	$215,822	-6.9%	$234,245	8.5%	$253,700	8.3%	$241,500	-4.8%	$246,400	2.0%
3205 State Engineer Sales [11-10][10-14]	$3,366,568	12.4%	$2,617,726	-22.2%								
3206 Supreme Court Fees	$211,955	2.6%	$193,275	-8.8%	$216,785	12.2%	$216,800	0.0%	$216,800		$216,800	
3115 Notice of Default Fee [26-10]	$2,484,840	-69.5%	$2,765,325	11.3%	$1,706,387	-38.3%	$1,254,900	-26.5%	$1,066,700	-15.0%	$931,500	-12.7%
3271 Misc Fines/Forfeitures	$2,851,838	-14.0%	$11,162,515	291.4%	$3,125,839	-72.0%	$3,150,000	0.8%	$3,000,000	-4.8%	$3,000,000	
TOTAL FEES AND FINES	$58,405,467	1.9%	$67,038,994	14.8%	$54,207,150	-19.1%	$55,009,000	1.5%	$55,747,400	1.3%	$56,720,000	1.7%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

							ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
USE OF MONEY AND PROP												
4420 Lyon County Repayments												
OTHER REPAYMENTS												
4401 Higher Education Tuition Admin												
4403 Forestry Nurseries Fund Repayment (05-M27)	$20,670		$20,670		$20,670		$20,670		$20,670		$20,670	
4404 Bldg. and Grounds Repayments												
4404 CIP 95-C14, Mailroom Remodel												
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 S.B. 201, 1997; Cost of PBX System												
4408 A.B. 576-Virtual Tape Storage												
4408 DoIT Repayment - April 9, 2008 IFC												
4409 Motor Pool Repay - Carson												
4409 Motor Pool Repay - Reno												
4409 Motor Pool Repay - LV [11-14]					$62,500		$125,000		$125,000		$125,000	
4410 Purchasing Repayment												
4402 State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$236,082		$326,659		$202,987		$202,998	0.0%				
TOTAL OTHER REPAYMENTS	$363,017	-66.9%	$453,594	25.0%	$392,422	-13.5%	$454,933	15.9%	$251,935	-44.6%	$251,935	
4406 Marlette Repayment												
INTEREST INCOME												
3290 Treasurer [9-12]	$522,729	-52.3%	$625,550	19.7%	$589,930	-5.7%	$1,102,000	86.8%	$3,242,000	194.2%	$6,016,300	85.6%
3291 Other	($17,606)	-121.1%	$7,723		$4,156	-46.2%	$4,200	1.1%	$1,000	-76.2%	$1,000	
TOTAL INTEREST INCOME	$505,123	-57.2%	$633,273	25.4%	$594,086	-6.2%	$1,106,200	86.2%	$3,243,000	193.2%	$6,017,300	85.5%
TOTAL USE OF MONEY & PROP	$868,140	-62.0%	$1,086,867	25.2%	$986,508	-9.2%	$1,561,133	58.2%	$3,494,935	123.9%	$6,269,235	79.4%
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][12-14]	$24,678,398		$25,127,068	1.8%			$24,911,700					
3047 Expired Slot Machine Wagering Vouchers [11-12]	$3,134,219		$7,193,209	129.5%	$7,486,068	4.1%	$7,444,800	-0.6%	$7,511,300	0.9%	$7,653,400	1.9%
3071 Property Tax: 4-cent operating rate (Clark & Washoe) [13-10]	$22											
3070 Property Tax: 5-cent capital rate (Clark & Washoe) [14-10]	$11											
4792 Room Tax: State 3/8 of 1% Rate [15-10]												
4791 Insurance Verification Fees [17-10]												
4790 Suppl. Account for Med. Assist. to Indigent [18-10][12-12]	$19,112,621	-12.7%	$19,218,718	0.6%								
4793 Lobbyist Registration Fee [27-10]												
3107 Misc Fees	$251,299	-40.8%	$305,387	21.5%	$298,822	-2.1%	$299,500	0.2%	$279,600	-6.6%	$279,600	
3109 Court Admin Assessments [16-10][13-12][13-14]	$4,434,259	-13.5%	$4,118,579	-7.1%	$2,511,100	-39.0%	$2,510,800	0.0%				
3114 Court Administrative Assessment Fee [28-10]	$2,537,600	6.5%	$2,509,553	-1.1%	$2,335,123	-7.0%	$2,218,400	-5.0%	$2,218,400		$2,240,600	1.0%
3168 Declare of Candidacy Filing Fee	$68,541	115.2%	$37,937	-44.7%	$92,200	143.0%	$30,000	-67.5%	$42,500	41.7%	$30,000	-29.4%
3202 Fees & Writs of Garnishments	$2,255	-20.7%	$2,605	15.5%	$2,535	-2.7%	$2,600	2.6%	$2,600		$2,600	
3220 Nevada Report Sales	$5,670	-37.3%	$8,620	52.0%	$3,480	-59.6%	$8,500	144.3%	$4,000	-52.9%	$8,500	112.5%
3222 Excess Property Sales	$32,966	56.9%	$26,780	-18.8%	$46,603	74.0%	$93,100	99.8%	$93,100		$93,100	
3240 Sale of Trust Property	$14,429	-14.5%	$4,718	-67.3%	$3,447	-26.9%	$3,500	1.5%	$3,500		$3,500	
3243 Insurance - Misc	$432,446	-22.4%	$390,623	-9.7%	$416,576	6.6%	$437,400	5.0%	$450,500	3.0%	$464,000	3.0%
3274 Misc Refunds	$63,338	62.0%	$90,567	43.0%	$30,729	-66.1%	$32,700	6.4%	$29,500	-9.8%	$30,900	4.7%
3276 Cost Recovery Plan [14-14]	$8,495,233	-6.1%	$8,470,707	-0.3%	$8,883,972	4.9%	$8,461,500	-4.8%	$8,514,800	0.6%	$8,525,500	0.1%
TOTAL MISC SALES & REF	$63,263,309	-35.0%	$67,505,073	6.7%	$22,110,653	-67.2%	$46,454,500	110.1%	$19,149,800	-58.8%	$19,331,700	0.9%
3255 Unclaimed Property [9-06][5-09][12-10][29-10][30-10][1-11][14-12]	$97,397,588	16.2%	$32,918,563	-66.2%	$17,466,436	-46.9%	$10,075,000	-42.3%	$13,884,000	37.8%	$15,878,000	14.4%
TOTAL OTHER REVENUE	$160,960,897	-11.3%	$100,723,636	-37.4%	$39,877,089	-60.4%	$56,829,500	42.5%	$33,333,800	-41.3%	$35,509,700	6.5%
TOTAL GENERAL FUND REVENUE	$3,081,768,174	-2.9%	$3,132,601,761	1.6%	$3,066,946,360	-2.1%	$3,205,289,294	4.5%	$3,069,593,035	-4.2%	$3,260,982,435	6.2%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

							ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

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,

[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 DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	ECONOMIC FORUM DECEMBER 3, 2014 FORECAST: FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

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 is 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 DECEMBER 3, 2014 FORECAST
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	ECONOMIC FORUM DECEMBER 3, 2014 FORECAST FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

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 & 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

[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

[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 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 DECEMBER 3, 2014 FORECAST

ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017

ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE DECEMBER 3, 2014, MEETING

							ECONOMIC FORUM DECEMBER 3, 2014 FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

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] A.B. 404 repeals provisions requiring that advertisements or offers for sale of timeshares within Nevada be filed with the Real Estate Division of the Department of Business & Industry, effective July 1, 2014. This bill additionally repeals the filing fee that was required to be paid to the Division for this purpose.

[10-14] 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.

[11-14] Section 23 of S.B. 521 allows the Fleet Services Division of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of $2.5 million that was appropriated to the Division for the purchase of a building in Las Vegas. The legislatively approved repayment from the Division to the State General Fund is $83,332 in FY 2014 and $125,000 in FY 2015, with an annual repayment of $125,000 each year through FY 2035.

[12-14] 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.

[13-14] 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).

[14-14] 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.

FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.

[1-16] Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of $5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill,

PART III

INFORMATION CONCERNING ADDITIONAL SOURCE OF PAYMENT FOR THE 2015A BONDS

Part III of this Official Statement contains information concerning the additional revenues securing the 2015A Bonds, and supplements the information contained in the other parts of this Official Statement. This Official Statement, including the cover, the inside cover, 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. Capitalized terms used herein shall have the meanings ascribed to such terms in the 2015A Bond Resolution.

Additional Security for the 2015A Bonds. The 2015A Bonds are additionally secured by an irrevocable pledge and lien (but neither an exclusive pledge nor an exclusive lien) on a portion of the State's annual $250 tax on slot machines. Pursuant to NRS 463.385, the State levies an annual tax of $250 per slot machine in operation within the State (the "Slot Machine Tax"). The Slot Machine Tax is collected annually on or before each June 30. The Nevada Gaming Commission collects the Slot Machine Tax. The proceeds of the Slot Machine Tax are allocated during each fiscal year as follows: the first $5,000,000 to the capital construction fund for higher education (the "Capital Construction Fund"); 20% of the total Slot Machine Tax to the special capital construction fund for higher education (the "Special Capital Construction Fund"); and the balance to the State distributive school account (for elementary and secondary education). The amounts deposited into the Capital Construction Fund and the Special Capital Construction Fund constitute "Pledged Revenues" which additionally secure the 2015A Bonds. Moneys deposited into the State distributive school account are apportioned among school districts in the State and are <u>not</u> part of the Pledged Revenues.

On July 31 of each year, the balance in the Special Capital Construction Fund is appropriated to pay principal and interest coming due during the fiscal year on the Slot Tax Bonds (as defined below). If in any fiscal year the balance in the Special Capital Construction Fund is not sufficient for that purpose, the remainder necessary is appropriated on July 31 from the Capital Construction Fund. On August 1 of each year, the State Treasurer must transfer any moneys remaining in the Capital Construction Fund and the Special Capital Construction Fund to the State Public Works Board for the construction of capital improvements projects for the System.

The slot machines taxed include all coin-operated gaming devices, including typical slot machines and electronic poker, "21," and craps. If one slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of the Slot Machine Tax. The Slot Machine Tax is not dependent upon the gaming revenues generated by the slot machine nor upon the size of bet required to play.

Number of Licensed Slot Machines in the State. The following table illustrates the historic numbers of licensed slot machines in the State:

Table 1 - Number of Licensed Slot Machines for the Quarter Ending June 30 for each Fiscal Year

	Restricted[(1)]	***Percentage Change***	***Nonrestricted***[(2)]	***Percentage Change***	***Total Slots***	***Percentage Change***
FY 2005	20,953	1.3%	183,260	-0.6%	204,213	-0.4%
FY 2006	21,351	1.9%	182,218	-0.6%	203,569	-0.3%
FY 2007	21,696	1.6%	180,666	-0.9%	202,362	-0.6%
FY 2008	21,281	-1.9%	176,799	-2.1%	198,080	-2.1%
FY 2009	20,068	-5.7%	174,016	-1.6%	194,084	-2.0%
FY 2010	19,346	-3.6%	170,777	-1.9%	190,123	-2.0%
FY 2011	19,146	-1.0%	171,071	0.2%	190,217	0.05%
FY 2012	19,000	-0.8%	165,162	-3.5%	184,162	-3.2%
FY 2013	18,992	0.0%	160,784	-2.7%	179,776	-2.4%
FY 2014	18,874	-0.6%	157,199	-2.2%	176,073	-2.1%

(1) Restricted locations have less than 15 machines and no table games.
(2) Unrestricted locations have 15 or more machines and/or table games.
Source: Gaming Control Board, State of Nevada

Debt Service Coverage. The following table illustrates the historic Slot Machine Tax Debt Service Coverage.

Table 2 – State of Nevada Slot Machine Tax Debt Service Coverage

Fiscal Year Ended June 30	***Collections***	***Pledged Revenues***[(1)]	***Coverage on the Slot Tax Bonds***[(2)]
2005	$52,204,717	$15,440,943	2.010
2006	52,196,353	15,439,240	2.119
2007	51,703,362	15,340,672	2.011
2008	49,931,555	14,986,311	1.964
2009	49,581,281	14,963,889	1.962
2010	48,390,092	14,678,018	1.953
2011	47,438,586	14,487,717	1.928
2012	46,619,836	14,323,967	2.288
2013	45,551,030	14,110,206	2.163
2014	44,317,162	13,863,433	2.123

(1) Includes only those amounts deposited into the Capital Construction Fund and the Special Capital Construction Fund (i.e., only that portion of the slot tax revenues which constitute Pledged Revenues).
(2) Does not include debt service on the 2015A Bonds. The State does not expect the issuance of the 2015A Bonds to materially increase the combined maximum annual debt service paid from the Pledged Revenues.

Source: Gaming Control Board, State of Nevada for Collections and Pledged Revenues; JNA Consulting Group, LLC for Coverage on Slot Tax Bonds.

Lien Priority. The lien of the 2015A Bonds on the Pledged Revenues is on a parity with the lien thereon securing the State of Nevada, General Obligation (Limited Tax), University System Refunding Bonds (Revenue Supported), Series 2005 outstanding as of February 1, 2015 in the aggregate amount of $12,410,000, (the "2005G Bonds") and the obligations of the State which may be issued in the future with a lien on Pledged Revenues on a parity with the 2005G Bonds and the 2015A Bonds. The 2015A Bonds, the 2005G Bonds, and any obligations of the State which may be issued in the future with a lien on Pledged

Revenues on a parity with the 2015A Bonds and the 2005G Bonds are referred to herein, collectively, as the "Slot Tax Bonds."

The State may issue additional bonds payable from Pledged Revenues and constituting a lien on such Pledged Revenues on a parity with the lien thereon of the Slot Tax Bonds, provided that the following conditions must be met:

(a) at the time of adoption of the supplemental resolution authorizing the issuance of the additional parity bonds, the State and the System are not in default in making any payments the debt service, sinking or reserve funds for any outstanding obligations;

(b) the Gross Revenues derived for the fiscal year immediately preceding the date of issuance of the additional parity securities proposed to be issued and credited to the Special Construction Fund(but not the Capital Fund), shall have been at least sufficient to pay an amount equal to 100% of the combined maximum annual principal and interest requirements to be paid during any one Fiscal Year of the Slot Tax Bonds and the bonds, notes or other securities proposed to be issued (including any reserves therefor), except as otherwise expressly provided below; and

(c) in any computation of such earnings test as to whether or not additional parity securities may be issued as provided in (b) above, the amount of Gross Revenues for the next preceding Fiscal Year must be decreased and may be increased by the amount of loss or gain estimated by an Independent Accountant or the Vice Chancellor resulting from any change in the Slot Machine Tax proceeds, during the next preceding Fiscal Year as if the schedule of such modified Slot Machine Tax proceeds had been in effect during the entire next preceding Fiscal Year, if such change was made by the State or the Governing Body, or by the State and the Governing Body prior to such computation of the designated earnings test but made in the same Fiscal Year in which such computation is made or in the next preceding Fiscal Year.

The 2015A Bond Resolution does not permit the State to issue additional bonds or additional securities payable from Pledged Revenues and having a lien thereon prior and superior to the lien on Pledged Revenues of the 2015A Bonds.

The payment of the 2015A Bonds is not secured by any encumbrance, mortgage or other pledge of the property of any of the System.