Basic Financial Section

Financial Section

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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)

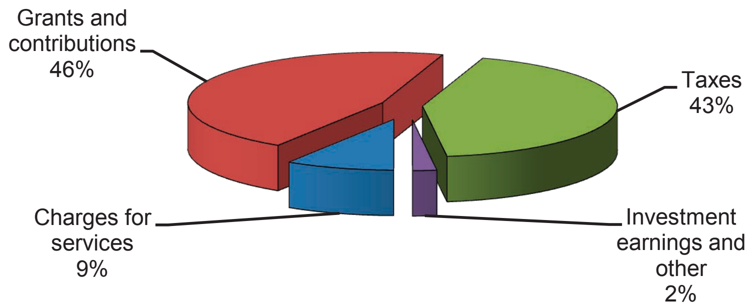
* The 2014 amounts presented here have not been restated for the implementation of GASB 68 for pensions or other adjustments.

Changes in Net Position:

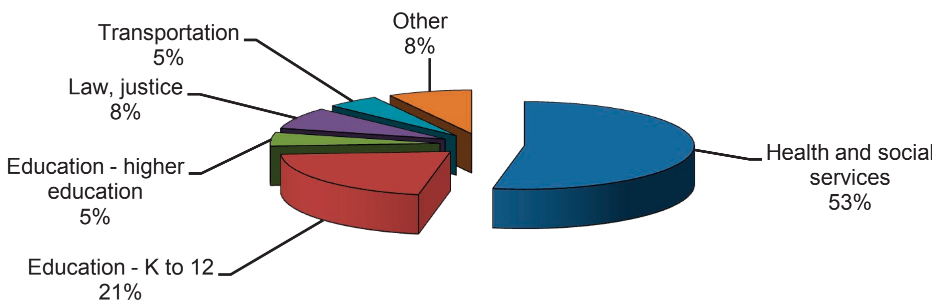
Total government-wide revenues increased by $1.2 billion during the current year. The increase in revenues is a result of several factors, including increases of $800.2 million in federal funding, $163.4 million in other taxes, $75.3 million in sales and use taxes and $70.7 million in other revenues. 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:

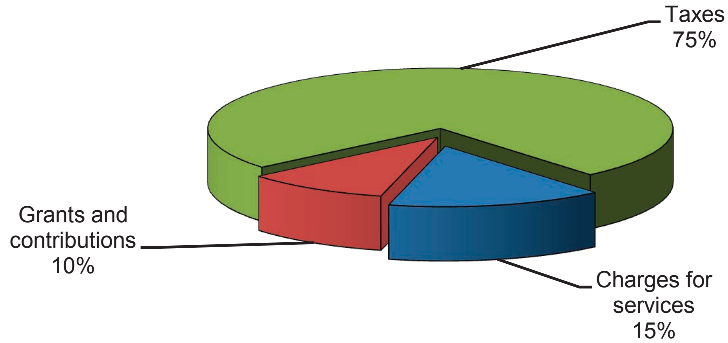
Revenues and Expenses by Function: Governmental Activities

(expressed in thousands)

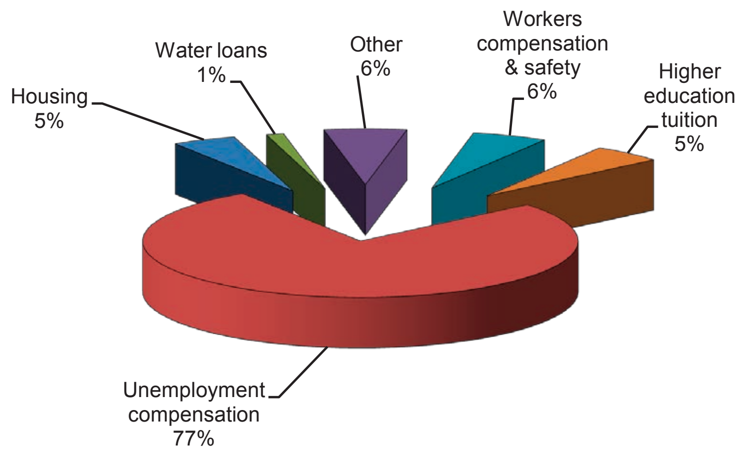
	Expenses	Revenues
General government	$ 280,465	$ 176,063
Health and social services	4,887,130	3,765,983
Education - K to 12	1,892,519	266,873
Education - higher education	490,407	-
Law, justice	695,023	341,215
Regulation	259,106	216,890
Transportation	462,386	323,124
Recreation	145,000	85,531
Total	$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

Burning Man
Photos: Dana Wilson

Statement of Net Position

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

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

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

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 fund	156,743	163,374,691	-	-	15,326	163,546,760	1,754,158
Principal paid on noncapital debt	(80,778,767)	(138,590,000)	(9,505,000)	-	-	(228,873,767)	-
Interest paid on noncapital debt	(15,493,765)	(24,784,691)	(2,745,396)	-	-	(43,023,852)	-
Transfers and advances to other funds	-	(2,420,047)	(1,181,533)	-	(12,659,151)	(16,260,731)	(278,632)
Payments to other governments and organizations	(4,223,700)	-	-	-	-	(4,223,700)	-
Net cash provided by (used for) noncapital financing activities	(24,054,164)	(2,420,047)	(13,431,929)	2,323,143	(7,772,474)	(45,355,471)	1,475,526
Cash flows from capital and related financing activities							
Proceeds from capital debt	-	-	-	-	1,020,000	1,020,000	-
Proceeds from sale of capital assets	-	-	-	-	-	-	130,607
Purchase of capital assets	-	-	-	-	(145,381)	(145,381)	(6,025,981)
Principal paid on capital debt	-	-	-	-	(1,190,670)	(1,190,670)	(1,480,332)
Interest paid on capital debt	-	-	-	-	(461,454)	(461,454)	(4,848)
Issue costs	-	-	-	-	(12,300)	(12,300)	-
Payments on construction projects	-	-	-	-	(365,639)	(365,639)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(1,155,444)	(1,155,444)	(7,380,554)
Cash flows from investing activities							
Proceeds from sale of investments	462,104,497	-	-	43,399,906	-	505,504,403	-
Receipts of principal on loans/notes	-	-	25,201,006	-	-	25,201,006	-
Purchase of investments	(478,464,428)	-	-	(57,693,595)	-	(536,158,023)	-
Purchase of loans and notes	-	-	(30,238,353)	-	-	(30,238,353)	-
Interest, dividends and gains (losses)	6,651,812	6,089,679	10,325,741	5,819,438	1,479,751	30,366,421	3,329,151
Net cash provided by (used for) investing activities	(9,708,119)	6,089,679	5,288,394	(8,474,251)	1,479,751	(5,324,546)	3,329,151
Net increase (decrease) in cash	(106,292)	176,858,002	19,409,439	(730,333)	(8,061,160)	187,369,656	(34,360,442)
Cash and cash equivalents, July 1	1,161,782	170,891,408	101,644,655	2,304,420	65,458,418	341,460,683	204,998,533
Cash and cash equivalents, June 30	$ 1,055,490	$ 347,749,410	$ 121,054,094	$ 1,574,087	$ 57,397,258	$ 528,830,339	$ 170,638,091

(Continued)

	Enterprise Funds						
	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.

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.

	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

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)

		Maturities in Years			
	Fair Value	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		
Advances To	**General**	**Nonmajor Governmental**	**Total**
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					
Due From	**General**	**State Highway**	**Municipal Bond Bank**	**Permanent School**	**Nonmajor Governmental**	**Total Governmental**
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					
Transfers In/From	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental	Total Governmental
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					
Transfers In/From	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
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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