OFFICIAL STATEMENT

$292,600,000

State of Nevada
Highway Revenue
(Motor Vehicle Fuel Tax)
Improvement and Refunding Bonds
Series 2016

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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 Series 2016 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 Series 2016 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 Series 2016 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

DAC Bond

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

See "RATINGS" in Part I of this Official Statement

$292,600,000
State of Nevada
Highway Revenue
(Motor Vehicle Fuel Tax)
Improvement and Refunding Bonds
Series 2016

DATED: Date of Delivery DUE: December 1, on the dates shown on the inside cover

Interest on the above-captioned Series 2016 Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2016. Series 2016 Bonds may be purchased in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. See "APPENDIX C — BOOK-ENTRY ONLY SYSTEM" in Part I of this Official Statement.

The Series 2016 Bonds or portions thereof maturing on or after December 1, 2026, are subject to optional redemption prior to maturity on and after June 1, 2026, as set forth herein.

The Series 2016 Bonds are issued pursuant to a bond resolution of the State Board of Finance adopted on November 10, 2015 (the "Bond Resolution"). The Bond Resolution provides that the Series 2016 Bonds shall be payable from any federal aid eligible for the payment of the principal of and interest on the Series 2016 Bonds and from the proceeds of the motor vehicle fuel taxes imposed and collected pursuant to the Fuel Tax Act and credited to the State Highway Fund (the "Gross Pledged Revenues").

The Series 2016 Bonds are special obligations of the State, payable and collectible solely out of the Gross Pledged Revenues. Bondholders may not look to any general or other fund for payment except the special funds pledged under the Bond Resolution. The Series 2016 Bonds do not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation, and the Series 2016 Bonds shall not be considered or held to be general obligations of the State. The State does not pledge its full faith and credit for the payment of the Series 2016 Bonds. See "DESCRIPTION OF THE SERIES 2016 BONDS — Security for the Series 2016 Bonds" in Part I of this Official Statement.

For maturity dates, principal amounts, interest rates, yields and CUSIP numbers of the Series 2016 Bonds, see the inside cover of this Official Statement.

The Series 2016 Bonds are offered when, as and if issued by the State and accepted by the underwriter subject to the approval of legality and certain other legal matters by Sherman & Howard L.L.C., Bond Counsel and to certain other conditions. Certain legal matters will be passed upon by Nixon Peabody LLP, as Disclosure Counsel to the State. The Series 2016 Bonds are expected to be available for book-entry delivery on or about March 9, 2016.

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 17, 2016.

State of Nevada
Highway Revenue
(Motor Vehicle Fuel Tax)
Improvement and Refunding Bonds
Series 2016

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	CUSIP† Number
2017	$ 5,905,000	5.000%	0.550%	641480HP6
2018	6,205,000	5.000	0.670	641480HQ4
2019	1,270,000	5.000	0.810	641480HR2
2020	12,800,000	5.000	0.920	641480HS0
2021	11,965,000	5.000	1.070	641480HT8
2022	12,585,000	5.000	1.260	641480HU5
2023	13,220,000	5.000	1.480	641480HV3
2024	27,315,000	5.000	1.660	641480HW1
2025	28,705,000	5.000	1.800	641480HX9
2026	32,155,000	5.000	1.910[c]	641480HY7
2027	44,560,000	5.000	2.000[c]	641480HZ4
2028	46,790,000	5.000	2.100[c]	641480JA7
2029	49,125,000	3.000	2.670[c]	641480JB5

† A registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds. The State makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Bonds.

[C] Priced to June 1, 2026 par call date.

STATE OF NEVADA
Brian Sandoval, Governor
Mark Hutchison, Lieutenant Governor
Barbara K. Cegavske, Secretary of State
Daniel M. Schwartz, State Treasurer
Ronald L. Knecht, State Controller
Adam Paul Laxalt, Attorney General

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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 bidders for the Series 2016 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 Series 2016 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", "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 purchasers may over allot or effect transactions that stabilize or maintain the market prices of the Series 2016 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 IS A CRIMINAL OFFENSE.

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SUMMARY

This summary is not a complete description of the Series 2016 Bonds and does not contain all of the information you should consider before making any investment decision with respect to the Series 2016 Bonds. Prospective purchasers of Series 2016 Bonds should read the more detailed information appearing in this Official Statement for a complete understanding about the offering and the terms of security and sources of payment for the Series 2016 Bonds.

THE BONDS

Bonds Offered ..... State of Nevada Highway Revenue (Motor Vehicle Fuel Tax) Improvement and Refunding Bonds Series 2016 (the "Series 2016 Bonds")

Interest Payment Dates ..... June 1 and December 1, commencing December 1, 2016

Redemption Provisions..... The Series 2016 Bonds, or portions thereof in Authorized Denominations (as defined under "DESCRIPTION OF THE SERIES 2016 BONDS" in Part I of this Official Statement), maturing on or after December 1, 2026, will be subject to optional redemption prior to their respective maturities, at the option of the State of Nevada (the "State"), on and after June 1, 2026, 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 Series 2016 Bond, or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

PURPOSE

Purpose..... The Series 2016 Bonds are being issued by the State to refund certain outstanding bonds, to fund State highway construction projects, and to pay costs of issuance of the Series 2016 Bonds.

SECURITY AND SOURCES OP PAYMENT FOR THE BONDS

Gross Pledged Revenues..... The Series 2016 Bonds are payable from and secured by Gross Pledged Revenues, which consist of the proceeds of State excise taxes on motor vehicle fuel and special fuel (defined as any combustible gas or liquid used for the generation of power for the propulsion of motor vehicles) credited or transferred to the State Highway Fund pursuant to the Fuel Tax Act (as defined in Part III of this Official Statement) and credited to the State Highway Fund and any federal aid eligible for the payment of the principal of and interest on the Series 2016 Bonds. The Bond Resolution excludes from Gross Pledged Revenues certain fuel tax proceeds not collected because of exempt sales and other exempt transactions, any tax proceeds not collected because of the dealers' collections and handling fee, tax proceeds for making refunds, motor vehicle fuel tax proceeds paid on fuel used in watercraft for recreational purposes, tax proceeds imposed and collected and required to be distributed to the counties in the State, tax proceeds derived from motor vehicle fuel used in aircraft, and fuel taxes in an amount required to pay the costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel, subject to the limitation of not exceeding 1% of the total proceeds so collected.

The State also has other bonds secured on a parity with the Series 2016 Bonds outstanding and may issue additional parity bonds in the future.

See "DESCRIPTION OF THE SERIES 2016 BONDS - Security for the Series 2016 Bonds" in Part I of this Official Statement for additional information regarding the security for the Series 2016 Bonds.

OFFICIAL STATEMENT

OF THE STATE OF NEVADA

RELATING TO THE ISSUE AND SALE OF

$292,600,000
HIGHWAY REVENUE
(MOTOR VEHICLE FUEL TAX)
IMPROVEMENT AND REFUNDING BONDS
SERIES 2016

INTRODUCTION

General

This Official Statement of the State of Nevada (the "State"), including the cover page, the inside cover pages, schedules and appendices, is provided for the purpose of setting forth information in connection with the sale of the State's Highway Revenue (Motor Vehicle Fuel Tax) Bonds Series 2016 (the "Series 2016 Bonds").

This Official Statement consists of the cover pages and all prefatory material prior to this introduction, this introduction, and Part I (including all schedules and appendices thereto), Part II and Part III (including the appendix thereto).

Part I – The Series 2016 Bonds

Part I sets forth information concerning the Series 2016 Bonds, including the payment and redemption provisions, the basis of their authorization and their purposes, the security for the Series 2016 Bonds, the federal income tax treatment of the interest on the Series 2016 Bonds, and certain other matters.

Part II – The State of Nevada

Part II sets forth certain information relating to the State, including certain financial information relating to the State, and certain economic and demographic information.

Part III – State Department of Transportation and Pledged Revenues

Part III sets forth certain information relating to the State Department of Transportation (sometimes referred to herein as "NDOT"), the various revenue sources pledged as security for the Series 2016 Bonds, and related matters.

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 Series 2016 Bonds, the State Department of Transportation, and the State documents authorizing the Series 2016 Bonds (the "Bond Resolution") are included in this Official Statement. All references herein to the Series 2016 Bonds and the Bond Resolution and other documents referred to herein are qualified in their entirety by reference to such documents and all capitalized terms used herein, which are not defined, have the meanings given such terms as set forth in the Bond Resolution.

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the purchasers or subsequent owners of the Series 2016 Bonds.

The summaries of certain provisions of the Series 2016 Bonds, the State statutes, the Bond Resolution and other documents referred to in this Official Statement do not purport to be complete and reference is made to each of them for a complete statement of their provisions.

A wide variety of other information, including financial information, concerning the State and the State Department of Transportation 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.

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PART I

INFORMATION CONCERNING THE BONDS BEING OFFERED

DESCRIPTION OF THE SERIES 2016 BONDS

General

The Series 2016 Bonds will be dated the date of delivery and will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement. The Series 2016 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 Series 2016 Bonds. Beneficial interests in the Series 2016 Bonds may be purchased in book-entry form only, in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). Purchasers of Series 2016 Bonds will not receive certificates representing their ownership interest in the Series 2016 Bonds purchased. The record date for the payment of interest on the Series 2016 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 Series 2016 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 Series 2016 Bonds, references in this Official Statement to the registered owners of the Series 2016 Bonds will mean Cede & Co., and will not mean the beneficial owners. See "APPENDIX C — BOOK-ENTRY ONLY SYSTEM" in Part I of this Official Statement.

Interest

Interest on the Series 2016 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 Series 2016 Bonds

Optional Redemption

The Series 2016 Bonds, or portions thereof in Authorized Denominations, maturing on or after December 1, 2026, will be subject to optional redemption prior to their respective maturities, at the option of the State, on and after June 1, 2026, 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 Series 2016 Bond, or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Notice of Redemption

Notice of redemption of any Series 2016 Bonds will be given by the Registrar by electronic mail as long as Cede & Co. or a nominee of a successor depository is the owner of the Series 2016 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 DTC, as the registered owner of the Series 2016 Bonds, and electronically to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System ("MSRB"), and as otherwise provided in the Bond Resolution. The notice will identify the Series 2016 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 Series 2016 Bond called for redemption. Failure to give such notice as described above to the MSRB or DTC, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Series 2016 Bond 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 Series 2016 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Series 2016 Bonds called for redemption in the same manner as the original redemption notice was given.

Authorization and Purpose of the Series 2016 Bonds

The Series 2016 Bonds are being issued by the State to refund the outstanding State of Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2006 (the "2006 Bonds") identified in Schedule I of this Part I, to refund the outstanding State of Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2008 (the "2008 Bonds") identified in Schedule I of this Part I, to fund State highway construction projects, and to pay costs of issuance of the Series 2016 Bonds. The Series 2016 Bonds are being issued pursuant to the Constitution and laws of the State, including particularly Chapters 365 and 366, Nevada Revised Statutes (the "Fuel Tax Act"); Chapter 408, Nevada Revised Statutes (the "Project Act"); Sections 349.150 to 349.364, inclusive, Nevada Revised Statutes (the "State Securities Law"); and Chapter 348, Nevada Revised Statutes; and a Bond Resolution titled "2015 Highway Revenue Bond Resolution" adopted by the State of Nevada Board of Finance (the "Board") on November 10, 2015 (the "Bond Resolution"). A copy of the Bond Resolution is on file in the office of the secretary of the Board in Carson City, Nevada, for public inspection.

Plan of Refunding

A portion of the proceeds of the sale of the Series 2016 Bonds and other lawfully available moneys will be set aside in an irrevocable escrow account, established with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), to refund the outstanding 2006 Bonds and 2008 Bonds described in Schedule I to Part I of this Official Statement. Amounts held by the Escrow Agent 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 I to Part I of this Official Statement describe the maturity dates, outstanding aggregate par amounts, coupons, CUSIP numbers, redemption dates and redemption prices of the 2006 Bonds and the 2008 Bonds which will be refunded (collectively, the "Refunded Bonds"). The Refunded Bonds will be paid on the redemption dates and at the redemption prices shown in the tables in Schedule I.

Sources and Uses of Funds

The sources and uses of the proceeds of the Series 2016 Bonds are approximately as follows:

SOURCES	
Principal Amount of Series 2016 Bonds	$292,600,000.00
Net Premium	63,714,074.45
Debt Service Fund for 2006 Bonds and 2008 Bonds	2,150,225.00
TOTAL SOURCES	$358,464,299.45
USES	
Construction Account	$199,995,000.00
Refunding Escrow	156,654,009.70
Costs of Issuance[1]	1,815,289.75
TOTAL USES	$358,464,299.45

[1] Represents legal and financing fees, printing costs, rating fees, underwriter's discount and other miscellaneous expenses relating to the issuance of the Series 2016 Bonds.

Security for the Series 2016 Bonds

Gross Pledged Revenues

The Bond Resolution provides that the Series 2016 Bonds shall be payable from any federal aid eligible for the payment of the principal of and interest on the Series 2016 Bonds and from the proceeds of the motor vehicle Fuel Taxes (as defined in Part III of this Official Statement) imposed and collected pursuant to the Fuel Tax Act and credited to the State Highway Fund (as defined in Part III of this Official Statement) for the payment of principal of and interest on the Series 2016 Bonds (the "Gross Pledged Revenues"). The Bond Resolution excludes from Gross Pledged Revenues certain fuel tax proceeds not collected because of exempt sales and other exempt transactions, any tax proceeds not collected because of the dealers' collections and handling fee, tax proceeds for making refunds, motor vehicle fuel tax proceeds paid on fuel used in watercraft for recreational purposes, tax proceeds imposed and collected and required to be distributed to the counties in the State, tax proceeds derived from motor vehicle fuel used in aircraft, and fuel taxes in an amount required to pay the costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel, subject to the limitation of not exceeding 1% of the total proceeds so collected (such exclusions being herein the "Direct Distributions and Other Exclusions"). For a more detailed summary of the Gross Pledged Revenues and the Direct Distributions and Other Exclusions, see "REVENUES PLEDGED TO SECURE SERIES 2016 BONDS AND PARITY SECURITIES" in Part III of this Official Statement. For a more detailed summary of the pledge created by the Bond Resolution, see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" in this Part I of this Official Statement.

Limited Obligation of State

The Series 2016 Bonds are payable and collectible solely out of the Gross Pledged Revenues. The holders of Series 2016 Bonds may not look to any general or other fund for the payment of the Bond Requirements, except the Gross Pledged Revenues. The Series 2016 Bonds do not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; and the Series 2016 Bonds are not general obligations of the State, but constitute its special obligations. The Series 2016 Bonds are not secured by an encumbrance, mortgage or other pledge of property of the State, except the Gross Pledged Revenues and any other moneys pledged for the payment of the Series 2016 Bonds.

Existing Parity Securities

The State currently has five series of highway improvement revenue bonds outstanding in the aggregate principal amount of $440,540,000, all of which are secured by the Gross Pledged Revenues (the "Existing Parity Securities"). Each series of Existing Parity Securities was authorized and issued pursuant to a bond resolution adopted by the Board that is substantially similar to the Bond Resolution authorizing the Series 2016 Bonds. Existing Parity Securities (and Additional Parity Securities, described below, if and when issued) are secured by the Gross Pledged Revenues on a parity with the Series 2016 Bonds, without priority or preference. For a summary of Existing Parity Securities issued and outstanding see Table 1 in this Part I of this Official Statement.

Additional Parity Securities

The Bond Resolution permits the issuance by the State of additional bonds or other additional securities ("Additional Parity Securities") payable from the Gross Pledged Revenues and constituting a lien thereon on a parity with, but not prior or superior to, the lien thereon of the Series 2016 Bonds and the Existing Parity Securities. Existing Parity Securities, the Series 2016 Bonds and Additional Parity Securities are referred to herein as "Parity Securities". The Bond Resolution also permits the issuance of bonds or other securities refunding all or a part of the Series 2016 Bonds, or that are subordinate to the Parity Securities.

The State currently anticipates issuing approximately $365 million of Additional Parity Securities (not including the Series 2016 Bonds) through 2018, including approximately $185 million in 2017. The timing and amount of Additional Parity Securities may change.

Prior to the issuance of Additional Parity Securities (other than refunding securities, which are summarized below), the following conditions must be satisfied:

(i) Absence of Default. At the time of the adoption of the resolution authorizing the issuance of the Additional Parity Securities, the State shall not be in default in making any required payments with respect to any Parity Securities.

(ii) Historic Earnings Test. The Gross Pledged Revenues (but excluding any federal aid included as Gross Pledged Revenues) derived for the last fiscal year for which audited Gross Pledged Revenues are available immediately preceding the date of the issuance of the Additional Parity Securities proposed to be issued shall have been sufficient to pay an amount at least equal to 300% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year of the Outstanding Series 2016 Bonds, any Existing Parity Securities and the Additional Parity Securities proposed to be issued (excluding any reserves therefor), except as otherwise expressly provided in the Bond Resolution.

(iii) Adjustment of Gross Pledged Revenues. In any computation of such earnings tests as to whether or not Additional Parity Securities may be issued as provided in the preceding paragraph, the amount of the Gross Pledged Revenues for the next preceding fiscal year shall be decreased and may be increased by the amount of loss or gain estimated by the Treasurer, the Controller or an Independent Accountant resulting from any change in the Fuel Tax proceeds and constituting all or a part of the Gross Pledged Revenues, whether a change in the amount periodically paid per gallon, or the portions of the collections thereof credited to the Gross Pledged Revenues, or modifications to the Direct Distributions and Other Exclusions, or otherwise, during the next preceding fiscal year, as if the schedule of such modified Fuel Tax proceeds had been in effect during the entire next preceding fiscal year, if such change shall have been made by the State 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.

(iv) Reduction of Annual Requirements. The respective annual Bond Requirements (including the amount of any prior redemption premiums due on any prior redemption date as of which the State shall have called or shall have obligated itself to call for prior redemption by a call of securities for payment if the securities are subject to call for prior redemption) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective fiscal years with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

As used in the Bond Resolution, the following terms have the meanings set forth below:

"Bond Requirements" means the principal of, the interest on and any prior redemption premiums due in connection with the Series 2016 Bonds and any other additional bonds or other additional securities payable from the Gross Pledged Revenues, or such part of such other bonds or other securities pertaining to those revenues as may be designated, as such principal, any such premiums, and such interest become due.

"Direct Distributions and Other Exclusions" means the distributions and other exclusions of revenues from the Gross Pledged Proceeds resulting from exempt sales and other exempt transactions, allowances for the dealers' collections and handling fee, refunds, exemption of proceeds pertaining to fuel used in watercraft for recreational purposes or in aircraft, Fuel Taxes imposed and collected for the benefit of counties and certain political subdivisions therein, and administration costs of collecting certain Fuel Taxes, as more specifically delineated in the Bond Resolution.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States, or securities which are direct obligations of, or the principal and interest of which securities are conditionally or unconditionally guaranteed by the Federal Government, or other securities of the Federal Government, or other obligations the payment of which is fully secured by a pledge of any such securities.

Issuance of Refunding Securities

Parity Securities (including the Series 2016 Bonds) may be refunded only if such Parity Securities at the time or times of their required surrender for their payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the State's option upon proper call, unless the owner or owners of all Parity Securities of the issue consent to such surrender and payment, regardless of whether the priority of the lien for the payment of any refunding securities on the Gross Pledged Revenues is changed (except as otherwise provided in the Bond Resolution). If only a part of the Outstanding Parity Securities of any issue or issues payable from the Gross Pledged Revenues is refunded, then such securities must not be refunded without the consent of the owner or owners of the unrefunded portion of such securities unless:

(i) Requirements Not Increased. The refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date or last Redemption Date, if any, whichever time is earlier, of such unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Gross Pledged Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

(ii) Subordinate Lien. The lien on any Gross Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(iii) Historic Earnings Test. The refunding bonds are issued in compliance with the requirements summarized under the heading "*Additional Parity Securities*" above, but excluding from any computation thereunder the bonds or other securities to be refunded and redeemed and which shall forthwith upon the issuance of the refunding bonds be no longer Outstanding.

Subordinate Securities Permitted

The Bond Resolution permits the State to issue additional bonds or other additional securities payable from the Gross Pledged Revenues and having a lien on the Gross Pledged Revenues that is junior to the lien thereon securing the Series 2016 Bonds and other Parity Securities.

Priority of Application of Gross Pledged Revenues

As long as any of the Series 2016 Bonds remain Outstanding, the Bond Resolution requires that during each fiscal year the Gross Pledged Revenues shall be administered, the money pertaining thereto shall be applied in the order of priority, and payments shall be made from the Gross Pledged Revenues as follows:

First, from the Gross Pledged Revenues, there shall be credited to the Bond Fund and any bond funds created by resolutions authorizing the issuance of any Parity Securities, monthly, commencing on the first day of the month immediately succeeding the delivery of the Parity Securities, an amount in equal monthly installments necessary, together with any other money from time to time available therefor from whatever source, to pay the next maturing installments of principal and interest due on the Outstanding Parity Securities. The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Outstanding Parity Securities.

Second, after payment of the amounts required to be made first as set forth above, amounts required to be transferred to the Rebate Account for purposes of compliance with the Internal Revenue Code shall be so transferred.

Third, after payment of the amounts required to be made first and second as set forth above, amounts may be used for payments required to be made with respect to subordinate securities payable from the Gross Pledged Revenues.

After the transfers described above are made, any remaining Gross Pledged Revenues may be used in any fiscal year for any one or any combination of lawful purposes, as the Board or the Director may from time to time determine.

Pledge of the State

Pursuant to State law, the faith of the State is pledged that the Project Act, the Fuel Tax Act, the State Securities Law, any other law supplemental or otherwise pertaining to the Bond Act, and any other act concerning the Series 2016 Bonds or other State securities, Fuel Taxes or the Gross Pledged Revenues, or any combination of such securities, such taxes and such revenues, shall not be repealed nor amended or otherwise directly or indirectly modified in such manner as to impair adversely the Series 2016 Bonds or any other outstanding State securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made.

State Make-Up for Reduction in Federal Fuel Tax

Under current State law, if the tax collected by the Federal Government relating to motor vehicle fuel is reduced or discontinued in whole or in part, the State's motor vehicle fuel tax will increase in an amount equal to the amount by which the federal tax is reduced. This provision, if triggered by federal reductions in the fuel tax, would provide an additional source of revenues to the State Highway Fund comprising Gross Pledged Revenues securing the Series 2016 Bonds.

Continuing Disclosure Undertakings

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 with respect to the Bonds.

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. In addition, in connection with various current and advance refundings, the State has designated the applicable paying agent for the bonds to be defeased or redeemed as its representative for purposes of filing notices of defeasance or redemption with the MSRB.

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 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[1] were omitted from the annual report. The affected bonds are no longer outstanding.

With respect to the State's General Obligation (Limited Tax) Bonds (Nevada Municipal Bond Bank Project Nos. R-9A, R-9B, R-9C, R-10, R-11 and R-12) Series 2005F and General Obligation (Limited Tax) (Revenue Supported) Water Refunding Bonds, Series 2005H, notices of redemption of bonds to occur on July 1, 2015 were not on file with the MSRB until June 24, 2015 and July 9, 2015, respectively.

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.

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[1] These tables were regarding the Public Employees' Retirement System of Nevada ("PERS"). Such information is currently included in State general obligation bond offering documents, but not in offering documents for Highway Revenue (Motor Vehicle Fuel Tax) Bonds, which are not secured by a State general obligation pledge

PARITY SECURITIES, GROSS PLEDGED REVENUES AND DEBT SERVICE REQUIREMENTS

Existing Parity Securities

As listed in Table 1 below, the State has five issues of Existing Parity Securities pursuant to the Fuel Tax Act.

Table 1

Existing Parity Securities

Existing Parity Securities	Original Principal Amount	Principal Balance Outstanding*
State of Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2006	$192,730,000	$ 70,315,000
State of Nevada, Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2008	129,970,000	102,210,000
State of Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds, Series 2012	66,490,000	52,865,000
State of Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds, Series 2013	131,245,000	131,245,000
State of Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2014	86,020,000	83,905,000
Total	**$606,455,000**	**$440,540,000**

* As of January 1, 2016; prior to issuance of the Series 2016 Bonds and defeasance of Refunded Bonds.

Source: NDOT.

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Debt Service Requirements

The following table lists the debt service requirements for the $440,540,000 outstanding principal amount of Existing Parity Securities.

Table 2

Annual Debt Service Requirements
(As of January 1, 2016)

Bond Year Ended December 1	Principal of and Interest on Existing Parity Securities[1]
2016	$ 68,782,475
2017	68,672,425
2018	68,678,425
2019	60,106,875
2020	62,565,850
2021	38,470,375
2022	38,466,875
2023	38,467,325
2024	38,467,325
2025	38,462,125
2026	25,688,050
Total	**$546,828,125**

(1) Does not give effect to issuance of the Series 2016 Bonds or defeasance of Refunded Bonds.

Source: NDOT.

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The following Table 3 reports Fuel Taxes included in Gross Pledged Revenues for the five fiscal years ended June 30, 2015, and pro forma debt service coverage on Existing Parity Securities Outstanding.

Table 3

Fuel Taxes and Pro Forma Debt Service Coverage [1]
(000 omitted)

	2011	2012	2013	2014	2015
Gas Tax	$186,165	$185,171	$185,651	$187,784	$193,392
Special Fuel Tax	78,534	79,198	80,913	79,094	81,120
Total Fuel Taxes [2][4]	$264,699	$264,369	$266,564	$266,878	$274,512
Coverage of Maximum Annual Debt Service [3]	3.29	3.29	4.25	3.88	3.99

[1] Calculated using Fuel Taxes only. Does not include any debt service coverage from federal aid funds discussed under "FEDERAL TRANSPORTATION FUNDING" in Part III of this Official Statement. Fuel Taxes are for fiscal years ended June 30.

[2] Fuel Taxes constituting Gross Pledged Revenues do not include "Direct Distributions and Other Exclusions" consisting of tax proceeds that are not collected because of exempt sales and other exempt transactions, dealers' collection and handling fees, tax proceeds to be used for refunds, motor vehicle fuel tax proceeds paid on fuel used in watercraft for recreational purposes, tax proceeds distributed to counties, tax proceeds derived from motor vehicle fuel used in aircraft; and the costs of administration for the collection of excise taxes on gasoline or other motor vehicle fuel (subject to a limitation of not exceeding 1% of the total proceeds so collected).

[3] Based on scheduled debt service on the Existing Parity Securities and assuming no other debt outstanding. Maximum Annual Debt Service on Existing Parity Securities is $80,454,000 for 2011, $80,254,000 for 2012, $62,657,000 for 2013, $68,782,475 for 2014 and $68,782,475 for 2015. Maximum Annual Debt Service on Existing Parity Securities is determined based on bond years (each bond year ending on December 1).

[4] Appendix A to Part III of this Official Statement consists of a State of Nevada History of State Highway Fund Revenues, Expenditures and Changes in Fund Balances for the five fiscal years ended June 30, 2015. The line item "Other Taxes" in that presentation includes the Fuel Taxes. "Other Taxes" also includes debits that reduce the total amounts reported as "Other Taxes" to amounts less than the amounts of Fuel Taxes reported in this table.

Source: NDOT.

Gross Pledged Revenues include federal aid eligible for the payment of the principal of and interest on the Parity Securities. Receipts by the State of federal aid revenues eligible for debt service from Fiscal Years 2011 through 2015 were as follows:

Fiscal Year	Federal Aid Eligible for Debt Service (in millions)
2011	$53.90
2012	48.30
2013	50.60
2014	53.40
2015	39.24

Source: NDOT.

The amount of federal aid eligible for the payment of the principal of and interest on the Parity Securities is based on the annual principal debt service payment and the federal reimbursement percentage. The amount of federal aid eligible for the payment of the principal of and interest on the Parity Securities decreased in 2015 due to a lower principal debt service payment than the previous years. NDOT's federal participation percentage is typically 95% due to the high percentage of federally owned land in the State (i.e., approximately 80% of the State).

It should be noted that the portion of federal aid revenues that is eligible to be used to pay debt service, while being included within Gross Pledged Revenues, is not included when performing the debt service coverage calculation required by the Bond Resolution as a condition of the issuance of Additional Parity Securities.

Gross Pledged Revenues consist of the proceeds of motor vehicle Fuel Taxes imposed and collected pursuant to the Fuel Tax Act and credited to the State Highway Fund and any federal aid eligible for the payment of the principal of and interest on the Series 2016 Bonds. The table below shows Gross Pledged Revenues for the five fiscal years ended June 30, 2015:

Gross Pledged Revenues
(000 omitted)

	2011	2012	2013	2014	2015
Gas Tax	$186,165	$185,171	$185,651	$187,784	$193,392
Special Fuel Tax	78,534	79,198	80,913	79,094	81,120
Federal Aid Eligible for Debt Service	53,900	48,300	50,600	53,400	39,240
Total Fuel Taxes	$318,599	$312,669	$317,164	$320,278	$313,752

Source: NDOT.

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The Bond Resolution. The Bond Resolution includes the form, terms and conditions of the Series 2016 Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment, the security therefor and other matters.

The Bond Fund. The Board has created a separate account to be held in trust by the State and designated as the "State of Nevada, Highway Parity Revenue Bonds, Gross Pledged Revenues Interest and Bond Retirement Fund" (the "Bond Fund"). The Bond Resolution requires that monthly deposits be made to the Bond Fund from Gross Pledged Revenues in equal installments as necessary to pay the next maturing installments of principal and interest on the Series 2016 Bonds and any Parity Securities. Money in the Bond Fund is required to be transferred to the Paying Agent to pay debt service on the Series 2016 Bonds and any Parity Securities as debt service becomes due.

Gross Pledged Revenues each month in excess of the amounts required to be deposited in the Bond Fund that month are required by the Bond Resolution to be applied as described under the heading "DESCRIPTION OF THE SERIES 2016 BONDS — Security for the Series 2016 Bonds — *Priority of Application of Gross Pledged Revenues*" in Part I of this Official Statement.

Amounts held in the Bond Fund will be accounted for in the State Treasury as a separate trust account in one or more bank accounts as determined by the State Board of Finance or the State Treasurer. Any moneys therein not needed for immediate use may be invested by the State Treasurer in investments permitted under State law. Investment earnings on the Bond Fund will be credited to the State Highway Fund.

Bonds Outstanding. In the Bond Resolution, the term "Outstanding" means, when used with reference to the Series 2016 Bonds or any other designated securities and as of any particular date, all the Series 2016 Bonds or any such other securities payable from the Gross Pledged Revenues, in any manner theretofore and thereupon being executed and delivered:

(i) Except any Series 2016 Bond or other security canceled by the State, or otherwise on the State's behalf, at or before such date;

(ii) Except any Series 2016 Bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements to the date of its maturity or any Redemption Date, whichever date is earlier, if any, shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in the Bond Resolution hereof or any similar section of the resolution pursuant to which such other securities were issued (see "*Defeasance*" below); and

(iii) Except any Series 2016 Bond or other security in lieu of or in substitution for which another Series 2016 Bond or other security shall have been executed and delivered pursuant to the sections of the Bond Resolution relating to bond transfers.

Covenants of the State; Amendment of the Bond Resolution. The Bond Resolution sets forth covenants of the State, including a promise to impose and collect the Fuel Tax Proceeds and to preserve and protect the pledge of the Gross Pledged Revenues. The covenants also include a promise not to repeal or amend or modify Nevada law so as to impair adversely the Series 2016 Bonds.

Amendments to the Bond Resolution. The Bond Resolution can be amended with the written consent of the insurer of the Series 2016 Bonds, if any, or the owners of record of at least 66% in aggregate principal amount of the outstanding Series 2016 Bonds, but no amendment may, without the consent of all Series 2016 Bond owners of record adversely affected thereby, change Series 2016 Bond maturity or redemption provisions, reduce the principal amount of any Series 2016 Bond or the rate of interest thereon, create a lien upon or a pledge of revenues ranking prior to the lien of or to the pledge created by the Bond Resolution, reduce the bondholder consent requirements of the Bond Resolution, establish priorities as between Series 2016 Bonds or materially and prejudicially modify or

otherwise materially and prejudicially affect the rights or privileges of the record owners of less than all of the outstanding Series 2016 Bonds. Each bond resolution authorizing an issue of Existing Parity Securities has substantially the same amendment provisions, but applicable to the issue of Existing Parity Securities authorized and issued pursuant to such bond resolution.

Defeasance. When all Bond Requirements of a Series 2016 Bond or any other securities of any other issue payable from the Gross Pledged Revenues have been duly paid, the pledge and lien and all obligations under the Bond Resolution as to that Series 2016 Bond or other security shall thereby be discharged and the Series 2016 Bond or other security shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment if the State, acting by and through the Board, 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 in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Series 2016 Bond or other security as such requirements become due to the fixed maturity of the Series 2016 Bond or other security 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 Series 2016 Bond or security for payment if the securities are subject to a call for prior redemption. The Federal Securities shall become due 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 redemption at the option of the owner thereof to assure such availability as so needed to meet such schedule. If at any time the State has so placed in escrow or trust an amount sufficient to pay designated Bond Requirements of the Series 2016 Bond or security constituting less than all of the Bond Requirements of the Series 2016 Bond or security becoming due on and before their respective due dates, whether the fixed maturity dates of the Series 2016 Bonds or security or any such Redemption Date pertaining to the securities, such designated Bond Requirements shall be deemed paid and discharged under the Bond Resolution. The term "Federal Securities" shall include only bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal of and interest on which securities are unconditionally guaranteed by, the United States which are not callable at the option of the issuer thereof.

Events of Default; Remedies. The Bond Resolution includes various events of default, including nonpayment of debt service. No provision is made for acceleration of maturity of the Series 2016 Bonds upon default. Upon the happening and continuance of any of the events of default set forth in the Bond Resolution, the Owner or Owners of not less than 10% in aggregate principal amount of the Series 2016 Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any Owner of Series 2016 Bonds under the Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement set forth in the Bond Resolution or in an award of execution of any power granted in the Bond Resolution for the enforcement of any proper, legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce their rights, or to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Series 2016 Bond, or to require the State to act as if it were the trustee of an express 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 Owners of the Series 2016 Bonds then Outstanding.

OPINION OF BOND COUNSEL

The validity of the Series 2016 Bonds is to be approved by Bond Counsel, whose approving opinion will be delivered with the Series 2016 Bonds. A copy of the proposed text of the approving opinion of Bond Counsel is set forth in Appendix A to Part I of this Official Statement.

LITIGATION RELATING TO THE SERIES 2016 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 Series 2016 Bonds or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Series 2016 Bonds.

The staff attorneys of the Nevada Attorney General's Office reported that the State or its officers and employees were parties to numerous lawsuits. 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 the Series 2016 Bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared. See "State Litigation" in Part II of this Official Statement for additional information concerning litigation affecting the State.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Series 2016 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 Series 2016 Bonds (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 Series 2016 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.

The Tax Code imposes several requirements which must be met with respect to the Series 2016 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 Series 2016 Bonds. These requirements include: (a) limitations as to the use of proceeds of the Series 2016 Bonds; (b) limitations on the extent to which proceeds of the Series 2016 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 Series 2016 Bonds above the yield on the Series 2016 Bonds to be paid to the United States Treasury. The State will covenant and represent 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 Series 2016 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 Series 2016 Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the Series 2016 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 such interest 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 Series 2016 Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Series 2016 Bonds. Owners of the Series 2016 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 Series 2016 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. Bond Counsel's opinion relates only to the exclusion of interest on the Series 2016 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 Series 2016 Bonds. Owners of the Series 2016 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 Series 2016 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 Series 2016 Bonds, the exclusion of interest on the Series 2016 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Series 2016 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 Series 2016 Bonds. Owners of the Series 2016 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 Series 2016 Bonds. If an audit is commenced, the market value of the Series 2016 Bonds may be adversely affected. Under current audit procedures, the Service will treat the State as the taxpayer and the Series 2016 Bond owners may have no right to participate in such procedures. The State has covenanted not to take any action that would cause the interest on the Series 2016 Bonds to lose its 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 Series 2016 Bond owner with respect to any audit or litigation costs relating to the Series 2016 Bonds.

State Tax Exemption

The Series 2016 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 Series 2016 Bonds are not general obligations of the State. The State financial information that is discussed in this paragraph is provided to investors solely as background information concerning the State. The Comprehensive Annual Financial Report of the State of Nevada for the fiscal year ended June 30, 2015 are included as Appendix B to Part III of this Official Statement.

RATINGS

Fitch Ratings, Inc., doing business as Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("Standard & Poor's") have assigned ratings of "AA+", "Aa2" and "AAA", respectively, to the Series 2016 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 Series 2016 Bonds to which such ratings are applicable.

UNDERWRITING

The successful bidder for the Series 2016 Bonds was Wells Fargo Bank, National Association, Municipal Products Group. The aggregate purchase price of the Series 2016 Bonds is $355,189,027.45, being the par amount of the Series 2016 Bonds plus a net reoffering premium of $63,714,074.45 and less underwriter's discount of $1,125,047.00.

FINANCIAL ADVISORS

Hobbs, Ong & Associates, Inc. ("Hobbs, Ong") and Public Financial Management, Inc. ("PFM") are serving as financial advisors to the State in connection with the Series 2016 Bonds. PFM is acting as a subcontractor to Hobbs, Ong. 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 advisors respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

VERIFICATION AGENT

Upon delivery of the Series 2016 Bonds, Grant Thornton LLP, 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 account to pay the amounts required as described under "DESCRIPTION OF THE SERIES 2016 BONDS – Plan of Refunding" above and (2) the computations of yield of such Series 2016 Bonds and of the investments in the escrow account with respect to the Refunded Bonds to be refunded by the Series 2016 Bonds. Grant Thornton will express no opinion on the assumptions provided to them, nor as to the exclusion from gross income of interest on the Series 2016 Bonds for federal income tax purposes.

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AUTHORIZATION

This Official Statement and its use in connection with the offering and sale of the Series 2016 Bonds have been duly authorized by the State.

STATE OF NEVADA

/s/ Daniel M. Schwartz
State Treasurer

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SCHEDULE I

MATURITY SCHEDULE OF POTENTIAL REFUNDED BONDS

A portion of the proceeds of the Series 2016 Bonds will be used to refund all or a portion of the following bonds:

Highway Improvement Revenue
(Motor Vehicle Fuel Tax) Bonds
Series 2006

Maturity Date (December 1)	Outstanding Aggregate Par Amount	Coupon	CUSIP No. (641480)	Redemption Date	Redemption Price
2017	$ 9,530,000	5.000%	EL8	12/1/2016	100%
2018	10,015,000	5.000	EM6	12/1/2016	100
2024	13,420,000	3.500	ET1	12/1/2016	100
2025	13,895,000	3.500	EU8	12/1/2016	100
2026	14,390,000	3.500	EV6	12/1/2016	100

Highway Improvement Revenue
(Motor Vehicle Fuel Tax) Bonds
Series 2008

Maturity Date (December 1)	Outstanding Aggregate Par Amount	Coupon	CUSIP No. (641480)	Redemption Date	Redemption Price
2018	$ 9,390,000	5.000%	FR4	6/1/2018	100%
2019	7,340,000	4.125	FS2	6/1/2018	100
2020	21,570,000	4.250	FT0	6/1/2018	100
2021	8,390,000	5.000	FU7	6/1/2018	100
2022	8,825,000	5.000	FV5	6/1/2018	100
2023	9,275,000	5.000	FW3	6/1/2018	100
2024	9,750,000	5.000	FX1	6/1/2018	100
2025	10,255,000	5.000	FY9	6/1/2018	100

APPENDIX A

FORM OF APPROVING OPINION OF BOND COUNSEL

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FORM OF APPROVING OPINION OF BOND COUNSEL

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

$292,600,000
State of Nevada
Highway Revenue
(Motor Vehicle Fuel Tax)
Improvement and Refunding Bonds
Series 2016

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its "State of Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Improvement and Refunding Bonds, Series 2016" in the aggregate principal amount of $292,600,000 (the "Bonds") pursuant to an authorizing resolution adopted and approved by the State Board of Finance on November 10, 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, special, limited obligations of the State payable solely from the Gross Pledged Revenues and from funds and accounts pledged therefor under the Bond Resolution.

2. The Bond Resolution creates a valid lien on the Gross Pledged Revenues and on the Bond Fund pledged therein for the security of the Bonds on a parity with the lien thereon of any Parity Securities heretofore and hereafter issued. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Gross Pledged Revenues or on the Bond Fund created by the Bond Resolution.

3. 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 alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. 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 upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state 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,

APPENDIX B

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (this "Disclosure Agreement"), dated as of March 9, 2016, 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 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 required to be, or the Voluntary Event Disclosure or Voluntary Financial Disclosure elected by the Issuer 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 CUSIP numbers for all Bonds to which the document applies.

"CUSIP number" means, with respect to any Bonds, the 9-character CUSIP number (the nine characters comprising a combination of digits and letters) relating to such Bonds.

"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) and who, if other than the Issuer, is identified in this Disclosure Agreement as an Obligated Person.

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

"Paying Agent" means the paying agent for the Bonds designated by the Issuer, and its successors and assigns.

"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, 2016. 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 (with the appropriate CUSIP numbers for the affected Bonds).

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 3:00 p.m. Pacific time on the 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 (with the appropriate CUSIP numbers for the affected Bonds), 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 appropriate CUSIP numbers for the affected Bonds) 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.

(h) The Paying Agent may deliver notices of redemption or defeasance of Bonds to the Disclosure Dissemination Agent on behalf of the Issuer for filing pursuant to Section 4. Upon receipt of any such notice, the Disclosure Dissemination Agent shall promptly file the text of such notice with the MSRB in accordance with this Disclosure Agreement.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including Audited Financial Statements, if available, and information of the type included in the tables marked with an asterisk in the lists of tables set forth in the Table of Contents pages of the Official Statement.

(b) Audited Financial Statements shall be 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 (or the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) 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 (or by the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) 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. The Disclosure Dissemination Agent shall promptly deliver to the Disclosure Representative (and Paying Agent with respect to notices filed at the Paying Agent's direction pursuant to Section 2(h)) evidence of confirmation of such filing with the MSRB.

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 CUSIP numbers for the Bonds as to which the provided information relates.

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

SECTION 7. Voluntary Filings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Signature page follows]

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

$292,600,000
STATE OF NEVADA
HIGHWAY REVENUE (MOTOR VEHICLE FUEL TAX)
IMPROVEMENT AND REFUNDING BONDS
SERIES 2016

Base CUSIP: 641480

Maturity Date (December 1)	Principal Amount	Interest Rate	CUSIP Suffix
2017	$ 5,905,000	5.000%	HP6
2018	6,205,000	5.000	HQ4
2019	1,270,000	5.000	HR2
2020	12,800,000	5.000	HS0
2021	11,965,000	5.000	HT8
2022	12,585,000	5.000	HU5
2023	13,220,000	5.000	HV3
2024	27,315,000	5.000	HW1
2025	28,705,000	5.000	HX9
2026	32,155,000	5.000	HY7
2027	44,560,000	5.000	HZ4
2028	46,790,000	5.000	JA7
2029	49,125,000	3.000	JB5

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	**State of Nevada**
Name of Bond Issue:	**Highway Revenue (Motor Vehicle Fuel Tax) Improvement and Refunding Bonds Series 2016**
Date of Issuance:	**March 9, 2016**

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

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information contained in this Appendix has been extracted from a document prepared by DTC, entitled "SAMPLE OFFERING DOCUMENT 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 each series 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 MMI 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 Paying Agent. 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 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.

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PART II

INFORMATION CONCERNING THE STATE OF NEVADA

Part II of this Official Statement contains information concerning the State, and supplements the information contained in the other parts of this Official Statement. This Official Statement, including the cover, the inside cover pages, Part I and the schedules and appendices thereto, this Part II, Part III and the appendices thereto, and any financial statements expressly incorporated herein by reference, should be read in its entirety.

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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 (78th) biennial legislative session convened on February 2, 2015 and adjourned on June 1, 2015. 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. Most recently, the State Legislature held a special session from December 16 – 19, 2015.

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 December 1, 2015, there were approximately 17,470 permanent and non-permanent (emergency, provisional and temporary) full-time equivalent State employees excluding employees of the Nevada System of Higher Education, courts and legislature. The State does not have collective bargaining agreements with employee unions. As of January 1, 2015, approximately 3,265 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.

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 2014, Nevada's population increased by 1.5% from the previous year. Historical and estimated State population figures, by county, are shown in the following table:

Table 1
Nevada Population by County

	1990	2000	2010	2011	2012	2013	2014
Carson City	40,443	53,095	55,850	56,066	55,441	54,668	53,969
Churchill	17,938	26,247	26,360	25,136	25,238	25,322	25,103
Clark	741,459	1,425,723	1,968,831	1,967,722	1,988,195	2,031,723	2,069,450
Douglas	27,637	43,101	49,242	47,661	48,015	48,478	48,553
Elko	33,530	50,756	52,097	49,861	51,771	53,384	53,358
Esmeralda	1,344	1513	1,145	825	860	858	926
Eureka	1,547	1,847	1,609	1,994	2,011	2,024	1,903
Humboldt	12,844	18,149	18,364	17,135	17,384	17,457	17,388
Lander	6,266	6,822	5,992	5,988	6,221	6,343	6,560
Lincoln	3,775	4,420	4,631	5,284	5,100	5,020	5,004
Lyon	20,001	37,393	52,334	52,443	52,245	52,960	53,344
Mineral	6,475	6,270	4,471	4,601	4,679	4,662	4,584
Nye	17,781	35,924	45,459	44,513	44,292	44,749	45,456
Pershing	4,336	7,458	7,133	6,847	7,013	6,882	6,714
Storey	2,526	3,897	4,234	4,123	4,103	4,017	3,974
Washoe	254,667	333,566	417,379	421,593	442,704	432,324	436,797
White Pine	9,264	10,650	9,503	10,002	9,945	10,095	10,218
Nevada Total	1,201,833	2,066,831	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 2
Age Distribution

	Percent of Population			
Age	**Clark County**	**Washoe County**	**State**	**United States**
14 and under	19.9%	18.5%	19.4%	19.1%
15-24	12.9	13.6	13.0	13.8
25-34	14.8	14.4	14.3	13.5
35-54	27.7	25.7	27.1	26.4
55 and older	24.9	27.8	26.2	27.1

Source: U.S. Census Bureau, 2014 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 3
Per Capita Personal Income Groups

Year	Las Vegas-Paradise MSA	Reno-Sparks MSA	State	United States
2010	$36,057	$41,216	$36,918	$40,277
2011	36,488	43,030	37,745	42,453
2012	38,713	43,048	39,436	44,266
2013	38,091	44,280	39,223	44,438
2014	39,533	46,120	40,742	46,049

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

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 4
Median Household Income

Year	Clark County	Washoe County	State	United States
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
2014	51,214	52,618	51,450	53,657

Source: U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates.

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Table 5
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under $25,000	22.1%	23.7%	22.3%	23.1%
$25,000-$34,999	11.4	9.6	11.2	10.0
$35,000-$49,999	15.1	13.8	15.0	13.5
$50,000 and Over	51.3	52.8	51.5	53.4

Source: U.S. Census Bureau, 2014 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 13.7%. As of December 31, 2015, the State's unemployment rate was 6.8%.

Table 6[(1)]
Average Annual Labor Force Summary

Calendar Year	2010	2011	2012	2013	2014	2015
Total Labor Force	1,358,579	1,373,663	1,378,362	1,384,462	1,394,599	1,420,404
Unemployed	183,804	179,602	153,946	132,137	108,125	96,625
Unemployment Rate[(2)]	13.5%	13.1%	11.2%	9.5%	7.8%	6.8%
Total Employment[(3)]	1,174,774	1,194,061	1,224,415	1,252,326	1,286,474	1,323,779

(1) Based on non-seasonally adjusted information as of December 2015. 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%, 7.4% and 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 7[1]
Average Establishment-Based Industrial Employment by Calendar Year
(Estimates in Thousands)

NAICS Classification[2]	2010	2011	2012	2013	2014	2015
Natural Resources and Mining	12.2	14.0	15.5	15.2	14.4	13.5
Construction	59.3	52.2	52.0	56.8	62.8	68.5
Manufacturing	37.9	38.3	39.2	40.5	41.6	42.0
Trade (wholesale and retail)	160.1	161.3	164.9	168.3	173.3	174.8
Transportation, Warehousing and Utilities	50.0	51.4	53.2	53.9	56.9	59.0
Information	12.5	12.6	12.7	12.9	13.6	13.8
Financial Activities	52.9	52.5	54.4	56.8	57.2	57.1
Professional and Business Services	135.7	139.7	144.7	149.9	155.7	160.2
Education and Health Services	101.5	105.4	108.5	111.6	116.2	122.0
Leisure and Hospitality (casinos excluded)	122.3	126.8	130.7	137.5	144.8	156.1
Casino Hotels and Gaming	186.7	188.8	186.5	186.4	191.9	195.8
Other Services	32.9	32.4	33.3	33.5	34.8	36.0
Government	153.8	150.3	149.4	151.0	152.3	154.1
Total all industries	1,117.8	1,125.7	1,144.8	1,174.3	1,215.3	1,252.8

(1) Based on non-seasonally adjusted CES information as of December 2015. 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.

Source: Nevada Department of Employment, Training and Rehabilitation.

Educational Attainment

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

Table 8
Educational Attainment
(Civilian Labor Force Aged 25 and Older)

Nevada state-wide Educational Attainment Level	Male	Female	Total[1]
Total population	49.7%	50.3%	100.0%
Not a high school graduate	15.1	14.7	14.9
High school graduate (including equivalency)	28.5	27.8	28.2
Some college or associate degree	33.0	34.7	33.8
Bachelor's degree	15.1	15.3	15.2
Graduate or Professional Degree	8.3	7.5	7.9

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

Source: U.S. Census, 2014 American Community Survey 1-Year Estimates.

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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. 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 9[1]
Transactions Taxable Under the Nevada Sales and Use Tax Laws

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
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
2015	50,347,535,951	6.13
July – Oct 2014	16,413,268,784	--
July – Oct 2015	17,267,720,332	5.20

(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 (2012 to 2015), gross taxable gaming revenue has increased. However, for four of the past five fiscal years (2011 to 2015), state gaming collections from all sources have experienced increases with a modest decline in 2015. During prior fiscal years, 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. However, in 2015, the increases in gaming win were driven by markets outside of the Las Vegas Strip. The following table represents a record of gross taxable gaming revenues in the State and total State gaming taxes and fees collected.

Table 10[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
2011	$9,836,451,902	1.74%	$853,455,347	2.91%
2012	9,770,060,305	-0.67	864,621,791	1.31
2013	10,208,523,998	4.49	892,106,457	3.18
2014	10,208,208,433	-0.003	912,371,316	2.27
2015	10,511,301,026	2.97	909,857,085	-0.28
July – Oct 2014	$3,520,811,868	--	$262,561,417	--
July – Oct 2015	$3,439,456,945	-2.31	$273,214,420	4.06

(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-mutuel 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. According to the American Gaming Association, today there are 40 states that have some form of legalized electronic gaming device, including traditional slot machines, video poker and bingo at Indian casinos, commercial casinos, racetrack casinos, and/or bars, restaurants or other licensed establishments ("non-casino devices"). These include 24 states with commercial casinos, 14 with racetrack casinos, and 28 with tribal casinos, and seven have non-casino devices. Additionally, 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 11
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	62.3
2014	41,126,512	150,544	86.8	--
2015	42,312,216[(3)]	149,213	87.7	--

(1) The sample size for this survey represents approximately 75% of the total hotel/motel rooms available.
(2) Source: PwC Hospitality Directions: May 2015
(3) Represents a 2.9% increase from the January – December 2014 period.

Source: Las Vegas Convention and Visitors Authority.

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Table 12
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	24,741	60.0	61.4
2013	4,664,514	23,957	63.2	62.3
2014	4,631,195	23,972	63.6	--
2015	4,746,207[3]	23,535	65.7	--

(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: PwC Hospitality Directions: May 2015
(3) Represents a 2.5% increase from the January – December 2014 period.

Source: Reno-Sparks Convention and Visitors Authority.

Table 13
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
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
2015	240,140,940	7.34	2015	18,060,419	6.52
Jul – Nov 2014	95,817,020	--	Jul – Nov 2014	8,257,478	--
Jul – Nov 2015	108,611,457	13.35	Jul – Nov 2015	9,452,698	14.47

(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

Las Vegas and Reno, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry, and are served by scheduled airlines and supplemental charter carriers.

McCarran International Airport in Las Vegas had an estimated total of 42.89 million commercial and charter passengers enplaned and deplaned in 2014, an increase from 41.86 million in 2013. This reflects an increase of 1.03 million passengers or 2.5 percent over the period. 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. The new airport project is currently on hold.

The Reno/Tahoe International Airport had an estimated 3.30 million commercial and charter passengers enplaned and deplaned in 2014, a decrease from 3.43 million in 2013. This reflects a decline of 133,000 passengers or 3.9 percent over the period.

Two major railroads cross Nevada, while short lines serve as feeders. Several national bus lines and trucking lines serve the State.

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. NDOT is partnering with Arizona Department of Transportation to plan an interstate (Interstate 11) link between Las Vegas and Phoenix, with the potential of extending north to Canada and south to Mexico. For more information regarding Interstate 11, see "SUPPORT FOR STATE HIGHWAY SYSTEM – Federal Aid Highway System" in Part III of this Official Statement.

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.

Nevada is less than one day's drive to more than 40 million consumers and five major U.S. ports serving the Pacific Rim. Northern Nevada is at the center of the western region, with 11 states and 53 million people only one day's drive away. Southern Nevada is just hours away from the Southern California markets and within 2-day delivery of nearly every state west of the Mississippi River.

Economic Development

The Nevada Governor's Office of Economic Development ("GOED") promotes a robust, diversified and prosperous economy in Nevada, stimulates business expansion and retention, encourages entrepreneurial enterprise, attracts new businesses, and facilitates community development. GOED is assisted by Regional Development Authorities across the State when a business chooses to locate or expand within their respective region.

GOED has seven industry focal areas:

- Aerospace & Defense
- Health & Medical Services
- Information Technology
- Manufacturing & Logistics
- Mining
- Natural Resource Technologies
- Tourism, Hospitality & Gaming

Additionally, GOED is advancing the development of emerging industry clusters that center on water technology innovation, unmanned aerial systems, and advanced manufacturing. Nevada's ability to grow its industries is dependent upon a trained workforce, and GOED plays an important role in ensuring that industry demand is matched with an educated, skilled, and available workforce.

GOED is able to offer incentives to qualifying companies, following Board approval, to create jobs and alleviate some costs associated with expanding or relocating in the State. GOED's incentives include: Sales and Use Tax Abatement; Modified Business Tax Abatement; Personal Property Tax Abatement; Real Property Tax Abatement for Recycling; Data Center Abatement; Aviation Parts Abatement; Train Employees Now grant; and the Silver State Works Hiring Incentive.

GOED's International Trade Division facilitates export growth, increases foreign direct investment, recruits foreign expansion, and expands higher education partnerships. Nevada has established high-level partnerships with government officials and industry associations in the People's Republic of China, the Republic of Korea, Mexico, Brazil, Canada, Israel, Poland, Germany, United Kingdom, Ireland, and Italy.

GOED is the umbrella organization for the Nevada Film Office which provides assistance to the local and national television and film production community.

The Procurement Technical Assistance Center Procurement Outreach Program is housed in GOED and works to simplify the process of contracting with all levels of government.

The Rural Community and Economic Development Division in GOED promotes and facilitates community development throughout rural Nevada. The Division administers the State and Small Cities Community Development Block Grant Program which aids in the development of suitable living conditions, increases the supply of decent housing, and helps create economic opportunities in the rural parts of the State.

In 2014 the State's economic development efforts resulted in approximately $12 billion of recently or anticipated business investment in the State, 14,700 new jobs and the arrival or expansion of 97 companies. Among the most noteworthy of these is the Tesla Gigafactory.

The Tesla Gigafactory is currently under construction and is expected to be completed in 2017, at a cost of approximately $5 billion. The factory is being built to construct the lithium-ion batteries that are used to power Tesla electric motor cars at reduced production costs. Employment is estimated to reach approximately 6,500 employees when the facility is in full operation.

Notable economic development activity in 2015 includes Faraday Future and the Switch Data Center.

Faraday Future is a next-generation electric car manufacturing company that has committed to build a $1.4 billion, 3 million square foot manufacturing plant in North Las Vegas. This facility is expected to result in 4,500 full-time jobs when fully built-out and employ 3,000 construction and installation workers until that time. Production is expected to begin in 2017.

Switch is a developer and operator of colocation data centers, most of which are located in the State. Switch has committed to invest approximately $3 billion in constructing a new 3 million square foot data center campus on approximately 1,000 acres of land near Reno. This facility is part of an expanding data center presence in the state that includes Rackspace, eBay, and Apple.

Among its other economic development activities, the GOED created and also oversees the Battle Born Growth Escalator, Nevada's State venture capital program (under the auspices of State Small Business Credit Initiative). This program invests in early stage, high-growth Nevada enterprises in the following sectors: aerospace and defense, agriculture, energy, health care, IT, logistics and operations, manufacturing, mining, tourism and gaming and water.

The State was selected by the FAA as one of six test site locations for flying Unmanned Aerial Systems.

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 14,000 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 ("NNSS") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the NNSS Nevada Site Office of the U.S. Department of Energy ("DOE"), NNSS 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. NNSS 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 NNSS is a massive outdoor laboratory and national experimental center. NNSS 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 NNSS.

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. Following various challenges, in 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. While NRC review of the Yucca Mountain application continues, there are significant hurdles to its approval, strong opposition to the project, and lack of federal funding. The status of the proposed nuclear repository at Yucca Mountain remains uncertain**.**

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 $7.1 billion in 2014. Gold is the primary source of mining revenue which reached $6.3 billion in 2014. Nevada leads the nation in gold production.

Oil and natural gas exploration activity continues in Nevada. During 2014, the total net oil produced was 316,426 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 2.7 million megawatt-hours in 2014 from 22 electrical generating plants.

According to the Department of Employment, Training and Rehabilitation, in 2014, there was an average of 14,413 people employed in the mining industry at an average annual salary of $88,634.

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

Table 14[1]
Mineral Production

Calendar Year Ending	Millions of Dollars	% Change
2010	$7,300	23.2%
2011	9,600	31.5
2012	10,244	6.7
2013	8,820	-13.7
2014	7,126	-19.2

(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 15
Mineral Production
(By Weight)
(In Thousands)

	2010	2011	2012	2013	2014
Gold	5,339 ozs	5,536 ozs	5,615 ozs	5,441 ozs	4,941 ozs
Silver	7,361 ozs	7,141 ozs	8,527 ozs	8,679 ozs	10,934 ozs
Gypsum	1,056 tons	996 tons	1,482 tons	1,804 tons	2,804 tons
Barite [1]	657 tons	698 tons	745 tons	811 tons	808 tons

(1) Shipped.

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

In September 2015, the U.S. Bureau of Land Management ("BLM") and the U.S. Forest Service ("USFS") finalized land use plan amendments ("LUPs") to provide further protection to the greater sage-grouse habitat in the Western United States, including creating three new habitat management areas in Nevada. Certain Nevada counties and mining companies filed a lawsuit, which the Nevada Attorney General later joined, seeking judicial review of BLM's and USFS' actions. The plaintiffs contend that the LUPs will negatively impact, among other things, the mining industry in the State. At this time, the State cannot predict the effects of the LUPs on mining or other matters in the State.

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

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.

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.

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 2015, the SNWA updated its 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. 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

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, Washoe County, the Truckee Meadows Water Authority, the Truckee Meadows Water Reclamation Facility, and the Sun Valley General Improvement District. The Planning Commission is comprised of members from Public Works for the City of Reno, Public Works for the City of Sparks, Community Services Department for Washoe County, the General Manager of the Sun Valley General Improvement District, two representatives from the Truckee Meadows Water Authority, the Truckee Meadows Water Reclamation Facility, Pyramid Lake Paiute Tribe, the Nature Conservancy, Truckee Meadows Flood Management, 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. On January 1, 2015 TMWA merged with the Washoe County water utility and the South Truckee Meadows General Improvement District ("STMGID"). Total services increased from approximately 94,000 to 120,000 water services. Portions of Washoe County are served either by special districts, private companies and/or private wells. TMWA has developed a Water Resource Plan and Water Facility Plan to address the water needs of its service area through 2030.

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 the Series 2016 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 to $100,000 for property loss with commercial insurance purchased to cover excess above this amount.

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.

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.

K-Kel, Inc., dba Spearmint Rhino Gentlemen's Club, et al. v. Dept. of Taxation, et al., Case No. A648894, is a State district court action, through a petition for judicial review, challenging application of the statute imposing Nevada's Live Entertainment statute on grounds of constitutionality and seeking a refund of taxes paid, plus interest. In prior proceedings, the Nevada Supreme Court affirmed district court's rulings finding Nevada's Live Entertainment Tax facially valid and determining that an as-applied challenge could only be brought through a petition for judicial review. Taxpayers petition for certiorari to the United States Supreme Court was denied. What remains is Taxpayers' petition for judicial review of the denial of its as-applied challenge by the Nevada Tax Commission, which is pending before the Eighth Judicial District Court of the State of Nevada. That challenge contends the Live Entertainment Tax is unconstitutional as it is applied to the particular Taxpayers. It is estimated that, if Taxpayers prevail, the refund claim alone could exceed $87 million.

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. The District Court's Decision is on appeal 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.

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 filed an action asserting inverse condemnation, breach of contract, breach of the implied covenant of good faith and fair dealing, and rescission, 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. The inverse condemnation claim has been dismissed. Nassiri's claim is in excess of $40 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 initially valued compensation due Wykoff at $1,290,000, but Wykoff demanded $10 million. The parties reached a tentative settlement for the amount of $2,990,000 (NDOT's initial valuation plus $1,700,000), but a dispute over the conditions of the settlement has prevented it from being finalized. NDOT has brought a pending motion to enforce the settlement.

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. An initial motion to dismiss was granted in part and denied in part. Plaintiff then filed an amended complaint, which the State has moved to dismiss and is awaiting a hearing or decision on this motion.

Walden et al. v. Nevada Department of Corrections. This is a Fair Labor Standard Act collective action on behalf of all State of Nevada Department of Corrections correctional officers (1,729 officers) under sections 206 and 207 of 29 U.S.C. § 201 et seq. for alleged failure to pay for preliminary and postliminary duties leading to pay and overtime violations. It also includes a pendant contract and Nevada Constitution claim for same styled as a class action. Plaintiffs seek to recover straight time and overtime for up to one hour each day worked for each officer for the statutory period of two years, plus an additional year and double damages for alleged intentional violation of the federal law. The contract claim seeks to recover 6 years of damages. The preliminary and postliminary activities alleged to be non-compensated include checking in with the shift supervisor, obtaining keys or handcuffs, walking to the post within the prison, relieving the employee already at the post including exchange of pertinent information, and then the reverse at the end of the shift. The collective class has been conditionally certified, with 2,963 eligible members, and approximately 500 joining the lawsuit. Plaintiffs have not provided any calculation of damages to date. If Plaintiffs are successful in proving all of their claims, the back wages and overtime for three years could give rise to a claim of $11.5 Million Dollars, possibly doubled to $23 Million Dollars. This case is currently stayed to explore mediation.

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

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PART III

INFORMATION CONCERNING THE STATE DEPARTMENT OF TRANSPORTATION, REVENUES PLEDGED TO SECURE THE BONDS AND RELATED MATTERS

Part III of this Official Statement contains information concerning the State Department of Transportation, revenues pledged to secure the Series 2016 Bonds, Parity Securities issued and outstanding, and related information. This Part III supplements the information contained in the other parts of this Official Statement. This Official Statement, including the cover, the inside cover pages, Part I and the schedules and appendices thereto, Part II, this Part III and the appendices hereto, and any financial statements expressly incorporated herein by reference, should be read in its entirety.

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NEVADA DEPARTMENT OF TRANSPORTATION

NDOT Responsibilities

The Nevada Department of Transportation ("NDOT") supervises the planning, construction, improvement and maintenance of the State's highway system. NDOT is responsible for the planning, construction, operation and maintenance of approximately 5,400 miles of highway and over 1,100 bridges.

NDOT Governance

NDOT is administered by a seven-member Board of Directors (the "State Transportation Board"), consisting of the Governor, the Lieutenant Governor and the State Controller, each of whom serves ex officio, and four members who are appointed by the Governor. The appointed members serve four-year terms. The Governor serves as Chairman of the State Transportation Board. NDOT is headed by a Director who is appointed by the State Transportation Board. NDOT currently has an annual operating budget of approximately $800 million and manages approximately 1,750 employees.

NDOT Staff

The State Transportation Board appoints the Director of NDOT. The Director in turn appoints subordinate officers and employees of NDOT. Following are the key executives of NDOT:

Rudy Malfabon, P.E. is the Director of NDOT. He has worked for NDOT for more than 27 years. As Director, he is responsible for the daily operations of NDOT. Previously, Mr. Malfabon was NDOT's Deputy Director for Southern Nevada. Mr. Malfabon is a graduate civil engineer from the University of Nevada, Reno, and is a registered professional engineer in the states of Nevada and Washington.

Bill Hoffman, P.E. is the Deputy Director of NDOT. He is responsible for assisting the Director in the daily operations of NDOT. Mr. Hoffman began his employment with NDOT in 1991 as an Engineering Technician in District 2. Since then, he has served in a variety of positions within NDOT, including the roles of Chief of the Maintenance and Operations Division and Assistant Director, Engineering. Mr. Hoffman holds a bachelor's degree in sports marketing from the University of Wyoming and a bachelor's degree in civil engineering from the University of Nevada, Reno and is a registered professional engineer in the State.

Tracy Larkin-Thomason is the Deputy Director for Southern Nevada. Ms. Larkin-Thomason has more than 26 years of transportation experience and has held positions in the areas of planning, operations, maintenance engineering, traffic engineering, structural design, and roadway civil engineering. As Deputy Director for Southern Nevada, Ms. Larkin-Thomason seeks to improve communication, coordination and customer service with local agency partners, elected officials and the general public. Ms. Larkin-Thomason has a Bachelor of Science degree in civil engineering from the University of Nevada, Reno, and is a licensed civil engineer in the State. She is also certified as an ITE Professional Traffic Operations Engineer and a Nevada Certified Public Manager.

David Gaskin, P.E. is Deputy Director of NDOT's statewide Stormwater Management Program. Mr. Gaskin oversees environmental programs, including policy, regulatory and education efforts to manage stormwater involving state roads and transportation facilities in accordance with state and federal laws. He also works closely with other agencies to help preserve clarity and reduce pollution in the stormwater and other water runoff from roads and road projects. Mr. Gaskin has more than 22 years of experience managing environmental programs at the Nevada Division of Environmental Protection. He also worked to construct and operate large solar power plants in the Mojave Desert and was an officer in the U.S. Navy. Mr. Gaskin is a registered professional mechanical engineer and holds a degree in astronautics from the Massachusetts Institute of Technology (MIT).

John Terry, P.E. is the Assistant Director of Engineering/Chief Engineer. He is in charge of NDOT's pre-construction engineering sections including Project Management, Design, Bridge, Environmental, Location, and Right-of-Way. Mr. Terry supervises six groups within NDOT, representing more than 300 engineering and right-of-way professionals responsible for developing all engineering work necessary in delivering design plans and

specifications used in the construction of NDOT projects. He worked for NDOT in Carson City in the Roadway Design, Structures, Hydraulics, and Traffic Divisions. After 12 years in the private sector, Mr. Terry returned to NDOT in 2002 as a senior project manager and assistant chief project manager. He has a Bachelor of Science degree in civil engineering from Union College and is a registered professional engineer in the State.

Reid Kaiser, P.E. is the NDOT's Assistant Director of Operations and is responsible for the Construction, Materials, Equipment, Traffic Operations and Maintenance and Asset Management divisions. He is responsible for administering the construction program, implementing strategies for pavement preservation, keeping the NDOT fleet mobile and managing traffic operations. Mr. Kaiser holds a Bachelor's degree in Construction Engineering Management from Oregon State University and is a registered professional engineer in Nevada and California. He began his career with NDOT as a rotational engineer and has served as Assistant Resident Engineer, Resident Engineer, Assistant District Engineer, Assistant Chief Construction Engineer and Chief Materials Engineer. Having worked 25 years in construction and materials at Headquarters and District 2, Mr. Kaiser has constructed over $100 million in construction projects, implemented asphalt pavement specifications for NDOT, and served on AASHTO's sub-committee on Materials.

Sondra Rosenberg, PTP is the Assistant Director of Planning and is responsible for the Program Development, Multimodal Planning, Performance Analysis, Research, Roadway Systems, Safety Engineering, Traffic Information and Southern Nevada Planning Divisions within NDOT. Ms. Rosenberg has a Bachelor's of Science degree in Physics from the University of Rochester and a Master of Science degree in Transportation Technology and Policy from the University of California, Davis. She is a certified Professional Transportation Planner and is active in the Northern Nevada Section of the American Planning Association. Ms. Rosenberg has worked at NDOT since 2008 and prior to that she was a transportation planner for Fehr & Peers, a consulting firm. As the Federal Programs Manager in NDOT Planning, Sondra managed the 1-15 Mobility Alliance and the 1-11 & Intermountain West Corridor Study. She effectively built coalitions that consisted of neighboring state DOTs Metropolitan Planning Organizations, economic development councils, chambers of commerce, businesses and various other stakeholders.

Robert Nellis is the Assistant Director of Administration and is responsible for the Financial Management, Accounting, Administrative Services and Information Services Divisions within NDOT. Mr. Nellis has 20 years of experience in private sector real estate development, business management, public land management, and energy program management. He has been with the State since 2004 and was head of the State Land Office in the Division of State Lands for five years.

THE STATE HIGHWAY SYSTEM

Overview

The State highway system consists of approximately 5,400 centerline miles, which includes the federal-aid highway system and other improved roads. The federal-aid highway system is more fully described below under the heading "SUPPORT FOR STATE HIGHWAY SYSTEM — Federal Aid Highway System" in this Part III. A well-functioning State highway system is key to the State's economy, and improvements to the system will be needed to support future economic development and diversification efforts. The State'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. This growth has resulted in significantly increased highway usage during that period. The State's location results in a large proportion of commercial truck use, including high usage by trucks having an origin and destination outside the State. NDOT projects significant growth in both commercial and non-commercial road usage.

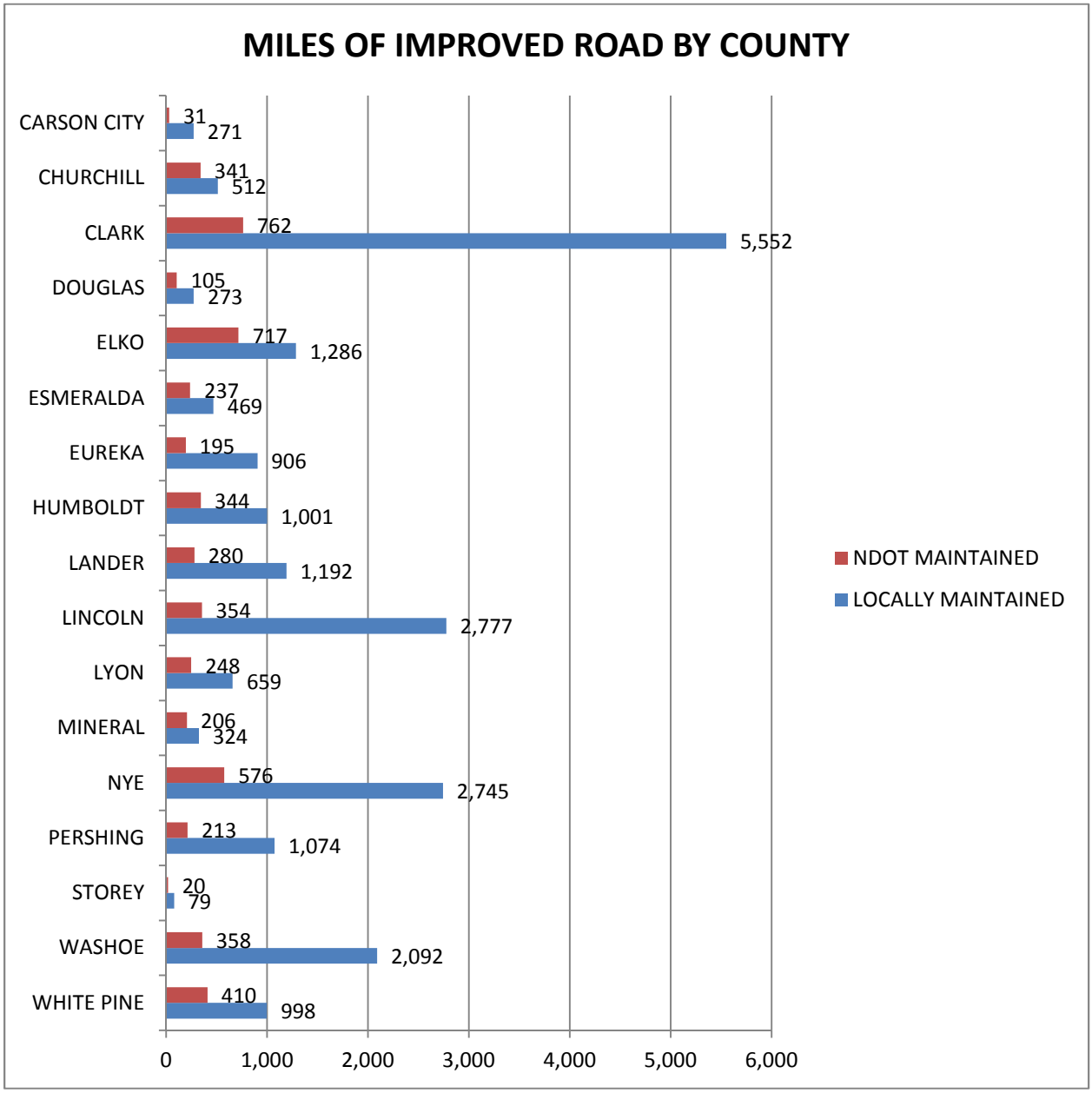
NDOT-Maintained Roads

NDOT is responsible for constructing, operating and maintaining approximately 20 percent of all roads (measured in miles) in the State. These roads are referred to herein as the state-maintained system (the "State-Maintained System"). The State-Maintained System carries approximately 49 percent of the total vehicle miles of travel. The remaining 51 percent of vehicle miles traveled is on systems maintained by county, city or other governmental agencies. While the State-Maintained System represents only 20 percent of total road miles, the

State-Maintained System also carries approximately 70 percent of all truck traffic and 68 percent of the heavy truck traffic. Vehicle miles of travel on all roads in the State increased from 14 billion in 1995 to 25.4 billion in 2014.

Table 1 illustrates the number of miles of improved roads in the State by county, within and outside the State-Maintained System, based on the most recent data available (2014).

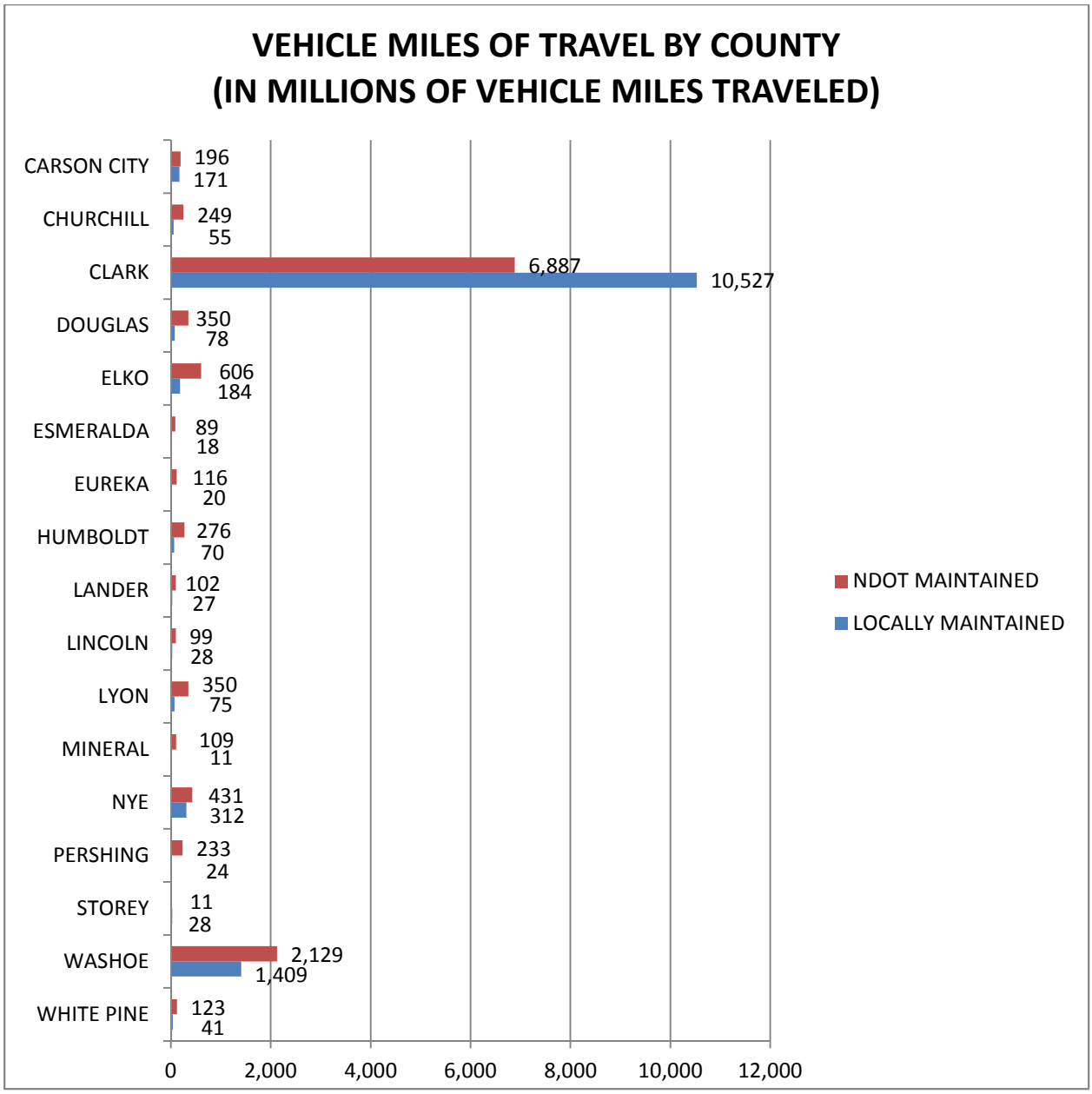
Table 1
Miles of Improved Roads by County



Source: NDOT.

Table 2 illustrates the number of vehicle miles traveled in the State by county, within and outside the State-Maintained System, based on the most recent data available (2014).

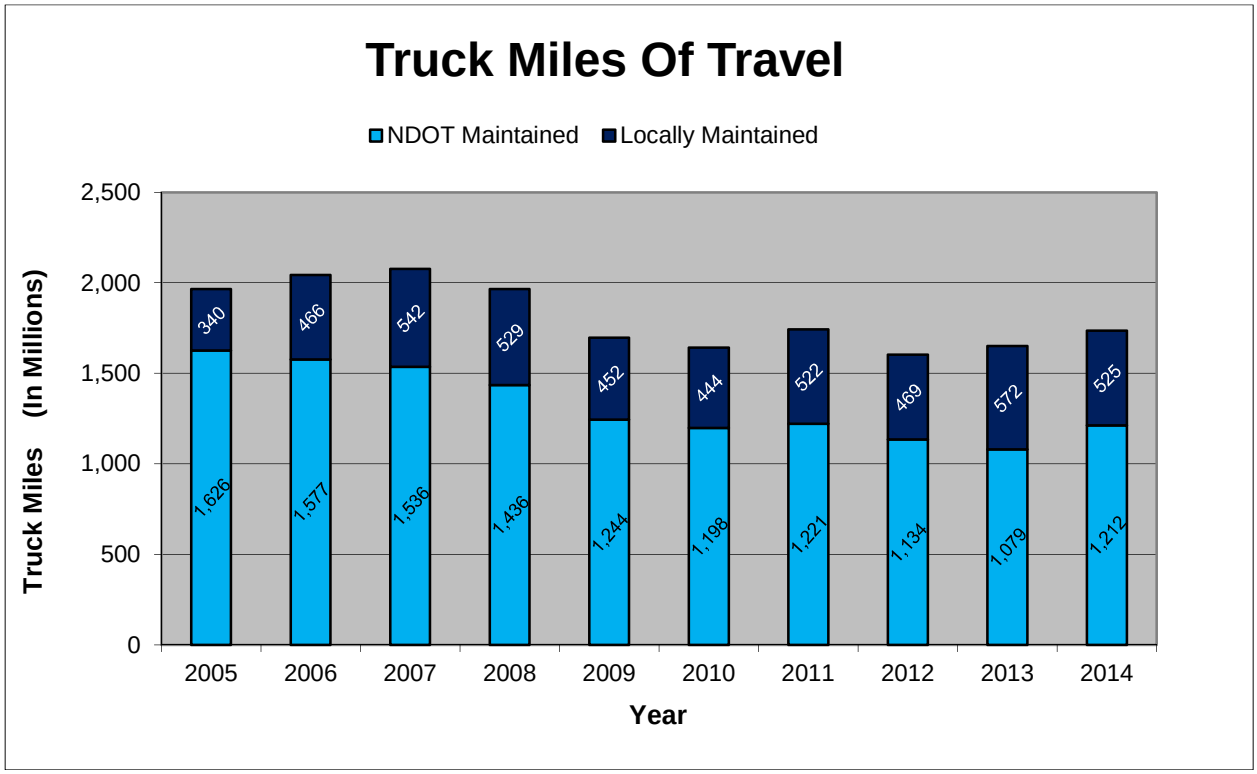
Table 2
Vehicle Miles of Travel by County
(million miles traveled)



Source: NDOT.

Table 3 illustrates the numbers of truck miles traveled in the State.

Table 3
Truck Miles of Travel



Source: NDOT.

SUPPORT FOR STATE HIGHWAY SYSTEM

Federal Aid Highway System

The federal-aid highway system is classified as the National Highway System (the "NHS") routes and the Surface Transportation Program (the "STP") roads. The NHS within the State consists of all interstate routes, most principal arterials, the defense strategic highway network, and strategic connectors, including 589 miles of interstate highways (I-15 and I-80) and 1,811 miles of other NHS routes (US 95, US 50, US 395, US 6, US 93, McCarran Boulevard in Reno and Tropicana Avenue in Las Vegas). The STP within the State consists of 2,393 miles of roads that are functionally classified as principal arterials, minor arterials, major collectors, and urban collectors. See "FEDERAL TRANSPORTATION FUNDING" in this Part III for a discussion of various programs of federal assistance for highways in general, and "REVENUES AND EXPENDITURES OF STATE HIGHWAY ACTIVITIES" in this Part III for amounts of federal assistance for the State Highway Fund.

NDOT is partnering with Arizona Department of Transportation to plan an interstate (Interstate 11) link between Las Vegas and Phoenix, with the potential of extending north to Canada and south to Mexico. NDOT and the Regional Transportation Commission of Southern Nevada (RTC) are constructing portions of Interstate 11 near Boulder City known as the Boulder City Bypass. The construction of the Boulder City Bypass is expected to be complete in 2018. In November of 2013, NDOT was made aware of the potential presence of naturally occurring asbestos in the area of the Boulder City Bypass. In order to reduce exposure to naturally occurring asbestos during construction, specific mitigation measures have been developed to minimize the naturally occurring asbestos from becoming airborne during construction.

Other Improved Roads

There are 604 miles of other improved roads on the State highway system, including local and rural collectors, access frontage and state park roads. Other improved roads that are not part of the NHS or STP are classified mainly as local or rural minor collectors. These roads serve as access roads to the NHS and STP and do not qualify for federal aid but receive support from the State's gas tax distribution. Responsibility for maintaining these roads is divided among NDOT, cities and counties.

Unimproved Roads

The balance of the roads in the State is classified as unimproved roads. Unimproved roads are local roads and are not regularly maintained. Unimproved roads do not qualify for federal aid, are not maintained by NDOT, and are not entitled to receive gas tax receipts to fund costs of their construction, operation or maintenance.

The following table sets forth the aggregate mileage of highways in the State by responsibility for maintaining and eligibility for federal funding.

Table 4
State Highway System Mileage

	NDOT Maintained	Locally Maintained	Statewide Total
Federal Aid			
NHS	2,400	154	2,554
STP	2,393	7,936	10,329
Subtotal	4,793	8,090	12,883
Non-Federal Aid			
Other Improved	604	14,275	14,879
Unimproved	0	15,053	15,053
Subtotal	604	29,328	29,932
Total	5,397	37,418	42,815

Source: NDOT.

NDOT PLANNING AND CURRENT PROGRAMS

Statewide Transportation Planning (Annual Work Program)

The Annual Work Program ("AWP") is a compilation of NDOT's short range (two to three years) and long range (four to ten years) elements of various transportation projects and includes projects pursued during each fiscal year. Pursuant to Nevada Revised Statutes ("NRS") Section 408.203, the Director of NDOT is required to submit a comprehensive report of highway construction and maintenance projects for the next ten years to the State Legislative Counsel Bureau, a projects report for the next three years to the Legislative Counsel Bureau in every even-numbered year, and a progress report regarding NDOT's 12-year plan for highway resurfacing to the State Legislature in every odd-numbered year.

Statewide Transportation Improvement Program

The Statewide Transportation Improvement Program (the "STIP") consists of capital and non-capital transportation projects supported by United States Code Title 23 (Highways) and the Federal Transit Act funding. The STIP is administered by NDOT. Annually, the NDOT develops a STIP, including a four-year list of federally funded and regionally significant non-federally funded transportation projects and programs consistent with the goals and strategies of the statewide transportation plan. Projects in non-attainment areas must conform with the State Implementation Plan prior to being included in a STIP.

The STIP is developed in cooperation with the State's Metropolitan Planning Organizations (the "MPO") and local government agencies. An MPO is designated for each urbanized area with a population of more than 50,000. The Regional Transportation Commission (the "RTC") of Southern Nevada, the RTC of Washoe County, the Carson Area MPO (each designated by the US Census Bureau) and the Tahoe MPO (designated through Congressional actions) are the State's MPOs. The STIP also includes all regionally significant transportation projects in the Transportation Management Areas (the "TMAs") regardless of funding sources. TMAs are urbanized areas with a population of more than 200,000 and are certified at least once every three years.

Highway Safety Improvement Program (the "HSIP")

The HSIP was established in fiscal year 2006 as a core program with separate funding to significantly reduce traffic fatalities and serious injuries on all public roads. Each year NDOT utilizes a percentage of the Federal Safety Program funding to upgrade and maintain the statewide crash database, develop and implement safety management systems, develop strategic plans, evaluate safety engineering software and receive training in new and effective methods of traffic safety engineering. Up to $21 million annually is allocated for HSIP programs.

For information regarding the effects of the FAST Act (as defined below) on the HSIP, see "FEDERAL TRANSPORTATION FUNDING – MAP-21 and the FAST Act" in this Part III.

State Highway Preservation

The NDOT maintains approximately 5,400 miles of highways, which carry approximately 49 percent of the State's traffic and 68 percent of the heavy trucks. NDOT's goal is to continue to maintain the State's interstate system and high volume roads at a high level of serviceability by applying timely overlays and reconstructing inferior segments; continue to maintain the State's non-interstate principal arterials, minor arterials, and other moderate volume roads at a modest to high level of serviceability by applying timely overlays and reconstructing inferior segments; and improve low volume roads and maintain them at a limited, but acceptable, level of serviceability. In Fiscal Year 2015, NDOT spent $116 million on maintenance and preservation.

Interstate Maintenance Program

The Interstate Maintenance Program was initiated to ensure that the Interstate Highway System is maintained on an ongoing basis. The purpose of the program is to maintain a reasonably high level of serviceability on the roads, while optimizing available funding and minimizing risks to the traveling public. Unobligated Interstate Construction authorization balances are used to fund these projects.

Nevada Bridge Program

In 2012, President Obama signed into law the Moving Ahead for Progress in the 21st Century Act ("MAP-21"). MAP-21 eliminated the Federal Highway Bridge Program (HBP) funding category. Without a specific funding category for bridges, NDOT has targeted $10,000,000 annually in funding for the Nevada Bridge Program. Bridge Inspection operations cost about $2,000,000 annually and MAP-21 requires NDOT to allocate $2.1 million to replacement and rehabilitation for bridges on locally maintained roads.

On December 4, 2015, President Obama signed into law the Fixing Americas Surface Transportation Act (the "FAST Act"). The FAST Act increases overall funding for the STP, which has been converted to a block grant program known as the Surface Transportation Block Grant Program ("STBGP"). While the FAST Act also expands funding for bridges off of the NHS, NDOT has not yet determined the impact of the FAST Act on the Nevada Bridge Program.

For more information regarding MAP-21 and the FAST Act, see "FEDERAL TRANSPORTATION FUNDING – MAP-21 and the FAST Act" in this Part III.

Transportation Enhancement Program

The Transportation Enhancement Program (the "TEP") was established by Congress as part of the International Surface Transportation Efficiency Act of 1991 ("ISTEA") and was continued under the Transportation Equity Act for the 21st Century Act ("TEA-21"). In 2005, TEP was included in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU"). MAP-21 created the Transportation Alternatives program encompassing most activities funded under the TEP. The TEP includes projects such as pedestrian and bicycle facilities, landscaping and other scenic beautification, historic preservation, and rehabilitation and operation of historic transportation structures. FAST Act modifications to the TEP include changing how the TEP will be funded from a percentage of annual apportionments to a set annual amount. The FAST Act also expands eligible recipients for funds to include nonprofits responsible for administration of local transportation safety programs and requires annual reports from state and local planning organizations on the number of project applications and awards.

For more information regarding MAP-21 and the FAST Act, see "FEDERAL TRANSPORTATION FUNDING – MAP-21 and the FAST Act" in this Part III.

Pioneer Program

A modern transportation system is essential to the State's ability to attract visitors, move people and goods, improve quality of life for its residents, and provide beneficial family-wage jobs. The State is committed to searching for innovative delivery and funding strategies to keep up with the transportation needs of the State's expanded population. In 2011, the State Transportation Board authorized NDOT to explore innovative financing and construction methods to help solve the State's growing transportation and congestion problems. In response, NDOT created the Pioneer Program to assess and implement public-private partnerships designed to ensure prompt delivery of needed projects and to provide a more efficient transportation system.

Public-private partnerships allow the state to leverage limited public funds and utilize private capital to finance, design, build, operate, and/or maintain needed transportation improvements that could not otherwise be funded. These partnerships usually include the greater assumption of risk by the private partner, rather than taxpayers, along with specified responsibilities, performance and quality assurances to the taxpayer. While each entity shares in the risks and rewards, the involved government partner maintains control and ownership of the project and sets the standards under which the private partner must build, maintain and possibly operate the facility.

The goals of the Pioneer Program are as follows: (1) keep the State competitive and moving; (2) enhance the State's standard of living and economic vitality by increasing mobility for commuters, visitors, transit, and economic commerce; (3) reduce congestion on heavily-traveled State transportation corridors; (4) deliver projects faster and with greater cost certainty throughout the state, thus promoting rural economies and job-boosting development; (5) improve safety by unlocking gridlocked roadways; (6) improve air quality by reducing the number of idling vehicles stuck in traffic; (7) enhance express transit, vanpool, and rideshare opportunities in applicable areas; and (8) generate revenue and leverage limited public funds to potentially fund other needed transportation improvements in the State.

Project NEON

Project NEON is a significant project in Las Vegas consisting of improving the capacity, operations and safety of a section of Interstate 15 (I-15) and major street connections from south of the Sahara Avenue/I-15 interchange to the I-15/US 95/I-515 interchange known as the Spaghetti Bowl. NDOT began preliminary studies in 2003 and received federal environmental approval in late 2010. Preliminary engineering advanced thereafter, with NDOT commencing right-of-way acquisition in 2011.

After evaluation of the procurement alternatives for Project NEON, NDOT has elected to procure Project NEON as a Design Build Project to be financed using highway revenue bonds, including the Series 2016 Bonds. The Design Build Contract has been awarded to Kiewit Infrastructure West Co. in the amount of $559,370.303. The State anticipates issuing approximately $365 million of Additional Parity Securities (not including the Series 2016

Bonds) through 2018, including approximately $185 million in 2017, to fund, among other projects, Project NEON. The timing and amount of Additional Parity Securities may change.

OVERVIEW OF FUNDING FOR STATE HIGHWAYS

State highways maintained by NDOT are financed with dedicated highway-user revenue and federal funds. No State General Fund (general tax) revenue is normally used. Under the State's Constitution, the proceeds from the imposition of any license or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway in the State and the proceeds from the imposition of any excise tax on gasoline or other vehicle fuel shall, except costs of administration, be used exclusively for the construction, maintenance, and repair of the public highways of the State. The provisions of that section of the State Constitution do not apply to the proceeds of any tax imposed upon motor vehicles by the State Legislature in lieu of an ad valorem tax.

State Highway Fund

The State Highway Fund was created by State law as a special revenue fund to account for the receipt and expenditure of dedicated highway-user revenues. State law requires that, subject to certain exceptions, the proceeds from the imposition of any (1) license or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway or city, town or county road in the State and (2) excise tax on gasoline or other motor vehicle fuel must be deposited in the State Highway Fund. Amounts in the State Highway Fund must be used, except for costs of administering the collection thereof, exclusively for the administration, construction, reconstruction, improvement and maintenance of the highways provided for under State law. Cost of administration for the collection of the excise tax on gasoline or other motor vehicle fuel may not exceed 1% of the proceeds collected. Costs of administration for the collection of license or registration fees for motor vehicles may not exceed 22% of the proceeds collected. The cap on costs of administration was modified with the passage of Senate Bill 502 during the 2015 legislative session. This bill temporarily modifies the cap to 27% during the implementation, upgrade, and maintenance of a new information technology platform used by the Department of Motor Vehicles ("DMV") through fiscal year 2020. The impact of this change is estimated to be approximately $13 million per fiscal year in terms of revenues available for NDOT use. Amounts received by the State from the federal government for acquiring, constructing, repairing or improving any highway in the State are also deposited in the State Highway Fund.

Transportation Funding in General

Funding for highways within the State is derived from a number of sources, including federal, state and local sources. State and federal highway funds are derived from motor vehicle license and registration fees, drivers' license fees, and motor vehicle fuel taxes, which are deposited in the State Highway Fund. NDOT is the major recipient of amounts in the State Highway Fund. See Appendix A to this Part III for historical financial information about the State Highway Fund. The bonds described in this Official Statement are payable out of Gross Pledged Revenues that are accounted for in the State Highway Fund. See "DESCRIPTION OF THE SERIES 2016 BONDS — Security for the Series 2016 Bonds — *Gross Pledged Revenues*" in Part I of this Official Statement.

Federal Highway Funding in General

A significant amount of funding for State highway purposes is received from the federal government. Federal highway funds are derived from fuel tax and highway-user fees and are allocated by Congress to the states under federal transportation statutes enacted from time to time and annual appropriations bills. Federal funds are available only for reimbursement of expenditures on approved projects and are normally paid to the State weekly. Federal aid is not available for routine maintenance, administration, or other non-project related costs. To be eligible for federal funds, the State must, among other requirements, pay five to twenty-five percent of the project's costs. Federal funds received by the State for highway projects are required to be deposited in the State Highway Fund and a portion of such funds are included in Gross Pledged Revenues available to be transferred to the Bond Fund. See "DESCRIPTION OF THE SERIES 2016 BONDS — Security for the Series 2016 Bonds — Gross Pledged Revenues" and "PARITY SECURITIES, GROSS PLEDGED REVENUES AND DEBT SERVICE REQUIREMENTS – Debt Service Requirements" in Part I of this Official Statement.

Federal funding for State surface transportation programs is currently authorized by the FAST Act, which provides authorization for federal funding of the surface transportation programs through September 30, 2020. See "FEDERAL TRANSPORTATION FUNDING — MAP-21 and the FAST Act". No assurances can be made that the level of future federal funding will be maintained at levels of historical federal funding, or that the State will be eligible to receive all of those funds that have been appropriated by Congress and are available for the State. Federal highway funds that have been allocated to states but have not been obligated by a state, and which are subject to lapse in the current federal fiscal year, are available for redistribution to other states. NDOT has consistently obligated all of the Federal Highway Funds that have been allocated to it in each federal fiscal year, and become eligible for and received additional federal funds through this reallocation process. See "DESCRIPTION OF THE SERIES 2016 BONDS — Security for the Series 2016 Bonds — *Gross Pledged Revenues*" in Part I of this Official Statement.

State Transportation Funding in General

Under State law, the proceeds from the imposition of any license or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway in the State and the proceeds from the imposition of any excise tax on gasoline or other vehicle fuel shall, except costs of administration, be deposited in the State Highway Fund and be used exclusively for the construction, maintenance, and repair of the public highways of the State. For summaries of the various fuel taxes and other fees and charges that are collected and deposited in the State Highway Fund, see "STATE FUNDING — Fuel Taxes" and "STATE FUNDING — Other Taxes and Fees" in this Part III.

State Make-Up for Reduction in Federal Fuel Tax

Under current State law, if the tax collected by the federal government relating to motor vehicle fuel is reduced or discontinued in whole or in part, the State's motor vehicle fuel tax will increase in an amount equal to the amount by which the federal tax is reduced.

STATE FUNDING

Fuel Taxes

The primary source of funds to pay the Parity Securities, including the Series 2016 Bonds, is State excise taxes on motor vehicle fuel and special fuel (defined as any combustible gas or liquid used for the generation of power for the propulsion of motor vehicles) credited or transferred to the State Highway Fund (collectively, the "Fuel Taxes") pursuant to various State statutes imposing such taxes (the "Fuel Tax Act"). The State Board of Finance has determined in the Bond Resolution that the net proceeds of the Fuel Taxes are sufficient to pay debt service on the Series 2016 Bonds.

The State's Fuel Taxes are imposed pursuant to various sections of State law. A portion of the receipts from the Fuel Taxes are earmarked for NDOT purposes, and certain receipts are earmarked for apportionment to the counties and for other purposes. The Statewide (State and county mandatory) tax on gasoline is 24.75 cents per gallon (not including the 0.055 cents per gallon tax on imported gasoline). Receipts from these Fuel Taxes are allocated as follows:

(1) 17.65 cents per gallon is deposited to the State Highway Fund for NDOT purposes;

(2) 6.35 cents per gallon is allocated to the counties; and

(3) 0.75 cents is deposited in the Cleaning Up Petroleum Discharges Fund.

In addition to the foregoing, the State imposes a 0.055 cents per gallon inspection fee for imported gasoline, which is deposited in the General Fund.

The State imposes a diesel fuel tax of 27.0 cents per gallon (not including the 0.75 cents allocated for petroleum clean-up). Fuel taxes are also imposed on compressed natural gas, liquefied petroleum gas and water-phased hydrocarbon fuel for motor vehicles, but nearly all of the State's Fuel Tax proceeds are derived from the taxes on gasoline and diesel fuel. The following table sets forth the tax distribution for diesel fuel and for propane gas and methane gas used as motor fuels.

Table 5
Special Fuel Tax Distribution
(Cents per Gallon)

Fuel	State Highway Fund	Petroleum Clean-up
Diesel	27.0	0.75
Propane	22.0	
Methane	21.0	

Source: NDOT.

State law specifies that additional Fuel Taxes will be imposed to the extent federal taxes on these motor vehicle fuels are reduced or discontinued in whole or in part. See "OVERVIEW OF FUNDING FOR STATE HIGHWAYS — State Make-Up for Reduction in Federal Fuel Tax" in this Part III.

Counties are permitted by State law to impose an additional fuel tax up to a maximum of 9.0 cents per gallon. These amounts are permitted to be indexed for inflation. This discretionary tax has been imposed at the rate of 9.0 cents per gallon by the counties of Carson City, Churchill, Clark, Eureka, Elko, Humboldt, Lander, Lyon, Mineral, Pershing, Washoe and White Pine; and at the rate of 4.0 cents per gallon by the counties of Douglas, Esmeralda, Lincoln, Nye and Storey. The 2015 State Legislature approved AB 191 allowing counties to index fuel tax to inflation. In November of 2016, voters in each county, except Washoe, will decide whether to impose indexing in their county. If approved, NDOT will receive additional revenue to fund highway projects in the counties where the revenue is generated.

Dealers are required by State law to collect the Fuel Taxes and report and pay at the end of the calendar month the tax liability incurred on fuel sales during the preceding calendar month.

The following table sets forth the State fuel tax revenues by source for the fiscal years ending June 30, 2011 through 2015.

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Table 6
State Gasoline Tax Revenue
(Administered by the Department of Motor Vehicles)
(Millions of Dollars)

Fiscal Year	State Gas Tax (to Highway Fund)	Mandatory County Gas Tax	Optional County Gas Tax	County Index on Motor Fuel Tax	Jet Fuel Tax	Petroleum Clean Up Fees	Other[1]	Total[2]
2011	$186.2	$66.9	$92.6	$18.1	$11.4	$12.3	$5.0	$392.3
2012	185.2	66.6	92.0	19.7	11.5	12.7	4.8	392.5
2013	185.7	66.8	92.5	25.6	15.1	12.7	4.7	403.0
2014	187.8	67.5	94.0	44.1	14.2	12.9	4.3	424.9
2015	193.4	69.5	96.6	89.9	14.4	13.0	5.3	482.2

[1] Includes Petroleum Inspection Fees, Aviation Fuel Tax, and other Gasoline Tax distributions.
[2] Totals may not add up due to rounding.

Source: NDOT and DMV.

Factors over which the State has no control which might adversely affect Fuel Tax receipts include, but are not limited to, reduction in supplies of motor vehicle fuels, government restrictions on the sale or use of motor vehicle fuels, voluntary conservation, increased cost, reduced fuel consumption of certain vehicles, utilization of vehicles not propelled by such fuels (including, but limited to, electric vehicles), restrictions on the use of motor vehicles because of environmental concerns and societal changes regarding car ownership and use.

Other Taxes and Fees

The State Highway Fund receives revenues from a number of other State sources, which are summarized below. These revenues are not included in Gross Pledged Revenues, but are generally available for NDOT purposes.

Governmental Services Tax

A governmental services tax is imposed on motorists for the privilege of operating any vehicle on the public highways of the State. Such tax is imposed in lieu of all taxes based on value and levied for state or local purpose on such vehicles. The annual amount of the basic governmental services tax throughout the State is 4.0 cents on each $1 of valuation of the vehicle as determined by the DMV. An optional supplemental rate of 1% of a vehicle's depreciated assessed valuation is taxed in Clark, Churchill, and White Pine counties.

The distribution of the governmental services tax is dependent on where the taxes are paid or collected. For vehicles registered at a DMV office, 94% is distributed to local governments and 6% to the State Highway Fund as a collection commission. For vehicles registered at a County Assessor's office, 99% is distributed to local governments and the State Highway Fund receives 1%. Local governments use the funds primarily for schools and current debt service. Supplemental Government Services Tax is an additional fee for vehicles in Clark, Churchill and White Pine counties. The funds are returned to those counties to be used for road construction and other governmental functions of such county.

As a result of passage of SB483 by the 2015 State Legislature, the State Highway Fund will be receiving an additional tax on the registration of vehicles. This tax is expected to bring an additional $30 million into the State Highway Fund in Fiscal Year 2017 and an additional $61 million per year thereafter.

Driver's License Fees

Driver's licenses issued by the State are renewable every four years. The current rates for obtaining a driver's license are as follows: $23.50 for operating passenger cars; $18.50 for persons 65 years old or older; $5.50 for a motorcycle endorsement; and $108.00 for operating commercial vehicles.

Title Fees

The State charges a one-time title fee of $29.25 for all vehicles (new title).

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Vehicle Registration

The following table shows the current annual registration rates for vehicles by type and weight.

Table 7
Vehicle Registration Rates

Type of Vehicle	Registration Cost
Automobiles, RV's and Motor Homes	$33
Motorcycles	$39
Travel Trailers	$27
Trucks, Truck Tractors, or Buses less than 6,000 lbs. DGVW*	$33
Trucks, Truck Tractors, or Buses between 6,000 and 8,499 lbs. DGVW*	$38
Trucks, Truck Tractors, or Buses between 8,500 and 10,000 lbs. DGVW*	$48
Per 1,000 lbs. for units between 10,001 and 26,000 lbs. DGVW*	$12
Per 1,000 lbs. for motor-carrier units between 26,001 and 80,000 lbs. DGVW* (maximum fee is $1,360). Interstate motor-carriers prorate this fee and pay only on the percentage of miles driven in the State.	$17

* Declared Gross Vehicle Weight.

Source: NDOT.

Permit Fees

The following table shows the current annual permit fee for various types of vehicles by weight.

Table 8
Vehicle Permit Fees

Vehicle Type/Size of Load	Permit Fees
Per 1,000 lbs. exceeding 80,000 lbs. for reducible-load units between 80,000 and 129,000 lbs. DGVW* (maximum fee is $2,940)	$60
For overlength vehicles (longer than 70 feet) carrying reducible loads not exceeding 80,000 lbs. DGVW*	$10
For non-reducible loads carried on over legal-size or weight vehicles.	$60

* Declared Gross Vehicle Weight.

Source: NDOT.

Table 9
State Motor Vehicle Fund Taxes, Licenses, and Fees Revenue
(Administered by the Department of Motor Vehicles)
(Millions of Dollars)

Fiscal Year	State Motor Vehicle Taxes (to Highway Fund)	County Taxes Licenses and Fees	Sales Tax Collections	General Fund Allocation	Other Revenue[1]	Total[2]
2011	$232.7	$267.6	$24.1	$61.5	$ 63.5	$649.4
2012	236.6	261.2	25.3	62.4	75.2	660.6
2013	238.5	266.8	27.7	63.5	47.7	644.1
2014	246.0	287.0	29.5	62.3	93.8	718.5
2015	257.8	314.6	35.4	62.9	106.1	776.8

(1) Other revenue includes special fuel inflation index and DMV fees and commissions.
(2) Totals may not add up due to rounding.

Source: NDOT.

Table 10
State Motor Vehicle Taxes Deposited to State Highway Fund Derived from the Motor Vehicle Fund
(Millions of Dollars)

Fiscal Year	Special Fuel Taxes[1]	Motor-Carrier Fees	Registration Fees	Driver's License Fees	Total[2]
2011	$78.5	$37.6	$98.0	$18.6	$232.7
2012	79.2	38.5	99.8	19.0	236.6
2013	80.9	36.7	102.1	18.7	238.5
2014	79.1	39.0	104.7	23.1	246.0
2015	81.1	40.2	110.3	26.2	257.8

(1) Special fuel includes diesel fuel, propane, natural gas, and water-phased hydrocarbon emulsions.
(2) Totals may not add up due to rounding.

Source: NDOT.

Additional Excise Tax

The 2015 State Legislature approved AB 175 imposing an excise tax on the use of a digital network or software application to connect a passenger with a driver. The first $5 million collected each biennium will be credited to the State Highway Fund.

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Revenue Source Derived From Counties

Prior to the adoption of Assembly Bill 595 ("A.B. 595") during the 2007 Legislative Session, counties were permitted to impose, in addition to other permissible property taxes, an ad valorem tax on all taxable property in the county at a rate not to exceed 5.0 cents per $100 of the assessed valuation of the county. A.B. 595 requires, within counties with a population of 100,000 or more, that proceeds of this tax be distributed among the county, cities and towns based on a specified formula, with a portion of this tax allocated to and deposited in the State Highway Fund. This provides a dedicated source of funding for the State Highway Fund which was not available prior to FY 2009. A.B. 595 allocates the proceeds of the tax among the county, cities and towns and the State Highway Fund as follows:

Fiscal Year	Portion Retained by County, Cities, and Towns	Portion Deposited in State Highway Fund for Projects within the County
2009	88%	12%
2010	76	24
2011	64	36
2012	52	48
2013 and thereafter	40	60

Source: NDOT.

Actual revenues received by the NDOT related to ad valorem tax on property are as follows:

Fiscal Year	Washoe Co.	Clark Co.	Total
2009	$ 885,000	$ 3,882,000	$ 4,767,000
2010	1,745,000	10,090,000	11,835,000
2011	2,368,000	10,953,000	13,321,000
2012	2,888,000	10,651,000	13,539,000
2013	3,424,000	16,057,000	19,481,000
2014	3,632,000	15,379,000	19,011,000
2015	3,693,000	16,449,000	20,142,000
	$18,635,000	$83,461,000	$102,096,000

Source: NDOT.

Proceeds of this tax from a county deposited in the State Highway Fund must be used exclusively for projects within that county, and may not be used to reduce or supplant the amount or percentage of money that would otherwise be available from the State Highway Fund for projects in that county. Receipts from this tax are not included in Gross Pledged Revenues.

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FEDERAL TRANSPORTATION FUNDING

Fuel taxes and other highway-user revenues collected by the federal government are placed in the Federal Highway Trust Fund. Congress allocates these funds to the states pursuant to provisions in multi-year highway funding authorization acts. The State receives approximately $1.00 in federal highway funds (as a combination of both apportioned funds and earmarked funds) for every dollar contributed to the Federal Highway Trust Fund. In recent years, fuel taxes and other highway user revenues have not been sufficient to provide funding to states at authorized levels and Congress has appropriated other funds to cover the shortfall.

MAP-21 and the FAST Act

MAP-21

On July 6, 2012, President Obama signed into law the Moving Ahead for Progress in the 21st Century Act ("MAP-21"). At the time of its enactment, MAP-21 was the first long-term highway authorization enacted since 2005. MAP-21 established authorization for federal funding of surface transportation programs and allocation of such funding among the states and territories for the federal fiscal years ending September 30, 2013 and 2014.

Funding levels under MAP-21 were generally maintained at FY 2012 levels, with minor adjustments for inflation. MAP-21 also extended the imposition of fuel taxes and other highway-user taxes, generally at the rates that were in place when the legislation was enacted, through September 30, 2016.

More information regarding MAP-21 can be found at: http://www.fhwa.dot.gov/map21/summaryinfo.cfm. Information on this website is not incorporated by reference in this Official Statement.

FAST Act

The FAST Act provides $305 billion of transportation funding through September 30, 2020, extends fuel taxes and other highway user taxes through September 30, 2022 and provides additional funding for the Highway Trust Fund to address shortfalls in the Highway Trust Fund. The FAST Act will provide every state a 5.1 percent increase in formula funds in Federal Fiscal Year 2016. This is followed by annual increases ranging from 2.1 percent in Federal Fiscal Year 2017 to 2.4 percent in Federal Fiscal Year 2020, increases that are anticipated to approximately offset the effect of projected inflation during such years. The FAST Act allocates $1.9 billion to the State for transportation projects over five years, or roughly $385 million annually. For the five year period, this is a $170 million total increase above prior funding levels to the State.

The FAST Act retains the highway program structure created pursuant to MAP-21 with some major additions or changes.

National Highway Performance Program (NHPP)

The FAST Act will add two permissible uses for NHPP funds: to pay subsidy and administrative costs for Transportation Infrastructure Finance and Innovation Act (TIFIA) program projects and for improvements to bridges that are not on the NHS.

Surface Transportation

The FAST Act rewrites the list of uses eligible for STP funds and increases the ways that STP funds can be used for local roads and rural minor collectors. The STBGP still requires that a fraction of program funds be distributed within each state on the basis of population, and the fraction subject to this requirement grows from 50 percent in 2015 under the existing STP program to 55 percent in FY 2020 and FY 2021. See "NDOT PLANNING AND CURRENT PROGRAMS – Statewide Transportation Improvement Program – *Nevada Bridge Program*" for information relating to FAST Act changes to the STP.

Congestion Mitigation & Air Quality (CMAQ) Program

The CMAQ program provides a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. The FAST Act makes only a few changes to the CMAQ program: CMAQ funds can be used not only for attainment of ambient air quality standards, but also to maintain standards in an attainment area; the diesel retrofit program is expanded to include port-related off-road equipment and vehicles; and it provides for certain exemptions for low-population-density states. The CMAQ program receives the same share of formula funds as applied under MAP-21.

Highway Safety Improvement Program (HSIP)

The FAST Act ends the ability of states to shift funds designated for infrastructure safety projects to behavioral or educational activities, which is supposed to ensure resources remain in construction-related programs. The FAST Act also designates several new safety improvements eligible for funding, including vehicle-to-infrastructure communication and roadway improvements that provide separation between pedestrians and motor vehicles.

Transportation Alternatives

See "NDOT PLANNING AND CURRENT PROGRAMS – Statewide Transportation Improvement Program – *Transportation Enhancement Program*" for information relating to FAST Act changes to the Transportation Alternatives Program.

The FAST Act's two new initiatives are the National Freight Program, which funds freight-related highway improvements, and the Nationally Significant Freight and Highway Projects Program, which funds projects intended to improve the movement of both freight and people, increase competitiveness, reduce bottlenecks, and improve intermodal connectivity.

More information regarding the FAST Act can be found at: https://www.transportation.gov/fastact. Information on this website is not incorporated by reference in this Official Statement.

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Table 11
Highway Fund Federal-Aid Revenue for Highways by Phase
(Millions of Dollars)

Fiscal Year	Planning and Research	Right of Way	Preliminary Engineering	Construction and Construction Engineering	Transit and Rail	Miscellaneous Federal Funding	Total Federal Aid for Highways
2011	$ 8.4	$14.1	$21.1	$322.1	$ 8.0	$0.5	$374.2
2012	9.2	18.7	34.1	393.7	10.7	0.1	466.7
2013	12.8	29.4	19.2	281.3	8.1	0.0	350.8
2014	14.2	32.6	21.1	256.8	5.9	0.1	330.8
2015	10.3	59.6	17.0	214.4	7.4	0.0	308.7

Note: Federal-Aid revenue is received on a reimbursement basis and typically is from prior year apportionments. Consequently, the Federal-aid revenue shown will not match the Federal-aid apportionments, shown in Table 12, in a given year. Totals may not add up due to rounding.

Source: NDOT.

Table 12
Highway Fund Federal-Aid Apportionments
(Millions of Dollars)

Under SAFETEA-LU

Fiscal Year	Interstate Maintenance	National Highway System	Congestion/ Air Quality	Surface Transportation Program	Other[1]	ARRA	Total[2]
2009	$50.0	$72.9	$18.3	$ 47.6	$96.8	$201.0	$486.6
2010	77.1	84.3	35.8	111.2	84.0		392.4
2011	82.2	93.6	28.4	82.5	43.2		329.9
2012	79.8	88.6	32.8	82.1	46.8		330.2

Under MAP-21[3]

Fiscal Year	National Highway Performance Program	Congestion/ Air Quality	Surface Transportation Program	Other[1]	Total[2]
2013	$182.0	$31.3	$86.4	$44.4	$344.0
2014	187.2	41.4	88.7	37.7	355.0
2015	187.2	42.6	88.7	44.5	363.0

(1) Other includes Planning, Bridge Replacement, Advance Right of Way, High Priority, Forest Highway Funds, and Earmarked Funds, if any.
(2) Totals may not add up due to rounding.
(3) MAP-21 reallocated/combined program funds, therefore, cannot be compared to SAFETEA-LU programs. Amounts include a 0.2% across-the-board rescission.

Source: NDOT.

Federal Aid to Pay the Bonds

Federal law pertaining to highway systems (23 United States Code Annotated Section 122) permits the United States Secretary of Transportation to reimburse the State for the retirement of a portion of the principal of,

interest on, costs of issuance, costs of insurance and any other costs incidental to the sale of the Series 2016 Bonds if bond proceeds are used for an "eligible project." Reimbursement for the Series 2016 Bonds may be sought by the State from the federal government to the extent the Series 2016 Bond proceeds are used for an eligible project. Any funds received as reimbursement will be Gross Pledged Revenues and credited to the State Highway Fund and, if necessary, transferred to the Bond Fund and applied as described under the heading "DESCRIPTION OF THE SERIES 2016 BONDS — Security for the Series 2016 Bonds — *Priority of Application of Gross Pledged Revenues*" in Part I of this Official Statement. No assurance can be given that federal reimbursement will occur because reimbursement is dependent upon both the appropriation of funds by Congress and the completion of the eligible project in accordance with federal requirements. Information about federal aid included in Gross Pledged Revenues in the last five fiscal years is included under the heading "PARITY SECURITIES, GROSS PLEDGED REVENUES AND DEBT SERVICE REQUIREMENTS – Existing Parity Securities" in Part I of this Official Statement.

Federal law provides that the eligibility of the Series 2016 Bonds for reimbursement shall not constitute a commitment, guarantee or obligation on the part of the United States to provide for payment of debt service on the Series 2016 Bonds or create any right of a bondholder or other third party against the United States for payment of the Series 2016 Bonds.

REVENUES AND EXPENDITURES OF STATE HIGHWAY ACTIVITIES

The following tables set forth revenues of and expenditures from the State Highway activities.

Table 13
Total State Highway Revenue[(1)]
(Administered by NDOT)
(Millions of Dollars)

Fiscal Year	Federal-Aid Revenue[(2)]	State Gas and Motor Vehicle Revenue	Other Sources[(3)]	Bond Proceeds	Total[(4)]
2011	$374.2	$418.8	$291.2	--	$1,084.2
2012	466.7	421.7	150.7	--	1,039.1
2013	350.8	424.1	134.1	--	909.0
2014	330.8	433.8	119.9	100.0	984.5
2015	308.7	451.1	101.3	--	861.2

(1) Total revenue is net of collection costs of the Highway Fund.
(2) The Federal-Aid Revenue shown includes monies for highways, transit, aviation, and other programs.
(3) "Other Sources" includes interest income, cooperative construction reimbursement, DMV and Department of Public Safety authorized revenue, A.B. 595 revenue, and miscellaneous sales and reimbursements.
(4) Totals may not add up due to rounding.

Source: NDOT.

Table 14
State Highway Expenditures and Disbursements
(Millions of Dollars)

Fiscal Year	Transfers to other Agencies	DMV Expenditures	DPS[1] Expenditures	Bond Principal and Interest	NDOT Expenditures	Total
2011	$4.4	$90.2	$77.0	$84.2	$807.2	$1,063.1
2012	4.3	89.7	76.1	80.5	924.8	1,175.4
2013	4.2	85.5	76.5	79.8	661.0	906.9
2014	5.4	90.9	78.7	70.1	533.3	778.4
2015	8.3	90.4	74.9	67.8	628.9	870.3

(1) DPS stands for Department of Public Safety (includes Nevada Highway Patrol). Totals may not add up due to rounding.

Source: NDOT.

Table 15
NDOT Expenditures by Activity
(Millions of Dollars)

Fiscal Year	Administrative and Support Services	Maintenance and Equipment	Construction and Engineering	Total NDOT Expenditures*
2011	$44.2	$111.7	$651.4	$807.2
2012	43.8	132.9	748.1	924.8
2013	40.5	113.8	506.7	661.0
2014	50.7	115.0	367.5	533.3
2015	47.5	109.2	472.2	628.9

* Totals may not add up due to rounding.

Source: NDOT.

Table 16
NDOT Expenditures by Appropriation
(Millions of Dollars)

Fiscal Year	Salaries	Travel	Operating	Equipment	Capital Improvements	Total*
2011	$125.8	$2.1	$59.8	$3.2	$616.3	$807.2
2012	120.4	2.2	61.9	3.7	736.7	924.8
2013	123.8	1.9	60.8	4.9	469.7	661.0
2014	123.3	1.9	61.0	4.6	342.5	533.3
2015	119.2	1.8	59.9	6.5	441.4	628.9

* Totals may not add up due to rounding.

Source: NDOT.

REVENUES PLEDGED TO SECURE SERIES 2016 BONDS AND PARITY SECURITIES

The State Constitution (Article 9, Section 5) provides that the proceeds from the imposition of any excise tax on gasoline or other motor vehicle fuel shall, except costs of administration, be used exclusively for the construction, maintenance, and repair of the public highways of the State. The State has determined that the use of Fuel Taxes to pay the Parity Securities is permitted by this provision.

The foregoing constitutional provision further provides that, excluding administrative costs, revenues received from taxes levied on any gasoline or other vehicle fuel, license or registration fee shall be used exclusively for the construction of, maintenance, and repair of the public highways of the State. Accordingly, the majority of the State Highway Fund, which derives its funds from Article 9, Section 5 numerated sources, finances the activities of NDOT. However, the DMV and the Department of Public Safety are also partially funded by appropriations from the State Highway Fund. Other appropriations or transfers from the Highway Fund for administrative services provided to NDOT include the Department of Administration, the Attorney General's Office, the Public Works Board, and the Transportation Services Authority.

The Bond Resolution provides that State laws concerning the Fuel Taxes or the Gross Pledged Revenues may not be repealed or amended or otherwise directly or indirectly modified in such manner as to impair adversely the Series 2016 Bonds or any other Outstanding State securities until all such securities have been discharged in full or provision for their payment and redemption has been fully made.

Gross Pledged Revenues

The Bond Resolution provides that the Series 2016 Bonds shall be payable from any federal aid eligible for the payment of the principal of and interest on the Series 2016 Bonds and from the proceeds of the motor vehicle fuel taxes imposed and collected pursuant to the Fuel Tax Act and credited to the State Highway Fund for the payment of principal of and interest on the Series 2016 Bonds (the "Gross Pledged Revenues"). Gross Pledged Revenues includes the fuel taxes and special fuel taxes described under the headings "STATE FUNDING — Fuel Taxes", "STATE FUNDING — Other Taxes and Fees" and a portion of the federal aid discussed under "FEDERAL TRANSPORTATION FUNDING — Federal Aid to Pay the Bonds" in this Part III. Historic amounts of federal aid eligible for debt service are included under "PARITY SECURITIES, GROSS PLEDGED REVENUES AND DEBT SERVICE REQUIREMENTS – Debt Service Requirements" in Part I. Gross Pledged Revenues does not include the Direct Distributions and Other Exclusions described below.

Direct Distributions and Other Exclusions

The Bond Resolution excludes from Gross Pledged Revenues certain fuel tax proceeds not collected because of exempt sales and other exempt transactions; any tax proceeds not collected because of the dealers' collection and handling fee; tax proceeds for making refunds; motor vehicle fuel tax proceeds paid on fuel used in watercraft for recreational purposes; tax proceeds imposed and collected and required to be distributed to the counties in the State; tax proceeds derived from motor vehicle fuel used in aircraft; and fuel taxes in an amount required to pay the costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel, subject to the limitation of not exceeding 1% of the total proceeds so collected (such exclusions being herein the "Direct Distributions and Other Exclusions").

Highway Improvement Revenue Bonds

Pursuant to NRS 408.273 (the "Project Act"); chapter 365 and chapter 366 of the NRS (collectively, the "Fuel Tax Act") and the Bond Resolution adopted by State Board of Finance, the State, acting by and through the State Board of Finance, is authorized to issue highway improvement revenue bonds known as "Highway Improvement Revenue Bonds." As such, pursuant to the Project Act and the request submitted by the State Transportation Board, the State Board of Finance is authorized to issue revenue bonds to provide funds to pay for the cost of construction, maintenance and repair of public highways of the State. The State has issued $606 million in bonds since 2006 primarily for the construction of six "Super Projects": US-95 widening in Las Vegas, I-515/Beltway Interchange in Henderson, Hoover Dam Bypass, I-580 Reno to Carson Freeway, Carson City Freeway, and Project NEON. Currently, the State has approximately $441 million of highway revenue bonds (referred to herein as Existing Parity Securities) outstanding. The State anticipates issuing approximately $365 million of Additional Parity Securities (not including the Series 2016 Bonds) through 2018, including approximately $185 million in 2017. The timing and amount of Additional Parity Securities may change. See "DESCRIPTION OF THE SERIES 2016 BONDS – Security for the Series 2016 Bonds – Existing Parity Securities" and "— Additional Parity Securities" and "PARITY SECURITIES, GROSS PLEDGED REVENUES AND DEBT SERVICE REQUIREMENTS – Existing Parity Securities."

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APPENDIX A

State of Nevada
History of State Highway Fund Revenues, Expenditures and Changes in Fund Balances
(000's omitted)

	2011	2012	2013	2014	2015
Revenues:					
Intergovernmental	$564,571	$527,123	$375,228	$337,794	$315,819
Other taxes [1]	218,898	197,412	206,233	237,925	227,372
Licenses, fees and permits	171,406	181,307	183,328	194,200	206,476
Sales and charges for services	13,184	13,934	13,860	15,446	15,891
Interest and investment income	854	3,034	650	(1,975)	3,208
Other	13,074	21,911	33,618	16,364	14,497
Total revenues	981,987	944,721	812,917	799,754	783,263
Expenditures:					
Current:					
General government	-	-	-		
Law, justice and public safety	151,334	151,312	149,803	159,597	158,936
Transportation	751,647	846,335	578,231	452,820	635,049
Intergovernmental	58,721	80,450	87,244	78,361	
Debt Service: [2]					
Principal	104	53	-	-	
Interest	7	2	2	2	
Total expenditures	961,813	1,078,152	815,280	690,780	793,985
Excess (deficiency) of revenues over expenditures	20,174	(133,431)	(2,363)	108,974	(10,722)
Other Financing Sources (Uses):					
Proceeds from sale of bonds	-	-	-	100,019	
Proceeds from sale of capital assets	-	-	-	61	61
Operating transfers in	6,473	6,470	4,806	3972	3,809
Operating transfers out	(9,066)	(7,161)	(7,494)	(8,276)	(12,974)
Total other financing sources (uses)	(2,593)	(691)	(2,688)	95,776	(9,104)
Excess deficiency of revenues and other financing sources over expenditures and other financing uses	17,581	(134,122)	(5,051)	204,750	(19,826)
Fund balances, July 1	270,599	288,180	154,058	149,007	353,757
Fund balances, June 30	$288,180	$154,058	$149,007	$353,757	$333,931

[1] This line item includes the Fuel Taxes reported in the table under "STATE FUNDING - Fuel Taxes" in this Part III.
[2] This does not refer to debt service on the Parity Securities, but to debt service payments on other Highway Fund obligations.

Source: NDOT.

APPENDIX B

State of Nevada
Comprehensive Annual Financial Report for FY 2015

STATE OF NEVADA

Comprehensive Annual Financial Report

for the Fiscal Year
Ended June 30, 2015

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

PHOTO. 7/24/55

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

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

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

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

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

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

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

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

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SEAL OF THE STATE CONTROLLER OF
ALL FOR OUR COUNTRY
NEVADA

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

STATE OF NEVADA

JAMES W. SMACK
Chief Deputy Controller

GEOFFREY LAWRENCE
Assistant Controller

OFFICE OF THE
STATE CONTROLLER

December 21, 2015

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

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

Introduction to the Report

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

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

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

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

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

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

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

Profile of Government

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

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

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

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

Financial Information

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

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

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

Economic Outlook

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

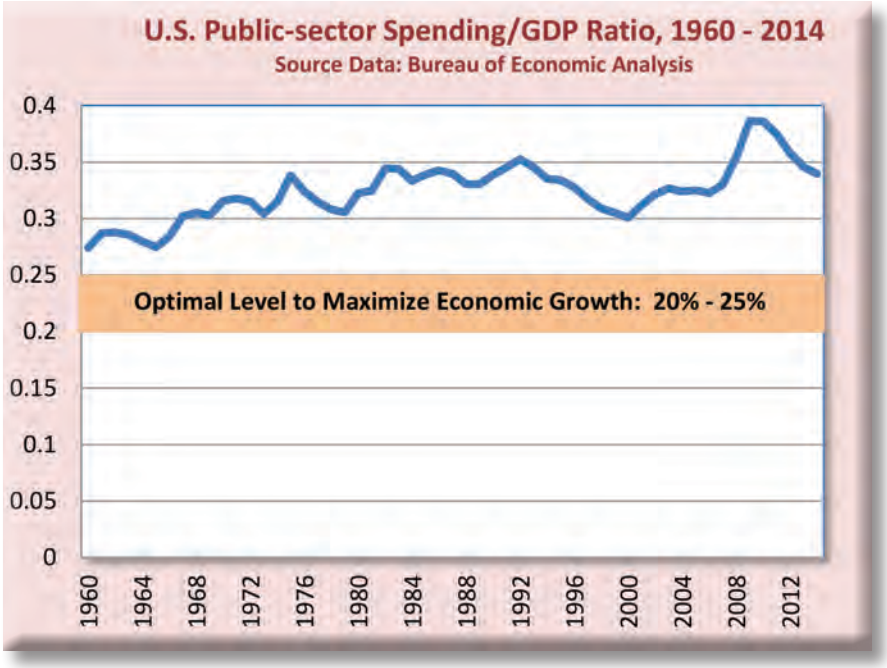
Below, we show first that the size, scope and reach of government have long been excessive relative to our economy, yet still growing; that has resulted in an increasingly substantial drag on economic growth. For decades this burden was offset by three growth-inducing factors: 1) demographic and labor-force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

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

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

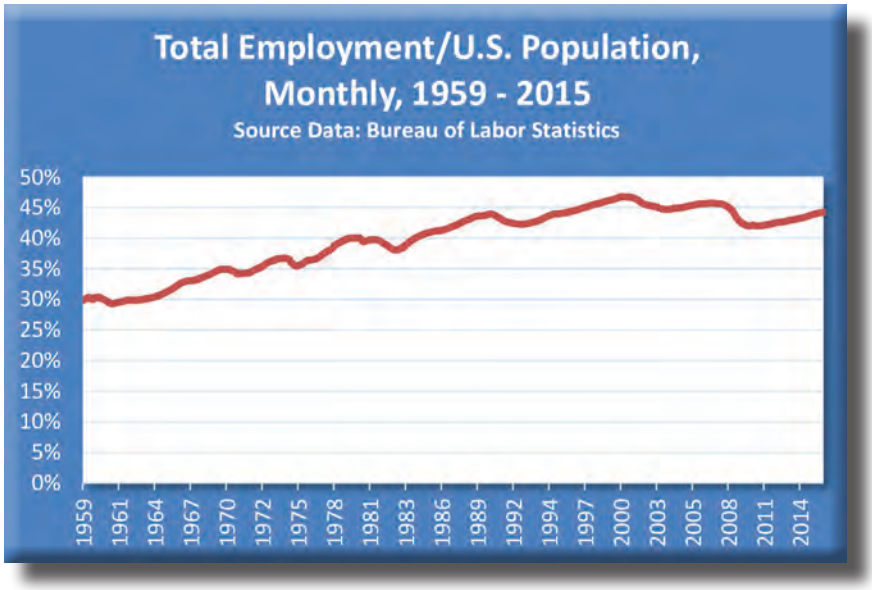
While there are uncertainties and debate about the levels of public spending relative to the economy that maximize growth, the best evidence shows that the U.S. passed those levels by the 1960s and has increased government excess to the present time. The chart below of public spending over time as a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

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



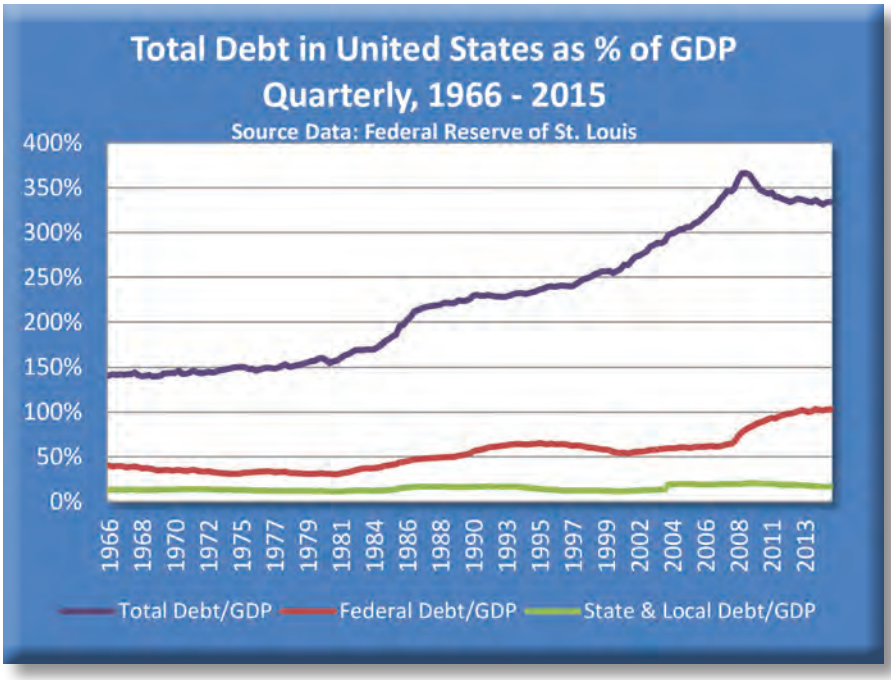
Demographics and Work-force Participation: Demographic changes driven by public policy and non-policy factors are reducing the fraction of the population doing productive work, while increasing numbers consuming but not producing. These changes include falling birth rates, increasing longevity, increasing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

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



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

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

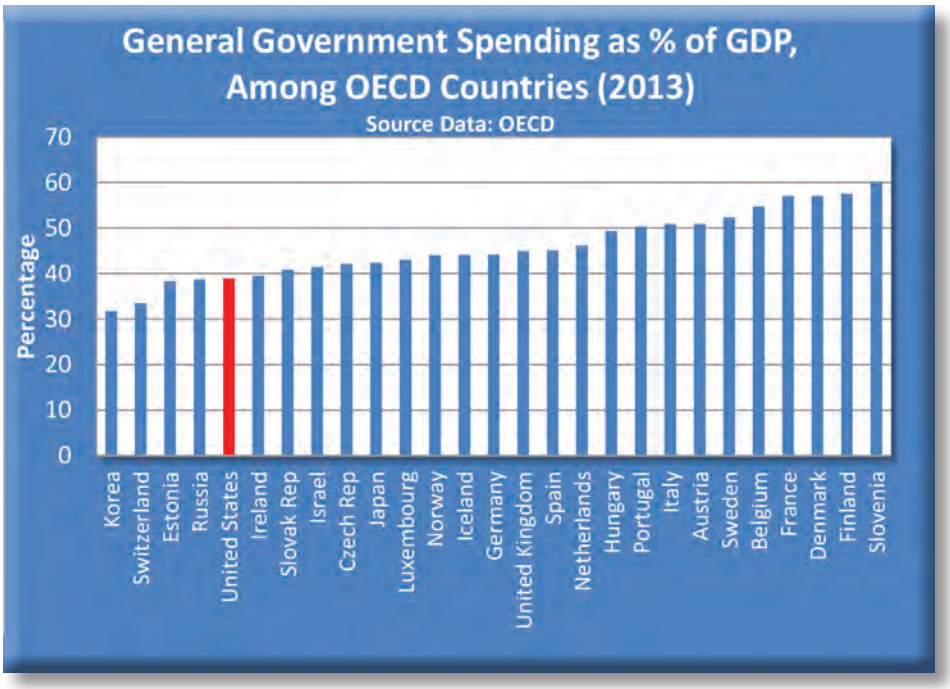


Total U.S. debt/GDP ratios in 2014 were twice their 1984 levels, despite retrenchment following the financial crash and Great Recession. Consumer debt growth was driven mainly by federal mortgage lending policies, causing the housing bubble and subsequent collapse. Business debt grew in finance and large corporate stock buybacks, mergers and acquisitions, meaning there is now perhaps an equity bubble. Federal government total debt/GDP ratios have more than doubled as fiscal and monetary policy have been used to try to ameliorate the negative growth effects of a wide range of public policies. Further retrenchment from current debt levels is needed to restore the economy, so demand for capital and interest rates and investment returns will remain low, as will economic growth.

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

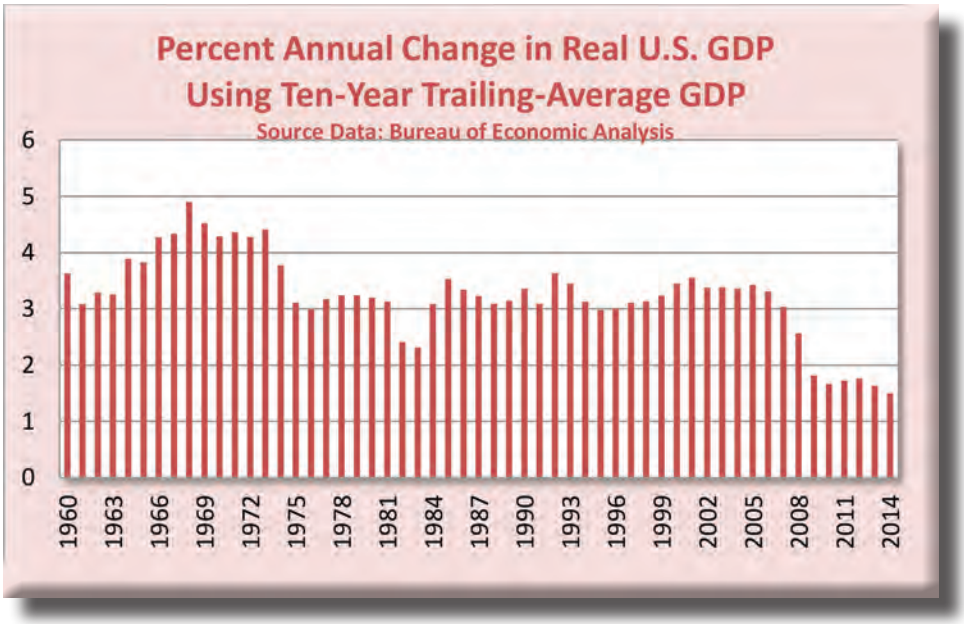
Since 2007, trade increases have lagged world economic growth. Growth in China and other developing nations has slowed, further depressing American growth. The three factors above that now retard U.S. economic growth are even worse in other major economies, advanced and developing. While this makes our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

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



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

Upshot: Continued Slow Economic Growth: All four mutually reinforcing problems discussed above have already produced the poorest recession recovery on record, with real growth of about 2% annually – or, adjusting for population increase, real per-person growth of about 1%. With none of these factors abating (and perhaps increasing), the most reasonable outlook is economic and productivity growth at recent anemic rates or even lower. The nearby chart of rolling ten-year growth rates shows that U.S. economic growth has long been declining due to these factors and has collapsed to record sustained low levels since 2008. Growth at 1% per person per year sounds only slightly lower than historic 2.5% levels, but the compounding impact is huge: Average human



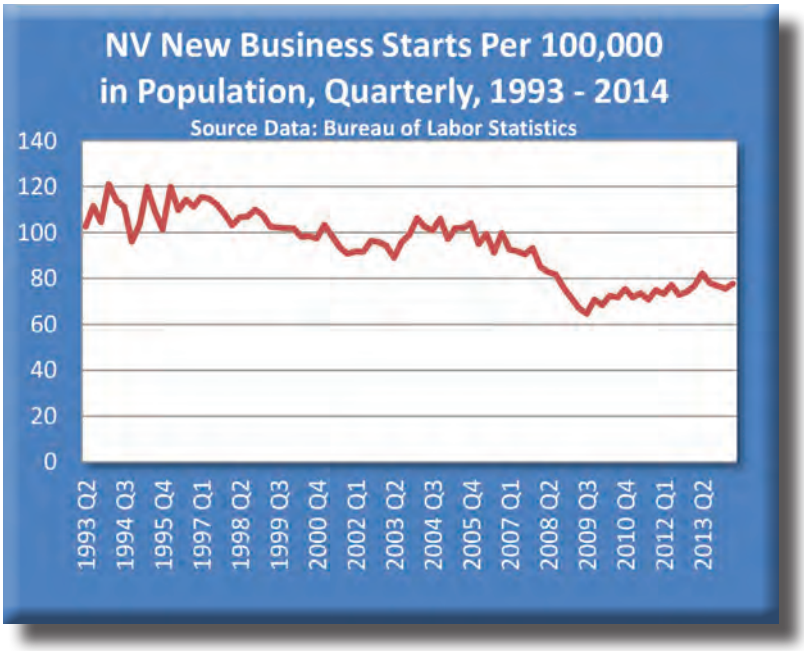
wellbeing growing only 32% each generation instead of doubling, the social norm for 300 years. So, instead of average family incomes doubling from $50,000 yearly to $100,000, they will grow only to $66,000. Restoring the economic growth legacy left by previous generations, an essential public policy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

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

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

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

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



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

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

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

Major State Initiatives

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

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

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

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

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

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

Awards and Acknowledgments

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

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

Sincerely,

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

State of Nevada Constitutional Officers

Brian Sandoval
Governor

Mark Hutchison
Lieutenant Governor

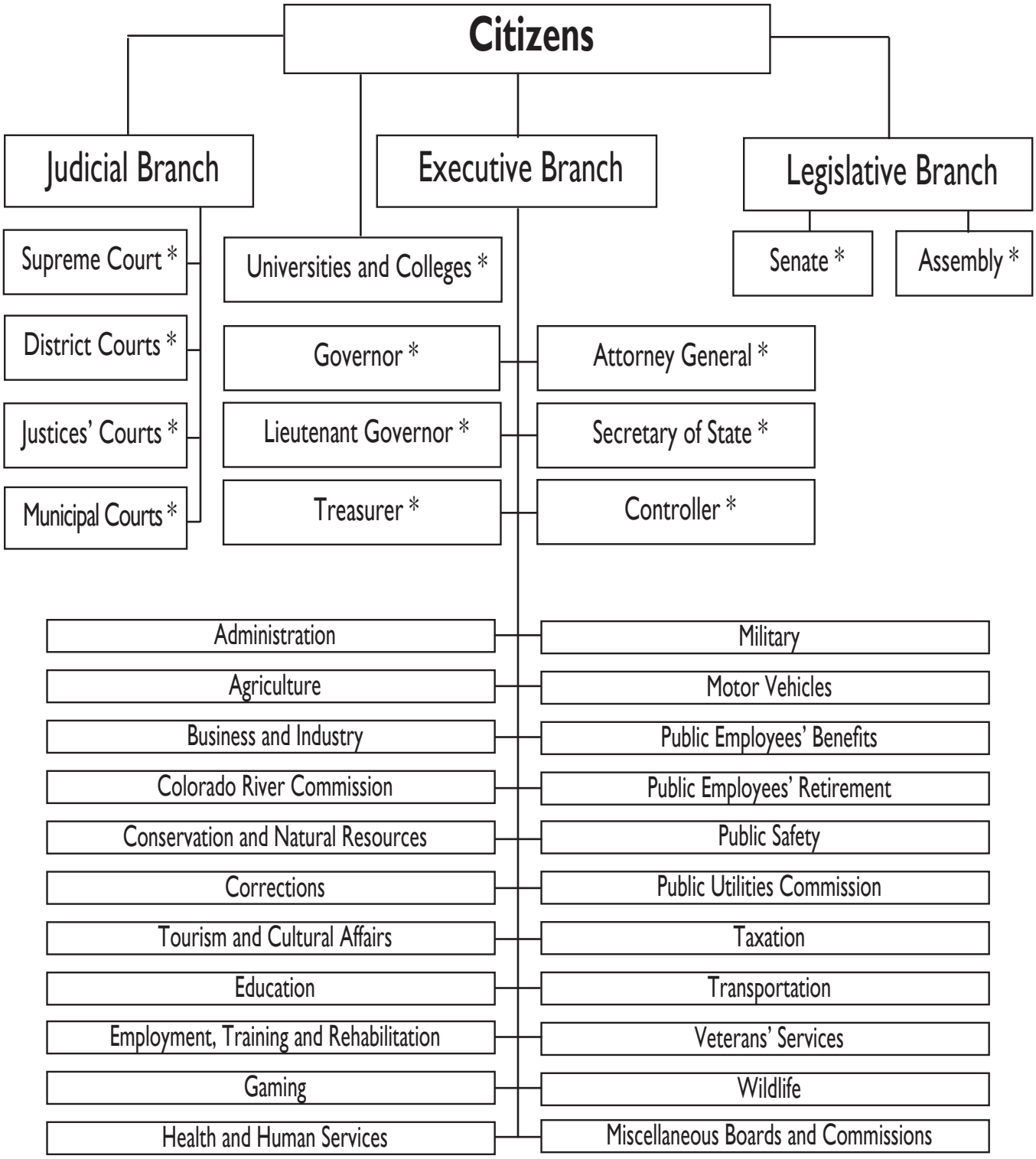
Barbara Cegavske
Secretary of State

Dan Schwartz
Treasurer

Ron Knecht
Controller

Adam Paul Laxalt
Attorney General

Organizational Chart



* Elected Officials

Government Finance Officers Association

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Presented to

State of Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Financial Section

nevăda

Nevada Cattle Drive
Photos: Kevin Bell

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

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

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

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

- the financial statements of the Housing Division, which is both a major fund and 38.55 percent of the assets and deferred outflows of resources, 25.96 percent of net position, and 3.88 percent of the revenues of the business-type activities;

- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units and represent more than 99 percent of assets and deferred outflows of resources, net position, and revenues of the discretely presented component units;

- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 3.57 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 65.41 percent of the assets and deferred outflows of resources, 66.73 percent of the net position and 31.81 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 29.49 percent of the assets and deferred outflows of resources, 30.50 percent of the net position and 45.39 percent of the revenues of the aggregate remaining fund information;

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

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

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

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

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

Opinions

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

Change in Accounting Principle

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

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

Other Matters

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

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

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

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

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

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

Eide Bailly LLP

Reno, Nevada
December 21, 2015

Management's Discussion and Analysis

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

Highlights

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

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

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

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

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

Long-term Debt (government-wide):
The State's total bonds payable and certificates of participation payable decreased by $280.7 million or 7.4% from $3.8 billion in fiscal year 2014 to $3.5 billion in fiscal year 2015.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

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

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

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

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

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

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

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

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

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

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

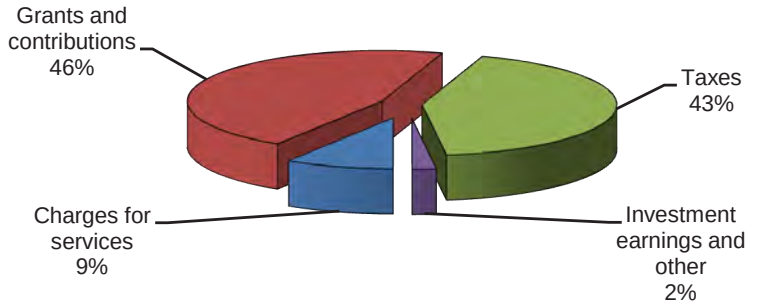
* The 2014 amounts presented here have not been restated for the implementation of GASB 68 for pensions or other adjustments.

Changes in Net Position:

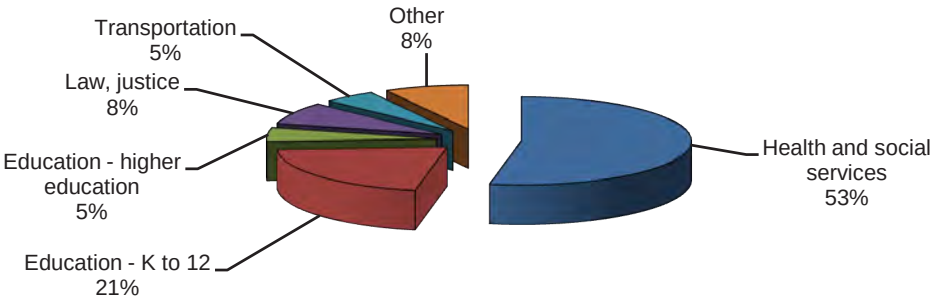
Total government-wide revenues increased by $1.2 billion during the current year. The increase in revenues is a result of several factors, including increases of $800.2 million in federal funding, $163.4 million in other taxes, $75.3 million in sales and use taxes and $70.7 million in other revenues.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

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

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



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



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

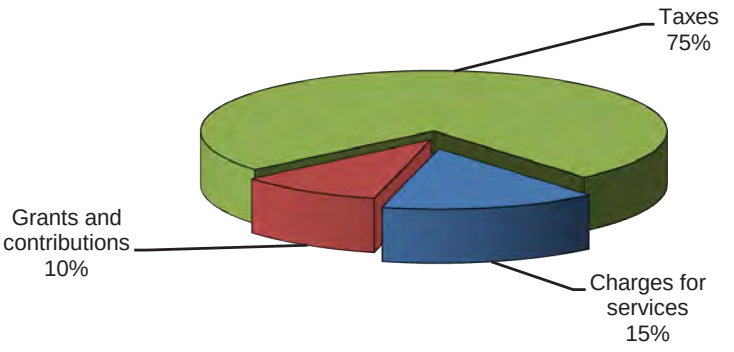
Revenues and Expenses by Function: Governmental Activities

(expressed in thousands)

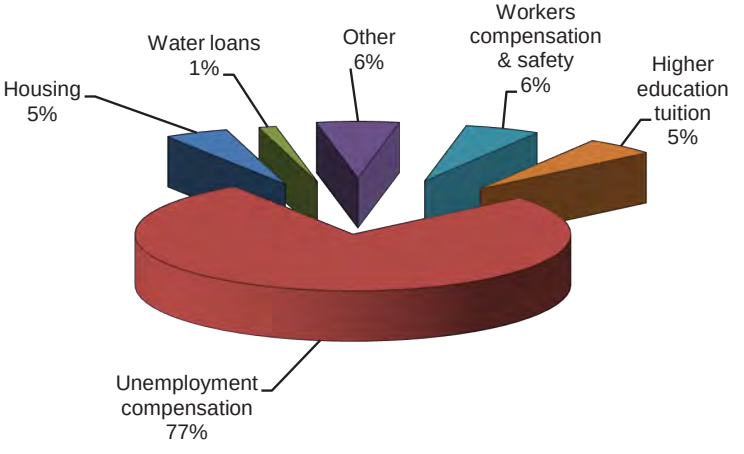
	Expenses	Revenues
General government	$ 280,465	$ 176,063
Health and social services	4,887,130	3,765,983
Education - K to 12	1,892,519	266,873
Education - higher education	490,407	-
Law, justice	695,023	341,215
Regulation	259,106	216,890
Transportation	462,386	323,124
Recreation	145,000	85,531
Total	$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

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

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



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



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

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

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

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

Financial Analysis of the State's Funds

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

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

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

General Fund Revenues *(expressed in thousands)*

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

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

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

General Fund Expenditures *(expressed in thousands)*

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

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

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

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

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

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

Proprietary Funds:

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

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

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

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

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

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

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

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

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

Analysis of General Fund Budget Variations

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

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

Capital Assets and Debt Administration

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

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

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2014 condition assessment	84%	71%	62%	33%	7%
Actual results of 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%

Condition Level of the Bridges

Percentage of substandard bridges

	2014	2012	2011
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	4%

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

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

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

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

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

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

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

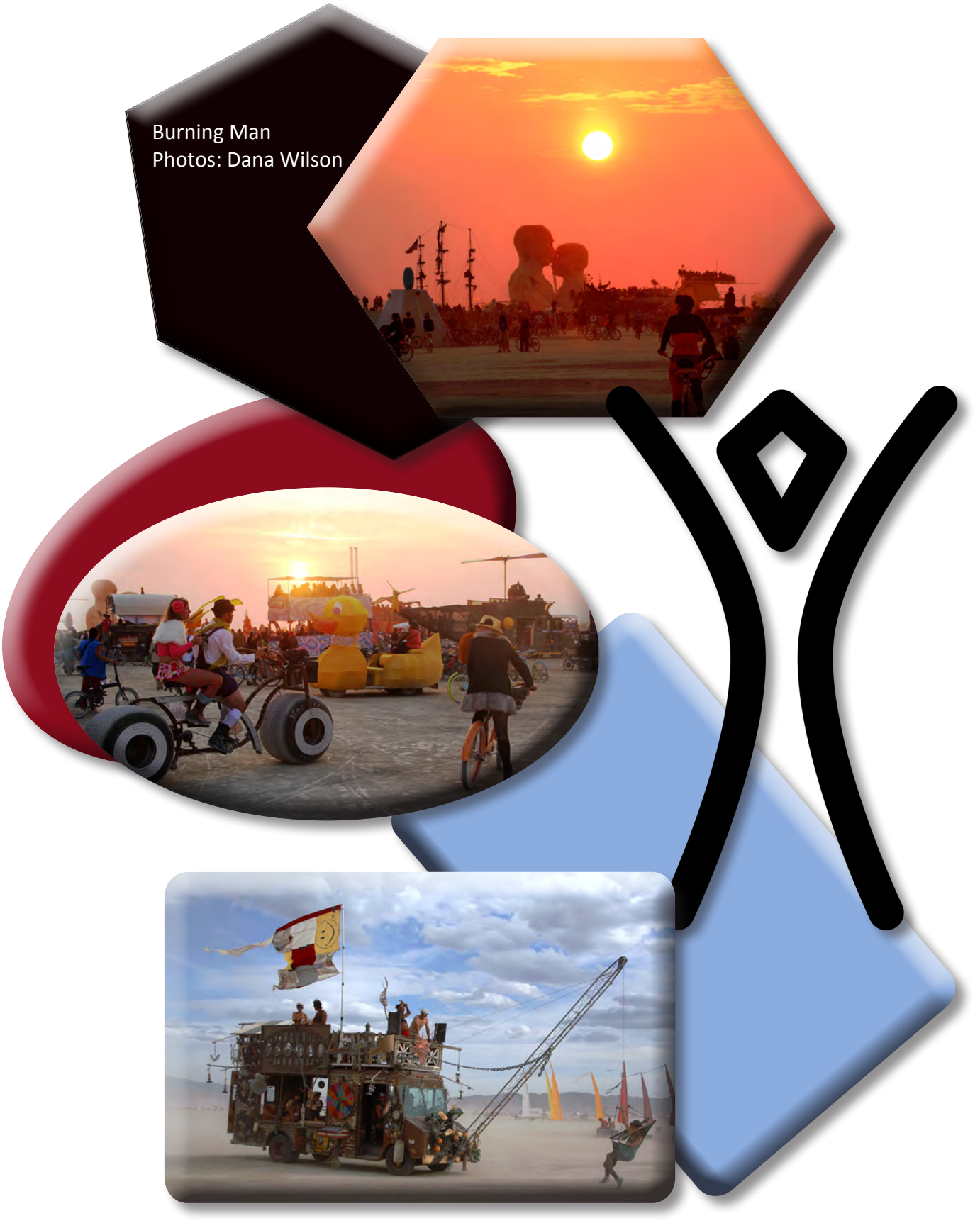
New bonds issued during the 2015 fiscal year were (expressed in thousands):

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

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

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

Basic Financial Section



Statement of Net Position

NEVADA

June 30, 2015 (Expressed in Thousands)

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

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

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

Statement of Activities

NEVADA

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

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

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

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

Balance Sheet
Governmental Funds

June 30, 2015

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

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

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

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

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

NEVADA

June 30, 2015

Total fund balances - governmental funds		$ 1,563,045,429
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 149,678,677	
Construction in progress	199,374,971	
Infrastructure assets	3,965,219,441	
Rights-of-way	642,842,133	
Buildings	1,679,307,924	
Improvements other than buildings	124,408,559	
Furniture and equipment	352,599,737	
Software costs	168,677,262	
Accumulated depreciation/amortization	(1,105,312,183)	
Total capital assets		6,176,796,521
Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds.		270,805,084
Intergovernmental receivable not providing current resources.		221,045
Capital lease receivable from discretely presented component unit is not reported in the governmental funds.		43,398,670
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		5,670,697
The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.		65,953,215
Deferred outflow of resources related to pensions are not reported in the governmental funds.		174,232,897
Deferred inflow of resources related to pensions are not reported in the governmental funds.		(481,696,535)
Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.		(5,022,608)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Net pension obligation	(1,670,300,939)	
Bonds payable	(2,265,545,232)	
Accrued interest on bonds	(17,468,621)	
Certificates of participation	(94,654,904)	
Capital leases	(21,487,191)	
Compensated absences	(95,693,591)	
Total long-term liabilities		(4,165,150,478)
Net position of governmental activities		$ 3,648,253,937

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

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

For the Fiscal Year Ended June 30, 2015

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

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

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

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

Kayakers on Lake Mead
Toursim and Cultural Affairs

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

NEVADA

For the Fiscal Year Ended June 30, 2015

Net change in fund balances - total governmental funds		$ (144,212,038)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	$ 256,676,438	
Depreciation expense	(69,578,515)	
Excess of capital outlay over depreciation expense		187,097,923
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(78,335,000)	
Refunding bonds issued	(213,270,000)	
Premiums on debt issued	(54,686,183)	
Total bond proceeds		(346,291,183)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	194,821,677	
Certficates of participation retirement	2,520,000	
Payments to the bond refunding agent	261,893,503	
Capital lease payments	1,761,450	
Total long-term debt repayment		460,996,630
Internal service funds are used to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		(28,725,554)
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources changed by this amount.		51,367,087
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		(812,147)
Governmental funds reported an expenditure for construction costs related to an asset recorded as a capital lease receivable in the statement of net position.		38,857,952
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(7,639,217)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		18,191,042
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the net change in:		
Pension costs, net	(36,373,044)	
Accrued interest payable	(1,978,710)	
Compensated absences	(1,883,173)	
Settlement agreement liability	(309,224)	
Total additional expenditures		(40,544,151)
Change in net position of governmental activities		$ 188,286,344

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

Statement of Net Position
Proprietary Funds

June 30, 2015

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

(Continued)

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

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.	(498,022)
Net position of business-type activities	$ 743,907,362

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

Nevada Off-Road Racing

SCORE HENDERSON'S TERRIBLE 250

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

NEVADA

For the Fiscal Year Ended June 30, 2015

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

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.	(807,882)
Change in net position of business-type activities	$ 401,233,231

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

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended June 30, 2015

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

(Continued)

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

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

Statement of Fiduciary Net Position
Fiduciary Funds

NEVADA

June 30, 2015

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

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

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

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

Combining Statement of Net Position
Discretely Presented Component Units

NEVADA

June 30, 2015

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

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

Combining Statement of Activities
Discretely Presented Component Units

NEVADA

For the Fiscal Year Ended June 30, 2015

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

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

ATV Rider at Sand Mountain Near Fallon, NV

Winnemucca Sand Dunes

Winnemucca Sand Dunes

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Note 1 - Summary of Significant Accounting Policies

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

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

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

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

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

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

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

(Note 1 Continued)

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

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

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

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

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

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

C. Basis of Presentation

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

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

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

The State reports the following major governmental funds:

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

(Note 1 Continued)

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

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

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

The State reports the following major enterprise funds:

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

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

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

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

Additionally, the State reports the following fund types:

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

(Note 1 Continued)

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

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

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

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

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

Derivatives are generally valued at quoted market value. Under the circumstance where quoted market values are not considered to be readily available, such derivatives are reported at estimated fair value and the methods and significant assumptions used are described in Note 3D. Investments are discussed further in Note 3.

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

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

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

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

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

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

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

(Note 1 Continued)

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

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

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

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

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

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

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

Net Position/Fund Balance - The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is "Net Position" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.
In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

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

(Note 1 Continued)

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

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

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

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

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

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

F. Revenues and Expenditures/Expenses

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

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

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

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

Note 2 - Budgetary and Legal Compliance

Budgetary Process and Control

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

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

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

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

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

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

Note 3 - Deposits and Investments

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

A. Deposits

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

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

B. Investments

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

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

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

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

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

(Note 3 Continued)

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

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

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

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

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

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

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

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

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

(Note 3 Continued)

	Quality Rating							
	AAA	AA	A	BBB	BB	B	$VMIG_1$	Unrated
U.S. agencies	$ 39,881	$ 1,571,412	$ -	$ -	$ -	$ -	$ -	$ -
Mutual funds	-	-	-	-	-	-	-	15,579,562
Asset backed corporate securities	25,693	93,358	568	1,901	633	251	-	2,005
Corporate bonds and notes	2,675	76,841	162,203	9,852	2,563	416	-	400
Commerical paper	-	-	224,656	-	-	-	-	-
Fixed income securities	-	-	-	-	-	-	-	119
International investments	-	-	-	300	-	-	-	-
Municipal bonds	-	546,642	-	-	-	-	-	-
Investment agreements	-	-	390	151	-	-	-	-
Other short-term investments	85,598	19,304	79,963	-	-	-	34,293	233,225
Collateralized mortgage obligations	7,079	-	-	-	-	-	-	-
Total	$ 160,926	$ 2,307,557	$ 467,780	$ 12,204	$ 3,196	$ 667	$ 34,293	$ 15,815,311

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

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

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

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

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

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

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

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

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

(Note 3 Continued)

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

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

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

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

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

C. Securities Lending

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

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

(Note 3 Continued)

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

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

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

D. Derivatives

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

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

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

(Note 3 Continued)

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

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

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

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

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

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

(Note 3 Continued)

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

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

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

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

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

(Note 3 Continued)

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

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

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

Note 4 - Receivables

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

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

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

Note 5 - Interfund Transactions

A. Interfund Advances

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

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

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

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

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

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

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

(Note 5 Continued)

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

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

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

(Note 5 Continued)

C. Transfers From/Transfers To Other Funds

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

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

	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	$ -	$ 1,108	$ 12,305	$ 13,413	$ 19	$ 77,053
State Highway	-	-	-	-	22	3,809
Nonmajor governmental	3,576	-	-	3,576	50	79,610
Total Governmental	3,576	1,108	12,305	16,989	91	160,472
Major Enterprise Funds:						
Housing	-	-	-	-	-	157
Unemployment Comp	-	-	-	-	-	161,608
Higher Ed Tuition Trust	-	-	-	-	-	2,323
Nonmajor enterprise	-	-	14	14	-	15
Total Enterprise	-	-	14	14	-	164,103
Internal Service	-	-	-	-	-	1,739
Total other funds	$ 3,576	$ 1,108	$ 12,319	$ 17,003	$ 91	$ 326,314

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

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

Note 6 - Restricted Assets

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

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

Note 7 - Capital Assets

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

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

(Note 7 Continued)

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

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

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

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

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

Note 8 - Capital Lease Receivable

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

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

Note 9 - Long-Term Obligations

A. Changes in Long-Term Liabilities

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

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

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

B. Bonds Payable

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

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

(Note 9 Continued)

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

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

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

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

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

C. Constitutional Debt Limitations

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

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

(Note 9 Continued)

D. Nevada Municipal Bond Bank

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

E. Refunded Debt and Redemptions

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

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

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

F. Capital Leases

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

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

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

(Note 9 Continued)

G. Certificates of Participation

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

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

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

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

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

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

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

H. Tuition Benefits Payable

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

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

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

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

I. Arbitrage Rebate Requirement

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

(Note 9 Continued)

J. Conduit Debt Obligations

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

K. Pledged Revenue

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

Pledged future lease rental payments – With respect to each series of Lease Revenue Certificates of Participation, the NRPC, a blended component unit, has pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of base rent and other payments). As of June 30, 2015, the outstanding balance of Lease Revenue Certificates of Participation is $88,205,000. The total of principal and interest remaining on the certificates is $147,251,150 payable through June 2043. In fiscal year 2015, principal and interest of $5,523,306 was paid, which includes the interest payment of $2,432,775 paid entirely by the excess certificate proceeds during the construction period for the State's Nevada State College Project as discussed in Section G of this note and Note 8. As of June 30, 2015, $12,441,732 was held by the trustee for the benefit of the bondholders. Building rent of $3,000,000 is expected to be collected in fiscal year 2016, which, along with assets held by the trustee, will be used to pay the fiscal year 2016 debt service principal and interest of $5,614,156.

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

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

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

(Note 9 Continued)

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

L. Component Unit Obligations

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

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

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

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

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

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
2016	$ 3,318
2017	4,130
2018	3,824
2019	3,520
2020	3,520
2021-2025	17,595
2026-2030	10,793
Total minimum lease payments	46,700
Less: amount representing interest	(424)
Obligations under capital leases	$ 46,276

(Note 9 Continued)

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

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

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

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

Note 10 - Pensions and Other Employee Benefits

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

A. Public Employees' Retirement System of Nevada

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

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

Regular Members

Before January 1, 2010	On or after January 1, 2010
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 60 with 10 years of service	Age 62 with 10 years of service
Any age with 30 years of service	Any age with 30 years of service

Police/Fire Members

Before January 1, 2010	On or after January 1, 2010
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 55 with 10 years of service	Age 60 with 10 years of service
Age 50 with 20 years of service	Age 50 with 20 years of service
Any age with 25 years of service	Any age with 30 years of service

(Note 10 Continued)

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

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

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

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

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

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

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

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

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

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

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

(Note 10 Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Note 10 Continued)

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

B. Legislators' Retirement System of Nevada

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

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

Retirees and beneficiaries currently receiving benefits	79
Inactive vested members	11
Inactive non-vested members	21
Active members	40
Total	151

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

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

Members are eligible for benefit increases based on their effective date of membership. For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years. In any event, a member's benefit must be increased by the percentages in (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (CPI) (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, same as above, except the increases in paragraph (a) do not exceed 4% per year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

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

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

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

(Note 10 Continued)

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

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

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

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

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

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

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

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

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

(Note 10 Continued)

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

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

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

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

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

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

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

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

C. Judicial Retirement System of Nevada

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

(Note 10 Continued)

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

Retirees and beneficiaries currently receiving benefits	59
Inactive vested members	4
Active members	109
Total	172

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

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

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

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

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

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

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

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

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

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

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

(Note 10 Continued)

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

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

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

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

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

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

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

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

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

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

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

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

(Note 10 Continued)

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

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

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

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

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

D. Other Postemployment Benefits

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

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

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

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

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

Note 11 - Risk Management

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

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

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

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

There was no insurance coverage for excess liability insurance.

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

A. Self-Insurance Fund

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

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

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

B. Insurance Premiums Fund

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

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

(Note 11 Continued)

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

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

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

At June 30, 2015, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

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

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

Note 12 - Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

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

B. Governmental Fund Balances

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

(Note 12 Continued)

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

C. Individual Fund Deficit

Nonmajor Enterprise Funds:

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

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

(Note 12 Continued)

Internal Service Funds:

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

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

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

Administrative Services – The Administrative Services Fund provides administrative and accounting services to various divisions of the Department of Administration. The fund recorded an increase in net position of $68,477 for the year ended June 30, 2015, and a decrease to beginning net position of $2,982,036 due to a pension related accounting change, resulting in negative net position of $2,641,754 at June 30, 2015.

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

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

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

Note 13 - Principal Tax Revenues

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

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

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

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

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

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

(Note 13 Continued)

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

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

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

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

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

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

Note 14 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, is dedicated to educating visitors and the community through the collection, preservation and interpretation of objects directly related to railroads and railroading in Nevada. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

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

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

Note 15 - Commitments and Contingencies

A. Primary Government

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

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

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

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

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

The Department of Taxation has litigated vigorously two lawsuits of like nature against utility companies. The lawsuits arose out of claims for the refund of $253.0 million in use tax paid, plus interest, on coal purchased out of the state and used in Nevada. The companies claim the use tax is unconstitutional. The State won both cases in the Nevada Supreme Court and the 1st Judicial District Court. The utility companies have yet to appeal. The use tax distribution is shared between the State, counties and local governments. If the utility companies appeal and are successful, the State's exposure upon a potentially unfavorable outcome is $45.3 million.

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

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

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

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

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

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

(Note 15 Continued)

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

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

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

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

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

B. Discretely Presented Component Units

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

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

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

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

The estimated cost to complete property authorized or under construction at June 30, 2015 is $156.0 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.
The Board of Regents, at its June 12, 2015 meeting, approved the issuance of a Promissory Note in an amount up to $20.9 million. The authorized note is not expected to be issued by the end of calendar year 2015.

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

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

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

Note 16 - Subsequent Events

A. Primary Government

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

B. Discretely Presented Component Units

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

C. New Accounting Pronouncement

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72), which addresses accounting and financial reporting issues related to fair value measurements. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes in addition to providing guidance for applying fair value to certain investments and disclosures related to all fair value measurement. GASB 72 is effective for fiscal years beginning after June 15, 2015. The anticipated impact of this pronouncement is uncertain at this time.

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

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

Note 17 - Accounting Changes and Restatements

A. Primary Government

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

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

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

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

(Note 17 Continued)

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

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

B. Discretely Presented Component Units

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

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

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

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

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

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

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

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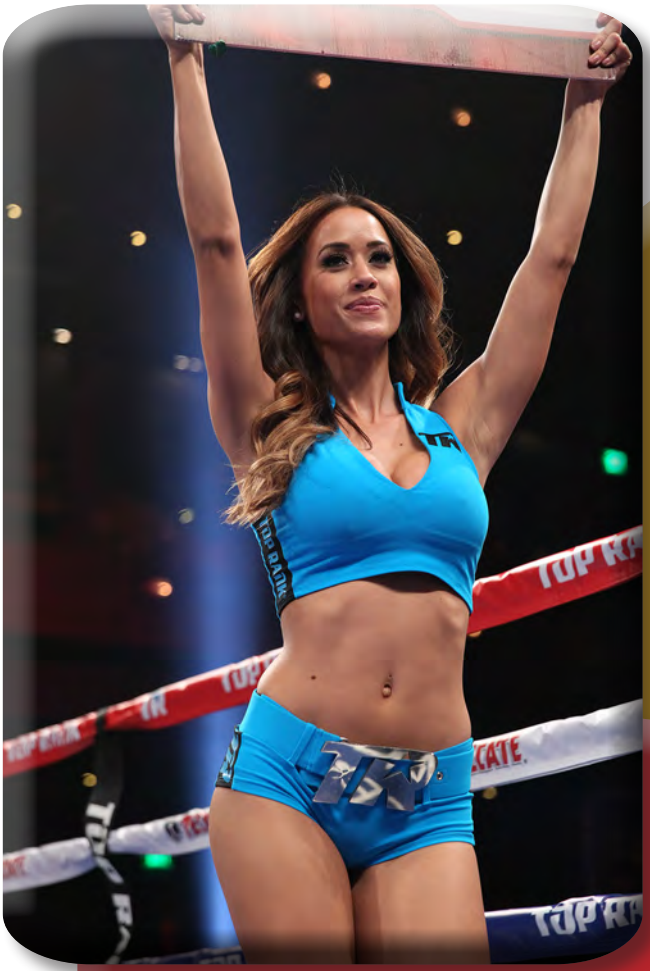
Required Supplementary Information



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

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Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2015

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

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

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

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

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

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

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

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

Total fund balance (budgetary basis)	$ 632,861
Restricted funds	(398,117)
Unrestricted fund balance (budgetary basis)	$ 234,744

For the Fiscal Year Ended June 30, 2015

A. Multiple-employer Cost Sharing Plan

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

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

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

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

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

B. Single-employer Plan

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

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

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

(Continued)

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

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

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

C. Agent Multiple-employer Plan

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

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

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

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

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

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

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

For the Fiscal Year Ended June 30, 2015

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

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

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2014 condition assessment	84%	71%	62%	33%	7%
Actual results of 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%

Condition Level of the Bridges

Percentage of substandard bridges

	2014	2012	2011
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	4%

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

Maintenance and Preservation Costs

(Expressed in Thousands)

	2015	2014	2013	2012	2011
Estimated	$ 386,093	$ 433,338	$ 402,650	$ 322,210	$ 490,910
Actual	329,677	360,904	325,313	304,333	404,871

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

Combining Statements and Schedules

ROSE REGATTA
A DRAGON BOAT FESTIVAL
To Benefit Breast Cancer Services at St. Rose Dominican Hospitals

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

Nonmajor Permanent Fund

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

Combining Balance Sheet
Nonmajor Governmental Funds

NEVADA

June 30, 2015

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

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

NEVADA

For the Fiscal Year Ended June 30, 2015

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

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2015

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

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

Combining Balance Sheet
Nonmajor Special Revenue Funds

NEVADA

June 30, 2015

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

HWY
50
The loneliest Road
in America

WELCOME TO EUREKA NEVADA
PONY EXPRESS TERRITORY
THE FRIENDLIEST TOWN
ON
THE LONELIEST ROAD IN AMERICA
50
DISCOVER
NV
EUREKA

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

For the Fiscal Year Ended June 30, 2015

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

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

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

NEVADA

For the Fiscal Year Ended June 30, 2015

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

THE GREAT RENO BALLOON RACE
2015
SEPTEMBER 11-13

Combining Balance Sheet
Other Nonmajor Governmental Funds

June 30, 2015

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

Capital Projects Funds

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

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

For the Fiscal Year Ended June 30, 2015

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

Capital Projects Funds

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

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

For the Fiscal Year Ended June 30, 2015

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

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

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

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

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

	Final Budget	Actual	Variance
Real Estate	$ 2,666,225	$ 2,233,245	$ 432,980
Athletic Commission	870,057	676,873	193,184
Labor Relations	1,410,758	1,211,841	198,917
Division of Mortgage Lending	5,740,660	1,877,962	3,862,698
Attorney for Injured Workers	3,350,657	3,175,644	175,013
Financial Institutions Investigations	1,093,714	43,866	1,049,848
Financial Institutions	6,249,795	3,164,359	3,085,436
Financial Institutions Audit	267,566	101,464	166,102
Transportation Services Authority	2,903,425	2,618,592	284,833
TSA Administrative Fines	664,720	134,556	530,164
	348,142,939	268,781,463	79,361,476
Public Safety			
Department of Corrections			
Prison Medical Care	41,714,843	41,270,369	444,474
Corrections Administration	20,961,856	20,380,544	581,312
Correctional Programs	7,914,352	6,955,653	958,699
So Nevada Correctional Center	263,373	234,990	28,383
Warm Springs Correctional Center	10,288,882	10,195,879	93,003
No Nevada Correctional Center	26,267,853	26,014,200	253,653
Nevada State Prison	107,980	101,948	6,032
Stewart Conservation Camp	1,716,552	1,701,854	14,698
Pioche Conservation Camp	1,568,763	1,496,752	72,011
Restitution Center North	1,210,530	1,179,579	30,951
Three Lakes Valley Conservation Camp	2,268,475	2,173,896	94,579
Southern Desert Correctional Center	21,679,566	21,455,365	224,201
Wells Conservation Camp	1,192,893	1,146,684	46,209
Humboldt Conservation Camp	1,241,538	1,200,368	41,170
Ely Conservation Camp	1,230,577	1,172,030	58,547
Jean Conservation Camp	1,445,501	1,398,377	47,124
Silver Springs Conservation Camp	2,049	2,048	1
Ely State Prison	24,916,624	24,099,776	816,848
Carlin Conservation Camp	1,181,221	1,137,721	43,500
Tonopah Conservation Camp	1,251,776	1,182,215	69,561
Lovelock Correctional Center	22,211,095	22,031,199	179,896
Florence McClure Women's Correctional Center	14,985,843	14,936,092	49,751
High Desert State Prison	45,301,487	44,949,774	351,713
Casa Grande Transitional Housing	4,624,672	4,473,780	150,892
Department of Public Safety			
Emergency Management Division	6,145,270	3,637,465	2,507,805
Emergency Mgmt Assistance Grant	40,914,143	11,698,054	29,216,089
Emergency Assistance Subaccount	450,636	135,387	315,249
Parole and Probation	43,441,807	42,025,100	1,416,707
Fund for Reentry Programs	6,953	1,458	5,495
Investigations	7,141,116	6,037,730	1,103,386
Training Division	1,055,585	982,223	73,362
Parole Board	2,463,680	2,433,085	30,595
Fire Marshal	2,856,234	2,735,059	121,175
Traffic Safety	12,048,695	5,629,891	6,418,804
Highway Safety Plan and Administration	6,946,557	3,880,440	3,066,117
Motorcycle Safety Program	818,062	496,606	321,456
Public Safety General Services	6,362,627	5,401,501	961,126
K-9 Program	47,896	13,677	34,219
Forfeitures	1,676,103	480,318	1,195,785
Justice Assistance Account	2,506,554	725,473	1,781,081
Justice Assistance Grant	3,730,026	2,286,328	1,443,698
Criminal History Repository	24,882,858	15,425,449	9,457,409
Office of Homeland Security	428,274	391,567	36,707
Child Volunteer Background Checks Trust	15,087	15,087	-
Contingency Account for Haz Mat	566,391	457,074	109,317
Cigarette Fire Safety Standard	173,183	33,384	139,799
Justice Grant	523,721	507,268	16,453

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

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

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

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

NEVADA

For the Fiscal Year Ended June 30, 2015

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

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

For the Fiscal Year Ended June 30, 2015

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

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

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

For the Fiscal Year Ended June 30, 2015

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

(Continued)

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

NATIONAL CHAMPIONSHIP AIR RACES® AND AIR SHOW

Nonmajor Enterprise Funds

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

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

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

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

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

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

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

Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2015

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

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

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

For the Fiscal Year Ended June 30, 2015

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

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

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2015

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

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

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Internal Service Funds

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

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

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

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

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

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

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

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

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

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

Combining Statement of Net Position
Internal Service Funds

June 30, 2015

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

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

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

For the Fiscal Year Ended June 30, 2015

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

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

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2015

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

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

TAHOE RIM
TRAIL

Fiduciary Funds

Pension and Other Employee Benefit Trust

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

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

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

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

Investment Trust

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

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

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

Private Purpose Trust

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

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

Agency

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

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

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

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

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

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

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

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

June 30, 2015

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	$ -	$ -	$ -	$ 4,971,859	$ 4,971,859
Cash in custody of other officials	264,196,276	65,098	357,490	-	264,618,864
Investments:					
Investments	-	-	-	1,296,388	1,296,388
Fixed income securities	9,449,725,984	1,369,342	27,677,905	-	9,478,773,231
Marketable equity securities	14,600,247,164	3,362,231	68,094,094	-	14,671,703,489
International securities	7,324,919,557	115,609	2,325,519	-	7,327,360,685
Real estate	1,454,303,113	-	-	-	1,454,303,113
Alternative investments	1,319,000,149	-	-	-	1,319,000,149
Collateral on loaned securities	373,833,323	-	-	-	373,833,323
Receivables:					
Accounts receivable	-	-	-	-	-
Accrued interest and dividends	91,334,239	9,755	277,119	-	91,621,113
Trades pending settlement	129,448,044	15,086	336	-	129,463,466
Intergovernmental receivables	101,981,995	-	316,760	9,996	102,308,751
Contributions receivable	-	-	-	-	-
Other receivables	-	-	194,495	-	194,495
Due from other funds	-	-	-	122,332	122,332
Due from fiduciary funds	19,306,997	-	-	-	19,306,997
Due from component units	-	-	-	1,488,231	1,488,231
Other assets	3,633,781	-	-	-	3,633,781
Furniture and equipment	40,412,280	-	-	-	40,412,280
Accumulated depreciation	(36,462,089)	-	-	-	(36,462,089)
Total assets	35,135,880,813	4,937,121	99,243,718	7,888,806	35,247,950,458
Liabilities					
Accounts payable and accruals:					
Accounts payable	10,447,810	1,874	4,566	-	10,454,250
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	140,879,407	21,724	294,453	-	141,195,584
Bank overdraft	-	-	-	-	-
Obligations under securities lending	373,833,323	-	-	-	373,833,323
Due to other funds	89	-	-	2,892,614	2,892,703
Due to fiduciary funds	-	-	-	-	-
Other liabilities	-	178,709	-	-	178,709
Total liabilities	525,160,629	202,307	299,019	2,892,614	528,554,569
Net Position					
Restricted for:					
Employees' pension benefits	34,610,720,184	4,734,814	98,944,699	-	34,714,399,697
OPEB benefits	-	-	-	4,996,192	4,996,192
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	$ 34,610,720,184	$ 4,734,814	$ 98,944,699	$ 4,996,192	$ 34,719,395,889

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

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

For the Fiscal Year Ended June 30, 2015

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

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

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2015

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

Child Welfare Trust	Restitution Trust	State Payroll	Total
$ 89,788	$ 1,660,281	$ 9,896,401	$ 80,717,201
-	-	-	31,150,816
-	-	-	222,312,599
-	-	-	58,334,065
-	-	20,178	20,178
-	-	-	99,064
265	20	7,207,194	533,542,341
-	25,739	-	13,319,888
-	-	2,263,225	2,263,225
-	-	-	-
$ 90,053	$ 1,686,040	$ 19,386,998	$ 941,759,377

$ -	$ -	$ 80,001	$ 80,001
-	-	-	595,511,978
-	-	19,306,997	32,600,045
-	-	-	308,465,127
90,053	1,686,040	-	5,102,226
$ 90,053	$ 1,686,040	$ 19,386,998	$ 941,759,377

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2015

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

(Continued)

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

Heli Skiing
Ruby Mountains

Spooner Summit
Lake Tahoe

Wildhorse State
Recreation Area

Statistical Section

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

Tables	Pages
Financial Trends	
These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	154
Revenue Capacity	
These tables contain information to help the reader assess the government's most significant revenue source, taxable sales.	158
Debt Capacity	
These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	159
Demographic and Economic Information	
These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	163
Operating Information	166
These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

Table 1 - Net Position by Component

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

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

Table 2 - Changes in Net Position

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 349,224	$ 421,291	$ 439,682	$ 389,943	$ 375,219	$ 334,616	$ 240,417	$ 229,136	$ 202,620	$ 280,465
Health and social services	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013	3,209,237	3,250,926	3,464,334	3,784,055	4,887,130
Education - K to 12 **(b)**	1,261,533	1,547,378	1,663,725	1,770,627	1,810,353	1,818,869	1,794,579	1,812,992	1,830,605	1,892,519
Education - higher education **(b)**	568,703	707,248	718,006	704,789	620,570	574,667	486,320	477,852	495,893	490,407
Law, justice and public safety	578,049	624,149	650,657	687,410	690,104	667,598	646,701	657,728	662,330	695,023
Regulation of business	101,857	104,385	114,786	118,086	100,380	122,679	101,687	85,688	303,020	259,106
Transportation	508,569	680,281	576,815	762,610	644,976	630,657	801,797	505,354	327,519	462,386
Recreation and resource development	156,933	173,037	167,627	165,741	161,048	153,404	138,599	134,578	139,188	145,000
Interest on long-term debt	132,969	150,486	146,312	138,304	132,238	128,606	122,080	106,126	121,224	94,987
Unallocated depreciation	1,513	720	992	976	1,448	1,402	1,755	2,023	2,150	2,137
Total governmental activities expenses	5,857,901	6,749,859	6,933,445	7,405,905	7,553,349	7,641,735	7,584,861	7,475,811	7,868,604	9,209,160
Business-type activities:										
Unemployment insurance	239,232	296,784	439,632	1,336,043	2,233,382	1,767,632	1,286,839	867,600	552,246	380,166
Housing	45,397	46,152	43,953	44,382	57,342	83,467	50,979	34,247	31,954	23,442
Water loans	8,226	7,885	6,836	6,218	14,697	16,476	8,249	8,942	7,837	6,372
Workers' compensation and safety	23,991	25,381	26,258	26,801	26,084	29,642	27,706	28,685	26,715	27,644
Higher education tuition	18,940	10,504	8,109	13,103	14,051	18,959	26,067	25,081	21,325	25,768
Other	15,601	16,424	20,496	16,967	23,175	28,905	26,187	32,107	32,944	30,263
Total business-type activities expenses	351,387	403,130	545,284	1,443,514	2,368,731	1,945,081	1,426,027	996,662	673,021	493,655
Total primary government expenses	$ 6,209,288	$ 7,152,989	$ 7,478,729	$ 8,849,419	$ 9,922,080	$ 9,586,816	$ 9,010,888	$ 8,472,473	$ 8,541,625	$ 9,702,815

Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 226,191	$ 254,947	$ 254,198	$ 281,997	$ 285,927	$ 301,856	$ 183,278	$ 180,169	$ 174,265	$ 172,468
Health and social services	138,675	125,915	147,785	141,473	131,408	156,698	212,730	212,310	172,459	222,917
Law, justice and public safety	242,262	256,015	257,355	252,755	236,004	234,385	253,431	267,060	273,895	295,582
Other	162,028	148,959	135,034	118,668	143,689	177,342	145,116	128,126	146,567	138,010
Operating grants and contributions	1,848,091	2,025,361	1,982,315	2,544,032	3,141,986	3,050,092	3,091,556	3,116,377	3,416,382	4,337,546
Capital grants and contributions	27,080	16,010	21,871	19,608	56,719	164,711	73,749	56,003	9,349	10,385
Total governmental activities program revenues	2,644,327	2,827,207	2,798,558	3,358,533	3,995,733	4,085,084	3,959,860	3,960,045	4,192,917	5,176,908
Business-type activities:										
Charges for services:										
Unemployment insurance	-	-	-	1,460	1,669	1,587	1,544	1,556	1,393	1,753
Housing	33,589	32,372	30,721	26,604	23,693	21,385	20,105	19,840	16,003	17,058
Water loans	6,484	9,907	8,978	8,648	8,409	8,370	8,371	8,873	8,924	8,233
Workers' compensation and safety	25,593	36,037	35,632	38,955	30,144	35,071	37,946	34,322	40,671	34,804
Higher education tuition **(a)**	9,032	6,044	4,405	6,222	8,222	9,284	14,065	20,074	22,063	18,643
Other	24,035	24,652	31,844	29,504	23,352	30,854	25,856	32,358	32,210	31,394
Operating grants and contributions **(a)**	102,658	93,578	83,982	519,401	1,327,044	1,242,754	848,585	503,960	196,653	75,716
Total business-type activities program revenues	201,391	202,590	195,562	630,794	1,422,533	1,349,305	956,472	620,983	317,917	187,601
Total primary government program revenues	$ 2,845,718	$ 3,029,797	$ 2,994,120	$ 3,989,327	$ 5,418,266	$ 5,434,389	$ 4,916,332	$ 4,581,028	$ 4,510,834	$ 5,364,509
Net (Expense)/Revenue										
Governmental activities	$ (3,213,574)	$ (3,922,652)	$ (4,134,887)	$ (4,047,372)	$ (3,557,616)	$ (3,556,651)	$ (3,625,001)	$ (3,515,766)	$ (3,675,687)	$ (4,032,252)
Business-type activities	(149,996)	(200,540)	(349,722)	(812,720)	(946,198)	(595,776)	(469,555)	(375,679)	(355,104)	(306,054)
Total primary government net expense	$ (3,363,570)	$ (4,123,192)	$ (4,484,609)	$ (4,860,092)	$ (4,503,814)	$ (4,152,427)	$ (4,094,556)	$ (3,891,445)	$ (4,030,791)	$ (4,338,306)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Sales and use taxes	$ 1,097,939	$ 1,149,456	$ 1,101,741	$ 943,787	$ 870,474	$ 931,911	$ 967,374	$ 1,027,124	$ 1,085,656	$ 1,160,968
Gaming taxes	1,003,111	1,029,044	1,011,506	883,054	844,470	850,021	884,928	901,085	922,999	906,382
Modified business taxes	255,252	282,729	297,161	281,605	381,300	378,971	373,156	386,928	382,976	413,749
Insurance premium taxes	238,297	261,378	256,847	241,252	233,280	233,334	238,083	252,195	256,587	301,226
Property and transfer taxes	318,941	296,498	280,896	278,881	266,878	231,758	215,649	215,211	209,784	219,188
Motor and special fuel taxes	297,383	300,182	297,087	272,614	268,554	267,649	267,181	269,232	269,544	277,305
Other taxes	398,460	427,109	425,250	407,469	642,979	688,752	696,431	685,650	688,399	833,960
Investment earnings	87,729	143,013	105,075	9,026	(1,246)	(4,182)	(11,543)	2,892	5,462	14,780
Other	86,371	99,476	116,082	148,321	146,879	214,277	300,430	229,733	160,298	231,042
Contributions to permanent fund	76,553	12,208	8,801	7,019	8,165	6,637	6,705	5,376	5,908	9,038
Special item	(276,773)	-	-	-	-	-	-	-	-	-
Transfers	31,373	18,740	19,592	23,912	19,361	24,044	(3,009)	(22,229)	6,689	(147,100)
Total governmental activities	3,614,636	4,019,833	3,920,038	3,496,940	3,681,094	3,823,172	3,935,385	3,953,197	3,994,302	4,220,538
Business-type activities:										
Other taxes	365,598	372,741	374,565	342,588	314,657	403,509	515,402	565,925	537,372	555,187
Other	-	-	-	-	-	-	-	212	-	-
Special item	-	-	-	-	-	-	-	-	330	5,000
Transfers	(31,373)	(18,740)	(19,592)	(23,912)	(19,361)	(24,044)	3,009	22,229	(6,689)	147,100
Total business-type activities	334,225	354,001	354,973	318,676	295,296	379,465	518,411	588,366	531,013	707,287
Total primary government	$ 3,948,861	$ 4,373,834	$ 4,275,011	$ 3,815,616	$ 3,976,390	$ 4,202,637	$ 4,453,796	$ 4,541,563	$ 4,525,315	$ 4,927,825
Change in Net Position										
Governmental activities	$ 401,062	$ 97,181	$ (214,849)	$ (550,432)	$ 123,478	$ 266,521	$ 310,384	$ 437,431	$ 318,615	$ 188,286
Business-type activities	184,229	153,461	5,251	(494,044)	(650,902)	(216,311)	48,856	212,687	175,909	401,233
Total primary government	$ 585,291	$ 250,642	$ (209,598)	$ (1,044,476)	$ (527,424)	$ 50,210	$ 359,240	$ 650,118	$ 494,524	$ 589,519

(a) Revised figures for years 2006-2013

(b) Beginning with fiscal year 2015, educational expenditures are reported separately for K to 12 and higher education; accordingly, fiscal years 2006 through 2014 have been revised to report these separately

Table 3 - Fund Balances of Governmental Funds

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	$ 35,336	$ 17,585	$ 15,088	$ 13,512	$ 12,463	$ -	$ -	$ -	$ -	$ -
Unreserved	486,160	427,506	384,663	179,310	222,095	-	-	-	-	-
Nonspendable	-	-	-	-	-	18,456	23,801	33,113	39,255	35,134
Restricted	-	-	-	-	-	73,687	61,049	59,359	65,342	62,114
Committed	-	-	-	-	-	270,568	281,751	345,248	306,050	315,131
Unassigned	-	-	-	-	-	(115,965)	(96,272)	(66,701)	(135,789)	(205,092)
Total General fund	$ 521,496	$ 445,091	$ 399,751	$ 192,822	$ 234,558	$ 246,746	$ 270,329	$ 371,019	$ 274,858	$ 207,287
All Other Governmental Funds										
Reserved	$ 1,004,407	$ 1,244,430	$ 1,311,024	$ 947,719	$ 1,078,045	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	1,038,753	771,887	403,715	396,520	203,466	-	-	-	-	-
Capital projects funds	39,365	87,057	17,402	73,892	59,944	-	-	-	-	-
Permanent funds	21	22	22	20	20	-	-	-	-	-
Nonspendable	-	-	-	-	-	607,134	614,697	604,111	599,746	578,695
Restricted	-	-	-	-	-	414,040	276,666	324,473	597,389	544,993
Committed	-	-	-	-	-	188,796	212,311	245,888	235,265	232,070
Unassigned	-	-	-	-	-	(191)	-	-	-	-
Total all other governmental funds	$ 2,082,546	$ 2,103,396	$ 1,732,163	$ 1,418,151	$ 1,341,475	$ 1,209,779	$ 1,103,674	$ 1,174,472	$ 1,432,400	$ 1,355,758

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

Table 4 - Changes in Fund Balances of Governmental Funds

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Gaming taxes, fees, licenses	$ 1,003,111	$ 1,028,663	$ 1,008,516	$ 880,573	$ 842,359	$ 849,733	$ 884,331	$ 896,685	$ 927,824	$ 908,491
Sales taxes	1,099,483	1,132,418	1,088,024	953,112	870,539	925,899	965,060	1,024,624	1,081,735	1,161,893
Modified business taxes	255,252	278,953	284,600	277,516	385,110	381,901	369,661	386,610	384,886	411,914
Insurance premium taxes	238,297	259,275	256,693	238,524	233,906	234,831	236,787	248,512	263,532	292,665
Property and transfer taxes	318,941	296,498	280,895	278,881	266,878	231,758	215,649	215,211	209,784	219,189
Motor and special fuel taxes	297,383	300,182	297,088	272,614	268,554	267,649	267,181	269,232	269,543	277,305
Other taxes	343,292	373,436	372,652	387,449	620,543	664,427	657,138	685,948	692,192	835,552
Intergovernmental	1,972,799	2,108,916	2,058,071	2,672,751	3,273,266	3,372,565	3,335,558	3,340,627	3,552,327	4,518,221
Licenses, fees and permits	422,934	429,501	432,729	419,514	452,838	497,847	490,240	487,123	508,401	536,486
Sales and charges for services	80,134	97,408	95,407	85,401	84,422	81,923	85,211	87,595	90,322	105,241
Interest and investment income	152,801	239,651	185,006	44,831	37,855	31,853	22,599	23,496	25,397	22,082
Settlement income	35,685	37,351	45,976	50,062	41,963	39,517	40,291	147,071	40,120	39,788
Land sales	71,231	5,756	2,503	663	965	560	397	632	1,933	4,922
Other	88,006	91,086	105,475	141,808	112,728	143,461	160,921	151,708	83,277	112,395
Total revenues	6,379,349	6,679,094	6,513,635	6,703,699	7,491,926	7,723,924	7,731,024	7,965,074	8,131,273	9,446,144

Expenditures										
General government	183,194	230,011	212,659	166,909	137,994	141,366	134,889	143,135	112,757	153,682
Health and social services	2,060,371	2,220,212	2,298,239	2,510,530	2,833,205	3,009,386	3,096,457	3,264,884	3,593,828	4,862,598
Education and support services **(c)**	39,021	39,257	45,240	57,815	57,196	53,796	53,959	53,119	30,845	-
Education - K to 12 **(c)**	-	-	-	-	-	-	-	-	-	1,891,259
Education - higher education **(c)**	-	-	-	-	-	-	-	-	-	610,543
Law, justice and public safety	530,247	583,601	617,151	628,500	633,890	609,230	604,364	595,649	622,066	633,559
Regulation of business	95,467	100,119	104,844	105,631	107,145	109,928	91,792	80,594	293,438	253,132
Transportation	706,543	776,852	612,493	747,425	691,931	751,647	846,335	578,231	452,821	635,049
Recreation and resource development	134,841	144,245	166,347	135,272	130,800	129,770	125,809	121,330	132,682	141,177
Intergovernmental **(b)**	2,104,075	2,502,222	2,634,976	2,706,025	2,704,690	2,716,157	2,569,693	2,592,985	2,638,028	-
Capital outlay	114,226	71,999	167,959	176,599	59,520	41,105	34,222	61,330	29,741	39,564
Debt service:										
Principal	296,771	348,072	424,971	183,976	176,982	194,920	171,004	163,889	166,021	199,845
Interest, fiscal charges	120,683	137,972	143,181	145,169	140,495	135,842	125,978	116,183	106,871	103,998
Debt issuance costs	1,116	3,167	2,440	2,080	1,734	1,300	1,795	1,901	2,282	1,941
Arbitrage payment	74	-	-	-	-	-	22	180	730	24
Total expenditures	6,386,629	7,157,729	7,430,500	7,565,931	7,675,582	7,894,447	7,856,319	7,773,410	8,182,110	9,526,371
Excess (deficiency) of revenues over (under) expenditures	(7,280)	(478,635)	(916,865)	(862,232)	(183,656)	(170,523)	(125,295)	191,664	(50,837)	(80,227)
Other Financing Sources (Uses)										
Capital leases	4,143	8,487	2,926	20	18,209	408	-	-	-	-
Sale of general obligation bonds	231,623	387,155	448,379	300,384	109,244	22,655	42,020	-	141,045	78,335
Sale of general obligation refunding bonds	-	118,346	-	-	33,746	117,415	243,080	353,470	4,125	213,270
Premium on general obligation bonds	9,703	17,635	17,861	18,494	3,928	13,172	40,530	52,780	21,012	54,686
Payment to refunded bond agent	-	(122,039)	-	-	(35,677)	(128,529)	(279,916)	(404,178)	(4,425)	(261,893)
Sale of certificates of participation	-	5,760	-	-	-	-	-	-	50,445	-
Sale of refunding certificates of participation	-	-	-	-	7,900	-	-	-	35,785	-
Premium (discount) on certificates of participation	-	(78)	-	-	743	-	-	-	2,794	-
Payment to refunded certificates of participation agent	-	-	-	-	(8,466)	-	-	-	(42,799)	-
Sale of capital assets	166	646	11,489	684	92	89	103	99	335	365
Transfers in	380,858	587,137	763,988	476,147	358,113	221,167	156,037	194,136	192,193	160,472
Transfers out	(349,050)	(579,970)	(744,350)	(454,439)	(339,116)	(195,362)	(159,081)	(216,483)	(187,907)	(309,220)
Total other financing sources (uses)	277,443	423,079	500,293	341,290	148,716	51,015	42,773	(20,176)	212,603	(63,985)
Special Item										
One-time tax rebate	(276,773)	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ (6,610)	$ (55,556)	$ (416,572)	$ (520,942)	$ (34,940)	$ (119,508)	$ (82,522)	$ 171,488	$ 161,766	$ (144,212)
Total expenditures	$ 6,386,629	$ 7,157,729	$ 7,430,500	$ 7,565,931	$ 7,675,582	$ 7,894,447	$ 7,856,319	$ 7,773,410	$ 8,182,110	$ 9,526,371
Less: Capitalized assets included in the functional categories	387,287	245,032	295,926	227,812	209,123	245,790	221,991	232,772	271,655	252,136
Total noncapital expenditures	$ 5,999,342	$ 6,912,697	$ 7,134,574	$ 7,338,119	$ 7,466,459	$ 7,648,657	$ 7,634,328	$ 7,540,638	$ 7,910,455	$ 9,274,235
Debt service (principal and interest) as a percentage of noncapital expenditures (a)	6.96%	7.03%	7.96%	4.49%	4.25%	4.32%	3.89%	3.71%	3.45%	3.28%

(a) The percentages have been revised for fiscal years 2006 through 2010 to only include debt service prinicipal and interest in the calculation.
(b) Beginninng with fiscal year 2015, intergovernmental expenditures are classified by functional expenditures.
(c) Beginninng with fiscal year 2015, educational expenditures are reported separately for K to 12 and higher education.

Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxable Sales by County:										
Carson City	$1,021,210	$ 991,893	$ 919,266	$ 761,379	$ 678,626	$ 735,161	$ 756,079	$ 779,297	$ 804,368	$ 892,530
Churchill	331,338	306,426	294,411	321,713	251,257	249,112	320,188	387,570	252,675	283,497
Clark	35,604,392	36,262,388	35,930,374	31,378,242	27,969,288	29,046,720	31,080,881	32,566,665	35,040,892	37,497,074
Douglas	815,590	765,218	691,609	584,679	537,187	532,984	557,660	592,823	599,623	653,187
Elko	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158	1,477,347	1,545,691	1,595,351	1,426,133	1,437,625
Esmeralda	8,598	16,523	12,645	9,226	6,551	11,832	20,399	19,806	16,826	18,193
Eureka	315,450	501,077	328,505	285,942	266,356	304,276	367,340	370,492	315,756	260,130
Humboldt	483,366	474,811	508,713	498,791	533,667	748,153	740,656	921,112	780,774	577,537
Lander	170,539	280,378	228,213	264,109	220,348	249,321	443,458	440,677	302,691	308,198
Lincoln	31,529	15,398	26,967	25,257	25,871	33,116	50,417	30,055	29,501	28,955
Lyon	441,896	375,523	385,591	340,284	290,241	300,843	346,511	305,525	356,890	396,525
Mineral	33,445	35,679	38,843	37,247	36,280	42,181	57,696	66,463	62,661	74,178
Nye	522,296	540,377	473,291	427,505	397,570	466,836	498,130	832,077	624,761	497,920
Pershing	62,992	68,332	67,279	62,892	65,681	78,096	106,443	96,442	94,633	82,473
Storey	109,411	204,717	121,244	59,578	48,299	61,863	70,859	77,729	108,434	246,041
Washoe	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982	5,282,935	5,522,605	5,824,726	6,370,685	6,817,589
White Pine	175,147	192,877	197,818	220,815	174,705	314,235	469,737	296,598	253,042	275,884
Total	$ 48,402,487	$ 49,427,707	$ 48,196,849	$ 42,086,614	$ 37,772,067	$ 39,935,011	$ 42,954,750	$ 45,203,408	$ 47,440,345	$ 50,347,536

The State receives a portion of sales taxes at a rate of 2% on taxable sales.

Source: Department of Taxation

Table 6 - Principal Sales Tax Payers by Business Type

Current Year and Nine Years Ago, (Expressed in Thousands)

	Fiscal Year 2006			Fiscal Year 2015		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
Business Type:						
Food services and drinking places	$ 8,547,579	17.6%	$ 170,952	$ 11,126,123	22.1%	$ 222,523
Motor vehicle and parts dealers	6,637,760	13.7%	132,755	5,859,347	11.6%	117,187
General merchandise stores	4,091,513	8.4%	81,830	4,471,399	8.9%	89,428
Clothing and clothing accessories stores	2,295,114	4.7%	45,902	4,028,614	8.0%	80,572
Merchant wholesalers, durable goods	3,476,211	7.2%	69,524	3,350,522	6.7%	67,010
Building material, garden equipment, supplies	3,472,454	7.1%	69,449	2,026,768	4.0%	40,535
Food and beverage stores	1,607,134	3.3%	32,143	1,694,621	3.4%	33,893
Rental and leasing services	-	-	-	1,631,108	3.2%	32,622
Electronics and appliance stores	-	-	-	1,556,844	3.1%	31,137
Miscellaneous retail	4,842,993	10.0%	96,860	1,035,644	2.1%	20,713
Furniture and home furnishings stores	2,639,849	5.4%	52,797	-	-	-
Administrative and support services	1,439,884	3.0%	28,798	-	-	-
Total	$ 39,050,491	80.4%	$ 781,010	$ 36,780,990	73.1%	$ 735,620

Source: Department of Taxation

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the source of the State's revenue.

Table 7 - Ratios of Outstanding Debt by Type

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General obligation bonds	$ 2,075,758	$1,964,616	$1,909,725	$2,079,805	$ 2,067,615	$ 1,952,885	$1,870,455	$1,754,520	$1,703,840	$1,607,930
Special obligation bonds	541,680	693,285	774,300	722,880	668,840	612,045	557,735	497,650	527,450	486,140
Premiums (discounts)	81,601	91,543	100,771	109,407	103,270	104,921	118,509	143,968	146,792	176,725
Total bonds payable	2,699,039	2,749,444	2,784,796	2,912,092	2,839,725	2,669,851	2,546,699	2,396,138	2,378,082	2,270,795
Certificates of participation	55,680	60,455	59,320	58,030	56,080	55,475	53,815	52,000	94,455	91,935
Premiums (discounts)	-	-	-	-	690	591	492	339	2,956	2,720
Total certficates of participation	55,680	60,455	59,320	58,030	56,770	56,066	54,307	52,339	97,411	94,655
Obligations under capital leases	9,866	15,955	19,891	17,916	33,846	30,970	28,395	25,096	25,094	22,826
Total governmental activities	2,764,585	2,825,854	2,864,007	2,988,038	2,930,341	2,756,887	2,629,401	2,473,573	2,500,587	2,388,276
Business-type Activities										
General obligation bonds	118,540	117,310	115,805	113,055	105,060	108,975	101,680	90,720	83,025	73,370
Special obligation bonds	745,780	782,307	886,195	911,783	994,044	920,508	810,892	739,797	1,156,634	1,008,858
Premiums (discounts)	2,242	2,221	2,090	1,987	1,971	2,465	4,984	5,942	55,914	42,691
Total business-type activities	866,562	901,838	1,004,090	1,026,825	1,101,075	1,031,948	917,556	836,459	1,295,573	1,124,919
Total primary government	$ 3,631,147	$3,727,692	$3,868,097	$4,014,863	$ 4,031,416	$ 3,788,835	$3,546,957	$3,310,032	$3,796,160	$3,513,195
Debt as a Percentage of Personal Income	4.19%	4.03%	3.72%	3.79%	4.18%	3.82%	3.46%	3.05%	3.47%	3.04%
Amount of Debt per Capita	$ 1,504	$ 1,493	$ 1,508	$ 1,513	$ 1,501	$ 1,402	$ 1,305	$ 1,201	$ 1,360	$ 1,237

Notes: Details regarding the State's debt can be found in the notes to the financial statements.
See table 11 for personal income and population data.
Debt as a Percentage of Personal Income is based on prior year Personal Income.
Amount of Debt per Capita is based on prior year Population.

Table 8 - Ratios of General Bonded Debt Outstanding

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General obligation bonds	$ 2,075,758	$ 1,964,616	$ 1,909,725	$ 2,079,805	$ 2,067,615	$ 1,952,885	$ 1,870,455	$ 1,754,520	$ 1,703,840	$ 1,607,930
Premiums (discounts)	42,449	49,165	56,770	69,950	68,356	74,551	86,292	96,909	92,714	129,441
Subtotal	2,118,207	2,013,781	1,966,495	2,149,755	2,135,971	2,027,436	1,956,747	1,851,429	1,796,554	1,737,371
Certificates of participation	11,695	10,940	10,155	9,335	7,900	7,900	6,935	5,920	4,855	3,730
Premiums (discounts)	-	-	-	-	689	591	492	394	295	197
Subtotal	11,695	10,940	10,155	9,335	8,589	8,491	7,427	6,314	5,150	3,927
Business-type activities:										
General obligation bonds	118,540	117,310	115,805	113,055	105,060	108,975	101,680	90,720	83,025	73,370
Premiums (discounts)	2,242	2,221	2,090	1,987	1,822	2,338	4,870	5,853	5,091	4,209
Subtotal	120,782	119,531	117,895	115,042	106,882	111,313	106,550	96,573	88,116	77,579
Total general bonded debt	$ 2,250,684	$ 2,144,252	$ 2,094,545	$ 2,274,132	$ 2,251,442	$ 2,147,240	$ 2,070,724	$ 1,954,316	$ 1,889,820	$ 1,818,877
Actual Taxable Property Value	$ 245,075,283	$ 327,140,473	$ 383,571,013	$ 410,130,698	$ 341,886,423	$ 264,840,276	$ 246,391,220	$ 234,900,598	$ 239,048,328	$ 260,130,702
Percentage of Actual Taxable Value of Property (b)	0.92%	0.66%	0.55%	0.55%	0.66%	0.81%	0.84%	0.83%	0.79%	0.70%
Debt Per Capita (a) (b)	$ 932	$ 859	$ 817	$ 857	$ 839	$ 794	$ 762	$ 709	$ 677	$ 641

Note: Details regarding the State's outstanding debt can be found in the notes to the financial statements.
Only the general obligation certificates of participation subject to the debt limitation are included above.
(a) See Table 11 for population data.
(b) Revised for fiscal years 2006 through 2014 to exclude special obligation bonds.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 2,339,593	$ 2,756,849	$ 2,963,124	$ 2,482,138	$ 1,900,366	$ 1,756,111	$ 1,671,513	$ 1,701,164	$ 1,854,550	$ 2,028,293
Total debt applicable to limit	920,737	1,015,375	1,214,991	1,405,781	1,410,211	1,342,660	1,293,386	1,178,185	1,151,010	1,127,220
Legal debt margin	$ 1,418,856	$ 1,741,474	$ 1,748,133	$ 1,076,357	$ 490,155	$ 413,451	$ 378,127	$ 522,979	$ 703,540	$ 901,073
Legal debt margin as a percentage of the debt limit	60.65%	63.17%	59.00%	43.36%	25.79%	23.54%	22.62%	30.74%	37.94%	44.43%

Computation of Legal Debt Margin at June 30, 2015:

Assessed value of taxable property at June 30, 2015 (a)		$ 101,414,649
Debt limitation (2% of assessed value)		$ 2,028,293
General Obligation Bonds subject to limit	$ 1,123,490	
Certificates of participation	91,935	
Less obligations exempt from debt margin:		
Lease revenue certificates of participation	(88,205)	
Debt subject to debt limitation		(1,127,220)
Legal debt margin at June 30, 2015		$ 901,073

Note:

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.

Table 10 - Pledged Revenue Coverage

Last Ten Fiscal Years, (Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	$ 294,348	$ 297,142	$ 293,941	$ 269,479	$ 265,487	$ 264,699	$ 264,369	$ 266,564	$ 266,872	$ 274,838
Debt service										
Principal	$ 30,710	$ 41,125	$ 48,955	$ 51,420	$ 54,040	$ 56,795	$ 120,800	$ 191,330	$ 56,220	$ 41,310
Interest	23,739	30,106	32,727	37,157	33,876	31,136	28,450	25,011	22,422	24,345
Total	$ 54,449	$ 71,231	$ 81,682	$ 88,577	$ 87,916	$ 87,931	$ 149,250	$ 216,341	$ 78,642	$ 65,655
Coverage **(c)**	5.41	4.17	3.60	3.04	3.02	3.01	1.77	1.23	3.39	4.19
Unemployment Compensation Bonds										
Revenue - special bond contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,003	$ 191,548
Debt service										
Principal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 138,590
Interest	-	-	-	-	-	-	-	-	13,644	23,360
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,644	$ 161,950
Coverage **(c)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.25	1.18
Mortgage Revenue Bonds										
Revenue **(a)**	$ 435,332	$ 355,328	$ 129,286	$ 70,051	$ 42,123	$ 126,957	$ 109,194	$ 83,366	$ 100,729	$ 58,737
Expenses **(b)**	6,720	4,595	4,368	5,277	6,548	7,610	15,751	8,867	9,481	4,043
Net available revenues	$ 428,612	$ 350,733	$ 124,918	$ 64,774	$ 35,575	$ 119,347	$ 93,443	$ 74,499	$ 91,248	$ 54,694
Debt service										
Principal **(d)**	$ 136,186	$ 51,003	$ 37,897	$ 33,592	$ 67,079	$ 132,536	$ 157,962	$ 71,095	$ 151,432	$ 80,745
Interest	38,644	37,002	38,051	36,354	33,236	29,111	26,444	23,226	17,882	15,149
Total	$ 174,830	$ 88,005	$ 75,948	$ 69,946	$ 100,315	$ 161,647	$ 184,406	$ 94,321	$ 169,314	$ 95,894
Coverage **(c)**	2.45	3.99	1.64	0.93	0.36	0.74	0.51	0.79	0.54	0.57
Lease Revenue Certificates of Participation										
Revenue - lease rent (net)	$ 900	$ 2,088	$ 2,867	$ 1,614	$ 2,961	$ 3,045	$ 2,878	$ 2,972	$ 4,098	$ 2,996
Assets - held by the trustee **(e)**	4,926	4,712	4,948	4,779	4,837	4,643	4,709	4,558	46,902	12,442
Total	$ 5,826	$ 6,800	$ 7,815	$ 6,393	$ 7,798	$ 7,688	$ 7,587	$ 7,530	$ 51,000	$ 15,438
Debt service										
Principal	$ -	$ 230	$ 350	$ 470	$ 515	$ 605	$ 695	$ 800	$ 1,795	$ 1,395
Interest	2,021	2,150	2,256	2,245	2,229	2,212	2,188	2,163	3,418	4,128
Total	$ 2,021	$ 2,380	$ 2,606	$ 2,715	$ 2,744	$ 2,817	$ 2,883	$ 2,963	$ 5,213	$ 5,523
Coverage **(c)**	2.88	2.86	3.00	2.35	2.84	2.73	2.63	2.54	9.78	2.80

Notes: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.

(b) Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.

(c) Coverage equals net available revenues divided by total debt service.

(d) Principal paid on mortgage revenue bonds is updated for years 2010 and 2011. There is no change to coverage ratio.

(e) Assets - held by the trustee are the combination of additional lease rent, investment income, and bond proceeds.

Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population										
Nevada **(a)**	2,414,807	2,495,529	2,565,382	2,653,630	2,684,665	2,703,230	2,718,586	2,755,245	2,791,494	2,839,099
Percentage change	3.5%	3.3%	2.8%	3.4%	1.2%	0.7%	0.6%	1.3%	1.3%	1.7%
United States **(a)**	296,410,404	299,398,484	301,621,157	304,093,966	306,771,529	309,326,295	311,721,632	314,112,078	316,497,531	318,857,056
Percentage change	0.9%	1.0%	0.7%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%
Total Personal Income										
Nevada *(in millions)* **(a)**	$ 86,650	$ 92,557	$ 103,847	$ 105,824	$ 96,430	$ 99,092	$ 102,612	$ 108,657	$ 109,490	$ 115,672
Percentage change	9.9%	6.8%	12.2%	1.9%	-8.9%	2.8%	3.6%	5.9%	0.8%	5.6%
United States *(in millions)* **(a)**	$10,251,639	$10,860,917	$11,645,882	$12,451,660	$11,852,715	$12,417,659	$13,233,436	$13,904,485	$14,064,468	$14,683,147
Percentage change	5.6%	5.9%	7.2%	6.9%	-4.8%	4.8%	6.6%	5.1%	1.2%	4.4%
Per Capita Personal Income										
Nevada **(a)**	$ 35,883	$ 37,089	$ 40,480	$ 39,879	$ 35,919	$ 36,657	$ 37,745	$ 39,436	$ 39,223	$ 40,742
Percentage change	6.2%	3.4%	9.1%	-1.5%	-9.9%	2.1%	3.0%	4.5%	-0.5%	3.9%
United States **(a)**	$ 34,586	$ 36,276	$ 38,611	$ 40,947	$ 38,637	$ 40,144	$ 42,453	$ 44,266	$ 44,438	$ 46,049
Percentage change	4.6%	4.9%	6.4%	6.1%	-5.6%	3.9%	5.8%	4.3%	0.4%	3.6%
Labor Force and Employment										
Nevada Labor Force	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891	1,350,309	1,385,872	1,378,876	1,372,862	1,393,639
Unemployed	49,002	54,217	64,380	91,450	161,270	200,772	187,732	152,468	135,071	107,856
Unemployment Rate	4.0%	4.2%	4.8%	6.7%	11.8%	14.9%	13.5%	11.1%	9.8%	7.7%
United States Labor Force	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000	153,617,000	154,975,000	155,389,000	155,922,000
Unemployed	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000	13,747,000	12,506,000	11,460,000	9,617,000
Unemployment Rate	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation

Note: Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.
(a) Revised estimates for 2011 through 2013

Table 12 - Principal Employers

Current Year and Nine Years Ago

	Calendar Year 2005			Calendar Year 2014		
Employer:	**Employees**	**Rank**	**Percentage of Total State Employment**	**Employees**	**Rank**	**Percentage of Total State Employment**
Clark County School District	30,000 - 39,999	1	2.87%	30,000 - 39,999	1	2.51%
State of Nevada	20,000 - 29,999	2	2.05%	20,000 - 29,999	2	1.79%
Washoe County School District	8,000 - 8,499	6	0.68%	8,500 - 8,999	3	0.63%
Clark County	9,000 - 9,499	4	0.76%	8,500 - 8,999	4	0.63%
Wynn Las Vegas	9,000 - 9,499	5	0.76%	8,000 - 8,499	5	0.59%
Bellagio, LLC	9,500 - 9,999	3	0.80%	8,000 - 8,499	6	0.59%
MGM Grand Hotel/Casino	8,000 - 8,499	7	0.68%	8,000 - 8,499	7	0.59%
Aria Resort & Casino, LLC	-	-	-	7,500 - 7,999	8	0.56%
Mandalay Bay Resort & Casino	8,000 - 8,499	8	0.68%	7,000 - 7,499	9	0.52%
Caesar's Palace	4,500 - 4,999	10	0.39%	6,000 - 6,499	10	0.45%
Mirage Casino-Hotel	5,500 - 5,999	9	0.47%	-		-
Total	111,500 - 135,490		10.14%	111,500 - 135,490		8.86%

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Administration

Note: Percentage of total state employment is based on the midpoints in the ranges given.

Table 13 - School Enrollment

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public School Enrollment										
Primary (Pre-K - 6)	201,465	239,418	240,453	235,295	239,723	240,774	243,668	244,425	253,230	258,617
Secondary (7 - 12)	189,501	193,822	196,325	196,014	196,921	198,092	200,335	200,095	205,922	208,910
Total	390,966	433,240	436,778	431,309	436,644	438,866	444,003	444,520	459,152	467,527
Public Higher Education Enrollment										
University of Nevada, Reno	12,444	12,429	12,709	12,889	13,601	14,025	14,330	14,830	16,240	17,380
University of Nevada, Las Vegas	20,180	20,007	20,297	20,670	20,160	19,217	19,142	19,848	21,012	21,724
Nevada State College	1,310	1,418	1,340	1,622	1,867	1,963	2,045	2,061	2,218	2,248
College of Southern Nevada	18,320	19,501	20,906	21,751	22,286	20,231	19,536	18,904	19,141	18,445
Great Basin College	1,584	1,613	1,781	2,002	1,996	1,826	1,743	1,796	1,753	1,853
Truckee Meadows Community College	6,210	6,454	6,800	7,312	7,143	6,262	6,499	6,249	6,144	6,350
Western Nevada College	2,463	2,427	2,438	2,908	2,960	2,380	2,283	2,248	2,353	2,375
Total	62,511	63,849	66,271	69,154	70,013	65,904	65,578	65,936	68,861	70,375

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

Note: Public higher education enrollment represents full-time equivalent students at fall enrollment.

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

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General government	1,536	1,558	1,570	1,539	1,487	1,443	1,445	1,548	1,539	1,633
Health and social services	5,364	5,773	6,145	5,823	6,151	6,061	5,937	5,925	6,239	6,394
Education and support services	8,118	8,670	9,030	8,930	8,670	8,383	8,015	7,663	8,380	8,647
Law, justice and public safety	5,654	5,946	5,924	5,815	5,812	5,707	5,760	5,838	5,831	5,846
Regulation of business	1,331	1,412	1,390	1,363	1,374	1,309	1,284	1,289	1,363	1,338
Transportation	1,771	1,792	1,829	1,810	1,776	1,769	1,797	1,776	1,770	1,793
Recreation and resource development	1,479	1,403	1,186	1,172	1,172	1,142	1,134	1,145	1,181	1,169
Total	25,253	26,554	27,074	26,452	26,442	25,814	25,372	25,184	26,303	26,820

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

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Department of Taxation										
Number of sales and use tax audits	1,668	1,994	1,346	1,397	1,254	1,066	950	1,461	1,198	N/A
Public Employees Benefits Program										
Number of plan participants	35,049	38,936	42,049	44,232	43,943	42,830	40,615	40,176	40,635	41,449
Generic drug utilization **(b)**	59%	65%	65%	72%	72%	78%	78%	72%	82%	22%
Department of Administration										
Square feet of non-state owned space leased (major urban areas) **(i)**	1,377,525	1,547,467	1,547,467	1,393,872	1,393,872	1,466,102	1,408,617	1,511,207	1,526,579	1,606,012
Job applications processed	54,378	92,353	66,041	68,552	76,129	77,428	88,394	101,062	81,916	85,578
Nevada State Library and Archives										
Volumes (excludes documents and microfilm)	76,527	79,917	82,913	81,368	82,848	84,460	86,231	87,942	89,785	91,497
Government publications (U.S., Nevada and California)	798,013	813,142	827,697	833,705	849,112	851,855	854,727	862,764	864,898	869,670
Health and Social Services										
Health Care Financing & Policy										
Nevada Medicaid - average monthly eligibles	172,685	168,197	180,369	197,313	240,528	279,840	303,214	315,434	392,315	558,787
NV Check-Up Program - average monthly enrollment **(i)**	27,492	29,075	29,075	21,713	21,713	21,193	21,296	21,132	21,771	22,606
Health Division										
Women, Infants and Children Program participants (FFY)	602,100	602,784	711,018	793,166	870,398	887,796	896,465	884,946	874,462	860,468
Welfare Division										
Average monthly number of TANF recipients	19,880	17,706	21,022	22,556	29,084	30,854	29,331	28,837	32,239	31,928
Average monthly number of Mental Health clients	14,655	13,249	14,582	15,575	15,160	15,138	14,058	14,414	14,238	13,585
Average monthly number of Mental Health inpatients	198	246	265	253	225	211	209	221	277	301
Average monthly number of SNAP (Food Stamp) recipients	118,474	119,596	137,589	179,790	260,417	323,290	352,156	358,611	375,506	411,447
Average monthly number of Developmental Services clients	4,057	4,387	4,672	4,876	5,086	5,346	5,550	5,694	5,865	6,184
Percent of current child support owed that is collected (FFY) **(f)**	46%	48%	48%	48%	49%	51%	56%	58%	60%	N/A
TANF recipient children receiving child care	17,977	16,797	24,705	19,119	17,407	20,269	19,883	18,742	20,122	23,346
Non-TANF children receiving child care	104,463	112,452	113,426	84,517	69,541	83,399	67,955	43,215	39,309	44,725
Applications for energy assistance received	24,846	27,515	27,515	38,674	38,674	42,611	38,643	36,764	41,190	40,726
Households served with energy assistance	14,552	16,846	16,846	25,458	25,458	32,544	20,484	25,631	22,463	26,228
Education and Support Services										
Nevada Department of Education **(a)**										
Percent of occupational education students receiving a diploma	88%	N/A	93%	95%	88%	85%	75%	70%	85%	74%
Number of special education students receiving a high school diploma	503	458	437	703	560	747	725	677	745	799
Law, Justice and Public Safety										
The Supreme Court of Nevada										
Cases filed **(c)**	2,171	2,124	2,212	2,169	2,267	2,514	2,406	2,362	2,426	N/A
Cases disposed **(c)**	2,387	1,976	2,058	2,238	2,468	2,217	2,248	2,392	2,582	N/A
Number of opinions written **(c)**	121	61	103	63	57	87	71	104	99	N/A
Nevada Department of Corrections										
Total admissions **(e)**	6,292	6,016	N/A	5,781	5,801	5,971	5,818	5,666	5,749	5,937
Total releases **(e)**	5,162	5,308	N/A	6,120	6,056	6,098	5,678	5,614	5,672	5,750
In-house population at year-end **(e)**	12,816	12,967	12,853	12,742	12,591	12,458	12,564	12,665	12,824	12,999
Department of Public Safety, Highway Patrol Division										
Total number of DUI arrests **(g)**	4,264	5,093	4,720	4,676	3,981	3,846	3,286	3,177	2,977	3,156
Total number of safety inspections **(g)**	24,714	24,227	22,669	26,478	26,056	25,491	27,492	28,737	25,923	33,570
Department of Motor Vehicles										
Motor vehicle registrations	2,262,743	2,351,581	2,345,500	2,335,778	2,284,437	2,153,918	2,119,167	2,190,660	2,259,552	2,326,319

Regulation of Business										
Nevada Department of Agriculture										
Number of meals served in the Children & Adult Food Care Program **(i)**	4,256,701	3,093,889	3,093,889	4,330,289	4,330,289	4,063,461	4,592,266	4,724,529	4,800,386	4,527,435
Percent of K-12 students participating in the Nat'l School Lunch Program **(b) (j)**	41%	43%	43%	42%	42%	47%	52%	54%	54%	54%
Nevada Gaming Commission										
Licenses issued & active at fiscal year-end	2,924	2,961	2,933	2,882	2,827	2,875	2,859	2,933	2,981	2,961
Licensed devices at fiscal year-end:										
Games	6,232	6,133	6,135	6,019	5,985	5,948	5,887	5,676	5,731	5,818
Tables	1,098	1,102	1,001	1,063	1,132	1,070	1,016	902	848	871
Slots	207,569	202,362	198,080	194,180	190,135	190,217	184,150	179,776	176,073	174,548
Department of Business and Industry										
Units of affordable housing produced **(b) (i)**	236	403	403	792	792	773	592	727	1,117	848
Taxicab Authority notices of violation issued	3,290	3,129	4,066	4,292	3,474	3,453	3,128	4,419	3,306	3,672
Taxicab Authority vehicle inspections made	6,627	6,486	7,025	7,507	7,471	7,165	7,693	6,849	7,374	9,210
Number of worksite safety & health inspections	2,594	2,399	2,566	2,835	2,040	1,223	1,322	1,272	1,659	1,131
Number of boiler and elevator inspections	20,606	18,323	19,233	21,200	16,382	19,701	14,890	14,564	13,061	12,306
Insurance license and renewal applications processed **(b) (i)**	41,646	44,765	44,765	39,065	39,065	42,506	42,748	41,382	66,763	51,006
Transportation										
Nevada Department of Transportation										
Miles of highways - rural **(e)**	4,741	4,757	4,736	4,802	4,782	4,782	4,750	4,726	4,726	4,735
Miles of highways - urban **(e)**	658	665	662	618	618	618	633	654	667	662
Recreation and Resource Development										
Commission on Tourism										
Inquiries from advertising campaign **(d)**	162,592	301,223	417,269	363,677	196,058	199,471	222,197	162,117	31,998	23,542
Tourism web site visitors **(d)**	1,405,972	1,951,193	3,459,745	1,685,237	2,056,349	2,424,567	2,422,893	1,249,030	1,226,380	708,795
Commission on Economic Development										
Number of projects requesting Community Development Block Grants	57	42	37	21	46	28	42	35	40	36
Number of projects funded	27	27	26	20	38	24	31	27	24	20
Department of Conservation and Natural Resources										
Percent of human caused wildland fires in NDF's jurisdiction investigated	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of State Park users **(h)**	3,215,606	3,343,053	3,004,037	3,150,693	3,008,942	3,030,364	3,093,257	3,046,049	2,999,315	3,028,859

N/A = not available

Sources: Nevada Departments of Taxation, Administration, Health and Human Services, Education, Agriculture, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

Notes:

(a) See table 13 for public school enrollment.
(b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Base year figures have been used for odd numbered years in this table.
(c) Data based on calendar year.
(d) Revised figures provided by Commission on Tourism for 2006 and 2009.
(e) Data prior to 2009 was based on calendar year.
(f) Revised figures for 2007, 2008, 2010, 2011
(g) Revised figures for 2011, 2012
(h) 2006 through 2011 data based on calendar year. 2012 through 2015 data is fiscal year.
(i) Data from Executive Budget prior to 2011
(j) Data from Executive Budget prior to 2012

Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
State owned office space (square feet)	214,747	215,867	201,688	201,688	202,229	214,611	219,927	215,416	213,896	213,896
Vehicles (motor pool)	824	790	849	851	828	798	775	777	865	909
Health and Social Services										
State owned office space (square feet)	122,415	52,626	33,093	33,344	70,939	70,770	64,506	68,648	68,648	68,648
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	1	1	1	1	1	1	1	1	1	1
Youth correctional centers	3	3	3	3	2	2	2	2	3	3
Vehicles	241	240	225	232	219	193	183	167	155	147
Education and Support Services										
State owned office space (square feet)	28,200	28,200	28,200	27,949	28,031	28,200	28,200	28,200	28,200	28,200
Number of State museums	7	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
Law, Justice and Public Safety										
State owned office space (square feet)	550,648	540,125	596,564	596,564	646,446	646,223	645,775	645,322	645,322	645,322
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	21	21	19	20	20	20	19	19	19	19
Vehicles	1,091	1,067	1,172	1,217	1,199	1,161	1,191	1,118	1,128	1,088
Regulation of Business										
State owned office space (square feet)	107,547	107,547	107,547	107,547	106,027	102,038	102,478	102,245	103,765	103,765
Vehicles	279	285	292	293	323	263	253	242	259	249
Transportation										
State owned office space (square feet)	184,988	251,658	251,658	251,658	258,056	280,728	273,327	308,532	308,532	337,094
NDOT lane miles	13,087	13,131	13,137	13,055	13,055	13,055	13,368	13,613	13,622	13,628
NDOT bridges	1,025	1,045	1,092	1,092	1,092	1,109	1,116	1,101	1,154	1,164
NDOT vehicles	872	864	901	826	625	538	628	633	631	639
NDOT heavy equipment	1,875	1,900	1,913	1,886	2,033	2,058	1,943	1,931	1,918	1,926
NDOT maintenance stations (staffed)	41	51	48	45	45	42	42	42	44	44
Recreation and Resource Development										
State owned office space (square feet)	146,982	137,353	139,874	139,874	140,998	142,638	142,140	143,150	143,150	143,150
Number of State Parks	26	24	25	24	24	24	24	24	23	23
Acres of State Parks	132,800	132,800	132,117	145,750	145,750	145,750	145,745	145,760	146,225	146,225
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	116,888	118,993	118,993	120,254	121,086	119,212	119,212
Vehicles	998	803	811	854	919	805	797	790	826	850

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

Compliance Section

Cyclists explore Bloody Shins Trail
Winnemucca, NV

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated December 21, 2015. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund – Investment Trust Fund, and the Division of Museums and History Dedicated Trust Fund, as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Findings 2015-A and 2015-B that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Nevada's Response to Findings

The State of Nevada's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The State of Nevada's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
December 21, 2015

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015

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

Finding 2015-A

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting the gain/loss on refunding transactions is a key component of effective internal control over financial reporting.

A prior period adjustment of approximately $38,000,000 was required to correct the amortization of the gain/loss on the refunding of certain bonds. The State of Nevada amortized the gain/loss on refunding transactions over the shorter of the life of the old debt or the life of the new debt, as required. Because it was the State of Nevada's policy to refund debt on the first available call date, the State of Nevada calculated the life of the old debt as ending on the call date. However, during the year, the State of Nevada became aware of a recently issued Question and Answer that clarified that the life of the old debt should run through the original end date of the issue.

Effect: In prior years, net position in the government wide financial statements was understated by approximately $38,000,000 and amortization expense was overstated by a like amount.

Cause: The State of Nevada calculated the life of the old debt as ending on the call date of the issue, rather than on the end date of the original issue.

Recommendation: We recommend the State of Nevada enhance internal controls to ensure the correct end date is used when recording amortization of gain/loss on refunding transactions.

Views of Responsible Officials and planned corrective action: The State of Nevada Controller's office is in agreement that the internal controls need to be enhanced to ensure the correct end date is used for amortization of gain/loss on refunding transactions. This has already been implemented by the Controller's office, both with the identification and correction of the error, and with updating procedures to

calculate the life of the old debt by using the original end date of the issue.

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015

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

Finding 2015-B

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly capitalizing assets in the government-wide financial statements is a key component of effective internal control over financial reporting.

A journal entry was required to properly report a capital asset addition during the year. Land in the approximate amount of $10,000,000 was recorded as an asset in 2012 and inadvertently recorded again in 2015 as part of the completed project.

Effect: Capital assets were overstated before the adjustment.

Cause: The State of Nevada Controller's office did not have adequate review procedures over multi-year construction projects to identify that an asset had been previously recorded.

Recommendation: We recommend the State of Nevada enhance review procedures over multi-year construction projects to ensure all components in the project are capitalized only once.

Views of Responsible Officials and planned corrective action: The State of Nevada Controller's office is in agreement with the need for enhanced review procedures over multi-year construction projects. Therefore, additional procedures will be added to the review process in order to ensure that all components of multi-year construction projects are properly capitalized.