PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 7, 2019

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

OFFICIAL STATEMENT

$196,600,000*
State of Nevada
General Obligation Bonds

$155,290,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and
Refunding Bonds
Series 2019A

$5,215,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2019B

$5,390,000*
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving
Fund Matching Bonds
Series 2019C

$5,235,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Matching Bonds
Series 2019D

$25,470,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Leveraged Bonds
Series 2019E

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* Preliminary, subject to change.

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PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 7, 2019

In the opinion of Sherman & Howard L.L.C., Bond Counsel for the 2019A Bonds, 2019B Bonds, 2019C Bonds, 2019D Bonds and 2019E Bonds, assuming continuous compliance with certain covenants described herein, interest on such Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of such Bonds (the "Tax Code"), and interest on such Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See "TAX MATTERS--Federal Tax Matters in Part I of this Official Statement."

NEW ISSUES — BOOK-ENTRY ONLY

RATINGS

Fitch (all series)	AA+
Moody's (all series)	Aa1
S&P (Series 2019A and B)	AA+
S&P (Series 2019C, D and E)	AAA

See "RATINGS"

$155,290,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and
Refunding Bonds
Series 2019A

$5,215,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2019B

$5,390,000*
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund
Matching Bonds
Series 2019C

$5,235,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Matching Bonds
Series 2019D

$25,470,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Leveraged Bonds
Series 2019E

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

Interest on the Bonds is payable as follows:

Series	Interest Payment Dates
2019A and 2019B	May 1 and November 1, commencing on May 1, 2020
2019C, 2019D and 2019E	February 1 and August 1, commencing February 1, 2020

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

The 2019A Bonds and 2019E Bonds or portions thereof will be subject to optional redemption prior to maturity as set forth herein. A bidder may request that the 2019A Bonds or the 2019E Bonds maturing on or after the dates set forth in the Official Notice of Bond Sale referred to below be included in one or more term bonds and be subject to mandatory sinking fund redemption, subject to the terms and conditions set forth under the heading "Mandatory Sinking Fund Redemption" in the "OFFICIAL NOTICE OF BOND SALE" referred to below. The 2019B Bonds, the 2019C Bonds, and the 2019D Bonds are not subject to optional redemption prior to maturity.

The Bonds are direct general obligations of the State of Nevada (the "State") to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "DESCRIPTION OF THE BONDS—Security for the Bonds" in Part I of this Official Statement. The 2019C Bonds, 2019D Bonds and 2019E Bonds are also secured by and payable from certain pledged revenues as described in the 2019C Bond Order, the 2019D Bond Order and 2019E Bond Order, respectively. See Part III of this Official Statement for a summary of pledged revenues securing the 2019C Bonds and Part IV of this Official Statement for a summary of pledged revenues securing the 2019D Bonds and 2019E Bonds.

The Bonds will be sold in a competitive sale on November 19, 2019. Prices and yields will be set by the successful bidder. The "OFFICIAL NOTICE OF BOND SALE" is included as Appendix E to Part I of this Official Statement.

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

The Bonds are offered, subject to prior sale, when, as and if issued by the State and accepted by each of the successful bidders, and subject to the approval of legality and certain other legal matters by Sherman & Howard L.L.C., Bond Counsel. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, as Disclosure Counsel to the State. The Bonds are expected to be available for book–entry delivery on or about December __, 2019.

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

Official Statement Dated: November __, 2019

____

*Preliminary, subject to change.

$155,290,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and
Refunding Bonds
Series 2019A

Base CUSIP†: _________

Maturity Date (May 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2020	$14,020,000			
2021	22,440,000			
2022	7,335,000			
2023	7,710,000			
2024	8,090,000			
2025	8,495,000			
2026	8,915,000			
2027	9,360,000			
2028	9,835,000			
2029	10,325,000			
2030	4,615,000			
2031	4,840,000			
2032	5,040,000			
2033	5,240,000			
2034	5,440,000			
2035	5,615,000			
2036	5,780,000			
2037	5,955,000			
2038	3,075,000			
2039	3,165,000			

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* Preliminary, subject to change.

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

$5,215,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2019B

Base CUSIP†: _________

Maturity Date (May 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2021	$5,215,000			

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* Preliminary, subject to change.

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$5,390,000*
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching Bonds
Series 2019C

Base CUSIP†: _________

Maturity Date (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2020	$1,075,000			
2021	1,080,000			
2022	1,075,000			
2023	1,080,000			
2024	1,080,000			

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$5,235,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Matching Bonds
Series 2019D

Base CUSIP†: _________

Maturity Date (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2021	$435,000			
2022	655,000			
2023	875,000			
2024	870,000			
2025	875,000			
2026	870,000			
2027	655,000			

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

$25,470,000*
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving
Fund Leveraged Bonds
Series 2019E

Base CUSIP†: _________

Maturity Date (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2021	$870,000			
2022	875,000			
2023	875,000			
2024	1,700,000			
2025	2,315,000			
2026	2,320,000			
2027	2,120,000			
2028	2,120,000			
2029	2,125,000			
2030	2,130,000			
2031	2,135,000			
2032	2,130,000			
2033	2,100,000			
2034	1,655,000			

* Preliminary, subject to change.

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

STATE OF NEVADA

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Kate Marshall, Lieutenant Governor
Barbara K. Cegavske, Secretary of State
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Aaron Ford, Attorney General

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

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

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

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Bonds. Any references to any website mentioned in this Official Statement are not hyperlinks and this Official Statement does not incorporate such websites by reference. The State, including various State agencies and departments, maintains various websites. However, the information presented on such websites is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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

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

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INTRODUCTION

PART I - INFORMATION CONCERNING THE BONDS BEING OFFERED

PART II – INFORMATION CONCERNING THE STATE OF NEVADA

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TABLES

* Annual financial information of the type set forth in the table is to be updated annually pursuant to the Disclosure Dissemination Agreement.

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SUMMARY

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

THE BONDS

Bonds Offered .... State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A (the "2019A Bonds")

State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B (the "2019B Bonds")

State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C (the "2019C Bonds")

State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds Series 2019D (the "2019D Bonds")

State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E (the "2019E Bonds")

Interest Payment Dates .... 2019A Bonds and 2019B Bonds

May 1 and November 1, commencing on May 1, 2020

2019C Bonds, 2019D Bonds and 2019E Bonds

February 1 and August 1, commencing February 1, 2020

Redemption Provisions .... *Optional Redemption*

2019A Bonds

The 2019A Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2030, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2029, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2019A Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2019B Bonds

The 2019B Bonds are not subject to optional redemption prior to their respective maturities at the option of the State.

2019C Bonds

The 2019C Bonds are not subject to optional redemption prior to their respective maturities at the option of the State.

2019D Bonds

The 2019D Bonds are not subject to optional redemption prior to their respective maturities at the option of the State.

2019E Bonds

The 2019E Bonds or portions thereof in Authorized Denominations, maturing on and after August 1, 2030, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after August 1, 2029, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2019E Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

2019A Bonds

The 2019A Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2019A Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (May 1)	Principal Amount
	$

2019B Bonds

The 2019B Bonds are not subject to mandatory sinking fund redemption.

2019C Bonds

The 2019C Bonds are not subject to mandatory sinking fund redemption.

2019D Bonds

The 2019D Bonds are not subject to mandatory sinking fund redemption.

2019E Bonds

The 2019E Bonds maturing on August 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2019E Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (August 1)	Principal Amount
	$

Extraordinary Mandatory Redemption

The 2019C Bonds, 2019D Bonds and 2019E Bonds are subject to extraordinary redemption in the event proceeds of the 2019C Bonds, the 2019D Bonds or the 2019E Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2019C Bonds, the 2019D Bonds and the 2019E Bonds be used to make loans to local governments within one year of the date of issuance of the Bonds and 95% of the net proceeds of the 2019C Bonds, 2019D Bonds and 2019E Bonds be used for that purpose within three years of the date of issue of the Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2019C Bonds, the 2019D Bonds and the 2019E Bonds, an amount equal to the shortfall will be used to redeem 2019C Bonds, the 2019D or 2019E Bonds, as applicable, in authorized denominations at a price equal to the principal of each Bond, or portion thereof, to be redeemed plus accrued interest to the redemption date. The redemption date will be a date not later than 90 days following the one-year or three-year period, as applicable, described above.

PURPOSE

Purpose .... The 2019A Bonds are being issued to finance various capital improvement projects, including (i) construction of the South Reno Department of Motor Vehicles Service Office (ii) construction of a New Engineering Building at the University of Nevada, Reno, (iii) refunding certain outstanding bonds, and (iv) paying costs of issuance of the 2019A Bonds.

The 2019B Bonds are being issued to finance costs of environmental improvement projects for the Lake Tahoe Basin, to provide grants for water conservation and capital improvements to certain water systems, and to pay costs of issuance of the 2019B Bonds.

The 2019C Bonds are being issued to provide state matching funds for the State's Safe Drinking Water Revolving Fund program and to pay costs of issuance of the 2019C Bonds.

The 2019D Bonds are being issued to provide state matching funds for the State's Water Pollution Control Revolving Fund program and to pay costs of issuance of the 2019D Bonds.

The 2019E Bonds are being issued to provide state leveraged funds for the State's Water Pollution Control Revolving Fund program and to pay costs of issuance of the 2019E Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation of the State ...... All of the Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes.

See "DESCRIPTION OF THE BONDS—Security for the Bonds" in Part I of this Official Statement for additional information regarding the general obligation of the State and Nevada constitutional and statutory limitations on ad valorem taxes.

Additional Source of Payment for the 2019C Bonds .... Although the 2019C Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such 2019C Bonds because those 2019C Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds. The 2019C Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Safe Drinking Water Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for drinking water system projects on a parity with certain other State general obligation bonds.

Additional Source of Payment for the 2019D Bonds .... Although the 2019D Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such 2019D Bonds because those 2019D Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds. The 2019D Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for wastewater treatment and pollution control projects on a parity with certain other State general obligation bonds.

Additional Source of Payment for the 2019E Bonds .... Although the 2019E Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such 2019E Bonds because those 2019E Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds. The 2019E Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments and principal payments on State loans to local governments for wastewater treatment and pollution control projects on a parity with certain other State general obligation bonds.

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OFFICIAL STATEMENT

OF THE STATE OF NEVADA

RELATING TO THE ISSUE AND SALE OF

$196,600,000*

GENERAL OBLIGATION BONDS

$155,290,000* State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds Series 2019A	$5,215,000* State of Nevada General Obligation (Limited Tax) Natural Resources Bonds Series 2019B	$5,390,000* State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds Series 2019C
$5,235,000* State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds Series 2019D	$25,470,000* State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds Series 2019E	

INTRODUCTION

General

This Official Statement of the State of Nevada (the "State"), including the cover pages, inside cover pages, schedules, appendices and attachments, is provided for the purpose of setting forth information in connection with the sale of the bonds listed above (by series referred to herein as the "2019A Bonds," "2019B Bonds," "2019C Bonds," "2019D Bonds," and "2019E Bonds," and collectively referred to as the "Bonds").

The Bonds will be sold in a competitive sale on November 19, 2019, and will mature on the dates and in the principal amounts, and bear interest at the rates, set forth in the pages immediately following the cover page of this Official Statement.

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

Part I – Information Concerning the Bonds Being Offered

Part I sets forth information concerning the Bonds, including the payment and redemption provisions, the basis of their authorization and their purposes, the security for the Bonds, a description of the events of default, remedies, amendments and discharge provisions applicable to the Bonds, the federal income tax treatment of the interest on the Bonds, and certain other matters.

Part II – Information Concerning the State of Nevada

Part II sets forth certain information relating to the State, including constitutional and statutory authorizations of general obligation debt and applicable debt limitations, information related to general obligation bonds currently issued and outstanding, as well as general obligation bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information. Part II also includes as appendices (i) the Comprehensive Annual Financial Report of the

* Preliminary, subject to change.

State for FY 2018 (excluding the Introductory Section and Statistical Section), (ii) History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2014, 2015, 2016, 2017 and 2018, and (iii) the Economic Forum Forecast of general fund revenues for the 2019-2021 biennium as of May 1, 2019 (as adjusted for legislatively approved changes enacted during the 2019 Regular Session of the State Legislature). The State's fiscal year (referred to herein as "FY") is the 12-month period ending on June 30.

Part III – Information Concerning Additional Security for the 2019C Bonds Only

Part III sets forth certain information relating to the State's Safe Drinking Water Revolving Fund program and additional security that relates to the 2019C Bonds only.

Part IV – Information Concerning Additional Security for the 2019D Bonds and the 2019E Bonds Only

Part IV sets forth certain information relating to the State's Water Pollution Control Revolving Fund program and additional security that relates to the 2019D Bonds and the 2019E Bonds only.

Tax Status

In the opinion of Sherman & Howard L.L.C., Bond Counsel for the Bonds, assuming continuous compliance with certain covenants described herein, interest on such Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of such Bonds (the "Tax Code"), and interest on such Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. See "TAX MATTERS--Federal Tax Matters in Part I of this Official Statement." The Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of the NRS. See "TAX MATTERS--State Tax Exemption in Part I of this Official Statement."

Miscellaneous

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

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

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

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

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PART I

INFORMATION CONCERNING THE BONDS BEING OFFERED

DESCRIPTION OF THE BONDS

General

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

Interest

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

Redemption of Bonds

Optional Redemptions

The 2019B Bonds, the 2019C Bonds, and the 2019D Bonds are not subject to optional redemption prior to their respective maturities at the option of the State. The 2019A Bonds and the 2019E Bonds are subject to optional redemption as follows:

Optional Redemption of 2019A Bonds. The 2019A Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2030, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2029, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2019A Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption of 2019E Bonds. The 2019E Bonds or portions thereof in Authorized Denominations, maturing on and after August 1, 2030, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after August 1, 2029, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such 2019E Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemptions

The 2019B Bonds, the 2019C Bonds, and the 2019D Bonds are not subject to mandatory sinking fund redemption. The 2019A Bonds and the 2019E Bonds are subject to mandatory sinking fund redemption as follows:

Mandatory Sinking Fund Redemption of 2019A Bonds. The 2019A Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2019A Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (May 1)	Principal Amount
	$

At the option of the State Treasurer, the State may: (i) deliver to the Registrar for cancellation the 2019A Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State Treasurer; or (ii) specify a principal amount of such 2019A Bonds, or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each such 2019A Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the State on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the State Treasurer determines.

Mandatory Sinking Fund Redemption of 2019E Bonds. The 2019E Bonds maturing on August 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such 2019E Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (August 1)	Principal Amount
	$

At the option of the State Board of Finance (the "Board of Finance"), the Board of Finance may: (i) deliver to the Registrar for cancellation the 2019E Bonds, or portions thereof in $5,000 or any integral multiple thereof, in an aggregate amount desired by the Board of Finance; or (ii) specify a principal amount of such 2019E Bonds, or portions thereof in $5,000 or any integral multiple thereof, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each such 2019E Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Board of Finance on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the Board of Finance determines.

Extraordinary Mandatory Redemption

The 2019C Bonds, 2019D Bonds and 2019E Bonds are subject to extraordinary redemption in the event proceeds of the 2019C Bonds, the 2019D Bonds or the 2019E Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2019C Bonds, the 2019D Bonds and the 2019E Bonds be used to make loans to local governments within one year of the date of issuance of the Bonds and 95% of the net proceeds of the 2019C Bonds, 2019D Bonds and 2019E Bonds be used for that purpose within three years of the date of issue of the Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2019C Bonds, the 2019D Bonds and the 2019E Bonds, an amount equal to the shortfall will be used to redeem 2019C Bonds, the 2019D or 2019E Bonds, as applicable, in authorized denominations at a price equal to the principal of each Bond, or portion thereof, to be redeemed plus accrued interest to the redemption date. The redemption date will be a date not later than 90 days following the one-year or three-year period, as applicable, described above.

Notice of Redemption

Notice of redemption of any Bonds will be given by the Registrar by electronic mail as long as Cede & Co. or a nominee or a successor depository is the owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 20 days but not more than 60 days prior to the redemption date, to the registered owner of the Bonds called for redemption (which will be Cede & Co., as nominee of DTC) and electronically to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System ("MSRB"), and as otherwise provided in the Bond Resolutions (defined below). The notice will identify the Bonds or portions thereof to be redeemed, specify the redemption date and any conditions related to such redemption, if any, and state that on the redemption date the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the principal office of the Paying Agent or such other office as may be designated by the Paying Agent, and that after the redemption date, no further interest will accrue on the principal of any Bonds called for redemption. Actual receipt of the notice by the MSRB or the registered owner of the Bonds shall not be a condition precedent to the redemption of such Bonds. Failure to give such notice as described above to the MSRB or the registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds called for redemption. Any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was given.

Authorization and Purposes of Bonds

2019A Bonds. The 2019A Bonds are being issued to finance various capital improvement projects, including (i) construction of the South Reno Department of Motor Vehicles Service Office, (ii) construction of a New Engineering Building at the University of Nevada, Reno, (iii) refunding certain outstanding bonds, and (iv) paying costs of issuance of the 2019A Bonds. The 2019A Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 606, Statutes of Nevada, 2017, as amended (the "2017 Capital Improvement Project Act"), Chapter 542, Statutes of Nevada, 2019 (the "2019 Capital Improvement Project Act"), NRS 349.150 through and including 349.364, as amended (the "Bond Act"), and Chapter 348, Nevada Revised Statutes (together with all laws amendatory thereof, the "Supplemental Bond Act"), and a resolution adopted by the Board of Finance of the Board of Finance on October 8, 2019 (the "2019A Bond Resolution"). A copy of the 2019A Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2019B Bonds. The 2019B Bonds are being issued to finance costs of environmental improvement projects for the Lake Tahoe Basin, to provide grants for water conservation and capital improvements to certain water systems, and to pay costs of issuance of the 2019B Bonds. The 2019B Bonds are being issued pursuant to the Constitution and laws of the State, including the 2019 Capital Improvement Project Act, Chapter 437, Statutes of Nevada 2011, NRS 349.986, the Bond Act and the Supplemental Bond Act, and a resolution adopted by the Board of Finance on October 8, 2019 (the "2019B Bond Resolution"). A copy of the 2019B Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2019C Bonds. The 2019C Bonds are being issued to provide state matching funds for the State's Safe Drinking Water Revolving Fund program. Proceeds of the 2019C Bonds will be applied by the State to make loans to local governments for public drinking water system projects and to pay costs of issuance of the 2019C Bonds. The 2019C Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 445A.200 through 445A.295, the Bond Act and the Supplemental Bond Act, and an authorizing resolution adopted by the Board of Finance on October 8, 2019 and an order of the State Treasurer expected to be adopted on November 19, 2019 (collectively, the "2019C Bond Order"). A copy of the 2019C Bond Order is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2019D Bonds. The 2019D Bonds are being issued to provide state matching funds for the State's Water Pollution Control Revolving Fund program. Proceeds of the 2019D Bonds will be applied by the State to make loans to local governments for wastewater treatment and pollution control projects and to pay costs of issuance of the 2019D Bonds. The 2019D Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 445A.060 through 445A.160, the Bond Act and the Supplemental Bond Act, and an authorizing resolution adopted by the Board of Finance on October 8, 2019 and an order of the State Treasurer expected to be adopted on November 19, 2019 (collectively, the "2019D Bond Order"). A copy of the 2019D Bond Order is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2019E Bonds. The 2019E Bonds are being issued to provide state leveraged funds for the State's Water Pollution Control Revolving Fund program. Proceeds of the 2019E Bonds will be applied by the State to make loans to local governments for wastewater treatment and pollution control projects and to pay costs of issuance of the 2019E Bonds. The 2019E Bonds are being issued pursuant to the Constitution and laws of the State, including NRS 445A.060 through 445A.160, the Bond Act and the Supplemental Bond Act, and an authorizing resolution adopted by the Board of Finance on October 8, 2019 and an order of the State Treasurer expected to be adopted on November 19, 2019 (collectively, the "2019E Bond Order"). A copy of the 2019E Bond Order is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

The 2019A Bond Resolution, 2019B Bond Resolution, 2019C Bond Order, 2019D Bond Order, and 2019E Bond Order are collectively referred to in this Official Statement as the "Bond Resolutions."

Plan of Refunding

A portion of the proceeds of the sale of the 2019A Bonds and other lawfully available moneys will be used to refund the selected maturities of outstanding State general obligations bonds described in Schedule I to Part I of this Official Statement on the date of delivery of the Bonds.

The tables in Schedule I to Part I of this Official Statement describe the maturity dates, outstanding aggregate par amounts, coupons, CUSIP numbers, maturity or redemption dates and redemption prices of the State general obligation bonds all or a portion of which will be refunded (those bonds determined to be refunded are collectively referred to as the "Refunded Bonds"). The Refunded Bonds will be paid on the date of delivery of the Bonds and at the redemption prices shown in the tables in Schedule I to Part I.

Sources and Uses of Proceeds of the Bonds

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

SOURCES	2019A Bonds	2019B Bonds	2019C Bonds	2019D Bonds	2019E Bonds
Principal Amount of Bonds	$	$	$	$	$
Net Original Issue Premium					
Debt Service Fund Contribution					
TOTAL SOURCES	**$**	**$**	**$**	**$**	**$**
USES					
New Money Projects					
Refunding Escrow					
Costs of Issuance(1)					
TOTAL USES	**$**	**$**	**$**	**$**	**$**

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

Security for the Bonds

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

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

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

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

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

Primary Source of Payment for the 2019C Bonds, 2019D Bonds and 2019E Bonds

Although the 2019C Bonds, the 2019D Bonds and 2019E Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged, the State does not expect to levy ad valorem taxes to pay such Bonds because those Bonds are payable primarily from and secured by other revenues and are categorized as self-supporting bonds.

The 2019C Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Safe Drinking Water Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for drinking water system projects on a parity with certain other State general obligation bonds. Part III of this Official Statement includes certain information relating to the Safe Drinking Water Revolving Fund program, the 2019C Bonds and the primary security for the 2019C Bonds. For a summary of the State's Safe Drinking Water Revolving Fund program, see also "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—*Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting—Safe Drinking Water Revolving Fund*" in Part II of this Official Statement.

The 2019D Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments (and not principal payments) on State loans to local governments for wastewater treatment and pollution control projects on a parity with certain other State general obligation bonds. Part IV of this Official Statement includes certain information relating to the Water Pollution Control Revolving Fund program, the 2019D Bonds and the primary security for the 2019D Bonds. For a summary of the State's Water Pollution Control Revolving Fund program, see also "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—*Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting—Water Pollution Control Revolving Fund*" in Part II of this Official Statement.

The 2019E Bonds are payable primarily from and secured by a nonexclusive lien on available amounts on deposit in the Water Pollution Control Revolving Fund consisting of amounts received from local governments as interest payments and principal payments on State loans to local governments for wastewater treatment and pollution control projects on a parity with certain other State general obligation bonds. Part IV of this Official Statement includes certain information relating to the Water Pollution Control Revolving Fund program, the 2019E

Bonds and the primary security for the 2019E Bonds. For a summary of the State's Water Pollution Control Revolving Fund program, see also "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—*Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting—Water Pollution Control Revolving Fund*" in Part II of this Official Statement.

Although available amounts on deposit in the Safe Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund have been sufficient to pay debt service on the State general obligation bonds the respective funds have secured in the past, the State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board of Finance authorizing bonds for the programs to limit the principal amounts of bonds issued for the programs, to maintain specified levels of debt service coverage for bonds, to prohibit the creation of liens senior to those securing the 2019C Bonds, the 2019D Bonds or 2019E Bonds, to maintain a specified portfolio of borrowers to whom program loans are made, or to otherwise maintain the credit quality of the revenues pledged as security for the 2019C Bonds, the 2019D Bonds or 2019E Bonds. Investors should rely on the State's general obligation pledge in making investment decisions relating to the 2019C Bonds, the 2019D Bonds and 2019E Bonds.

Summary of Certain Provisions of the Bond Resolutions

The Bond Resolutions include provisions defining certain rights and remedies of the holders of the Bonds and of the State. These include provisions relating to events of default, bondholder rights and remedies upon default, rights of the State to amend or supplement the Bond Resolutions, rights of bondholders to consent to such amendments or supplements, and defeasance of the Bonds, among other things. These provisions are not the same for all series of Bonds. For a summary of these provisions, and the particular series of Bonds to which the respective provisions apply, see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS" in Appendix D of Part I of this Official Statement.

Continuing Disclosure Undertakings

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

In connection with other bonds issued by the State, the State has entered into similar continuous disclosure undertakings pursuant to which the State agrees to provide and file annual financial information and notices of specified material events with respect to the applicable bonds. In addition, in connection with various current and advance refundings, the State has designated the applicable paying agent for the bonds to be defeased or redeemed as its representative for purposes of filing notices of defeasance or redemption with the MSRB.

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

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

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

LEGAL MATTERS

The validity of the Bonds is to be approved by Sherman & Howard L.L.C. as Bond Counsel. The approving opinions will be delivered to the State concurrently with the delivery of the Bonds. A copy of the proposed text of the approving opinions of Bond Counsel is set forth in Appendix A to Part I of this Official Statement. Hawkins Delafield & Wood LLP is serving as Disclosure Counsel to the State with respect to the Bonds. Bond Counsel and Disclosure Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION RELATING TO THE BONDS

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

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel ("Bond Counsel") with respect to the Bonds, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The State will covenant and represent in the Bond Resolutions that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income as defined in Section 55(bb)(2) of the Tax Code. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

With respect to Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on May 1 and November 1 for the 2019A Bonds and the 2019B Bonds, and February 1 and August 1 for the 2019C Bonds, the 2019D Bonds and the 2019E Bonds, with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

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

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

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

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

State Tax Exemption

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

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of the State for FY 2018, excluding the Introductory Section and Statistical Section, is included as Appendix A to Part II of this Official Statement. Eide Bailly LLP, certified public accountants and independent auditors for the State, has consented to the inclusion of such Comprehensive Annual Financial Report in this Official Statement. The State's History of General Fund Revenues, Expenditures and Changes in Fund Balances for the five fiscal years ended June 30, 2018, is included as Appendix B to Part II of this Official Statement.

RATINGS

Fitch Ratings, Inc., doing business as Fitch Ratings ("Fitch") and Moody's Investors Service, Inc. ("Moody's") have assigned ratings of "AA+" and "Aa1" respectively, to each series of the Bonds. S&P Global Ratings ("S&P") has assigned a rating of "AA+" to the 2019A Bonds and 2019B Bonds, and a rating of "AAA" to the 2019C Bonds, 2019D Bonds and 2019E Bonds. An explanation of the significance of these ratings may be obtained from Fitch at 33 Whitehall Street, New York, New York 10004, from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from S&P at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of the rating agencies.

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

UNDERWRITING

The 2019A Bonds were sold in a competitive sale on November 19, 2019. The successful bidder for the 2019A Bonds was ______________. The aggregate purchase price of the 2019A Bonds is $_____________, being the par amount of the 2019A Bonds plus a net reoffering premium of $_____________ and less an underwriter's discount of $______________.

The 2019B Bonds were sold in a competitive sale on November 19, 2019. The successful bidder for the 2019B Bonds was ______________. The aggregate purchase price of the 2019B Bonds is $_____________, being the par amount of the 2019B Bonds plus a net reoffering premium of $_____________ and less an underwriter's discount of $______________.

The 2019C Bonds were sold in a competitive sale on November 19, 2019. The successful bidder for the 2019C Bonds was ______________. The aggregate purchase price of the 2019C Bonds is $_____________, being the par amount of the 2019C Bonds plus a net reoffering premium of $_____________ and less an underwriter's discount of $______________.

The 2019D Bonds were sold in a competitive sale on November 19, 2019. The successful bidder for the 2019D Bonds was ______________. The aggregate purchase price of the 2019D Bonds is $_____________, being the par amount of the 2019D Bonds plus a net reoffering premium of $_____________ and less an underwriter's discount of $______________.

The 2019E Bonds were sold in a competitive sale on November 19, 2019. The successful bidder for the 2019E Bonds was ______________. The aggregate purchase price of the 2019E Bonds is $_____________, being the par amount of the 2019E Bonds plus a net reoffering premium of $_____________ and less an underwriter's discount of $______________.

MUNICIPAL ADVISORS

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

AUTHORIZATION

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

STATE OF NEVADA

____
State Treasurer

PART I

SCHEDULE I

MATURITY SCHEDULES OF REFUNDED BONDS*

2019A Bonds. A portion of the proceeds of the 2019A Bonds will be used to current refund all or a portion of the following bonds:

Series 2009A Bonds*

Maturity ([_________])	Outstanding Aggregate Par Amount	Coupon	CUSIP† No. ([______])	Redemption Date	Redemption Price

Series 2009B Bonds*

Maturity ([_________])	Outstanding Aggregate Par Amount	Coupon	CUSIP† No. ([______])	Redemption Date	Redemption Price

* Preliminary, subject to change.

PART I

APPENDIX A

FORMS OF APPROVING OPINIONS OF BOND COUNSEL

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[closing date]

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

$_________
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Refunding Bonds
Series 2019A

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A, in the aggregate principal amount of $______ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on October 8, 2019 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

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

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

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

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

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

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

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

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

The obligations of the State pursuant to the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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

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

Respectfully submitted,

[closing date]

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

$_______
State of Nevada
General Obligation (Limited Tax)
Natural Resources Bonds
Series 2019B

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B, in the aggregate principal amount of $_______ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on October 8, 2019 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

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

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

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

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

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

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

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

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

The obligations of the State pursuant to the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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

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

Respectfully submitted,

[closing date]

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

$_______
State of Nevada
General Obligation (Limited Tax)
Safe Drinking Water Revolving Fund Matching Bonds
Series 2019C

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C, in the aggregate principal amount of $_______ (the "Bonds"), pursuant to the order of the State Treasurer adopted on November 19, 2019, and an authorizing resolution adopted by the Board of Finance of the State on October 8, 2019 (collectively, the "Bond Order"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Order.

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

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

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

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

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

4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with the lien thereon of any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are not available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the

Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

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

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

The obligations of the State pursuant to the Bonds and the Bond Order may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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

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

Respectfully submitted,

[closing date]

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

$_______
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Matching Bonds
Series 2019D

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D, in the aggregate principal amount of $_________ (the "Bonds"), pursuant to the order of the State Treasurer adopted on November 19, 2019, and an authorizing resolution adopted by the State Board of Finance on October 8, 2019 (collectively, the "Bond Order"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Order.

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

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

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

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

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

4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with the lien thereon of any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are not available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and

representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

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

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

The obligations of the State pursuant to the Bonds and the Bond Order may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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

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

Respectfully submitted,

[closing date]

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

$________
State of Nevada
General Obligation (Limited Tax)
Water Pollution Control Revolving Fund Leveraged Bonds
Series 2019E

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E, in the aggregate principal amount of $_______ (the "Bonds"), pursuant to the order of the State Treasurer adopted on November 19, 2019, and an authorizing resolution adopted by the State Board of Finance on October 8, 2019 (collectively, the "Bond Order"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Order.

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

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

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

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

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

4. The Bonds are additionally secured by and payable from the moneys available therefor in the Revolving Fund. The Bond Order creates a valid lien on the moneys available in the Revolving Fund pledged therein for the security of the Bonds on a parity with the lien thereon of any parity securities outstanding or hereafter issued, and subordinate to any superior securities outstanding or hereafter issued which have a lien on the moneys available in the Revolving Fund superior to the lien thereon securing the Bonds. Moneys in the Revolving Fund received from local governments as repayment of loan principal are available as security for the Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the moneys available in the Revolving Fund pledged for the security of the Bonds by the Bond Order.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and

representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

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

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

The obligations of the State pursuant to the Bonds and the Bond Order may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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

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

Respectfully submitted,

PART I

APPENDIX B

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of ______________ ___, 2019, is executed and delivered by the State of Nevada (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

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

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

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

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

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

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

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

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

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

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

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

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Dissemination Agreement is defined in the Rule, as may be amended, as a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

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

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

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

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

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

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

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

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2019. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

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

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 3:00 p.m. Pacific time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Bonds), without reference to the anticipated filing date for the Annual Report.

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

(e) The Disclosure Dissemination Agent shall:

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

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

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

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

1. "Principal and interest payment delinquencies;"

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

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

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

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

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

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

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

9. "Defeasances;"

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

11. "Rating changes;"

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

13. “Merger, consolidation, or acquisition of an Obligated Person, if material;”

14. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

15. “Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material;” and

16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.”

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

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

1. “amendment to continuing disclosure undertaking;”

2. “change in Obligated Person;”

3. “notice to investors pursuant to bond documents;”

4. “certain communications from the Internal Revenue Service;”

5. “secondary market purchases;”

6. “bid for auction rate or other securities;”

7. “capital or other financing plan;”

8. “litigation/enforcement action;”

9. “change of tender agent, remarketing agent, or other on-going party;” and

10. “other event-based disclosures.”

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

1. "quarterly/monthly financial information;"

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

3. "change in accounting standard;"

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

5. "budget;"

6. "investment/debt/financial policy;"

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

8. "consultant reports;" and

9. "other financial/operating data."

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

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

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

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

SECTION 3. Content of Annual Reports.

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

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

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

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

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

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

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

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

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

15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

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

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

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer (or by the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. The Disclosure Dissemination Agent shall promptly deliver to the Disclosure Representative (and Paying Agent with respect to notices filed at the Paying Agent's direction pursuant to Section 2(h)) evidence of confirmation of such filing with the MSRB.

SECTION 5. CUSIP Numbers.

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

(b) The Issuer shall provide timely notification to the Disclosure Dissemination Agent of any new CUSIP numbers in the event new CUSIP numbers are assigned to all or a portion of the Bonds.

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

SECTION 7. Voluntary Filings.

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

Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Signature page follows]

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

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

By: ____

Name: ______________________________________

Title: _______________________________________

STATE OF NEVADA
as Issuer

By: ____
Name: Zachary B. Conine
Title: State Treasurer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

$[_____]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT AND
REFUNDING BONDS
SERIES 2019A

Base CUSIP: [____]

Maturity Date (May 1)	Principal Amount	Interest Rate	CUSIP Suffix

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$[_____]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
NATURAL RESOURCES BONDS
SERIES 2019B

Base CUSIP: [____]

Maturity Date (May 1)	Principal Amount	Interest Rate	CUSIP Suffix

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$[_____]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
SAFE DRINKING WATER REVOLVING FUND MATCHING BONDS
SERIES 2019C

Base CUSIP: [____]

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Suffix

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$[_____]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER POLLUTION CONTROL REVOLVING
FUND MATCHING BONDS
SERIES 2019D

Base CUSIP: [____]

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Suffix

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$[_____]
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER POLLUTION CONTROL REVOLVING
FUND LEVERAGED BONDS
SERIES 2019E

Base CUSIP: [____]

Maturity Date (August 1)	**Principal Amount**	**Interest Rate**	**CUSIP Suffix**

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<u>EXHIBIT B</u>
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	**State of Nevada**
Name of Bond Issue:	**General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A** **State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B** **State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C** **State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds Series 2019D** **State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E**
Date of Issuance:	**_____________ ___, 2019**

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

Dated: ________________________________

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

cc: Issuer
Obligated Person

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PART I

APPENDIX C

BOOK-ENTRY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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PART I

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS

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

Events of Default Remedies

2019A Bonds and 2019B Bonds

The 2019A Bond Resolution and 2019B Bond Resolution do not contain any events of default. State law authorizes holders of their 2019A Bonds and 2019B Bonds to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

2019C Bonds

The 2019C Bond Order contains the following events of default because the 2019C Bonds are primarily secured by revenues other than property taxes: (1) payment of the principal of any of the 2019C Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or otherwise; (2) payment of any installment of interest on the 2019C Bonds is not made when the same becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under the 2019C Bond Order; (4) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the 2019C Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (5) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2019C Bonds or in 2019C Bond Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the 2019C Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, as provided in the 2019C Bond Order, then and in every case the owner or owners of not less than 10% in principal amount of the 2019C Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of 2019C Bonds under the 2019C Bond Order by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or in an award of execution of any power therein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any 2019C Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the 2019C Bonds and any parity securities then Outstanding.

2019D Bonds

The 2019D Bond Order contains the following events of default because the 2019D Bonds are primarily secured by revenues other than property taxes: (1) payment of the principal of any of the 2019D Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or otherwise; (2) payment of any installment of interest on the 2019D Bonds is not made when the same becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under the

2019D Bond Order ; (4) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the 2019D Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (5) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2019D Bonds or in the 2019D Bond Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the 2019D Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, as provided in the 2019D Bond Order, then and in every case the owner or owners of not less than 10% in principal amount of the 2019D Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of 2019D Bonds under the 2019D Bond Order by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or in an award of execution of any power therein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any 2019D Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the 2019D Bonds and any parity securities then Outstanding.

2019E Bonds

The 2019E Bond Order contains the following events of default because the 2019E Bonds are primarily secured by revenues other than property taxes: (1) payment of the principal of any of the 2019E Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity or otherwise; (2) payment of any installment of interest on the 2019E Bonds is not made when the same becomes due and payable; (3) the State for any reason is rendered incapable of fulfilling its obligations under the 2019E Bond Order ; (4) an order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the State appointing a receiver or receivers for moneys in the Revolving Fund securing the payment of the 2019 E Bonds, or if an order or decree having been entered without the consent or acquiescence of the State is not vacated or discharged or stayed on appeal within 60 days after entry; and (5) the State makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the 2019E Bonds or in the 2019E Bond Order on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the State by the owners of 10% in principal of the 2019E Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, as provided in the 2019E Bond Order, then and in every case the owner or owners of not less than 10% in principal amount of the 2019E Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the State and its agents, officers and employees to protect and to enforce the rights of any owner of 2019E Bonds under the 2019E Bond Order by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained therein or in an award of execution of any power therein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any 2019E Bond, or to require the State to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the 2019E Bonds and any parity securities then Outstanding.

Supplemental Bond Resolutions (references to a percent of Bonds refers to a Percent of Bonds of the particular Series being considered)

2019A Bonds and 2019B Bonds

The Board of Finance may, from time to time, modify, amend, supplement or alter the 2019A Bond Resolution or 2019B Bond Resolution without the consent of, or notice to any of the Owners of the applicable series of Bonds for any one or more of the following purposes: (1) to add to the agreements of the Board of Finance or the State contained in the Bond Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power therein reserved to or conferred upon the Board of Finance or the State; (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Resolution, or in regard to matters or questions arising under the Bond Resolution, as the Board of Finance may deem necessary or desirable and not inconsistent with the Bond Resolution; (3) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the Bonds; (4) to evidence the appointment of successors to any depositories, custodians, Paying Agent(s) or Bond Registrar(s); or (5) to make any other change which will not have a material adverse effect on the interests of the Owners of the Bonds.

The Board of Finance may, from time to time, modify, amend, alter, or supplement the 2019A Bond Resolution or 2019B Bond Resolution other than as provided in the preceding paragraph; provided that the Board of Finance shall receive the written consent of the Owners of not less than 51% of the Bonds of the applicable series then Outstanding; provided, however, that no such supplemental proceedings shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond outstanding under the applicable Bond Resolution; (2) reduce or extend the time of payment of the principal of, redemption premium or interest on any Bond outstanding under the applicable Bond Resolution; (3) reduce any premium payable upon the redemption of any Bond outstanding, or advance the date upon which any Bond outstanding may first be called for redemption prior to its stated maturity date under the applicable Bond Resolution; (4) give to any Bond or Bonds a preference over any other Bond or Bonds; or (5) reduce the percentage of Bonds the Owners of which are required to consent to any proceedings amending or supplementing the provisions of the applicable Bond Resolution.

2019C Bonds, 2019D Bonds and 2019E Bonds

The 2019C Bond Order, the 2019D Bond Order and 2019E Bond Order may be amended or supplemented by instruments adopted by the State Treasurer, without receipt by the State of any additional consideration, but with the written consent of the insurer of the 2019C Bonds, the 2019D Bonds or 2019E Bonds, as applicable, if any, or a majority of the Bondholders at the time of the adoption of the amendatory or supplemental instrument, excluding holders of 2019C Bonds, the 2019D Bonds or 2019E Bonds which may then be held or owned for the account of the State. No such instrument shall permit: (1) a change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding 2019C Bond, Outstanding 2019D Bond, or Outstanding 2019E Bond or any installment of interest thereon; (2) a reduction in the principal amount of any 2019C Bond, 2019D Bond or 2019E Bond or the rate of interest thereon; (3) the establishment of priorities as between the 2019C Bond issued and Outstanding under the provisions of the 2019C Bond Order, between the 2019D Bond issued and Outstanding under the provisions of the 2019D Bond Order or between the 2019E Bond issued and Outstanding under the provisions of the 2019E Bond Order, as applicable; or (4) the modification of, or other action which materially and prejudicially affects the rights or privileges of the Bondholder.

Defeasance

2019A Bonds, 2019B Bonds, 2019C Bonds, 2019D Bonds, and 2019E Bonds

When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations under the applicable Bond Resolution shall thereby be discharged and such Bond shall no longer be deemed to be outstanding within the meaning of the applicable Bond Resolution. There shall be deemed to be such due payment of any Bond if the State has placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as such requirements become due to the maturity date thereof or to any redemption date. The principal of and the interest on the Federal Securities when due and payable shall provide sufficient money prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the escrow agent at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to prior redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule.

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

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PART I

APPENDIX E

OFFICIAL NOTICE OF BOND SALE

$155,290,000* State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds Series 2019A	$5,215,000* State of Nevada General Obligation (Limited Tax) Natural Resources Bonds Series 2019B	$5,390,000* State of Nevada General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds Series 2019C

$5,235,000* State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds Series 2019D	$25,470,000* State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds Series 2019E

PUBLIC NOTICE IS HEREBY GIVEN that the State Treasurer of the State of Nevada, on behalf of the State Board of Finance (the "State Treasurer," the "State" and the "Board of Finance," respectively), on

Tuesday, November 19, 2019

at the hour of 8:30 a.m., Pacific Daylight time the 2019A Bonds
at the hour of 8:30 a.m., Pacific Daylight time the 2019B Bonds
at the hour of 8:15 a.m., Pacific Daylight time the 2019C Bonds
at the hour of 8:15 a.m., Pacific Daylight time the 2019D Bonds
at the hour of 8:45 a.m., Pacific Daylight time the 2019E Bonds

in the Office of the State Treasurer of the State of Nevada
Capitol Building, Number 4
101 North Carson Street
Carson City, Nevada 89701-4786

will receive and publicly open and receive bids electronically through an electronic bidding service offered by Ipreo/Parity® ("PARITY") at www.newissuehome.i-deal.com, for the purchase of the above-captioned bonds (collectively, the "Bonds"), particularly described below. Bids must be delivered electronically to the State Treasurer on or before the time designated above for each series of Bonds (or at such other date and time as is announced via Thomson Municipal News or Bloomberg Financial Markets ("Bloomberg") with no minimum information restrictions for any of the series of Bonds).

BOND PROVISIONS

The Bonds

The Bonds are designated, respectively, as follows: (1) State of Nevada General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2019A, in an aggregate principal amount of $155,290,000* (the "2019A Bonds"); (2) State of Nevada General Obligation (Limited Tax) Natural Resources Bonds, Series 2019B, in an aggregate principal amount of $5,215,000* (the "2019B Bonds"); (3) State of Nevada General Obligation

* Preliminary, subject to change.

(Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2019C, in an aggregate principal amount of $5,390,000* (the "2019C Bonds"); (4) State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Bonds, Series 2019D, in an aggregate principal amount of $5,235,000* (the "2019D Bonds"); and (5) State of Nevada General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Bonds, Series 2019E, in an aggregate principal amount of $25,470,000* (the "2019E Bonds" and together with the 2019A Bonds, the 2019B Bonds, the 2019C Bonds and the 2019D Bonds, the "Bonds"). The Bonds will be dated as of their date of delivery. The Bonds will be issued in fully registered form in denominations of $5,000 and integral multiples thereof. The Bonds will be issued by means of a book-entry system with no physical distribution of Bonds to the public. See the caption "Book - Entry/Transfer and Exchange" below, and see the Preliminary Official Statement relating to the Bonds for a more complete description of the Bonds.

Maturities

Unless a bidder elects to designate one or more term bonds as provided below under "Prior Redemption - *Mandatory Sinking Fund Redemption*," the Bonds will mature serially on May 1 (with respect to the 2019A Bonds and the 2019B Bonds) and August 1 (with respect to the 2019C Bonds, the 2019D Bonds and the 2019E Bonds) of the years and in the amounts designated in the maturity schedules (the "Maturity Schedules") set forth in the Preliminary Official Statement dated November 7, 2019 relating to the Bonds (the "Preliminary Official Statement"). The principal amounts set forth in each Maturity Schedule will be subject to adjustment as described below under the caption "Adjustment of Maturities after Determination of Best Bid."

BIDDERS ARE ADVISED THAT REVISED MATURITY SCHEDULES MAY BE RELEASED VIA THOMSON MUNICIPAL NEWS OR BLOOMBERG PRIOR TO THE BID OPENING.

Adjustment of Maturities after Determination of Best Bid

The aggregate principal amount and the principal amount of each maturity of each series of Bonds are subject to adjustment by the State, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by time of the written award of the Bonds and

(i) will not reduce or increase the principal amount of each series of the 2019A Bonds and the 2019B Bonds maturing in any year from the principal amounts shown in the respective Maturity Schedules (or each maturity of each series of 2019A Bonds and the 2019B Bonds) by more than $500,000 or ten percent (10%) of such amounts, whichever is greater with respect to the 2019A Bonds and the 2019B Bonds and

(ii) will not reduce or increase the principal amount of each series of the 2019C Bonds, the 2019D Bonds and the 2019E Bonds maturing in any year from the principal amounts shown in the respective Maturity Schedules (or each maturity of each series of 2019C Bonds, the 2019D Bonds and the 2019E Bonds) by more than $100,000 or ten percent (10%) of such amounts, whichever is greater, with respect to the 2019C Bonds, the 2019D Bonds and the 2019E Bonds.

The State may change the price to be paid for each series of Bonds (i.e., par less any discount bid or plus any premium bid) by a successful bidder as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of changes made within these limits. The price to be paid for the series of Bonds will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the series of Bonds to the public and the price to be paid to the State, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the series of Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the respective Maturity Schedules.

To facilitate any adjustment in the principal amounts, the successful bidder(s) is required to indicate by electronic mail to Lori Chatwood (OSTdebt@nevadatreasurer.gov), Andrew Artusa (andrew.artusa@zionsbank.com) and Martin Johnson (marty@jnaconsultinggroup.com) no later than one-half hour

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* Preliminary, subject to change.

after the time of the bid opening, the amount of any original issue premium or discount on each maturity of the series of Bonds, the amount received from the sale of the series of Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the amount of the insurance premium. A bidder who intends to insure a series of Bonds shall also state, in that electronic mail, whether the amount of the insurance premium will change as a result of changes in the principal amount of the series of Bonds and the method used to calculate any such change in the insurance premium.

Prior Redemption

Optional Redemption – 2019A Bonds. The 2019A Bonds or portions thereof in authorized denominations, maturing on and after May 1, 2030, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer, on and after May 1, 2029, in whole or in part at any time from any maturities selected by the State Treasurer and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

No Optional Redemption –2019B Bonds, 2019C Bonds and 2019D Bonds. The 2019B Bonds, the 2019C Bonds and the 2019D Bonds will not be subject to optional redemption at the option of the State prior to their respective maturities.

Optional Redemption – 2019E. The 2019E Bonds or portions thereof in authorized denominations, maturing on and after August 1, 2030, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer, on and after August 1, 2029, in whole or in part at any time from any maturities selected by the State Treasurer and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Extraordinary Mandatory Redemption – 2019C. The 2019C Bonds are subject to extraordinary redemption in the event proceeds of the 2019C Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2019C Bonds to be used to make loans to local governments within one year of the date of issuance of the 2019C Bonds and 95% of the net proceeds of the 2019C Bonds to be used for that purpose within three years of the date of issue of the 2019C Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2019C Bonds, an amount equal to the shortfall will be used to redeem 2019C Bonds in authorized denominations at a price equal to the principal of each 2019C Bond to be redeemed plus accrued interest to the redemption date. The 2019C Bonds to be redeemed will be selected by lot in such manner as the bond registrar may determine. The redemption date will be a date not later than ninety days following the one-year or three-year period, as applicable, described above.

Extraordinary Mandatory Redemption – 2019D Bonds and 2019E Bonds. The 2019D and 2019E Bonds are subject to extraordinary redemption in the event proceeds of the 2019D and 2019E Bonds are not spent by certain deadlines. Federal tax law requires that 30 percent of the net proceeds of the 2019D and 2019E Bonds to be used to make loans to local governments within one year of the date of issuance of the 2019D and 2019E Bonds and 95% of the net proceeds of the 2019D and 2019E Bonds to be used for that purpose within three years of the date of issue of the 2019D and 2019E Bonds. The State expects to meet these requirements, but if it does not, in order to preserve the federal tax exemption for interest on the 2019D and 2019E Bonds, an amount equal to the shortfall will be used to redeem the 2019D and 2019E Bonds in authorized denominations at a price equal to the principal of each 2019D and 2019E Bond to be redeemed plus accrued interest to the redemption date. The 2019D and 2019E Bonds to be redeemed will be selected by lot in such manner as the bond registrar may determine. The redemption date will be a date not later than ninety days following the one-year or three-year period, as applicable, described above.

Mandatory Sinking Fund Redemption – 2019A Bonds and 2019E Bonds. A bidder may request that the 2019A Bonds maturing on and after May 1, 2030 be included in one or more term bonds. A bidder may request that the 2019E Bonds maturing on and after August 1, 2030 be included in one or more term bonds. A bidder may not request that any 2019B Bonds, 2019C Bonds or 2019D Bonds be included in one or more term bonds. Amounts included in a single term bond must consist of consecutive maturities of a series of Bonds, must bear the same rate of interest and must include the entire principal amount for any maturity included in the term bond (*i.e.,* the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such term bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the series of Bonds would have matured if they were not included in a term bond or bonds. Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the series of Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in respective Bond Resolutions (as defined below). Any election to designate Bonds as being included in a term bond must be made electronically or in the printed official bid forms. See the caption "TERMS OF SALE - Bid Proposal" herein.

Notice of Redemption. Notice of redemption, unless waived, will be given as provided in the Bond Resolutions at least 20 days and not more than 60 days prior to the date fixed for redemption to be redeemed in the manner and upon the conditions to be provided in the Bond Resolutions.

Interest Rates and Limitations

The following interest limitations are applicable:

A. Interest on the 2019A Bonds and the 2019B Bonds will be payable on May 1, 2020, and semiannually thereafter on May 1 and November 1 in each year.

B. Interest on the 2019C Bonds, the 2019D Bonds and the 2019E Bonds will be payable on February 1, 2020, and semiannually thereafter on February 1 and August 1 in each year.

C. The interest rate specified for any Bond and the "true interest cost" (see "TERMS OF SALE - Basis of Award" below) for a series of Bonds may not exceed by more than 3% the "Index of Twenty Bonds" which is most recently published in The Bond Buyer before the bids are received.

D. Only one interest rate can be stated for any maturity of a series of Bonds, *i.e.*, all Bonds of the same series with the same maturity date must bear the same rate of interest.

E. Each Bond as initially issued will bear interest from its date to its stated maturity date at the interest rate stated in the bid. A zero (0) rate of interest may not be named.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations.

Bond Insurance / Rating Letters

The Bonds may be insured at bidder's option and expense. The State will pay for the ratings on the Bonds from Moody's Investors Service, S&P Global Ratings and Fitch Ratings.

Book-Entry/Transfer and Exchange

The Bonds will be issued in registered form and a bond certificate for each maturity of each series will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidders, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by U.S. Bank National Association, as Paying Agent (the "Paying Agent"), by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the State nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Security and Payment

The Bonds will be limited tax general obligations of the State, payable as to principal and interest from annual general (ad valorem) taxes (the "Taxes") levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to the limitations imposed by the statutes and the Constitution of the State. The 2019C Bonds are also secured by a nonexclusive lien on available moneys in the Safe Drinking Water Revolving Fund, as more fully provided in the 2019C Bond Order (defined below), and the 2019D Bonds and the 2019E Bonds are also secured by a nonexclusive lien on available moneys in the Water Pollution Control Revolving Fund, as more fully provided in the 2019D Bond Order and the 2019E Bond Order (defined below).

Bond Resolutions

Copies of the resolution of the Board of Finance authorizing the issuance of the 2019A Bonds (the "2019A Bond Resolution"), the resolution of the Board of Finance approving the issuance of the 2019B Bonds (the "2019B Bond Resolution"), an order of the State Treasurer and the resolution of the Board of Finance approving the issuance of the 2019C Bonds (the "2019C Bond Order"), an order of the State Treasurer and the resolution of the Board of Finance approving the issuance of the 2019D Bonds (the "2019D Bond Order"), and an order of the State Treasurer and the resolution of the Board of Finance approving the issuance of the 2019E Bonds (the "2019E Bond Order" and together with the 2019A Bond Resolution, the 2019B Bond Resolution, the 2019C Bond Order and the 2019D Bond Order, the "Bond Resolutions") are available for public inspection at the office of the Secretary of the State Board of Finance in Carson City, Nevada.

The Bond Resolutions provide, among other matters, the form, terms, and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment and the security therefor, and reference to the Bond Resolutions is made for further detail.

Federal and State Tax Exemption

In the opinion of Sherman & Howard L.L.C., Bond Counsel for the Bonds, assuming continuous compliance with certain covenants described in the Final Official Statement, interest on such Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

Furthermore, in the opinion of Bond Counsel, under present law, the respective Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of Nevada Revised Statutes and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of Nevada Revised Statutes.

A copy of each of the proposed forms of bond counsel opinions is attached to Part I of the Preliminary Official Statement relating to the Bonds as Appendix A.

TERMS OF SALE

Equal Opportunity

IT IS THE POLICY OF THE STATE TO PROVIDE MINORITY BUSINESS ENTERPRISES, WOMEN BUSINESS ENTERPRISES AND ALL OTHER BUSINESS ENTERPRISES AN EQUAL OPPORTUNITY TO PARTICIPATE IN THE PERFORMANCE OF ALL STATE CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST THE STATE IN IMPLEMENTING THIS POLICY BY TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL AVAILABLE BUSINESS ENTERPRISES, INCLUDING MINORITY AND WOMEN BUSINESS ENTERPRISES, HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN STATE CONTRACTS.

Bid Proposals

Bids are required to be submitted electronically, as described below. Each bid must include all of the information required by that bid form. Any bidder is required to submit an unconditional and written bid for all the Bonds of a series specifying:

(1) The lowest rate or rates of interest at which the bidder will purchase all of a series of Bonds; and

(2) Whether the bidder intends to designate term bonds (with respect to the Bonds described above under "Prior Redemption—Mandatory Sinking Fund Redemption") and the maturities affected thereby.

It is also requested for informational purposes only, but it is not required, that each bid disclose:

(3) The "true interest cost" (i.e., actuarial yield) on the Bonds of a series stated as a nominal annual percentage rate. See the caption "--Basis of Award" below.

Solely as an accommodation to the bidders, the State Treasurer will receive bids delivered electronically through PARITY. Each bidder submitting an electronic bid is solely responsible for all arrangements with PARITY.

By submitting a bid with PARITY, an electronic bidder represents and warrants to the State that such bidder's bid for the purchase of a series of Bonds is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of that series of Bonds. Once the bids are communicated electronically to the State, each bid will constitute an irrevocable offer to purchase the series of Bonds on the terms provided therein and in accordance with the terms of this Official Notice of Bond Sale.

The State Treasurer does not endorse or encourage the use of PARITY, and PARITY is not acting as an agent of the State Treasurer. The State Treasurer is not responsible for ensuring or verifying bidder compliance with PARITY's procedures. The State Treasurer is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder and is not liable for any damages caused by PARITY. Bidders must obtain instructions for submitting electronic bids from PARITY. If any provision of this Official Notice of Bond Sale conflicts with information provided by PARITY, this Official Notice of Bond Sale, together with any amendments thereto issued by public wire, will control.

Premium / Discount

2019A Bonds. A bidder must offer to purchase the 2019A Bonds at a minimum of par or at a premium. A discount may not be bid.

2019B Bonds. A bidder must offer to purchase the 2019B Bonds at a minimum of par or at a premium. A discount may not be bid.

2019C Bonds. A bidder must offer to purchase the 2019C Bonds at a minimum of par or at a premium. A discount may not be bid.

2019D Bonds. A bidder must offer to purchase the 2019C Bonds at a minimum of par or at a premium. A discount may not be bid.

2019E Bonds. A bidder must offer to purchase the 2019C Bonds at a minimum of par or at a premium. A discount may not be bid.

Good Faith Deposit

In order to be considered, each bid must be accompanied by a good faith deposit (the "Deposit") in the form of a certified, treasurer's or cashier's check drawn on a solvent commercial bank or trust company in the United States of America, or a wire transfer, made payable to:

State of Nevada

in an amount equal to:

$2,000,000 with respect to the 2019A Bonds
$50,000 with respect to the 2019B Bonds
$50,000 with respect to the 2019C Bonds
$60,000 with respect to the 2019D Bonds
$300,000 with respect to the 2019E Bonds

<u>Bidders submitting a Deposit by check or wire transfer may, **but are not required to**, submit a check or wire transfer prior to the bid opening</u>. If a check is used, it must be delivered to the State Treasurer within 90 minutes following notification to the bidder or bidders of the bid award for the applicable series of Bonds. If a wire transfer is used by any bidder, then such bidder using a wire transfer is required to submit its Deposit to the State Treasurer in the form of a wire transfer in the above amount for such applicable series of Bonds as instructed by the State Treasurer or one of its Municipal Advisors (identified under the caption "Information" below) not later than 90 minutes following such notification of the bid award. Each series of Bonds will not be officially awarded to a bidder who has not submitted a Deposit, as provided above, until such time as the bidder has provided a Federal wire reference number for the Deposit to one of the State's Municipal Advisors.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the applicable series of Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the State. Any investment income earned on the Deposit will not be credited to the successful bidder on the purchase price of the series of Bonds, but will be paid to the successful bidder in the event the State is unable to deliver the series of Bonds as provided under "Manner and Time of Delivery" below. Checks accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bid.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of, and payment for, the Bonds in accordance with the terms hereof. All expenses relating to printing CUSIP numbers on the Bonds, if required, will be paid by the State, but the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid by the respective purchasers. The successful bidders shall also be required to pay all fees required by DTC, the Bond Market Association, the Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the execution and delivery of the Bonds of each series.

Sale Reservations

The State reserves the privilege:

A. Of waiving any irregularity or informality in any bid;
B. Of rejecting any and all bids; and
C. Of reoffering the Bonds for sale, as provided by law.

Basis of Award

The Bonds of each series, subject to such sale reservations and ratification by the State Treasurer, will be sold to the responsible bidder making the best bid for all the Bonds of such series based on the applicable Maturity Schedule, notwithstanding any change in maturities made after the bid opening as described under "Adjustment of Maturities after Determination of Best Bid" above. The best bid for each series of Bonds will be determined by computing the True Interest Cost of the Bonds (*i.e.,* using an actuarial or true interest cost method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid that results in the lowest True Interest Cost on a series of Bonds. "True Interest Cost" of the Bonds as used in this paragraph means that yield which if used to compute the present worth as of the dated date of the series of Bonds of all payments of principal and interest to be made on the series of Bonds from their dated date to their respective maturity dates (or, in the case of a term bond, their mandatory redemption dates), using the principal amounts set forth in the applicable Maturity Schedule and the interest rates specified in the bid, produces an amount equal to the principal amount of the series of Bonds plus the premium bid or less the discount bid. No adjustment shall be made in such calculation for accrued interest, if any, on the series of Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year and a semiannual compounding interval. If there are two or more equal bids for the Bonds of a series and such equal bids are the best bids received, the State Treasurer will determine which bid will be accepted.

Place and Time of Award

The State will cause the bids submitted for each series of Bonds to be opened at the time and place hereinabove stated unless a notice is issued via Thomson Municipal News or Bloomberg prior to the bid opening for any series of Bonds. The State will take action awarding the Bonds of a series or rejecting all bids for a series not later than 36 hours after the time herein stated for opening bids for such series, and a bidder may not withdraw its bid for such series during such period. An award may be made after the period stated herein if the bidder shall not have given to the State Treasurer notice in writing of the withdrawal of its bid. See the caption "Information" below.

Manner and Time of Delivery

The applicable series of Bonds will be delivered to the applicable winning bidder within 60 days after the date stated herein for opening bids. The State contemplates delivering the Bonds on or about December 10, 2019. The purchasers of the Bonds will be given 72 hours' notice of the time fixed by the State Treasurer for tendering the Bonds for delivery. The purchasers will not be required to accept delivery of any of the Bonds of a series if they are not made ready and are not tendered for delivery within 60 days from the date herein stated for opening bids; and if such Bonds are not so tendered within such period of time, the Deposit (with accruing interest) will be returned to the purchasers upon their request.

Payment at and Place of Delivery

The successful bidders will be required to accept delivery of the Bonds through DTC, New York, New York or through the Paying Agent via the FAST System. Payment of the balance of the purchase price due for the series of Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the State Treasurer for immediate and unconditional credit to the account of the State, as directed by the State Treasurer, at a bank or banks designated by the State so that Bond proceeds may be so deposited or invested, as the State Treasurer may determine, simultaneously with the delivery of the Bonds. The balance of the purchase price must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

Successful Bidders' Reoffering Yields and Establishment of Issue Price

Within one-half hour following each bid opening (or such other date as may be determined by the State pursuant to this Official Notice of Bond Sale), each of the successful bidders (or manager of the purchasing account) must notify the State by electronic mail to OSTdebt@nevadatreasurer.gov, andrew.artusa@zionsbank.com and marty@jnaconsultinggroup.com of the initial offering prices and yields of the applicable series of the Bonds to the public.

Each applicable winning bidder shall assist the State in establishing the issue price of the applicable series of Bonds and shall execute and deliver to the State on the date of issuance and delivery of the Bonds (the "Closing Date") an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the applicable series of Bonds, together with the supporting pricing wires or equivalent communications, substantially in the one of the two forms form attached hereto as Exhibit A-1 and Exhibit A-2, respectively, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the State and Bond Counsel. All actions to be taken by the State under this Official Notice of Bond Sale to establish the issue price of the Bonds of each series may be taken on behalf of the State by the State's Municipal Advisors. At the written request of the State, Bond Counsel or the State's Municipal Advisors (including via electronic mail), any notice or report to be provided to the State under this Official Notice of Bond Sale shall be provided to, as applicable pursuant to such written notice, the State, Bond Counsel and/or the State's Municipal Advisors.

The State intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds of a series) will apply to the initial sale of the Bonds of each series (the "competitive sale requirements") because: (1) the State shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the State may receive bids for the Bonds of each series from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (4) the State anticipates awarding the sale of the Bonds of each series to the bidder who submits a firm offer to purchase such Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale. Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds of the applicable series, as specified in the bid**.**

In the event that the competitive sale requirements are not satisfied for the Bonds of a series, the State shall so advise the applicable winning bidder. The State will treat the first price at which 10% of a maturity of the Bonds of a series (the "10% Test") is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). Each winning bidder shall advise the State if any maturity of the Bonds of the applicable series satisfies the 10% Test as of the date and time of the award of the Bonds of the applicable series. The State will not require winning bidders to comply with the "hold-the-offering-price rule." Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. **Bidders should prepare their bids on the assumption that all of the maturities of the Bonds of the applicable series will be subject to the 10% Test in order to establish the issue price of the Bonds of such series.**

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds of the applicable series, the winning bidder of the Bonds of the applicable series agrees to promptly report to the State the prices at which the unsold Bonds of the applicable series of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds of the applicable series of that maturity or until all of the Bonds of the applicable series of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds of a series to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of a series of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of the applicable series of that maturity or all Bonds of the applicable series of that maturity have been sold to the public, if and for so long as directed by the applicable winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds of a series to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds of the applicable series to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of the applicable series of each maturity allotted to it until it is notified by the applicable winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of the applicable series of that maturity or all Bonds of the applicable series of that maturity have been sold to the public, if and for so long as directed by the applicable winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds of a series to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale: (i) "public" means any person other than an underwriter or a related party; (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds of a series to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds of a series to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds of a series to the public); (iii) a purchaser of any of the Bonds of a series is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and (iv) "sale date" means the date that the Bonds of a series are awarded by the State to the applicable winning bidder.

Official Statements

The State has prepared a Preliminary Official Statement, which is deemed final by the State as of its date for the purpose of allowing bidders to comply with Rule 15c2-12 promulgated by the Securities Exchange Commission (the "Rule"), except the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendments and completion in a Final Official Statement, as defined below.

The State will prepare a supplement to the Preliminary Official Statement or will prepare a final Official Statement (in either case the "Final Official Statement"), which will be complete in all respects up to the date of delivery of the Bonds. The State will provide the winning bidder with a copy of the Final Official Statement in an electronic format on or before seven business days following the date of the award to each winning bidder.

The State authorizes the winning bidders to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period of up to the earlier of (a) 25 days following the "end of the underwriting period" (as defined in the Rule) or (b) the date when all of the Bonds have been sold by the winning bidders, if any event concerning the affairs, properties or financial condition of the State shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of a winning bidder, the State shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the State and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time. The State will presume that the "end of the underwriting period" will occur on the Closing Date and all of each series of the Bonds have been sold by the winning bidders as of the Closing Date unless notified in writing otherwise by a winning bidder on or prior to the Closing Date.

Information

This Official Notice of Bond Sale, the Preliminary Official Statement, the Bond Resolutions and other information concerning the State and the Bonds may be obtained prior to the sale from:

The State's Municipal Advisors for the Bonds:

Martin Johnson
JNA Consulting Group, LLC
410 Nevada Way, Suite 200
Boulder City, Nevada 89005
(702) 294-5100
marty@jnaconsultinggroup.com

and

Andrew A. Artusa
Zions Public Finance
230 Las Vegas Boulevard South, Suite 200
Las Vegas, Nevada 89101
(702) 796-7080
andrew.artusa@zionsbank.com

or

The State Treasurer:

Zachary B. Conine, State Treasurer
Lori Chatwood, Deputy State Treasurer
Nevada State Treasurer's Office
Capitol Building, Number 4
101 North Carson Street
Carson City, Nevada 89701-4786
(775) 684-5600
statetreasurer@nevadatreasurer.gov
OSTdebt@nevadatreasurer.gov

Continuing Disclosure Undertaking

Pursuant to the Rule, the State will undertake in the Disclosure Dissemination Agent Agreement for the Bonds to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrence of certain material events. A copy of the proposed form of Disclosure Dissemination Agent Agreement is attached to Part I of the Preliminary Official Statement relating to the Bonds as Appendix B.

State Represented by Independent Registered Municipal Advisor

The State has engaged, is represented by and will rely on the advice of the Municipal Advisors, each an independent registered municipal advisor, to advise it on the issuance of the Bonds and other aspects of the financing for which the Bonds are being issued. The State intends that this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3) and prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of that exemption. Each bidder should consult with its own advisors in determining whether the exemption is available to that bidder and other requirements applicable for the exemption to be available to that bidder.

Legal Opinions, Bonds and Transcripts

The validity and enforceability of the Bonds will be approved by:

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

whose final, approving opinions, together with the Bonds, a certified transcript of the legal proceedings, including therefor a certificate stating that there is no litigation pending affecting the validity of the Bonds as of the Closing Date, and other closing documents, will be furnished to the purchaser of the Bonds without charge by the State.

Governing Law and Venue

This Official Notice of Bond Sale and the contract formed when the State accepts the winning bid are governed by the laws of the State of Nevada. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Carson City or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising under this Official Notice of Bond Sale. Each bidder hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such state or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

Closing Certificates

The final certificates included in the transcript of legal proceedings shall include:

(1) A certificate, dated the Closing Date and signed by the Governor, the Treasurer, the Director of the Office of Finance in the Office of the Governor and the Attorney General, in which each of them certifies that, after reasonable investigation, to the best of such official's knowledge: (a) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or, threatened, in any way contesting the completeness or accuracy of the Final Official Statement; (b) the Final Official Statement, as it pertains to the State and the Bonds (except as to information therein concerning price and yield of the Bonds, and information therein relating to the book-entry system for the Bonds, as to all of which no representations will be made), make the statements therein, in light of the circumstances under which they were made, not misleading; and (c) no event affecting the State or the Bonds has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

(2) A certificate, dated the Closing Date and signed by the State Controller, stating after reasonable investigation, that to the best of such official's knowledge, as of the date of the Final Official Statement and on the date of such certificate, the information contained in the Final Official Statement relating to revenues and expenditures of the State is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement not be misleading for the purpose for which it is to be used.

Right to Modify or Amend

The State reserves the right to modify or amend this Official Notice of Bond Sale in any respect including, without limitation, the right to adjust and change the principal amortization schedule of the Bonds being offered prior to the time bids are to be received. Such modifications or amendments shall be communicated through PARITY, Thomson Municipal News or Bloomberg.

By order of the State Treasurer November 7, 2019.

/s/ Zachary B. Conine
State Treasurer, State of Nevada

EXHIBIT A-1

APPLICABLE FOR SALE WHERE THE STATE TREASURER RECEIVES AT LEAST THREE BIDS

ISSUE PRICE CERTIFICATE

$__________ State of Nevada
General Obligation (Limited Tax)
__________Bonds Series 2019_

The undersigned, on behalf of [**Name of Purchaser**] as the original purchaser ("Original Purchaser"), of the General Obligation (Limited Tax) ___________ Bonds, Series 2019_ in the aggregate principal amount of $_____________________ (the "Bonds") issued by the State of Nevada (the "State"), hereby certifies as set forth below with respect to the Bonds:

1. ***Reasonably Expected Initial Offering Price***.

a) As of the Sale Date, the reasonably expected initial offering price of the Bonds to the Public by the Original Purchaser are the prices listed in Schedule A attached hereto (the "Expected Offering Prices"). The Expected Offering Prices are the price for the Maturities used by the Original Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Original Purchaser to purchase the Bonds.

b) The Original Purchaser was not given the opportunity to review other bids prior to submitting its bids.

c) The bid submitted by the Original Purchaser constituted a firm offer to purchase the Bonds.

d) The Purchaser has an established industry reputation for underwriting new issuance of municipal bonds.

e) The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Federal Tax Exemption Certificate dated the date hereof executed by the State and with respect to compliance with the federal income tax rules affecting the Bonds, and by Sherman & Howard L.L.C. in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and income tax advice that it may give to the Issuer from time to time relating to the Bonds.

2. ***Defined Terms***.

a) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

b) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c) “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is November 19, 2019.

d) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

_______________, 2019

[NAME OF PURCHASER]

By: ____________________________________

Name: ________________________________

Title: _________________________________

SCHEDULE A

EXPECTED OFFERING PRICES

SCHEDULE B

COPY OF ORIGINAL PURCHASER'S BID

EXHIBIT A-2

APPLICABLE FOR SALE WHERE THE STATE TREASURER RECEIVES FEWER THAN THREE BIDS

ISSUE PRICE CERTIFICATE

$_____________
State of Nevada
General Obligation (Limited Tax)
__________ Bonds
Series 2019_

The undersigned, on behalf of [**Name of Purchaser**] as the original purchaser ("Original Purchaser"), of the General Obligation (Limited Tax) ______________ Bonds, Series 2019_ in the aggregate principal amount of $__________ (the "Bonds") issued by the State of Nevada (the "State"), hereby certifies as set forth below with respect to the Bonds:

1. ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***Defined Terms***.

a) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

b) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

c) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. The Purchaser has an established industry reputation for underwriting new issuance of municipal bonds.

4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Federal Tax Exemption Certificate dated the date hereof executed by the State and with respect to compliance with the federal income tax rules affecting the Bonds, and by Sherman & Howard L.L.C. in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Bonds.

_______________, 2019

[NAME OF PURCHASER]

By: ____

Name: _____________________________________

Title: ______________________________________

SCHEDULE A
SALE PRICES

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PART II

INFORMATION CONCERNING THE STATE OF NEVADA

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

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LIST OF TABLES

* Annual financial information of the type set forth in the Table is to be updated annually pursuant to the Disclosure Dissemination Agreement.

GOVERNMENT STRUCTURE

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

The State Legislature convenes biennially in odd-numbered years ("Regular Sessions"). The most recent 80th (2019) Regular Session convened on February 4, 2019 and adjourned on June 4, 2019. Special sessions of the State Legislature ("Special Sessions") may be convened by the Governor by proclamation or by the State Legislature by a petition specifying the business to be transacted in the session and signed by two-thirds of the legislators of each house.

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

Following are the State's Constitutional officers:

Office	Name	Political Party Affiliation	Term First Commenced	Term Expires
Governor	Steve Sisolak	Democrat	2019	2023
Lieutenant Governor	Kate Marshall	Democrat	2019	2023
Secretary of State	Barbara K. Cegavske	Republican	2015	2023
Treasurer	Zachary B. Conine	Democrat	2019	2023
Controller	Catherine Byrne	Democrat	2019	2023
Attorney General	Aaron Ford	Democrat	2019	2023

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

County governments in Nevada are managed by boards of county commissioners or the equivalent. There are 17 counties in the State (including Carson City, which is an independent city). Cities are governed by general acts, and 13 of the cities are also governed by special charters granted by the State Legislature.

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

As of June 30, 2018, there were approximately 30,360 full-time equivalent State employees. As of January 1, 2019, approximately 3,865 State employees were members of voluntary employee/labor organizations that represent the interests of their members.

The State does not currently have collective bargaining agreements with employee unions. However, Senate Bill 135 ("SB135"), which was signed into law on June 12, 2019, authorizes collective bargaining for certain State employees. It is expected that bargaining units will be established by the Government Employee-Management Relations Board in fall 2019, bargaining will begin on November 1, 2020, and the initial collective bargaining agreements will take effect on July 1, 2021. Applicable State employees may choose to participate in collective bargaining agreements but are not required to do so. While the outcome of these collective bargaining agreements is not known at this time, the State considers its relations with its employees to be satisfactory and does not anticipate that the agreements will have a material impact on the State's operations.

DEBT STRUCTURE

Constitutional Debt Limitation

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to general obligation debt that is incurred for the protection and preservation of any property or natural resources of the State or for the purpose of obtaining the benefits thereof. The limitation does not apply to revenue bonds or contingent liabilities, nor does it apply to lease purchase arrangements the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds, more fully described in Note 9 to the State's Comprehensive Annual Financial Report for FY 2018 (excluding the Introductory Section and Statistical Section) included in Appendix A to this Part II (the "2018 State CAFR") and under the heading "DEBT STRUCTURE — Lease-Backed Financings" in this Part II. Such lease obligations are not considered debt under the Constitution and State law.

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

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

Debt limitation information is reported in Table 1. The assessed valuation amount effective as of June 30 of a particular year is used for purposes of determining property taxes and the applicable debt limitation for the following fiscal year. The assessed valuation constitutes 35% of the taxable value of all taxable property within the State and may be adjusted from time to time during the course of a fiscal year, and if the assessed valuation is so adjusted, the debt limitation would also be adjusted. The assessed valuation effective as of June 30, 2019 set forth in Table 1 is the most current final assessed value available and will be applicable for determining the debt limitation during FY 2020, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II.

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

Table 1
Constitutional Debt Limitation[1]

Effective June 30	Assessed Valuation[2]	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2016	108,331,564,829	$2,166,631,297	$1,082,845,000	$1,083,786,297
2017	114,727,736,818	2,294,554,736	1,034,015,000	1,260,539,736
2018	123,398,562,960	2,467,971,259	1,025,895,000	1,442,075,259
2019	134,128,343,902[3]	2,682,566,878	988,260,000	1,694,306,878
2020	134,128,343,902[3]	2,682,566,878	968,095,000[4]	1,714,471,878

(1) Excludes bonds, contingent liabilities, and lease purchase arrangements not subject to the constitutional debt limit, see "DEBT STRUCTURE—Constitutional Debt Limit" in this Part II.

(2) For purposes of calculating the State's debt limitation on June 30 of each year, the assessed valuation figures include state-wide redevelopment agency assessed valuations in the amounts of: 2016-$2,499,678,505, 2017-$2,943,888,431, 2018-$3,569,547,265, and 2019 and 2020-$4,037,658,208. On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year.

(3) The assessed valuation as certified by the Nevada Tax Commission on June 25, 2019 and reported by the State Department of Taxation.

(4) Debt outstanding as of November 1, 2019.

Source: State of Nevada Controller's Office.

Outstanding General Obligation Bonds

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

In addition, certain general obligation indebtedness of the State (whether or not subject to the State's constitutional debt limitation) is categorized as "self-supporting" (referred to herein as the "self-supporting bonds"). The term self-supporting bonds is used to refer to (i) general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax (referred to as "wholly self-supporting bonds") and (ii) with respect to general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax (referred to as "partially self-supporting bonds"), just the portion of such bonds expected to be paid from such other revenues. General obligation bonds that are categorized as wholly self-supporting bonds are identified by a single asterisk in Table 2 and general obligation bonds that are categorized as partially self-supporting bonds are identified by a double asterisk in Table 2. The outstanding balance of self-supporting bonds is identified in a subgroup in Table 2 under the heading "Self-Supporting Debt Outstanding."

If the revenues that are expected to be used to pay the self-supporting bonds from sources other than the state-wide property tax are insufficient, the State is obligated to pay any deficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the General Fund.

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Table 2 presents information as of November 1, 2019 and does not reflect the planned issuance of the 2019A, 2019B, 2019C, 2019D or 2019E Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See "DESCRIPTION OF THE BONDS—Plan of Refunding" in Part I of this Official Statement for a description of the bonds listed in Table 2 that will be refunded in whole or in part by the above mentioned bonds.

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

Table 2
Outstanding General Obligation Bonds[1]
As of November 1, 2019

	Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Open Space, Parks, and Cultural Resources Bonds	07/31/08	E	$ 7,500,000	$ 1,900,000
	Capital Improvement Bonds[2]	11/17/09	A	68,000,000	54,790,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	11/17/09	B	34,990,000	2,105,000
	Open Space, Parks, and Cultural Resources Bonds	11/17/09	D	5,000,000	3,525,000
	Capital Improvement and Refunding Bonds	12/21/10	C	121,920,000	39,625,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	11/16/11	A	65,245,000	52,485,000
	Open Space, Parks, and Cultural Resources Bonds	11/16/11	D	32,835,000	9,910,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	03/22/12	B	50,800,000	21,495,000
	Capital Improvement and Cultural Affairs Refunding Bonds	04/09/13	D-1	98,015,000	87,705,000
	Open Space, Parks, and Cultural Resources Refunding Bonds	04/09/13	G	3,665,000	1,410,000
	Capital Improvement and Cultural Affairs Bonds	04/22/14	A	51,385,000	50,980,000
*	University System Projects Bonds	03/10/15	A	78,335,000	67,695,000
	Capital Improvement and Cultural Affairs Refunding Bonds	03/10/15	B	192,950,000	187,040,000
**	Capital Improvement and Refunding Bonds	11/04/15	D	248,935,000	231,720,000
	Capital Improvement and Cultural Centers Bonds	11/09/16	C	35,180,000	34,000,000
**	Capital Improvement Bonds	11/07/17	A	85,635,000	65,210,000
**	Capital Improvement and Historic Preservation Bonds	11/01/18	A	57,100,000	56,500,000
TOTAL SUBJECT TO CONSTITUTIONAL DEBT LIMIT					$ 968,095,000

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	Exempt from Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Open Space, Parks, and Natural Resources Bonds	11/17/09	E	$ 8,240,000	$ 2,485,000
*	Colorado River Commission Water Refunding Bonds	06/24/10	B	7,405,000	1,175,000
**	Natural Resources and Refunding Bonds	12/21/10	D	20,170,000	6,585,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/21/10	G	4,535,000	540,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/21/10	I	6,235,000	2,610,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	11/16/11	C	28,460,000	4,215,000
	Open Space, Parks, and Natural Resources Refunding Bonds	11/16/11	E	14,530,000	4,320,000
*	Municipal Bond Bank Project Nos. 80, 81, 82 and 83	03/22/12	A	25,445,000	15,405,000
**	Natural Resources Refunding Bonds	03/22/12	C	25,510,000	14,285,000
	Open Space, Parks and Natural Resources Refunding Bonds	03/22/12	D	4,245,000	4,245,000
*	Municipal Bond Bank Project Nos. 84, 85, and 86	02/20/13	A	23,505,000	22,505,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	02/20/13	B	17,045,000	9,145,000
**	Natural Resources Refunding Bonds	04/09/13	F-1	13,210,000	10,860,000
	Open Space, Parks, and Natural Resources Refunding Bonds	04/09/13	H-1	19,650,000	17,565,000
**	Natural Resources and Refunding Bonds	04/22/14	B	5,580,000	4,005,000
	Open Space, Parks, and Natural Resources Bonds	04/22/14	C	2,185,000	2,020,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	04/22/14	D	5,145,000	275,000
*	Colorado River Commission Hoover VC/Air Slots Bonds	06/24/14	E	29,475,000	26,740,000
**	Natural Resources Refunding Bonds	03/10/15	C	21,340,000	16,475,000
**	Natural Resources and Refunding Bonds	11/04/15	E	22,595,000	15,850,000
*	Municipal Bond Bank Project Nos. 87, 88, and 89	11/04/15	F	47,305,000	42,960,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/04/15	G	9,350,000	8,285,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	11/04/15	H	10,845,000	6,440,000
	Natural Resources and Refunding Bonds	11/09/16	D	13,610,000	13,270,000
**	Natural Resources and Refunding Bonds	11/07/17	B	5,890,000	5,610,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/07/17	C	7,940,000	7,455,000
*	Municipal Bond Bank Project No. 90	11/07/17	D	6,000,000	5,610,000
*	Safe Drinking Water Revolving Fund Matching Bonds	11/07/17	E	6,215,000	5,595,000
*	Water Pollution Control Revolving Fund Matching Bonds	11/07/17	F	3,760,000	1,880,000
TOTAL EXEMPT FROM CONSTITUTIONAL DEBT LIMIT					$278,410,000
GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)					$1,246,505,000

LESS: Self-Supporting Debt Outstanding			
*	Colorado River Commission Hoover Uprating Bonds	$26,740,000	
*	Colorado River Commission Water Refunding Bonds	1,175,000	
*	Municipal Bond Bank Bonds	86,480,000	
*	Safe Drinking Water Act Revolving Fund Bonds	14,920,000	
*	University System Bonds	67,695,000	
*	Water Pollution Control Revolving Fund Bonds	15,780,000	
**	Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Taxes	81,053,000	
TOTAL SELF-SUPPORTING DEBT			293,843,000
NET DIRECT DEBT			$ 952,662,000

* Bonds that are wholly self-supporting bonds. The State believes the program revenues will be sufficient to pay debt service on the entire outstanding amount of such bonds; if they are not, the State is obligated to pay the difference between the program revenues and the debt service requirements of the bonds from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund.

** Bonds that are partially self-supporting bonds. A portion of each of these bonds is self-supporting and expected to be paid in part from revenues other than state-wide property taxes. If such revenues are insufficient to pay their expected portion of the debt service, the State is obligated to pay the insufficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund. The portions of those bonds which are self-supporting bonds are included in the line item "Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Taxes" under the heading "Self-Supporting Debt Outstanding" in Table 2.

(1) Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE – Constitutional Debt Limit" in this Part II.

(2) Issued as Build America Bonds. The State expects to refund the Build America Bonds with a portion of the proceeds of the 2019A Bonds.

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Source: State of Nevada Treasurer.

Debt Service on General Obligation Bonds

The following Table reports the debt service requirements for all of the State's outstanding general obligation bonds, including the debt service requirements for the self-supporting bonds. This Table presents information as of November 1, 2019 and does not reflect the planned issuance of the 2019A, 2019B, 2019C, 2019D or 2019E Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See Table 9 for the annual debt service requirements for only the State's outstanding general obligation bonds expected to be paid from state-wide property taxes.

Table 3
Annual Debt Service Requirements[(1)]
(As of November 1, 2019)

	General Obligation Bonds (Not Self-Supporting)		General Obligation Bonds (Self-Supporting)		
Fiscal Year	**Principal**	**Interest[(2)]**	**Principal**	**Interest**	**Grand Total**
2020	$ 86,341,000	$ 25,262,683	$ 7,294,000	$ 5,884,844	$ 124,782,527
2021	109,403,000	40,789,555	23,172,000	10,926,293	184,290,848
2022	109,628,000	35,312,729	17,922,000	9,962,550	172,825,279
2023	103,004,000	29,790,406	18,461,000	9,154,115	160,409,521
2024	93,649,000	24,576,638	14,426,000	8,397,141	141,048,780
2025	96,947,000	19,862,302	14,623,000	7,750,404	139,182,706
2026	98,602,000	14,670,417	14,513,000	7,091,813	134,877,229
2027	99,615,000	9,677,477	17,195,000	6,449,385	132,936,862
2028	29,418,000	5,960,137	37,262,000	5,425,254	78,065,390
2029	25,700,000	4,622,388	16,180,000	4,458,660	50,961,048
2030	14,580,000	3,445,606	16,740,000	3,859,464	38,625,070
2031	17,205,000	2,908,413	17,255,000	3,318,241	40,686,653
2032	14,720,000	2,339,963	17,780,000	2,752,679	37,592,641
2033	15,230,000	1,821,488	15,210,000	2,174,323	34,435,810
2034	13,110,000	1,289,878	9,120,000	1,739,693	25,259,571
2035	13,540,000	845,147	9,455,000	1,388,408	25,228,554
2036	6,265,000	380,563	7,505,000	1,023,836	15,174,399
2037	5,705,000	189,738	7,405,000	745,979	14,045,716
2038	-	-	3,795,000	465,905	4,260,905
2039	-	-	1,280,000	335,325	1,615,325
2040	-	-	1,330,000	279,863	1,609,863
2041	-	-	1,390,000	222,063	1,612,063
2042	-	-	1,450,000	161,713	1,611,713
2043	-	-	1,510,000	98,813	1,608,813
2044	-	-	1,570,000	33,363	1,603,363
Total	$ 952,662,000	$ 223,745,525	$ 293,843,000	$ 94,100,121	$1,564,350,646

(1) Excludes revenue bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE – Constitutional Debt Limit" in this Part II. Numbers may not foot due to rounding.

(2) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government. See "DEBT STRUCTURE—Build America Bonds" in this Part II. The State expects to refund the Build America Bonds with a portion of the proceeds of the 2019A Bonds.

Source: State of Nevada Treasurer.

The following Table reports statistical and debt ratio information for FY 2016, 2017, 2018, 2019 and 2020.

Table 4
Direct General Obligation Debt Ratios
(As of November 1, 2019 for the fiscal year ending June 30, 2020)

Fiscal Year Ended June 30	**2016**	**2017**	**2018**	**2019**	**2020**
Population	2,953,373	2,986,656	3,057,582[7]	3,099,795[7]	3,165,923[7]
Assessed Value (000) [1][2]	$99,268,505	$105,831,886	$111,783,848	$119,829,016	$130,090,686
Taxable Value (000) [2]	$283,624,300	$302,376,817	$319,382,423	$342,368,617	$371,687,674
Gross Direct GO Debt (000) [3] [5]	$1,469,655	$1,379,760	$1,358,070	$1,284,715	$1,246,505[6]
Gross GO Debt Relative to:					
Per Capita	$497.62	$461.97	$444.16	$414.45	$393.73
Percent of Assessed Value	1.48%	1.30%	1.21%	1.07%	0.96%
Percent of Taxable Value	0.52%	0.46%	0.43%	0.38%	0.34%
Net Direct GO Debt (000) [4][5]	$1,139,760	$1,084,167	$1,061,230	$973,512	$952,662[6]
Net Direct GO Debt Relative to:					
Per Capita	$385.92	$363.00	$347.08	$314.06	$300.91
Percent of Assessed Value	1.15%	1.02%	0.95%	0.81%	0.73%
Percent of Taxable Value	0.40%	0.36%	0.33%	0.28%	0.26%

(1) The assessed value set forth in Table 4 corresponds to the assessed value set forth in Table 5.
(2) See "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" in this Part II for an explanation of Assessed Value and Taxable Value. The assessed valuation of the Redevelopment Agencies is not used in calculation of debt ratios because they are not subject to State taxation for retirement of general obligation bond debt except for debt approved by the voters after 1996.
(3) Gross Direct General Obligation Debt includes all State general obligation bonds, including the self-supporting bonds.
(4) Net Direct General Obligation Debt does not include the self-supporting bonds.
(5) Excludes bonds, contingent liabilities, and lease purchase arrangements not subject to constitutional debt limit, see "DEBT STRUCTURE—Constitutional Debt Limit" in this Part II.
(6) Debt outstanding as of November 1, 2019.
(7) FY 2018 through 2020 projections are from the most recent Five Year Projections Based on the March 2019 Estimates report, Office of the State Demographer for Nevada.

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

Source: State of Nevada Controller's Office.

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Authorized but Unissued General Obligation Bonds

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

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval. As of November 1, 2019, the State was authorized to issue the general obligation bonds described in the following paragraphs under this subheading that will be payable solely from property taxes.

Water System Projects

NRS 349.986 authorizes the issuance of general obligation securities for the purpose of providing grants to purveyors of water, subject to a limit of $125,000,000 in principal amount outstanding at any one time, of which $39,127,851.85 is currently outstanding. The amount currently available to be issued is $85,872,148.15 of which approximately $1,500,000 will be allocated to the 2019B Bonds.

Lake Tahoe Basin Project

The State Legislature, for the purpose of carrying out certain environmental improvement projects for the Lake Tahoe Basin provided for by the State, authorized in 2009 the issuance of general obligation bonds in the amount of $100,000,000, of which $11,885,000 has been issued. Approximately $4,000,000 will be allocated to the 2019B Bonds.

Capital Improvement Projects

The 2017 State Legislature authorized in SB546 Sec. 6, $117,912,005 in general obligation bonds for capital improvement projects, of which $79,121,445 has been issued. Approximately $26,600,000 will be allocated to the 2019A Bonds.

The 2019 State Legislature authorized in AB541 Sec. 6, $186,000,000 in general obligation bonds for capital improvement projects, of which approximately $58,000,000 will be allocated to the 2019A Bonds.

Cultural Centers and Historic Preservation Projects

NRS 383.530 authorizes the issuance of up to $3,000,000 in general obligation bonds annually to provide financial assistance to governmental entities and nonprofit corporations formed for educational or charitable purposes, including, without limitation, the preservation or promotion of cultural resources

Open Space, Cultural and Natural Resource Projects

The 2019 State Legislature authorized in AB84, $217,500,000 in general obligation bonds to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State.

Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting

In addition to the authorizations described above, the State is authorized to issue general obligation bonds that are payable from property taxes but are expected to be paid from sources other than property taxes, including bonds payable from water and power sales and bonds payable from loan repayments by municipalities (referred to herein as self-supporting bonds). The principal amount of self-supporting bonds outstanding is set forth in Table 2 under the heading "Self-Supporting Debt Outstanding." Substantial additional amounts of self-supporting bonds are expected to be issued in the future. Following are brief summaries of the major State programs that have authority to obligate the State's general obligation credit for revenue generating self-supporting programs.

Nevada Municipal Bond Bank

The State's Bond Bank Program (the "Bond Bank Program") was established to assist municipalities in undertaking local projects that foster and promote the protection and preservation of the property and natural resources of the State by making loans that might not be otherwise available to such municipalities or that might be available only at prohibitive interest rates. State general obligation securities issued for the Bond Bank Program are not subject to the Constitutional debt limit described under "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II. The Bond Bank Act provides a statutory limitation of $1.8 billion of State general obligation securities which may be outstanding at any time to finance loans to municipalities. This limit may be increased or decreased by the State Legislature. The Board of Finance must approve the issuance of State general obligation and revenue securities under the Bond Bank Act. The outstanding principal amount of State general obligation securities issued under the Bond Bank Act was $86,480,000 as of November 1, 2019. State general obligation bonds issued pursuant to the Bond Bank Act are considered by the State to be self-supporting, as described under the heading "DEBT STRUCTURE—Outstanding General Obligation Bonds" in this Part II. Nevertheless, if revenues from the Bond Bank payers described below are insufficient to pay amounts due with respect to such bonds, the State is obligated to pay any deficiency from state-wide property taxes or to borrow from the State's General Fund as described in this Part II under the heading "DEBT STRUCTURE—Security For State General Obligation Bonds."

The State Treasurer is the Administrator (the "Administrator") of the Bond Bank. Bond Bank Act loans are made by the Administrator by purchasing securities which are obligations of one of the State's "municipalities" (i.e., cities, counties, districts and certain water authorities organized as political subdivisions). A municipality must obtain whatever authorization is required by statute before it may issue municipal securities, including, in some cases, approval of its electorate, before it may issue municipal securities payable from taxes, and such securities are subject to all statutory restrictions, including local indebtedness limitations. The Bond Bank Act does not, in and of itself, authorize the issuance by municipalities of municipal securities payable from (i) general ad valorem property taxes or (ii) certain sales and use taxes and excise taxes imposed in a tax increment area in connection with a water project with an estimated cost in excess of $50 million that is approved by the State's Interim Finance Committee. Both State general obligation securities issued under the Bond Bank Act and municipal securities payable from such taxes that are purchased in connection with a lending project may, but need not be, additionally secured with other pledged revenues.

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

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

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

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

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

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

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

Water Pollution Control Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain water pollution control projects and for related purposes authorized under the State revolving loan fund provisions of the federal Clean Water Act (the "Pollution Control Projects Account"). Funding for this program (the "Pollution Control Program") is provided primarily through federal capitalization of grant money made available to the State, receipt of which is conditioned on the State's providing approximately 20% matching funds. Funds in the Pollution Control Projects Account are generally used to make loans at or below market rates to municipal recipients for purposes of paying for costs of designing and constructing publicly owned treatment works. Funds loaned to municipal recipients for eligible projects are repaid into the Pollution Control Projects Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Pollution Control Projects Account are also permitted to be applied to pay certain costs of operating the Pollution Control Program.

The Director of the State Department of Conservation and Natural Resources, with the approval of the Director of the State Governor's Finance Office, is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Pollution Control Projects Account. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the municipal borrowers. The State has considered bonds previously issued for purposes of the Pollution Control Program to be self-supporting because State bonds issued for purposes of the Pollution Control Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Pollution Control Program. Approximately $6,000,000 of this authorization will be allocated to the 2019D Matching Bonds and additionally $30,000,000 will be allocated to the 2019E Leveraged Bonds.

Safe Drinking Water Revolving Fund

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

The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Revolving Fund Account or to provide money from the State to match federal grants as required by the federal Safe Drinking Water Act. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the borrowers. The State has considered bonds previously issued for purposes of the Public Water System Program to be self-supporting because State bonds issued for purposes of the Public Water System Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Public Water System Program. Approximately $5,800,000 of this authorization will be allocated to the 2019C Bonds.

Marlette Lake Water System

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

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

Nevada System of Higher Education

The 2013 State Legislature authorized in AB501, Sec. 2 the issuance of $85,000,000 of general obligation bonds to finance capital improvements at the University of Nevada, Las Vegas and University of Nevada, Reno campuses. The State imposes a $250 annual excise tax on each slot machine operated in the State. In each year 20% of the receipts of this excise tax are to be deposited in a Special Capital Construction Fund for Higher Education (after depositing the first $5,000,000 of receipts of this excise tax in a Capital Construction Fund for Higher Education). Amounts in the Special Capital Construction Fund for Higher Education are appropriated on July 31 of each year in the amount necessary (if available) to pay the principal of and interest due in that fiscal year on bonds issued. The amount currently available to be issued is $6,665,000.

Colorado River Commission

The 2013 State Legislature authorized in SB438 the issuance by the Colorado River Commission of up to $35,000,000 of bonds for the purpose of prepaying the cost of electrical capacity and energy generated by Hoover Dam, or for the purpose of paying, financing or refinancing a portion of the capital costs which contribute to the ongoing costs of electrical capacity and energy generated from Hoover Dam. The obligations may be either general obligations payable from taxes and additionally secured with pledged revenue, special obligations payable from pledged revenue, or any combination of the foregoing. The amount currently available to be issued is $5,525,000.

Capital Improvement Projects

The 2017 State Legislature authorized in SB546 Sec. 8, $42,016,797 in general obligation bonds for a DMV capital improvement project, of which $26,355,000 has been issued. Approximately $10,500,000 of this authorization will be allocated to the 2019A Bonds.

The 2019 State Legislature authorized in AB541 Sec. 8, $5,344,346 in general obligation bonds for a DMV capital improvement project. Approximately $5,300,000 of this authorization will be allocated to the 2019A Bonds.

The 2017 State Legislature authorized in SB546 Sec. 10, $41,500,000 for a University of Nevada, Reno capital improvement project, of which $23,395,000 has been issued. Approximately $16,200,000 of this authorization will be allocated to the 2019A Bonds.

Economic Development Projects

During the 29th (2015) Special Session, the State authorized under Senate Bill No. 1 general obligation bonds for eligible infrastructure projects, including drainage, electrical, rail, sanitary sewer, transportation, fire protection, wastewater and water projects. A local government may submit an economic development financing proposal for qualified projects to the Office of Economic Development for approval for financing under this program. On or after July 1, 2017, the State Legislature or the Interim Finance Committee must also approve the proposal. Up to $175,000,000 in bonds may be issued for each approved proposal, and the total amount of the bonds outstanding for all the projects must not exceed $200,000,000. The local government must create tax increment areas or special districts and pledge the revenue from such districts or areas for the repayment of the bonds. The amount currently available to be issued under this authorization is $200,000,000.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued certificates of participation in 2004 to finance a State office building project (the "2004 Capitol Complex Building 1 Certificates"), an additional series of certificates of participation in 2004 to finance a State correctional facility (the "2004 Casa Grande Certificates") and another series of certificates of participation in 2006 to finance a State printing office building (the "2006 LCB Certificates"). In 2013, the 2013 Capitol Complex Building 1 Refunding Certificates and the 2013 Casa Grande Refunding Certificates were issued to refund the entire outstanding balance of the 2004 Capitol Complex Building 1 Certificates and the 2004 Casa Grande Certificates, and another series was issued to finance a new project for the benefit of Nevada State College (the "2013 NSC Certificates"). In 2016, the 2016 LCB Refunding Certificates were issued to refund the entire outstanding balance of the 2006 LCB Certificates. As of November 1, 2019, the 2013 Capitol Complex Building 1 Refunding Certificates are outstanding in the aggregate principal amount of $14,255,000, the 2013 Casa Grande Refunding Certificates are outstanding in the aggregate principal amount of $13,415,000, the 2013 NSC Certificates are outstanding in the aggregate principal amount of $47,455,000 and the 2016 LCB Refunding Certificates are outstanding in the aggregate principal amount of $2,662,000.

The facilities so financed (or refinanced) are being leased to the State at rents calculated to be sufficient to pay the certificates of participation. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State's obligations to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

Security for State General Obligation Bonds

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

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

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. A portion of this levy, $0.0125 per $100 of assessed valuation, must be used exclusively for bonds issued for purposes described under the heading "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—Authorizations for General Obligation Bonds that are Not Categorized as Self-Supporting—Open Space, Cultural, and Natural Resource Projects." The State Legislature has exempted $0.02

per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II. The State has the ability to raise its levy for the general obligation bonds within the constraints of the State's constitutional cap by legislative action. See "PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

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

The State does not generally levy state-wide property taxes to pay general obligation bonds that are self-supporting bonds. Self-supporting bonds include (i) wholly self-supporting bonds, which are general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax and (ii) with respect to partially self-supporting bonds, which are general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax, just the portion of such bonds expected to be paid from such other revenues.

These self-supporting bonds are identified in Table 2 of this Part II. Wholly self-supporting bonds are identified with a single asterisk and partially self-supporting bonds are identified with a double asterisk. The aggregate principal amount of self-supporting bonds outstanding is identified in Table 2 under the heading "Self-Supporting Debt Outstanding." Self-supporting bonds are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to state-wide property tax receipts and the State's General Fund as other general obligation bonds of the State. If ad valorem tax receipts are insufficient to make payments on all bonds as a result of a failure of self-supporting bonds to generate sufficient revenues, the State will borrow the shortfall from the General Fund as described above. The availability of borrowing from the General Fund to make payments on general obligation bonds provides time for the State Legislature to legislatively adjust the ad valorem property tax rates if needed. If an increase in the State's ad valorem property tax rate results in overlapping taxes exceeding the current statutory maximum of $3.64 per $100 of assessed valuation (which maximum can also be legislatively adjusted upward subject to the constitutional limit of $5.00 per $100 of assessed valuation), the taxes levied are given a priority for payment of general obligation bonds, and revenue shortfalls resulting from the application of the overlapping property tax cap are allocated to other purposes. See "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Build America Bonds

Certain general obligation bonds of the State (Series 2009A) outstanding as of November 1, 2019 in the principal amount of $54,790,000 have been designated as "Build America Bonds" ("BABs"). As part of the BAB program, the State has received cash interest subsidy payments from the United States Treasury of approximately $1.23 million annually. Receipt of such subsidy is subject to the limits imposed by federal sequestration. The State expects to refund all of its outstanding Series 2009A general obligation bonds with a portion of the proceeds of the 2019A Bonds.

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PROPERTY TAXATION

Property Tax Base and Tax Roll Collection

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

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

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

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

Assessors apply the sales comparison approach using mass appraisal techniques to establish the land values for various classifications of property, such as residential, commercial, or industrial properties. Land values also vary by location and other market conditions. For instance, foreclosure sales can affect the values established by county assessors if they become a large proportion of the overall number of sales of comparable properties causing downward pressure on sales prices of similarly situated properties.

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

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

The following Table provides a record of the change in assessed valuation by county within the State during FY 2016-2020. As shown in Table 5, assessed valuations have continued to increase since FY 2016.

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

	Fiscal Year Ended June 30 Tax Rolls				
County	**2016**	**2017**	**2018**	**2019**	**2020[2]**
Carson City	$ 1,373,408,853	$ 1,445,154,773	$ 1,502,046,933	$ 1,568,475,621	$ 1,666,547,892
Churchill	734,347,493	801,051,091	820,038,393	840,079,069	869,263,253
Clark	69,266,468,466	74,597,622,262	78,890,801,494	84,428,728,091	92,239,056,371
Douglas	2,727,497,704	2,850,564,551	2,908,641,064	3,076,916,940	3,325,384,336
Elko	1,901,937,199	2,007,908,293	2,100,000,798	2,191,111,161	2,183,998,632
Esmeralda	68,967,729	80,831,115	83,790,387	72,333,983	66,608,464
Eureka	1,530,900,503	1,260,990,662	1,034,728,897	1,407,180,192	1,220,871,907
Humboldt	1,443,913,248	1,326,684,368	1,331,495,805	1,326,732,085	1,259,675,966
Lander	1,168,524,947	1,068,973,861	1,465,577,371	1,881,047,549	1,887,857,499
Lincoln	340,585,201	305,687,430	286,580,877	281,018,607	290,726,134
Lyon	1,524,874,295	1,566,054,910	1,682,761,005	1,838,828,115	2,064,010,723
Mineral	166,510,772	173,319,613	172,060,924	191,445,849	232,583,403
Nye	1,471,597,293	1,632,742,448	1,910,358,824	1,999,579,546	2,248,151,058
Pershing	253,552,819	301,128,604	317,408,981	338,541,572	339,553,990
Storey	510,697,664	558,248,599	686,763,955	892,921,142	1,178,862,581
Washoe	14,342,710,925	15,432,327,199	16,136,670,732	16,886,587,798	18,398,773,380
White Pine	442,009,737	422,596,545	454,121,947	607,488,375	618,760,105
TOTAL	$99,268,504,848	$ 105,831,886,324	$111,783,848,387	$119,829,015,695	$130,090,685,694
Percent Change	9.03%	6.61%	5.62%	7.20%	8.56%

(1) Includes net proceeds of minerals but excludes state-wide redevelopment agency fiscal year assessed valuation used for taxation purposes in the amounts of: 2016 - $2,146,144,306, 2017 - $2,499,678,505, 2018 - $2,943,888,431 2019 - $3,569,547,265 and $4,037,658,208 for 2020.

(2) Assessed valuation certified June 25, 2019 and reported by the State Department of Taxation.

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

County treasurers are responsible for the collection of property taxes and for the distribution of collections to the overlapping taxing entities within the county, including the State. Counties distribute property taxes when collected. The bulk of the property taxes are collected and distributed on a quarterly basis. Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in four installments, in which case the taxes can be paid in approximately equal installments on or before the third Monday in August and the first Mondays in October, January and March. Penalties are assessed if any taxes are not paid within 10 days after the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event the taxes remain delinquent as of the first Monday in June, the county treasurer is authorized to hold the property in trust for the benefit of the State and the county for two years, subject to redemption upon payment of taxes, penalties, interest and costs. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property. Upon receipt of a deed, the county treasurer may sell the property after giving notice of sale. Upon order of the board of county commissioners, the property cannot be sold for a total amount less than the amount of the taxes, costs, penalties and interest legally chargeable against the property. As an alternative remedy with respect to certain delinquencies over $1,000, the county's district attorney may, and shall when directed by the board of county commissioners, commence a judicial foreclosure action against the delinquent taxpayer before the expiration of the two-year redemption period.

The assessed valuations of the ten largest owners of taxable property in the State for FY 2019 are listed in the following Table. However, the percentages listed below may not correlate to the actual amount of property tax paid by these entities due to abatement and other factors.

Table 6
Ten Largest Taxable Property Owners
(FY 2019)

	Taxpayer	Type of Business	Assessed Valuation[(1)] (35% of Taxable Value)	Percent of Total State Assessed Valuation[(2)]
1.	MGM Resorts International	Hotel/Casino	$ 4,499,272,037	3.65%
2.	NV Energy	Utility	2,424,585,872	1.96
3.	Caesar's Entertainment Corp.[(3)]	Hotel/Casino	2,223,102,640	1.80
4.	Wynn Resorts Limited	Hotel/Casino	1,112,597,471	0.90
5.	Las Vegas Sands Corporation	Hotel/Casino	1,036,719,867	0.84
6.	Stations Casino Incorporated	Hotel/Casino	857,275,430	0.69
7.	Newmont Mining Corporations	Mining	662,352,054	0.54
8.	Boyd Gaming Corporation	Hotel/Casino	521,614,079	0.42
9.	Barrick Gold Corporation	Mining	503,853,206	0.41
10.	Ruby Pipeline LLC	Utility	439,323,600	0.36
		Total	**$14,280,696,256**	**11.57%**

(1) Assessed value is based on information from all Counties and the State Department of Taxation as of December 10, 2018, for the 2018-2019 secured roll plus the 2017-2018 unsecured roll for all properties.

(2) Based on assessed valuations for the State of $123,398,562,960 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on June 25, 2018 Property Tax Rates for Nevada Local Governments, 2018-2019 (Redbook).

(3) Caesars Entertainment Corporation was purchased by Eldorado Resorts in mid-2019.

Source: State of Nevada – Department of Taxation.

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Clark County and Washoe County account for a significant majority of the State's real property tax collections. The following Tables illustrate the ad valorem tax collection records for the two counties.

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

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[(2)]	Current Tax Collections[(3)]	Percent of Levy Collected[(4)]	Delinquent Tax Collections[(5)]	Total Tax Collections	Total Taxes Collected as % of Current Levy[(6)]
2015	$1,515,697,698	$1,506,108,484	99.37%	$9,343,212	$1,515,451,695	99.98%
2016	1,582,466,057	1,572,448,659	99.37	9,628,570	1,582,077,229	99.98
2017	1,630,100,186	1,620,819,654	99.43	8,645,656	1,629,465,310	99.96
2018	1,719,453,088	1,709,647,885	99.43	7,424,884	1,717,072,769	99.86
2019	1,839,032,295	1,830,055,636	99.51	1,231,494[(7)]	1,831,287,130	99.58
2020[(8)]	1,992,329,263	692,546,838	34.76	-	692,546,838	34.76

(1) Represents the real property tax roll levies and collections as of September 30, 2019.
(2) The adjusted county tax levied for the fiscal year.
(3) The taxes collected within the fiscal year of the levy.
(4) The percentage of taxes collected within the fiscal year of the levy (calculated on the net secured roll tax levy).
(5) Tax collections in subsequent years.
(6) The percentage of total taxes collected as of September 30, 2019 (calculated on the net secured roll tax levy).
(7) Decrease in delinquent tax collections in fiscal year 2019 is the result of an adjustment to the classification of real property in Las Vegas. In fiscal year 2020, the owner of property that had been assessed at a higher classification value in fiscal year 2019 notified Clark County that the property would remain used in a manner that is designated at a lower classification value. As such, a correction was made for fiscal year 2019 to its original valuation. This resulted in a significant tax refund in fiscal year 2019.
(8) Collections still in progress.

Source: Clark County Treasurer's Office.

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

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[(2)]	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy[(3)]
2016	$440,248,128	$438,074,171	99.51%	$3,260,957	$441,335,128	100.25%
2017	451,010,874	449,929,921	99.76	3,012,814	452,942,735	100.43
2018	472,929,524	471,229,251	99.64	3,299,153	474,528,404	100.34
2019	533,683,366	530,722,691	99.45	2,725,411	533,448,103	99.96
2020	534,385,880	221,155,957	41.39	1,007,508	222,163,465	41.57

(1) Represents the real property tax roll levies and collections as of September 27, 2019.
(2) Includes Supplemental Real Estate billed as of September 27, 2019. Includes adjustments to levy.
(3) Based on collections to net levy (actual levy less stricken taxes).

Source: Washoe County Treasurer's Office.

Property Tax Limitations

Tax Relief Legislation in 2005. As of 2005, substantial increases in property values, particularly in southern Nevada, resulted in substantial increases in assessed valuation in the State (see "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" in this Part II). These increases were projected to result in substantial increases in property taxes for property owners in 2005 and subsequent years. Legislation was enacted in 2005 that caps year-to-year property tax increases by abating taxes which exceed 3% for the primary residence of homeowners. The abatement "cap" for property other than the primary residence of homeowners and certain residential rental property varies by county and is the lesser of (a) 8%; or (b) the greater of (i) the ten-year average annual percentage change of assessed values per county ending in the fiscal year the levy is made, or (ii) twice the percentage of increase in the federal Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the preceding calendar year. This abatement cap formula may also be used in lieu of the 3% cap for primary residences if it yields a greater reduction in the property taxes of the homeowner. These limitations applied beginning July 1, 2005 and thus affected property taxes due in July 2005 and thereafter. This legislation also provides for the recapture of previously abated property in certain limited situations.

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

In most jurisdictions within the State, most of the available abatement had been extinguished by the 2012-2013 tax year. However now that property values in many areas in the State are increasing, the effect of the abatement caps in many cases is to limit increases in property tax revenues that would otherwise occur. In general, under the abatement caps, an increase in the assessed value of real property that is a result of market conditions (rather than new construction on the property) does not typically result in a proportionate increase in property tax receipts from that parcel.

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

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness. This rate is generally limited as follows: the assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This formula operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property. A local government may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed revenue from ad valorem taxes the amount approved by the State Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. If revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation is less than the amount of money that would be generated by applying a tax rate of $1.15 per $100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals, the governing body of each local government may levy an additional tax ad valorem for operating purposes. This calculation is known as the supplemental city-county relief tax make up rate and is further explained in NRS 354.59813.

Additional Local Government Property Tax Not Subject to Local Government Property Tax Revenue Limitation. In addition to the property taxes described above under the heading "PROPERTY TAXATION," counties may levy an ad valorem tax on all taxable property at a maximum rate of $0.05 per $100 of assessed valuation of the county. The proceeds of the tax are to be distributed between the county and the cities and towns within the county based on a specific formula, except as described in the following sentence. For counties with a population of 100,000 or more (currently Clark County and Washoe County only), and in accordance with AB 595 (74th (2007) Session), 40% of the proceeds of the tax are allocated to the county and the cities and towns within the county, and the remaining 60% of proceeds are deposited into the State Highway Fund for use in the construction and maintenance of public highways in the county.

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

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

State Tax Rates for Repayment of General Obligation Bonds

The State levies a state-wide property tax on all taxable property to repay its outstanding general obligation bonds, other than self-supporting bonds, and the State's property tax rate is not calculated to cover debt service on these self-supporting bonds. Table 2 identifies, among other things, the State's general obligation bonds that are not characterized as self-supporting and that currently are being repaid with state-wide property taxes. See Table 9 below for a schedule of principal and interest payment requirements for such bonds. This Table presents information as of November 1, 2019 and does not reflect the planned issuance of the 2019A and 2019B Bonds described in this Official Statement, or the refunding of certain bonds with a portion of the proceeds thereof. All state-wide property taxes collected by the State for the purpose of repayment of the State's general obligation bonds are deposited in the Consolidated Bond Interest and Redemption Fund. See Table 10 for the amount of the current tax levied by the State for general obligation debt and for the amounts of state-wide property taxes deposited (or for FY 2019 through 2021, estimated to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2016-2021.

Table 9
State Debt Service On Outstanding Bonds Paid With State-Wide Property Tax[(1)]
(As of November 1, 2019)

Fiscal Year	Principal	Interest[(2)]	Total Debt Service
2020	$ 86,341,000	$ 25,262,683	$ 111,603,683
2021	109,403,000	40,789,555	150,192,555
2022	109,628,000	35,312,729	144,940,729
2023	103,004,000	29,790,406	132,794,406
2024	93,649,000	24,576,638	118,225,638
2025	96,947,000	19,862,302	116,809,302
2026	98,602,000	14,670,417	113,272,417
2027	99,615,000	9,677,477	109,292,477
2028	29,418,000	5,960,137	35,378,137
2029	25,700,000	4,622,388	30,322,388
2030	14,580,000	3,445,606	18,025,606
2031	17,205,000	2,908,413	20,113,413
2032	14,720,000	2,339,963	17,059,963
2033	15,230,000	1,821,488	17,051,488
2034	13,110,000	1,289,878	14,399,878
2035	13,540,000	845,147	14,385,147
2036	6,265,000	380,563	6,645,563
2037	5,705,000	189,738	5,894,738
Total	$ 952,662,000	$ 223,745,525	$ 1,176,407,525

(1) This Table excludes debt service on self-supporting bonds.
(2) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government. The State expects to refund the Build America Bonds with a portion of the proceeds of the 2019A Bonds.

Source: State of Nevada Treasurer.

Table 10 illustrates the property tax rates levied by the State and the state-wide property tax revenues collected or estimated to be collected from such levy since 2016 to repay general obligation bonds that are not expected to be paid from other sources.

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

Fiscal Year	Tax Rate Per $100 of Assessed Valuation	Property Tax Revenues[(1)]
2016	$0.17	$144,911,842
2017	0.17	147,312,250[(2)]
2018	0.17	157,498,797
2019	0.17	165,961,360[(3)]
2020	0.17	173,130,535[(4)]
2021	0.17	183,852,801[(4)]

(1) Represents the amount of property taxes deposited to the Consolidated Bond Interest and Redemption Fund.
(2) The advanced payment provision of the net proceeds of minerals tax sunset on June 30, 2016. As a result of the sunset, there is negligible revenue from the net proceeds of minerals tax in the FY 2017 total property tax revenues.
(3) Unaudited.
(4) Estimated in the preparation of the State's 2019-2021 biennium budget.

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

The State's current debt management policy has as an objective to have a reserve within the Consolidated Bond Interest and Redemption Fund balance at the end of each fiscal year equal to at least 50% of the next fiscal year's debt service payments on its general obligation bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues) after deducting amounts within the fund that are set aside for purposes other than payment of debt service. The projected balances are based on assumptions regarding annual property tax collections, annual debt service payments and other adjustments as warranted. The unaudited June 30, 2019 (FY 2019 ending balance) reserve amount in the Consolidated Bond Interest and Redemption Fund was $143,152,602, which amount is equal to approximately 94% of the debt service payments that are scheduled to be made on all general obligation bonds (exclusive of those bonds or portions thereof considered to be self-supporting and paid by other available revenues) that are payable from property taxes during FY 2020 (not inclusive of the 2019A and 2019B Bonds or the refunding of certain bonds with a portion of the proceeds thereof). The estimated balance in the Consolidated Bond Interest and Redemption Fund as of such date is $144,693,110.

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

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

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

Fiscal Year Ended June 30	2016	2017	2018	2019	2020
AVERAGE STATE-WIDE RATE	$3.1360	$3.1500	$3.1615	$3.1572	$3.2218
CITY OF LAS VEGAS					
Clark County	$0.6541	$0.6541	$0.6541	$0.6541	$0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.0942	0.0942	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada(2)	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.2782	$3.2782	$3.2782	$3.2782	$3.2782
CITY OF RENO					
City of Reno	$0.9598	$0.9598	$0.9598	$0.9598	$0.9598
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
State of Nevada(2)	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.6600	$3.6600	$3.6600	$3.6600	$3.6600

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

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

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FINANCIAL INFORMATION

Financial Statements

The State Controller prepares a comprehensive annual financial report setting forth the financial condition of the State as of June 30 of each fiscal year. Appendix A to this Part II consists of the 2018 State CAFR. Appendix B to this Part II consists of the State's History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2014, 2015, 2016, 2017, and 2018 which is derived from the comprehensive annual financial reports for FY 2014-2018. The comprehensive annual financial report for FY 2019 is expected to be completed in December 2019. Unaudited financial results for FY 2019 indicate that general fund revenues are $30.5 million above the projections in the May 1, 2019 Economic Forum Forecast attached as Appendix C to this Part II and further described below.

Budget Procedure

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

On or before July 1 of each even-numbered year, the Governor must impanel an economic forum (the "Economic Forum") comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the Speaker of the Assembly. The Economic Forum updates projections for State revenue collections (for unrestricted uses) for the final year of the biennium in which it is impaneled and establishes revenue forecasts for the next biennium. State law requires the written report of the Economic Forum's forecasts of future State General Fund revenue to be made on or before December 3 of each even-numbered year and May 1 of each odd-numbered year. State law also requires the Economic Forum to hold additional meetings, on or before June 10 of each even-numbered year and December 10 of each odd-numbered year. At each of these meetings, the Economic Forum receives an update on the status of actual State General Fund revenue collections compared to the Economic Forum's most recent forecast. The Economic Forum also considers information on current economic indicators, such as employment, unemployment, personal income and any other indicators deemed appropriate by the Economic Forum. The Chair of the Economic Forum is required to provide a report of each meeting to the Interim Finance Committee and the information presented to the Interim Finance Committee must be made available on the website of the State Legislature. A seven-member Technical Advisory Committee (the "TAC") advises the Economic Forum as requested. See Table 12 for a summary of actual General Fund revenues for FY 2016 through FY 2019 and the most recent Economic Forum Forecast released on May 1, 2019 of revenue estimates for FYs 2020 and 2021 as adjusted for legislatively approved changes enacted during the 80th (2019) Regular Session and tax credits approved in the 77th (2013), 78th (2015), 79th (2017), and 80th (2019) Regular Sessions and 28th (2014) and 29th (2015) Special Sessions. The May 1, 2019 Economic Forum Forecast, adjusted for legislative actions by the 2019 Legislature, is attached as Appendix C to this Part II.

The State believes that the estimates described herein are reasonable as of the date of this Official Statement; however, estimates and projections must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the State Department of Taxation and the Gaming Control Board. See Table 24 for recent trends in taxable transactions and Table 25 for recent trends in gaming revenues and total gaming taxes. Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.

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

The State Legislature holds hearings and approves or modifies the two-year budget. The budget is enacted through a General Appropriations Act, which authorizes expenditures from unrestricted revenues, and an Authorized Expenditures Act, which authorizes expenditures from revenues collected for a specific purpose. The General Appropriations Act must be balanced to the May Economic Forum forecast of General Fund revenues. The budget may be augmented by other appropriations included in legislation enacted by the State Legislature. The Interim Finance Committee is authorized to modify budgets to fund necessary expenditures between the legislative sessions in amounts determined by statute or as approved by the State Legislature.

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

General Fund

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

Tables 12, 13, and 14 reflect General Fund revenues and appropriations and General Fund projections on a budgetary or cash basis. Table 12 shows actual revenues for FY 2016 through FY 2019 and the revenue forecast for FY 2020 and FY 2021 based on the May 1, 2019 Economic Forum Forecast as adjusted for legislatively approved changes enacted during the 80th (2019) Regular Session and tax credits approved in the 77th (2013), 78th (2015), 79th (2017), and 80th (2019) Regular Sessions and 28th (2014) and 29th (2015) Special Sessions. The data in Table 13 and Table 14 are taken from the Nevada Legislative Appropriations Reports of odd numbered years published by the Fiscal Analysis Division of the Legislative Counsel Bureau in November or from information compiled by Governor's Finance Office. Table 14 depicts General Fund unappropriated balances and reflects revenue collections and State agency expenditure information. The information in the 2018 State CAFR, which also include unappropriated balances (see Appendix A to this Part II), are presented on the basis of generally accepted accounting principles ("GAAP") rather than a budgetary basis. See Note 2 in the 2018 State CAFR for reconciliation between data on a budgetary basis and a GAAP basis. Also, see the History of General Fund operations presented on a GAAP basis in the 2018 State CAFR.

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

State General Fund Revenue Sources

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

Portions of the operating budgets for the various local taxing units in Nevada are funded with ad valorem taxes. Provisions for debt service payable with ad valorem taxes are made prior to determining operating budgets. Total ad valorem taxes levied by all overlapping units within the boundaries of any county (i.e., the State, and any county, city, town, school district, or special district) may not exceed the statutory limitation of \$3.64 per \$100 of assessed valuation of property being taxed (subject to the exception for \$0.02 of the state-wide property tax rate per \$100 of assessed valuation that need not be counted against the \$3.64 statutory cap). In the case of severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, the State Tax Commission may order the levy of a combined overlapping tax rate of not more than the constitutionally specified limit of \$5.00 per \$100 of assessed valuation. See also "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Certain revenue enhancements enacted during the 75th (2009) Regular Session and the 26th (2010) Special Session increased collections in FY 2010 and FY 2011 but were scheduled to sunset on June 30, 2011. However, some of these enhancements were extended by the 76th (2011) and 77th (2013) Regular Sessions and several of the enhancements were made permanent by the 78th (2015) Regular Session. The 79th (2017) Regular Session temporarily extended the allocation to the General Fund of the additional revenue generated from the governmental services tax. See "FINANCIAL INFORMATION – 2017-2019 Biennium." The 80th (2019) Regular Session allocates the additional revenue generated from the governmental services tax to the General Fund on a permanent basis. See "FINANCIAL INFORMATION – 2019-2021 Biennium."

The following taxes (except for the room tax and medical and adult-use marijuana taxes discussed below) provide the State's General Fund with its major sources of income. Table 12 sets forth the actual amounts of the various General Fund revenues described below for FY 2016 through 2019, and the revenue forecast for 2020 and 2021 based on the May 1, 2019 Economic Forum Forecast as adjusted for legislatively approved changes enacted during the 80th (2019) Regular Session and tax credits approved in the 77th (2013), 78th (2015), 79th (2017), and 80th (2019) Regular Sessions and 28th (2014) and 29th (2015) Special Sessions. Forecasts from the May 1, 2019 Economic Forum Forecast to the State Legislature are included in Appendix C to this Part II.

Sales and Use Taxes. The State receives a 2% sales tax on all taxable sales and taxable items of use. Certain sales are exempt from State sales taxation including, but not limited to, domestic fuel, prescription drugs, food for home consumption, most services, and aircraft and major components thereof based in Nevada. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Sales and Use Tax" in this Part II. Current State law provides for a collection allowance provided to a taxpayer for collecting and remitting sales and use taxes of 0.25%, as well as a General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes of 1.75%. Current sales and use tax rates for Clark County and Washoe County are 8.25% and 8.265% (inclusive of the 2.0% received by the State), respectively. AB309 of the 80th (2019) Regular Session authorizes the board of county commissioners of each county to impose, by two-thirds vote of the board or by a majority vote of the people at a primary, general or special election, a new sales and use tax at the rate of one-quarter of 1% of the gross receipts of retailers. The Clark County Commission voted to approve increasing the sales tax rate by 0.125%. This will increase the sales tax rate in Clark County from 8.25% to 8.375%, effective January 1, 2020. The tax rate increase is set to expire in June 2021.

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

Modified Business Tax. The State levies a tax, known as the modified business tax (the "MBT"), against applicable payrolls, less a deduction for employee healthcare expenses, for the privilege of conducting business in Nevada. The rate varies depending on how a business is classified. The tax rate for financial institutions and businesses subject to the net proceeds of minerals tax is 2.0%. The rate for all other businesses is 1.475% on taxable wages that exceed $50,000 per quarter.

Commerce Tax. The State levies a tax, known as the commerce tax, on the gross revenue of a business which is earned in the State of Nevada effective July 1, 2015. The first $4,000,000 per year in gross revenues earned in the State of Nevada is exempt from the tax. The rates range from 0.051% to 0.331% of the gross revenue earned in the State of Nevada exceeding $4,000,000 depending on the primary industry category or North American Industry Classification System ("NAICS") code assigned to the business. The tax is to be computed for each state fiscal year with the tax return and payment due 45 days after the end of the fiscal year. Commerce Tax provisions provide for a credit against a business's MBT due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years.

The original legislation also provided in an even numbered fiscal year that if the combined revenues from the taxes imposed by the MBT and the commerce tax exceeded the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation shall determine the MBT rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4% more than the amount anticipated. The MBT rates for financial and mining and non-financial entities were then to be reduced in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both the financial and mining and non-financial MBTs for the preceding year. The rates determined from this calculation were set to go into effect on July 1 of the odd-numbered year immediately following the year in which the determination was made. The revised rates were to be rounded to the nearest one-thousandth of a percent. The revised rate for the MBT for non-financial institutions could not go below 1.17% and if the revised rate for the MBT for non-financial entities was at or below 1.17%, the calculations were no longer required and the rates for both financial and mining institution and non-financial institution entities were not to be adjusted further. In FY 2018, combined collections came in 10.1% above forecast, triggering the MBT rate "buy-down" for the MBT rates, scheduled to begin July 1, 2019. Effective July 1, 2019, the rate for the non-financial entities was to be reduced to 1.378% for all taxable wages in excess of $50,000 per calendar quarter, and the rate for financial and mining was to be reduced to 1.853% for all taxable wages. However, the 80th (2019) Regular Session passed Senate Bill 551 ("SB551"), which repealed the provisions for MBT rate "buy-down." Subsequently, the rates for the non-financial entities remained at the rates of 1.475% and 2% for the financial and mining entities. A lawsuit was recently filed challenging SB551. See "STATE LITIGATION" herein for a discussion of this challenge.

Insurance Premium Taxes. The State levies a tax on insurance companies doing business in Nevada. The tax rate is 3.5% of premiums written on policies and contracts covering property, subjects or risks located, resident or to be performed in this State. If qualified, the tax rate for risk retention groups is 2%.

Live Entertainment Taxes. The State imposes a live entertainment tax on certain gaming and non-gaming establishments providing entertainment. The tax rate is 9% on the admission charge when live entertainment is provided at a facility.

Cigarette Taxes. The State imposes a cigarette tax of $1.80 per package of 20 cigarettes of which $1.70 is retained by the State. The collection allowance provided to a taxpayer for collecting and remitting cigarette taxes is 0.25%.

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

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

Business Licenses. The State imposes a business license fee of $200 for all types of businesses, except for corporations. The fee for corporations is $500. Entities that operate a facility where craft shows, exhibitions, trade shows, conventions, or sporting events take place may pay the business license fee for participants not having a business license at the rate of 1.25 times the number of unlicensed entities times the number of days of the event, or a flat annual fee of $5,000.

Net Proceeds of Minerals Taxes. The State imposes a mineral tax based on net proceeds at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts accrues to the State General Fund. The State Legislature required the advance payment on the net proceeds of minerals tax in FY 2009 based upon estimated net proceeds for the current calendar year. The advanced payment provision of the net proceeds of minerals tax was extended by the 76^{th} (2011), 77^{th} (2013) and 78^{th} (2015) Regular Sessions. The advanced payment provision sunsetted on June 30, 2016.

Room Tax. The 2009 Legislature passed Initiative Petition 1, which collects up to an additional 3% in room tax in Clark County and Washoe County to be used for the funding of elementary and secondary education. While the room tax does not go to the State's General Fund, it gets applied to a purpose which relieves the amount of General Fund revenues that might otherwise be applied towards education.

Medical Marijuana Taxes. Nevada voters approved medical marijuana by ballot initiative in 2000. The 2013 Legislature directed the Division of Public and Behavioral Health in the Department of Health and Human Services to develop regulations and authorize the creation of licensed and registered establishments to produce, test, and dispense medical marijuana and marijuana-infused products. Registered patients who were Nevada residents were allowed to possess no more than 2.5 ounces of usable marijuana in a single 14-day period. The 2013 Legislature enacted an excise tax imposed on medical marijuana at the rate of 2% at the cultivation facility, 2% at the production facility, and 2% at the medical marijuana dispensary, effective April 1, 2014. The tax at the dispensary was in addition to the state and local sales and use taxes that were otherwise imposed on the sale of tangible personal property. Statute provided that 25% of the revenue was distributed to the Division of Public and Behavior Health for carrying out the provisions of the medical marijuana act and 75% of the revenue is distributed to the State Distributive School Account. The 2017 State Legislature changed the tax structure for medical marijuana, as further described below in "—Adult-Use Recreational Marijuana Taxes." Medical marijuana establishments became operational in 2015. Total medical marijuana excise tax collections were $761,848 and $3,714,180 in FY 2016 and FY 2017, respectively.

Adult-Use Recreational Marijuana Taxes. While the possession and use of both medical and recreational marijuana remain illegal under the federal law, Nevada voters approved adult-use recreational marijuana by ballot initiative in 2016, allowing those age 21 or older to purchase, possess, and consume up to one ounce of marijuana or up to one-eighth of an ounce of concentrated cannabis for recreational purposes. The measure imposed a new 15% excise tax on marijuana sales paid by cultivation facilities designed to allocate revenue from the tax, licensing fees, and penalties to the Department of Taxation and local governments to cover costs related to the measure, with any remaining revenue allocated to the State Distributive School Account. The ballot initiative was written to legalize adult-use recreational sales on January 1, 2018. In May 2017, the Department of Taxation approved regulations for implementing the ballot initiative early allowing adult-use recreational sales to begin on July 1, 2017.

The 2017 State Legislature made several changes to the medical marijuana program. As of July 1, 2017, the medical marijuana establishment program is administered by the Department of Taxation, while the Division of Public and Behavioral Health maintains administration of the medical marijuana patient cardholder registry. The 2017 State Legislature changed the tax structure for medical marijuana from a 2% excise tax on each type of sale (cultivation, production, and dispensary) to a 15% excise tax on the wholesale value, paid by the cultivator which prevents the need for marijuana establishments to have separate inventories for medical and adult-use recreational marijuana.

Revenue from the 15% wholesale excise tax is allocated to the Department of Taxation and local governments to cover costs related to the program, with any remaining revenue allocated to the State Distributive School Account. Revenue from the 15% wholesale excise revenue tax was $27.3 million and $44.0 million in FY 2018 and FY 2019, respectively. The legislatively approved estimate for the 15% wholesale excise tax revenue is $46.4 million in FY 2020 and $48.5 million in FY 2021. If the marijuana is sold to an adult-use recreational consumer, an additional 10% retail excise tax is levied which does not apply if the sale is to a medical marijuana cardholder. Revenue from the 10% retail excise tax was transferred to the reserve for the stabilization of the operation of the State in FY 2018 and FY 2019. Revenue from the 10% retail excise tax was $42.5 million and $55.2 million in FY 2018 and FY 2019, respectively. See "FINANCIAL INFORMATION—Account to Stabilize the Operation of State Government and Other Contingency Accounts" below.

The 2019 Legislature directed the revenue collected from the 10% excise retail tax on marijuana, which was directed to the reserve for the stabilization of the operation of the State, to be deposited in the State Distributive School Account beginning FY 2020. The legislatively approved estimate for the 10% retail excise tax revenue is $58.6 million in FY 2020 and $61.3 million in FY 2021.

An initiative petition approved by the voters at the 2016 General Election also imposes fees for marijuana establishments. Each applicant for a marijuana establishment is required to pay a one-time application fee of $5,000 and annual licensing fee not to exceed:

For the initial issuance of a license for a retail marijuana store	$20,000
For a renewal license for a retail marijuana store	$6,600
For the initial issuance of a license for a marijuana cultivation facility	$30,000
For a renewal license for a marijuana cultivation facility	$10,000
For the initial issuance of a license for a marijuana product manufacturing facility	$10,000
For a renewal license for a marijuana product manufacturing facility	$3,300
For the initial issuance of a license for a marijuana distributor	$15,000
For a renewal license for a marijuana distributor	$5,000
For the initial issuance of a license for a marijuana testing facility	$15,000
For a renewal license for a marijuana testing facility	$5,000

Licenses for marijuana establishments are awarded by the Department of Taxation. Certain recreational dispensary applicants who were not awarded licenses recently sued the State, alleging corruption in the license application process. On August 23, 2019, the Clark County District Court granted a partial preliminary injunction, prohibiting certain businesses who were awarded conditional state licenses in December 2018 from moving forward with opening dispensaries.

Additionally, NRS 453A provides that a person, who wishes to be employed by a marijuana establishment, is required to obtain or renew a marijuana establishment agent registration card. The agent registration card process initially started with the medical marijuana program as directed by the 77th (2013) Regular Session. Currently, the fee is $75 and it is submitted to the Department of Taxation. The 80th (2019) Regular Session changed the agent card fee to be $150 for a two-year period, effective July 1, 2020.

In FY 2018, the state collected $0.7 million in application fees (medical and recreational), $1.6 million in license fees (medical and recreational), and $1.2 million in agent registration fees (medical and recreational). In FY 2019, the state collected $2.8 million in application fees (medical and recreational), $5.2 million in license fees (medical and recreational), and $1.4 million in agent registration fees (medical and recreational). The combined legislatively approved estimate for application fees (medical and recreational), license fees (medical and recreational), and agent registration fees (medical and recreational) is $6.2 million in FY 2020 and $5.4 million in FY 2021.

Tax Credit Programs

The general purpose of a tax credit program is to encourage business growth, job creation and workforce development in the State. The 77th (2013), 78th (2015), 79th (2017), and 80th (2019) Regular Sessions and 28th (2014) Special Session authorized several tax credit programs.

Tax credit programs can directly reduce the tax liability of a taxpayer and thereby decrease certain General Fund revenue collections. The General Fund revenue estimates in Table 12 for FY 2020 and FY 2021 are based on the May 1, 2019 Economic Forum Forecast, as adjusted for previously approved credits, and show the amount projected prior to the effect of any tax credit programs as well as the amount projected after accounting for the estimated tax credits that may be taken against certain General Fund revenues based on current law. The total amount of tax credits redeemed was $55.2 million in FY 2016, $71.9 million in FY 2017, $113.4 million in FY 2018, and $75.1 million in FY 2019. The amount estimated to be redeemed is $48.8 million in FY 2020 and $32.5 million in FY 2021, excluding the commerce tax credits. These estimates were made based on the latest information available from the State agency administering the tax credit program and/or the amount of tax credits allowable based on existing law.

Transferable Film Tax Credit Program. The 77th (2013) Regular Session authorized a four-year pilot program of transferable tax credits issued for qualified film productions completed in the State that may be used against the MBT, insurance premium tax and/or the gaming percentage fee tax. The legislation authorized up to $20 million per fiscal year for a total of $80 million. However, the provisions of the pilot program were amended in the 28th (2014) Special Session, reducing the total amount of credits that may be approved to $10 million.

The 78th (2015) Regular Session made the transferable film tax credit program permanent but limited the amount of transferable tax credits to the amount appropriated by the State Legislature for that purpose for that fiscal year. The 78th (2015) Regular Session did not appropriate additional funding for this program for either FY 2016 or FY 2017. The 79th (2017) Regular Session approved an additional $10 million per year in transferable film tax credits that may be awarded in FY 2018 and FY 2019. Taxpayers redeemed $4.4 million of tax credits in FY 2016, $5.2 million in FY 2017, no tax credits in FY 2018, and $1.5 million in FY 2019 under this program. The law allows any unissued tax credits to be issued in a subsequent fiscal year. The amount estimated to be redeemed is $5.0 million in FY 2020 and $6.0 million in FY 2021.

Nevada New Market Jobs Act Tax Credit Program. The 77th (2013) Regular Session authorized the Nevada New Market Jobs Act which allows insurance companies to receive a credit against the insurance premium tax in exchange for a qualified equity investment in one or more community development organizations, primarily for local or minority-owned entities in under-served zones in the State.

The State Department of Business and Industry may certify up to $200 million in qualified equity investments. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the insurance premium tax in an amount equal to 58% of the total qualified equity investment certified by the Department of Business and Industry. The credits may be taken in increments beginning on the second anniversary date of the original investment as follows:

2 years after the investment is made: 12% of the qualified investment;
3 years after the investment is made: 12% of the qualified investment;
4 years after the investment is made: 12% of the qualified investment;
5 years after the investment is made: 11% of the qualified investment;
6 years after the investment is made: 11% of the qualified investment.

Under the provisions of the program, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. Based on the latest information provided by the State Department of Business and Industry and the State Department of Taxation, the amount of tax credits redeemed in FY 2016 was $26 million, $25.2 million in FY 2017, $23.2 million in FY 2018, and $19.6 million in FY 2019. The estimated tax credit is $7.2 million in FY 2020 and there are no tax credits left to be redeemed in FY 2021.

The 80th (2019) Regular Session authorized an additional $200 million in qualified equity investments that may be certified by the Department of Business and Industry, effective July 1, 2019, with a total of $116 million of credits that may be taken based on the increment percentages originally approved by the 2013 Legislature. No credits may be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

Economic Development Transferable Tax Credit Program. The 28th (2014) and 29th (2015) Special Sessions required the Governor's Office of Economic Development ("GOED") to issue transferable tax credits for certain qualifying projects that may be used against the MBT, insurance premium tax and/or the gaming percentage fee tax.

The 2014 legislation defined a top tier qualifying project as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least $3.5 billion during the 10-year period immediately following approval of the application, and employs Nevada residents in at least half of the project's construction jobs and operational jobs.

The amount of transferable tax credits for the top tier project is equal to $12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first $1 billion and 2.8% of the next $2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project.

The amount of tax credits approved by GOED for top tier projects may not exceed $45 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year), and GOED may not issue total tax credits in excess of $195 million under the program. The program will expire on June 30, 2036. Any unissued tax credits can be issued in future fiscal years within the limits of the program.

Tax credits issued for the Tesla project was $20.5 million in FY 2016, $36.9 million in FY 2017, $73.8 million in FY 2018, and $41.9 million in FY 2019. Tax credits are estimated to be $21.9 million in FY 2020 and no tax credits are left to be redeemed under this program in FY 2021. As of the date hereof, no other credits have been issued under this program.

The 2015 legislation defined a mid-tier qualifying project as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least $1 billion during the 10-year period immediately following approval of the application, and employs Nevada residents in at least half of the project's construction jobs and operational jobs. An applicant can request a waiver of the resident employment requirements if it can provide proof satisfactory to the Executive Director of GOED that there are an insufficient number of Nevada residents available and qualified for such employment.

The amount of transferable tax credits for the mid-tier project is equal to $9,500 for each qualified employee employed by the participants in the project (to a maximum of 4,000 employees).

The amount of tax credits approved by GOED for mid-tier projects may not exceed $7.6 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year) starting in FY 2018, and GOED may not issue total tax credits in excess of $38 million under the program. The program will expire on June 30, 2025.

As of the date hereof, no other credits have been issued under this program.

Nevada Educational Choice Scholarship Tax Credit Program. The 78th (2015) Regular Session authorized a taxpayer who makes a donation of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the MBT.

The total amount of tax credits that may be approved by the Department of Taxation for this program is $5 million in FY 2016, $5.5 million in FY 2017 and 110% of the total amount of credits authorized in the previous year for all subsequent fiscal years. The amount of tax credits redeemed in FY 2016 was $4.4 million, $4.7 million in FY 2017, $16 million in FY 2018, and $12.1 million in FY 2019. The law allows unused tax credits to be carried forward for up to five years.

The 79th (2017) Regular Session approved an additional $20 million in tax credits against the MBT under this program in FY 2018.

The 80th (2019) Regular Session permanently eliminated the 10% increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at $6,655,000 beginning in FY 2020. In addition, a clarification is made that the $6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter. The 2019 Legislature also authorized an additional $4,745,000 in credits that may be taken under both chapters of the MBT (Chapters 363A and 363B) under this program per year in FY 2020 and FY 2021. Any amount of the $4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years. The forecasts for FY 2020 and FY 2021 are based on the maximum amount of $6,655,000 allowed pursuant to AB 458 (2019) ("AB458") plus the additional $4,745,000 per year authorized under SB551. Thus, the total estimated amount of tax credits is $11.4 million in both FY 2020 and FY 2021. Lawsuits were recently filed challenging the constitutionality of AB458 and SB551. See "STATE LITIGATION" herein for a discussion of the challenge to SB551.

Catalyst Account Transferable Tax Credit Program. The 78th (2015) Regular Session authorized GOED to approve transferable tax credits that may be used against the MBT, insurance premium tax and gaming percentage fee tax to new or expanding businesses to promote the economic development of Nevada. The 29th (2015) Special Session modified the amount of transferable tax credits that may be issued.

The total amount of transferable tax credits that may be issued is $1 million in FY 2017, $2 million in FY 2018 and 2019, $3 million in FY 2020 and $5 million in each fiscal year thereafter. No tax credits were redeemed in FY 2017 or FY 2019. For FY 2018, $0.4 million of tax credits have been redeemed. The estimated amount of tax credits is $3.2 million in FY 2020 and $5.0 in FY 2021.

College Savings Plan Employer Matching Employee Contribution Tax Credit Program. The 78th (2015) Regular Session authorized a tax credit against the MBT to certain employers who match the contributions of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and/or the Nevada College Savings Program.

The provisions relating to the Nevada College Savings Program were effective January 1, 2016 and provisions relating to the Higher Education Prepaid Tuition Program were effective July 1, 2016.

The amount of the tax credit is equal to 25% of the matching contribution, not to exceed $500 per contributing employee per year, and any unused credits may be carried forward for up to 5 years.

No tax credits were redeemed in FY 2017 or FY 2018. In FY 2019, $700 in tax credits were redeemed under this program. Based on enrollment and contribution estimates for the college savings plans made by the State Treasurer's Office, the tax credits are projected to be $50,000 both in FY 2020 and FY 2021.

Affordable Housing Transferable Tax Credit. The 80th (2019) Regular Session authorizes the Housing Division of the Department of Business and Industry to approve a total of $40 million of transferrable tax credits that may be used against the MBT, Insurance Premium Tax, and Gaming Percentage Fee Tax. The Division may award up to $10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional $3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the state. If the Division approves any credits in excess of $10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of $10 million that was issued in the previous fiscal year. If the Division does not issue all of the $10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year. Tax credits are anticipated to be taken beginning in FY 2021. The estimated tax credit is $10 million in FY 2021.

Home Office Tax Credit. The 56th (1971) Regular Session authorized a credit against the insurance premium tax for insurers which own and substantially occupy and use a building in this state as a home office or regional home office. The credit is equal to 50% of the aggregate insurance premium tax, but the credit must not reduce the tax payable to less than 20% of the tax payable under the general tax on premiums. The home office credit against the insurance premium tax on fiscal-year-basis was approximately $25.4 million in FY 2016, and $5 million in FY 2017, FY 2018, and FY 2019 based on the most recent information received from the Department of Taxation.

The 28th (2014) Special Session made changes to the home office tax credit program. Effective for the calendar year beginning January 1, 2016, the credit is limited to $5,000,000 in aggregate for all insurers based on a proration of each insurer's calculated credit without the cap to the total amount of credits calculated without the cap for all insurers. The home office credit will be repealed in its entirety effective January 1, 2021.

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Table 12 shows actual revenues for FY 2016 through FY 2019 and the revenue forecast for FY 2020 through FY 2021 based on the May 1, 2019 Economic Forum Forecast as adjusted for legislatively approved changes enacted during the 80th (2019) Regular Session and tax credits approved in the 77th (2013), 78th (2015), 79th (2017), and 80th (2019) Regular Sessions and 28th (2014) and 29th (2015) Special Sessions.

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

		Actual								Economic Forum Forecast[2]			
	Fiscal Year Ended June 30 2019	2016		2017		2018		2019[7]		2020		2021	
General Fund Revenue Sources	**Share of Total Fund[3]**	**Actual Amount**	**Change**	**Actual Amount**	**Change**	**Actual Amount**	**Change**	**Actual Amount**	**Change**	**Forecast Amount[7]**	**Change**	**Forecast Amount**	**Change**
Sales Tax	29.1%	$1,077,004	4.2%	$1,133,715	5.3%	$1,189,227	4.9%	$1,284,696	8.0%	$1,364,231	6.2%	$1,411,267	3.4%
Gaming Taxes[3]	18.2	733,420	1.5	760,093	3.6	785,515	3.3	801,951	2.1	810,655	1.1	821,881	1.4
Modified Business Tax[3][4]	15.8	566,263	37.5	623,646	10.1	655,635	5.1	697,410	6.4	725,920	4.1	753,606	3.8
Insurance Taxes[3]	10.1	336,228	9.8	384,894	14.5	418,935	8.8	443,699	5.9	467,920	5.5	494,381	5.7
Live Entertainment Tax	3.0	128,531	-11.9	129,306	0.6	125,409	-3.0	131,256	4.7	129,294	-1.5	130,440	0.9
Cigarette Tax[5]	3.7	153,033	65.0	180,677	18.1	160,665	-11.1	164,393	2.3	156,650	-4.7	151,826	-3.1
Real Property Transfer Tax	2.3	75,795	18.0	83,957	10.8	103,390	23.1	101,045	-2.3	105,083	4.0	106,357	1.2
Liquor Tax	1.0	43,944	2.9	43,868	-0.2	44,195	0.7	44,791	1.3	45,682	2.0	46,058	0.8
Business License Fee	2.5	103,046	36.7	104,858	1.8	109,298	4.2	110,337	1.0	113,000	2.4	113,352	0.3
Mining Taxes and Fees[6]	1.1	34,744	-32.8	25,264	-27.3	63,522	151.4	50,354	-20.7	53,373	6.0	52,950	-0.8
Commerce Tax	5.1	143,508	n/a	197,827	37.9	201,927	2.1	226,770	12.3	222,470	-1.9	231,527	4.1
Transportation Connection Excise Tax	0.7	11,899	n/a	23,101	94.2	21,773	-5.7	30,217	38.8	29,284	-3.1	37,051	26.5
Other Taxes	1.1	87,650	6.3	61,046	-30.4	44,494	-27.1	47,391	6.5	52,523	10.8	58,466	11.3
Total Taxes	93.8%	$3,495,064	15.4%	$3,752,253	7.4%	$3,923,984	4.6%	$4,134,309	5.4%	$4,276,085	3.4%	$4,409,162	3.1%
Licenses	3.1	131,856	3.5	131,019	-0.6	138,946	6.1	138,628	-0.2	141,067	1.8	142,850	1.3
Fees & Fines	1.6	59,203	-6.0	59,485	0.5	66,449	11.7	68,574	3.2	67,437	-1.7	68,151	1.1
Interest Income	0.4	1,518	10.2	3,875	155.3	9,560	146.7	19,332	102.2	18,722	-3.2	18,990	1.4
Other Revenue	1.1	61,442	-18.9	49,513	-19.4	50,986	3.0	46,771	-8.3	50,906	8.8	51,471	1.1
Subtotal	6.2%	$254,018	-5.1%	$243,892	-4.0%	$265,940	9.0%	$273,304	2.8%	$278,131	1.8%	$281,463	1.2%
Total General Fund Before Tax Credits	100.0%	$3,749,082	13.7%	$3,996,145	6.6%	$4,189,925	4.8%	$4,407,614	5.2%	$4,554,216	3.3%	$4,690,625	3.0%
Tax Credits:													
Commerce Tax Credit	n/a	0	n/a	(43,716)	n/a	(57,817)	n/a	(44,970)	n/a	(59,128)	n/a	(62,145)	n/a
Film Transferrable Tax Credits	n/a	(4,371)	n/a	(5,223)	n/a	0	n/a	(1,520)	n/a	(5,000)	n/a	(6,000)	n/a
Economic Development Transferrable Tax Credits	n/a	(20,462)	n/a	(36,851)	n/a	(73,832)	n/a	(41,944)	n/a	(21,913)	n/a	0	n/a
Catalyst Account Transferrable Tax Credits	n/a	0	n/a	0	n/a	(355)	n/a	0	n/a	(3,248)	n/a	(5,000)	n/a
Nevada New Market Jobs Act Tax Credits	n/a	(26,005)	n/a	(25,153)	n/a	(23,235)	n/a	(19,611)	n/a	(7,196)	n/a	0	n/a
Education Choice Scholarship Tax Credits	n/a	(4,402)	n/a	(4,697)	n/a	(15,975)	n/a	(12,065)	n/a	(11,400)	n/a	(11,400)	n/a
College Savings Plan Tax Credits	n/a	0	n/a	0	n/a	0	n/a	(1)	n/a	(50)	n/a	(50)	n/a
Affordable Housing Transferrable Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	(10,000)	n/a
Total Tax Credits	n/a	(55,239)	n/a	(115,639)	n/a	(171,213)	n/a	(120,109)	n/a	(107,934)	n/a	(94,595)	n/a
Total General Fund After Tax Credits	n/a	$3,693,843	12.5%	$3,880,506	5.1%	$4,018,711	3.6%	$4,287,504	6.7%	$4,446,282	3.7%	$4,596,030	3.4%

(1) The numbers set forth in this Table are prepared using a budget method of accounting and may differ from the corresponding numbers set forth in the 2019 Financial Statements. Totals may not add due to rounding.
(2) May 1, 2019 Economic Forum Forecast Legislatively Adjusted.
(3) Gaming Taxes, Modified Business Taxes and Insurance Taxes are reported as gross revenue (before tax credits).
(4) Starting FY 2016, Modified Business Tax base and rate increased.
(5) Starting FY 2016, Cigarette Tax increased from 80 cents to $1.80 per package of 20 cigarettes.
(6) The advanced payment provision of the net proceeds of minerals tax sunset on June 30, 2016.
(7) FY 2019 actuals are unaudited.

Source: Legislative Council Bureau, General Fund Revenue Table, Economic Forum May 1, 2019 Forecast Legislatively Adjusted.

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

Table 13
General Fund Appropriations
(Dollar Amounts in Thousands)

Fiscal Year Ended June 30	Actual Appropriations				2019 Legislatively Approved Appropriations[(2)]	
	2016	2017	2018	2019[(1)]	2020	2021
Constitutional Agencies	$ 132,235	$ 161,621	$ 180,111	$ 189,515	$ 170,088	$ 169,169
Finance & Administration	46,408	41,910	38,224	38,281	43,427	44,958
Education	1,942,464	2,024,681	2,109,715	2,057,713	2,232,265	2,241,122
Human Services	1,041,953	1,135,381	1,225,962	1,288,196	1,428,542	1,548,923
Commerce & Industry	66,884	53,832	59,099	58,660	58,052	54,035
Public Safety	311,884	323,002	352,486	364,261	381,995	392,698
Infrastructure	33,539	37,699	40,122	38,454	42,704	44,301
Special Purpose Agencies	5,652	5,881	10,972	15,407	11,736	11,889
TOTAL[(3)]	$3,581,018	$3,784,009	$4,016,690	$4,050,487	$4,368,809	$4,507,095

(1) Year-end closing in process, amounts are estimated using current actuals. Subject to revision upon completion of year-end closing; final numbers expected to be published in December 2019.
(2) Legislature approved appropriations, including supplemental appropriations approved by the State Legislature, subject to revision.
(3) Totals may not add due to rounding.

Source: Nevada Legislative Appropriations Report November 2015, November 2017, and Governor's Finance Office.

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

Fiscal Year Ending June 30	2015	2016	2017	2018	2019[2]
General Fund Resources:					
Unappropriated General Fund Balance - July 1	$183,544	$241,750	$418,535	$434,085	$424,842
Unrestricted General Fund Reversions	78,843	84,712	156,641	87,588	$125,721
Unrestricted General Fund Revenue					
General Fund Revenue[3]	3,296,894	3,749,082	3,996,145	4,189,925	4,407,614
Transfer from Fund to Stabilize the Operation of State Government	28,061	0	25,000	5,000	0
Transfers and Reversions from Various Accounts	65,155	0	0	0	22,779
Tax Credit Programs	(12,411)	(55,239)	(115,639)	(171,213)	(120,109)
Total Unrestricted General Fund Revenue	3,377,699	3,693,843	3,905,506	4,023,711	4,310,283
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	7,600	7,600	7,600	7,600	7,600
Quarterly Slot Tax - Problem Gambling	1,393	1,358	1,333	1,319	1,308
Live Entertainment Tax – Nevada Arts Council	0	150	150	150	150
Total Restricted General Fund Revenue	$8,993	$9,108	$9,083	$9,069	$9,058
General Fund Resources	$3,649,079	$4,029,413	$4,489,765	$4,554,453	$4,869,904
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	(3,319,446)	(3,558,058)	(3,738,711)	(3,936,673)	(4,050,813)
Supplemental Operating Appropriations	(66,405)	(20)	(82,652)	0	(33,189)
Operating Appropriations Transfers Between FYs 2012 & 2013	0	0	0	0	0
Operating Appropriations Transfers Between FYs 2014 & 2015	6,310	0	0	0	0
Operating Appropriations Transfers Between FYs 2015 & 2016	(2,271)	2,271	0	0	0
Operating Appropriations Transfers Between FYs 2016 & 2017	0	(16,705)	16,705	0	0
Operating Appropriations Transfers Between FYs 2017 & 2018	0	0	0	0	0
Operating Appropriations Transfers Between FYs 2018 & 2019	0	0	0	(38,020)	38,020
One-Time Appropriations	(657)	(16,593)	(157,776)	(43,336)	(319,081)
Restoration of Fund Balances	0	(13,600)	(9,500)	0	(38,002)
General Fund Payback - Line of Credit	0	0	0	0	0
Cost of Regular and Special Sessions of Legislatures	(18,000)	0	(18,000)	0	(23,000)
Total Unrestricted Appropriations / Transfers	(3,400,469)	(3,602,705)	(3,989,935)	(4,018,029)	(4,426,064)
Restricted Transfers					
Millennium Scholarship	(7,600)	(7,600)	(7,600)	(7,600)	(7,600)
Problem Gambling	(1,393)	(1,358)	(1,333)	(1,319)	(1,308)
Nevada Arts Council	0	(150)	(150)	(150)	(150)
Disaster Relief Account	(1,500)	0	(1,000)	(2,000)	(2,000)
Fund to Stabilize the Operation of State Government	0	0	(63,936)	(103,473)	(96,612)
Total Restricted Transfers	(10,493)	(9,108)	(74,019)	(114,541)	(107,670)
Adjustments to Fund Balance	3,613	935	8,274	$2,960	
Total Appropriations / Transfers	($3,407,349)	($3,610,878)	($4,055,680)	($4,129,611)	($4,533,734)
Unappropriated General Fund Balance June 30	$241,730	$418,535	$434,085	$424,842	$336,170
5% Minimum Ending Fund Balance	$170,023	$180,850	$198,117	$206,481	$202,299
Difference	$71,707	$237,685	$235,968	$218,361	$133,871

(1) Totals may not add due to rounding.
(2) Unaudited General Fund revenue.
(3) FY 2015, FY 2016, FY 2017, FY 2018, and FY 2019 Revenue before tax credits taken.

Source: Nevada Legislative Appropriations Report, November 2015, November 2017, and Governor's Finance Office.

General Fund Balance

The General Fund balance presented in the preceding Table represents only the unappropriated portion of the General Fund balance and is determined on the budgetary basis method of accounting. The General Fund balance as presented in the 2018 State CAFR in the Required Supplementary Information, Budgetary Comparison Schedule section is also determined on the budgetary basis of accounting, but includes both appropriated and unappropriated components. The fund balance for the General Fund in the Balance Sheet section of the 2018 State CAFR is determined on a GAAP basis. The fund balance is classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources in the fund as follows:

Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).

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

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the State Legislature, through legislation passed into law.

Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.

Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

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Budgetary basis and GAAP basis General Fund balances as of June 30, 2017 and June 30, 2018 are reconciled as follows:

Table 15[(1)]
General Fund Balance

	June 30, 2017	June 30, 2018
Unappropriated General Fund Balance	$ 427,059,994	$ $417,817,071
Restricted General Fund Balance, Budgetary Basis	587,926,792	728,729,331
Total General Fund Balance, Budgetary Basis	1,014,986,786	1,146,546,402
Accrued Medicaid Receivable	266,348,479	275,300,631
Receivables Recorded as Budgetary Expenditures	30,525,190	88,202,465
Encumbrances Recorded as Budgetary Expenditures	6,616,745	5,448,572
Accrued Medicaid Liability	(411,183,933)	(497,194,572)
Unearned Gaming Taxes	(96,091,087)	(121,694,380)
Unavailable Revenue-Intergovernmental	(203,853,048)	(296,789,484)
Unearned Revenue-Other	(16,958,278)	(11,891,148)
Liabilities Recorded as Budgetary Revenues	(62,202,230)	(54,003,658)
Other	28,498,327	13,820,754
Total General Fund Balance, GAAP Basis	$ 556,686,951	$ $547,745,582
Fund Balances:		
Nonspendable	28,247,930	27,620,812
Restricted	83,172,526	77,802,740
Committed	542,891,958	682,809,628
Unassigned	(97,625,463)	(240,487,598)
Total General Fund Balance, GAAP Basis	$ 556,686,951	$ 547,745,582

(1) This Table is prepared based on the Required Supplementary Information of the 2018 State CAFR. The 2019 State CAFR is expected in December 2019.

Source: State of Nevada Controller's Office.

Account to Stabilize the Operation of State Government and Other Contingency Accounts

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

Additions to the Stabilization Account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance, budgetary basis, exceeds 7% of the General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency.

The 75th (2009) Regular Session passed legislation requiring the State Controller to transfer 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects State revenue for that fiscal year, to the Stabilization Account at the beginning of each fiscal year. This transfer was scheduled to commence with FY 2012. Due to the economic downturn, this transfer was deferred by the 76th (2011), 77th (2013) and 78th (2015) Regular Sessions and commenced in FY 2018.

The maximum balance allowed in the Stabilization Account is 20% of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Stabilization Account.

The FY 2018 year-end reconciliation of the unrestricted General Fund balance triggered a transfer to the Stabilization Account in the amount of $55,846,598 in FY 2019. The unaudited General Fund unrestricted balance, budgetary basis, for FY 2019 is projected to be $336,170,183, which is approximately 7.6% of all appropriations. If this balance is finalized as projected, it would trigger a transfer to the Stabilization Account in FY 2020. The General Fund unrestricted fund balance and the corresponding transfer are subject to change until the State Controller reconciles the General Fund in December.

Nevada voters approved adult-use recreational marijuana by ballot initiative in 2016, allowing those age 21 or older to purchase, possess, and consume up to one ounce of marijuana or up to one-eighth of an ounce of concentrated marijuana for recreational purposes. The 2017 Legislature provided if the marijuana was sold to an adult-use recreational consumer, an additional 10% retail excise tax was levied. Revenue from the 10% retail excise tax was transferred to the reserve for the stabilization of the operation of the State in FY 2018 and FY 2019. Revenue from the 10% retail excise tax was $42.5 million and $55.2 million in FY 2018 and FY 2019, respectively.

The 2019 Legislature directed the revenue collected from the 10% excise retail tax on marijuana, which had been directed to the reserve for the stabilization of the operation of the State, to be deposited in the State Distributive School Account beginning FY 2020.

At the FY 2019 end, the Stabilization Account balance was $331,694,833. In July 2019, the State deposited an additional $44.46 million under the 1% of total anticipated revenue. The State anticipates depositing approximately an additional $18 million under the ending fund balance in excess of 7% in December 2019. The projected unaudited balance of the Stabilization Account at the end of calendar year 2019 is expected to be $394.157 million.

The State has established five other accounts to reserve funds for various contingencies.

The Disaster Relief Account created pursuant to NRS 353.2735 may be used for any purpose authorized by the State Legislature or distributed to State agencies or local governments through grants to pay for certain disasters and emergencies. NRS 353.288 provides for a quarterly transfer from the General Fund to the Disaster Relief Account an amount equal to not more than $500,000 or 10% of the aggregate balance in the Stabilization Account, whichever is less. As of June 30, 2019, the Disaster Relief Account had a balance of $11,666,799. The Emergency Account created pursuant to NRS 353.263 may be used when the Board of Examiners determines a qualifying emergency exists which requires an expenditure for which no appropriation was made, or is in excess of the appropriation available for that purpose. As of June 30, 2019, the Emergency Account had a balance of $279,841.

The Stale Claims Account created pursuant to NRS 353.097 may be used to pay for certain claims received after the date on which the appropriated balance for a previous fiscal year reverts to the fund from which it was appropriated. A stale claim must have been eligible to be paid from the money appropriated to the agency which is submitting the claim, and it may not exceed the amount of money reverted, or the authorized balance on the last day of the fiscal year, for the fiscal year in which the stale claim was incurred. As of June 30, 2019, the Stale Claims Account had a balance of $2,298,628.

The Statutory Contingency Account created pursuant to NRS 353.264 may be used for the payment of certain legal and investigation expenses; expenses related to the interstate compact for juveniles; rewards for certain cases; costs of certain ballot questions, initiatives and recounts; certain refunds; terminal leave for employees in certain circumstances; certain insurance claims if the Insurance Premiums Fund has been exhausted, and the cost of fighting forest fires. Claims may be paid from the Statutory Contingency Account only when the money otherwise appropriated for the specific purpose has been exhausted. As of June 30, 2019, the Statutory Contingency Account had a balance of $4,763,794.

The Interim Finance Committee Contingency Account created pursuant to NRS 353.266 may be used for the payment of certain expenses in excess of the amount appropriated by the Legislature for the biennium for the support of an agency or program, for circumstances for which the Legislature made no other provision, or as directed by the State Legislature. As of June 30, 2019, the Interim Finance Contingency Account had a balance of $25,001,964.

As of June 30, 2019, these five accounts had a total balance of $44,011,026 available for the purposes stated above.

2017-2019 Biennium

Governor Sandoval's Recommended Executive Budget for the 2017-2019 biennium totaled $23.4 billion, approximately $2.4 billion, or 11.7% over the previous biennium. The Recommended Executive Budget included $8.1 billion in General Fund appropriations, an increase of $964 million compared to the 2015-2017 legislatively approved budget.

The Governor recommended continuing the diversion of the Governmental Services Tax resulting from the 10% depreciation schedule change to the General Fund with 25% of the tax going to the General Fund and the remaining 75% to the Highway Fund. Additionally, after Nevadans voted to legalize adult-use recreational marijuana in the November 2016 elections, the Governor recommended a 10% retail excise tax on the sale of adult-use recreational marijuana to support K-12 education programs.

The 79th (2017) Regular Session agreed with many of the proposals put forth in the Governor's recommended budget. Legislation enacted from the 79th (2017) Regular Session having an impact on General Fund revenues include:

- Requiring 25% of the proceeds from the portion of the Governmental Services Tax generated from the 10% depreciation schedule change, approved in SB429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019, with the remaining 75% deposited in the State Highway Fund. 100% of the additional revenue generated from the Governmental Services Tax 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently. The Governmental Services Tax generated $20.3 million in FY 2018 and $21.5 million in FY 2019 to the General Fund.

- Making several changes to the medical marijuana program and enacting an additional 10% retail excise tax on adult-use recreational marijuana sales. As of July 1, 2017, the medical marijuana program is administered by the Department of Taxation. The Division of Public and Behavioral Health maintains administration of the medical marijuana patient cardholder registry. The 2017 State Legislature changed the tax structure for medical marijuana from a 2% excise tax on each type of sale (cultivation, production, and dispensary) to a 15% excise tax on the wholesale value, paid by the cultivator. The 15% wholesale tax also applied to adult-use recreational transactions which eliminated the need for marijuana establishments to have separate inventories for medical and adult-use recreational marijuana. In FY 2018, the 15% wholesale tax revenue generated $27.3 million and $44 million in FY 2019. Revenue from the 15% wholesale excise tax is allocated to the Department of Taxation and local governments to cover costs related to the program with any remaining revenue allocated to the State Distributive School Account. In FY 2018, the 10% retail excise tax revenue generated $42.5 million and $55.2 million in FY 2019. Revenue from the 10% retail excise was transferred to the Stabilization Account.

- Allowing GOED to award a total of $10 million per year in transferable film tax credits beginning in FY 2018, in addition to any remaining amounts from SB1 of the 28th (2014) Special Session. Any portion of the $10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year.

- Authorizing an additional $20 million in Education Choice Scholarship tax credits against the MBT in FY 2018 beyond those that were authorized in FY 2018 based on the provisions of AB165 (2015). Any amount of the $20 million in credits that is not approved by the Department of Taxation may be issued in future fiscal years.

2019-2021 Biennium

Governor Sisolak's approach to the 2019-2021 biennium budget building process focused on providing those services necessary to protect the health and safety of our citizens and our natural resources, while making necessary investments to improve education and strengthen our workforce for the Nevada economy.

Governor Sisolak's recommended executive budget for the 2019-2021 biennium totaled $25.7 billion, an increase of approximately $2.5 billion, or 10.89%, over the previous biennium. The Recommended Executive Budget included $8.9 billion in General Fund appropriations, an increase of $898 million compared to the 2017-2019 legislatively approved budget.

The Governor's budget recommended continuing the diversion of the Governmental Services Tax resulting from the 10% depreciation schedule change to the General Fund with 25% of the tax going to the General Fund and the remaining 75% to the Highway Fund. The transfer to the General Fund was to sunset on June 30, 2019. The Executive Budget recommended extending the sunset to June 30, 2021.

The Commerce Tax, implemented by the 78th (2015) Regular Session, provides that in an even-numbered fiscal year, if the combined revenues from the taxes imposed by the MBT and the Commerce Tax exceed the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation shall determine the MBT rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4% more than the amount anticipated. In FY 2018, combined collections came in 10.1% above forecast, triggering the MBT rate "buy-down" for the MBT rates, scheduled to begin July 1, 2019. The Governor's budget recommended to keep the MBT rates the same, keeping the tax rate for mining and financial institutions at the current 2.0% and the tax rate for all other businesses at the current 1.475%.

The Governor's budget proposed a new program that utilizes $10 million per year in state tax credits to be used in the creation or preservation of affordable housing in Nevada, anticipated to be taken beginning in FY 2021. Additionally, the Quarterly Slot Tax was recommended to be diverted to the General Fund as unrestricted revenue and 0.6% of the Gaming Percentage fees to be diverted to programs for prevention and treatment of Problem Gambling. The budget also recommended that the 10% excise retail tax on marijuana, which was directed to the reserve for the stabilization of the operation of the State, to be diverted to the new School Safety program and the Governor Guinn Millennium Scholarship.

The 80th (2019) Regular Session began on February 4, 2019 and adjourned on June 4, 2019. The State Legislature agreed with many of the proposals put forth in the Governor's recommended budget. Legislation enacted from the 80th (2019) Regular Session having an impact on General Fund revenues include:

- SB551 permanently repeals the provisions requiring the MBT rates on nonfinancial institutions, financial institutions, and mining companies to be reduced by the Department of Taxation if actual collections from these taxes, in combination with collections from the Commerce Tax and Branch Bank Excise Tax and tax credits taken against the MBT, are more than 4% above the Economic Forum's May forecast in any even-numbered fiscal year. The rates for the MBT nonfinancial entities, which was to be reduced to 1.378% for all taxable wages in excess of $50,000 per calendar quarter, and the MBT financial and MBT mining companies, which were to be reduced to 1.853% for all taxable wages, effective July 1, 2019, will remain at the current rates of 1.475% for the MBT nonfinancial entities and 2% for the MBT financial and MBT mining companies, on and after that date. Elimination of the MBT rate "buy-down" is estimated to generate $48.2 million in FY 2020 and $50 million in FY 2021. A lawsuit was recently filed challenging SB551. See "STATE LITIGATION" herein for a discussion of this challenge.

- SB541 requires 25% of the proceeds from the portion of the Governmental Services Tax ("GST") generated from the 10% depreciation schedule change, approved in SB429 (2009), to be allocated to the State General Fund on a permanent basis, effective July 1, 2019. The remaining 75% portion of these proceeds are to be deposited in the State Highway Fund. This is estimated to generate $22 million in FY 2020 and $22.3 million in FY 2021.

- AB445 requires a marketplace facilitator, defined as a person who facilitates the sale of tangible personal property by a marketplace seller in the state of Nevada, to collect and remit sales and use taxes on certain sales that are facilitated on behalf of the marketplace seller, effective October 1, 2019. The estimate in FY 2020 is $16.5 million and $22 million in FY 2021 for the State 2% rate. This requirement is also estimated to increase collections for the General Fund Commissions by $0.7 million in FY 2020 and $0.9 million in FY 2021.

- SB535 removes the requirement that an amount equal to $2 per slot machine collected from quarterly restricted and non-restricted slot machine fees be allocated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling and diverts the revenue to the unrestricted General Fund. This is estimated to generate a total of $1.3 million both in FY 2020 and in FY 2021.

- AB535 increases the existing license fee on wholesale dealers of cigarettes, which is currently distributed between the State General Fund and local governments, and establishes new license fees for manufacturers, wholesale dealers of other tobacco products, and tobacco retailers. This bill requires all license fee proceeds to be retained by the Department of Taxation to administer and enforce the cigarette and other tobacco product statutes. This action to require the license fees on wholesale dealers of cigarettes to be retained by the Department is estimated to reduce General Fund revenue by less than $10,000 per year in FY 2020 and FY 2021; thus, there is no adjustment to the May 2019 Legislative Adjusted Economic Forum Forecast.

- SB263 specifies that alternative nicotine products and vapor products, including e-cigarettes and their components, are subject to the 30% wholesale tax on other tobacco products, effective January 1, 2020. This is estimated to generate $3.7 million in FY 2020 and $7.9 million in FY 2021.

- Pursuant to AB446, an additional $200 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2019, with a total of $116 million of credits that may be taken based on the increment percentages originally approved in SB357 (2013). However, pursuant to AB446, no credits may be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

- AB458 permanently eliminates the 10% increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at $6,655,000 beginning in FY 2020. The bill additionally clarifies that the $6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter. SB551 authorizes an additional $4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021 beyond those that were authorized in those years based on the provisions of AB458. Any amount of the $4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years. The total amount of tax credits are estimated to be $11,400,000 both in FY 2020 and FY 2021 under this program. This total amount is based on the maximum amount of $6,655,000 allowed pursuant to AB458 plus the additional $4,745,000 per year authorized under SB551. Lawsuits were recently filed challenging the constitutionality of AB458 and SB551. See "STATE LITIGATION" herein for a discussion of the challenge to SB551.

- SB448 authorizes the Housing Division of the Department of Business and Industry to approve a total of $40 million of transferrable tax credits that may be used against the MBT, Insurance Premium Tax, and Gaming Percentage Fee Tax. Under the provisions of SB448, the Division may award up to $10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional $3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the state. If the Division approves any credits in excess of $10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of $10 million that was issued in the previous fiscal year. If the Division does not issue all of the $10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.

- AB267 as enacted has a potential impact on the State and authorizes compensation for people who are wrongfully convicted. The bill requires a court to award: (1) if the person was wrongfully imprisoned for 1 to 10 years, $50,000 for each year of imprisonment; (2) if the person was wrongfully imprisoned for 11 to 20 years, $75,000 for each year of imprisonment; or (3) if the person was wrongfully imprisoned for 21 years or more, $100,000 for each year of imprisonment. The bill also requires a court to award not less than $25,000 for each year the person was on parole or was required to register as a sex offender, whichever period of time was greater. The bill also offers a pathway for the court to order certain other relief, such as payment for the cost of tuition assistance and health care. To recover damages or other monetary relief awarded in a wrongful conviction action, requires the person who successfully brought the action to submit a claim to the State Board of Examiners for payment from the Reserve for Statutory Contingency Account, upon approval of the State Board of Examiners.

The budget bills along with the bills mentioned above were passed by the 80th (2019) Regular Session and signed into law by the Governor in June 2019. The 2019 State Legislature appropriated approximately $8.9 billion from the State General Fund over the 2019-2021 Biennium.

A detailed summary of all budgetary and taxation actions approved by the 80th (2019) Regular Session is available from the Legislative Counsel Bureau Fiscal Analysis Division at http://www.leg.state.nv.us/Division/Fiscal/Appropriation%20Reports/.

The State believes the estimates described herein as of the date of this Official Statement are reasonable; however, estimates and projections must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board.

Education Support

Public schools in Nevada are funded primarily from local sources and a per pupil payment by the State based on a statutory formula. The State Legislature previously enacted a program by which a child enrolled in a private school could receive a grant of money based on the statewide average basic support per pupil. However, as a result of legal challenges and lack of legislative funding, the program was never able to fund student grants and it was eliminated by SB551, which was enacted in the 80th (2019) Regular Session. A lawsuit was recently filed challenging SB551. See “STATE LITIGATION” herein for a discussion of this challenge.

In the 80th (2019) Regular Session, the State Legislature passed SB543, which will generally replace Nevada’s current education funding plan with the Pupil-Centered Funding Plan beginning with the 2021-2023 biennium. The Pupil-Centered Funding Plan combines money raised pursuant to State law at the local level with State money into a State Education Fund, which will provide a certain basic level of support to each pupil in Nevada which is adjusted (1) to account for variation in the local costs to provide a reasonably equal education opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. SB543 does not create any new funding sources. However, SB543 requires the State to fund certain increases to the State Education Fund if increases in State revenue are projected for an upcoming biennium.

Pension Plans

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

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. It should be noted that PERS is a multiple employer retirement system and the State's responsibility to make contributions to PERS relates only to State employees who constitute approximately 17.4% of total active employees covered by PERS as of June 30, 2018. Under GASB Statement No. 68 accounting rules, as of that date the State's employer allocation percentage was 16.2% of the net pension liability of PERS. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2018 State CAFR included in this Official Statement as Appendix A to this Part II, and the Pension Plan Information of PERS, LRS, and JRS is included in the Required Supplementary Information to the 2018 State CAFR. The most recent valuation reports for PERS, LRS, and JRS were prepared as of June 30, 2018 and are described in Attachment I to this Part II.

The largest State pension system is PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees' Retirement Fund (the "PERS Retirement Fund"). PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. Employers that participated in PERS as of June 30, 2018 include the State, 23 State related boards and agencies and 183 local governments and related districts and agencies. As of June 30, 2018, the entire PERS (of which the State participation relates to approximately 17.4% of PERS employees) includes 107,506 active members (of whom 94,615 are Regular employees and 12,891 are Police/Fire employees); 16,607 vested inactive members; and 67,108 retirees and beneficiaries (of whom 58,561 are Regular retirees, survivors or disability recipients and 8,547 are Police/Fire retirees, survivors or disability recipients).

Measured by the number of active covered employees, the State was the second-largest PERS employer as of June 30, 2018, representing approximately 17.4% of employees covered by PERS. With respect to State employees participating in PERS on a pre-tax contribution basis, half of the amount paid by the State to PERS is offset by corresponding salary reductions of those employees. With respect to State employees participating in PERS on an after-tax contribution basis, for each dollar the State pays to PERS for such employees, the employees pay a like amount directly to PERS. Legislation was enacted in 2010 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The State's contribution to PERS in FY 2018 was $153,762,408. For the year ended June 30, 2017, the State adopted Governmental Accounting Standards Board (GASB) Statement No. 82. In conjunction with GASB 82, the State recognized $56,942,669 of the employer-paid contributions as being paid by State employees through salary reductions for the FY 2018 State CAFR. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase.

For FY 2014, 2015, 2016, 2017, and 2018, the State contributed $174,712,000, $176,579,000, $190,528,000, $151,491,716, and $153,762,408 respectively, to PERS (relating to the State's employee members).

As of June 30, 2018, PERS had a total net position (based on market value) of approximately $41.43 billion, compared to $38.69 billion as of June 30, 2017. As of June 30, 2018, the actuarial value of PERS assets was $41.34 billion (approximately 98.81% of market value), PERS was 75.1% funded (on an actuarial value basis) and PERS' unfunded accrued actuarial liability (the "UAAL") was $13.73 billion. These values are for the entire PERS, of which the State is one of numerous participants.

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

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

With the implementation of GASB No. 67, the System reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position in the System's Comprehensive Annual Financial Report beginning with the FY 2014. The Total Pension Liability for financial reporting was determined on the same basis as the System's Actuarial Accrued Liability measure for funding. The Fiduciary Net Position is equal to the market value of assets. The Net Pension Liability is equal to the difference between the Total Pension Liability and the Fiduciary Net Position.

The System's Net Pension Liability as of June 30, 2018 was $13.6 billion as compared to $13.3 billion as of June 30, 2017, when measured in accordance with GASB No. 67. The Plan Fiduciary Net Position as a percentage of the Total Pension Liability is 75.2% as of June 30, 2018, as compared to 74.4% as of June 30, 2017.

See Attachment I to this Part II.

Public Employees' Benefits Program

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

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

PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) self-insured consumer driven preferred provider organization high deductible health plan ("CDHP"), an exclusive provider organization plan ("EPO Plan"), both of which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP and EPO Plans, (ii) Health Maintenance Organization ("HMO Plan") that is fully insured by an outside insurance carrier and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 53% of PEBP participants participate in the CDHP, 10% participate in the EPO plan, 9% participate in the HMO plan and 28% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits as well as an array of voluntary benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets.

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracted with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction of certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2019, the State, the Nevada System of Higher Education and 116 local government agencies are billed for retiree subsidies.

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

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

For FY 2016, 2017, 2018 and 2019, the State and its component units contributed $246,994,433, $254,013,359, $270,732,842, and $276,639,847 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2020 is $286,540,424. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

The State Legislature established the Retirees' Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th (2010) Special Session directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2016, the Retirees' Fund had total assets of $6,899,042, of which $1,316,665 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $3,204,523 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2017, the Retirees' Fund had total assets of $6,424,564, of which $1,478,881 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $3,401,325 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2017, after deducting $4,948,402 in liabilities, the Retirees' Fund had net assets of $1,476,162. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

In July 2019, AON Hewitt Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final for the year ending June 30, 2019 (the "2019 Valuation"). The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2019, the present value of the benefits of the Plan was $1,904,532,100 according to the 2019 Valuation. Of this amount, 63% was allocable to currently active employees (future retirees). Active employees include all employees enrolled in PEBP's plan to include the State and the Nevada System of Higher Education ("NSHE"). As of June 30, 2019, the actuarial accrued liability was $1,324,382,500.

Active Employee Group Insurance

PEBP may be able to adjust the rates and lower premiums paid by employees in subsequent years if trend and costs stay low to the plan. The State's share of the cost of premiums for group insurance for each employee is fixed by the State Legislature. However, there is currently no way for the State to take advantage of lower premiums without additional legislative action.

See Attachment II to this Part II.

Insurance Premium Trust Fund

The State is self-insured for general, civil and vehicle liability. The statutory limit on the State's negligence or tort liability is $50,000 per claim for causes of action arising before October 1, 2007; $75,000 per claim effective for causes of action arising on or after October 1, 2007 but before October 1, 2011; and $100,000 for causes of action arising on or after October 1, 2011. The State is also self-insured for comprehensive and collision loss to automobiles and self-insured to $100,000 for property loss with commercial insurance purchased to cover the excess above this amount. The State currently carries commercial insurance for aircraft liability, crime, excess liability and workers' compensation. The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. The range of estimated losses from $5,496,500 to $19,523,100 has been determined using standard actuarial techniques.

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

At June 30, 2018 and 2017, total liabilities exceeded total assets by $44,950,388 and $49,346,110 respectively. According to figures derived from actuarial estimates, this Fund is liable for approximately $45 million and $49 million as of June 30, 2018 and 2017, respectively, 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.

CYBERSECURITY

The State of Nevada operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is a constant one. These incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks or actions from outside entities. The effect of these threats may include unauthorized access to State systems, data or resources, inappropriate exposure or use of State information, disruption of State services, and damage to State systems.

In the 80th (2019) Regular Session, Senate Bill 302 was passed requiring all State agencies that collect Personally Identifiable Information ("PII") to comply with the Center for Internet Security ("CIS") controls framework. Therefore, the State has begun migrating from the National Institute of Standards and Technology Cybersecurity framework to the CIS framework as the baseline controls for reducing or mitigating the risk of impact and/or damage from cybersecurity incidents, applied to all Executive Branch agencies regardless of their status as a PII data collector. These controls are supplemented by generally accepted information security best practices, and other State and Federal laws and regulations. Under this guidance, the State continues to invest in multiple technical, operational and policy-driven safeguards intended to support, maintain and prioritize the security of critical infrastructure and information systems, management of risk, and improvement of cybersecurity event detection and incident response. The responsibility for development, coordination and operational support of this effort rests with the Office of Information Security, under the direction of the State Chief Information Security Officer ("CISO"). The CISO is also responsible for chairing the State Information Security Committee, made up of Information Security Officers from the agencies making up the Executive Branch of State government; this committee is responsible for establishing and reviewing State information security policies and standards, and coordinating statewide security initiatives.

In 2017, the State established the Office of Cyber Defense Coordination as a part of the Department of Public Safety. This office works in concert with the CISO to provide notification, outreach and coordination with non-Executive Branch entities, including Local, Territorial and Tribal governments and the private sector.

Through the State's many services and functions, it receives and holds a considerable amount of sensitive information, including PII, Personal Health Information ("PHI"), Federal Tax Information ("FTI"), and Criminal Justice Information ("CJI"). The State takes steps to protect this information and the surrounding infrastructure, and to detect any anomalous activity in the environment. Internal testing of the cybersecurity and operational safeguards in the State's infrastructure is performed and coordinated by the Office of Information Security, along with assessments by external auditors. However, the State cannot assure these measures will prevent cybersecurity attacks, and accompanying disruptions and costs. To this end, the State security program includes technology and procedures focused on supporting incident response and containment, risk and vulnerability management, disaster recovery, and continuity of operations activities. The State has been the subject of cybersecurity incidents that have resulted in, or could have resulted in, the inappropriate exposure or use of this information or adverse impact to the State's technological environment, and that required a response to mitigate the potential consequences. The majority of these incidents have been quickly identified and contained, with no identified loss or exposure of data and minimal impact to productivity. However, it is possible for the response to a larger incident to incur unanticipated expenses, as happened in the breach of the State's medical marijuana licensing portal in December 2016. As a risk management measure, the State has obtained a cyber-liability insurance policy.

STATE LITIGATION

The staff attorneys of the State Attorney General's Office reported that the State or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State's ability to pay its general obligation bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared.

Several of the actions pending against the State are based upon the State's (or its agents') negligence or tort liability in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of $50,000 per claim for causes of action arising before October 1, 2007, $75,000 per claim effective for causes of action arising on or after October 1, 2007, $100,000 per claim for causes of action arising on or after October 1, 2011, $150,000 per claim for causes of action arising on or after July 1, 2020, and $200,000 per claim for causes of action arising on or after July 1, 2022. Buildings and contents are self-insured to $100,000 for property loss with commercial insurance purchased to cover excess above this amount.

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

Non-Participating Manufacturers Adjustment relating to nationwide Tobacco Master Settlement Agreement (MSA). In 1998, the State, with 46 other states, and a group of tobacco companies, the Participating Manufacturers, signed the tobacco Master Settlement Agreement ("MSA"). As a signatory to the MSA, the State's diligent enforcement of the provisions of NRS 370A (Qualifying Statute) can be challenged each year by the Participating Manufacturers and may result in arbitration. The State's potential liability is up to the total amount of the MSA payment for every calendar year, which is approximately $40 million per year. As there is no end date to the MSA, the State must prove diligent enforcement every year and its potential liability remains in perpetuity.

Morrison v. Quest et al. The widow of deceased former boxer Tommy Morrison is suing the Nevada State Athletic Commission, the former Executive Director Marc Ratner and the former Chairman of the Medical Advisory Board, Dr. Margaret Goodman (along with a lab and its director who are represented by a private attorney) for $110 million for alleged negligence surrounding a lab test performed in order for him to participate in a 1996 bout, and alleged statements made in 2007. This matter was filed in July 2014 in the Federal District Court in Las Vegas, Nevada. An initial motion to dismiss was granted in part and denied in part. Plaintiff then filed an amended complaint. The State moved to dismiss and then filed a motion for summary judgment, the latter on statute of limitations grounds. Summary judgment has been granted, and Ms. Morrison was denied relief in the 9th Circuit and from the U.S. Supreme Court Ms. Morrison has recently moved to reopen the matter in District Court, alleging fraud. That issue has been briefed, and the parties are awaiting a decision.

Walden et al. v. Nevada Department of Corrections. This is a class action and Fair Labor Standards Act collective action on behalf of all State of Nevada Department of Corrections' correctional officers alleging the Department of Corrections failed to pay overtime for the officers' preliminary and postliminary duties. It also includes a contract and Nevada Constitution claim for the same. The preliminary and postliminary activities alleged to be non-compensated include checking in with the shift supervisor, obtaining keys or handcuffs, walking to the post within the prison, relieving the employee already at the post including exchange of pertinent information, and then the reverse at the end of the shift. The collective class has been conditionally certified, with approximately 3,075 eligible members, and approximately 502 joining the lawsuit. As of March 2016, Plaintiffs calculated their damages to be approximately $58,345,050, not including interest, costs, and attorneys' fees. Plaintiffs estimate costs to be approximately $90,000. The litigation is currently before the Ninth Circuit for a determination of whether the State of Nevada has waived its immunity.

Winecup Gamble, Inc. v Nevada Department of Transportation (NDOT) On July 12, 2018, Winecup Gamble, Inc. (Winecup) filed suit against the Union Pacific Railroad (UPRR) and NDOT in the Fourth Judicial District Court, Elko County. The suit seeks Declaratory Relief, Contribution and Indemnity from NDOT based on UPRR's claims against Winecup in a separate, Federal action to which NDOT is not a party.

On or about February 8, 2017, heavy rains and snowmelt caused the Twenty-Three Mile Dam to fail. Water from the dam's reservoir combined with other water, washing out Nevada State Highway 233 and in turn washing out an earthen embankment constructed by the UPRR to support its railroad tracks. Winecup seeks to hold NDOT responsible for Winecup's liability to UPRR, alleging the flooding of UPRR's infrastructure was due to NDOT's inadequate culverts on Highway 233. Winecup's claim may be in excess of 17 million dollars. The parties are awaiting the court's decision on a motion to dismiss.

Heyman v. Board of Regents UNLV. In this sexual harassment and tort case, Plaintiff, a former graduate student at University of Nevada Las Vegas alleges thirty-one claims against defendants. Plaintiff seeks damages of approximately $17,600,000 without explaining how he calculated this figure, what documents support this figure, or what persons have knowledge of these damages. Motions for summary judgment and to strike the damages claim are fully briefed but not yet set for hearing.

Settelmeyer v. State of Nevada. At the close of the 80^{th} (2019) Regular Session, the State Legislature enacted two measures: Senate Bill 551 ("SB551"), which removed a mechanism whereby the modified business tax may be reduced for future fiscal years if collections of the State's commerce tax and payroll taxes exceeded prior projections by the Economic Forum; and Senate Bill 542 ("SB542"), which extended the expiration date of the Department of Motor Vehicles' technology fee from June 30, 2020 until June 30, 2022. Both measures were approved by the Governor after passage by a 28-13 vote in the Assembly and a 13-8 vote in the Senate.

Subsequently, Plaintiff Settelmeyer and seven other state senators who voted against the two bills, along with other business entities, sued various State officials and agencies in the First Judicial District Court, contending that passage of SB551 and SB542 by the Senate failed to satisfy the requirements of Article 4, Section 18 of the Nevada Constitution, which provides that "an affirmative vote of not fewer than two-thirds of the members elected to each House is necessary to pass a bill or joint resolution which creates, generates, or increases any public revenue in any form, including but not limited to taxes, fees, assessments and rates, or changes in the computation bases for taxes, fees, assessments and rates."

For the 2019-2021 biennium, it is estimated that the revenue loss to the State if SB551 were voided may be in excess of $100 million, and the revenue in FY 2021 if the Department of Motor Vehicle's technology fee were voided may be less than $10 million.

A motion to dismiss is set for hearing on December 16, 2019.

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

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ECONOMIC AND DEMOGRAPHIC INFORMATION

General

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

Population and Age Distribution

Nevada's population increased from 1,201,833 residents in 1990 to 1,998,257 residents in 2000 and to 2,700,551 residents in 2010, an increase of approximately 66% between 1990 and 2000 and approximately 125% between 1990 and 2010. In 2018, Nevada's population increased by 2.4% from the previous year. Historical and estimated State population figures, by county, are shown in the following Table:

Table 16
Nevada Population by County

	1990	2000	2010	2015	2016	2017	2018
Carson City	40,443	52,457	55,274	54,273	55,182	55,438	56,057
Churchill	17,938	23,982	24,877	25,126	25,266	25,387	25,628
Clark	741,459	1,375,765	1,951,269	2,118,353	2,166,181	2,193,818	2,251,175
Douglas	27,637	41,259	46,997	48,223	48,235	48,300	49,070
Elko	33,530	45,291	48,818	53,551	53,997	53,287	54,326
Esmeralda	1,344	971	783	923	964	970	969
Eureka	1,547	1,651	1,987	1,862	1,959	1,932	1,951
Humboldt	12,844	16,106	16,528	17,057	16,853	16,978	16,989
Lander	6,266	5,794	5,775	6,247	6,257	6,200	6,065
Lincoln	3,775	4,165	5,345	5,088	5,057	5,170	5,255
Lyon	20,001	34,501	51,980	53,277	53,644	54,657	55,551
Mineral	6,475	5,071	4,772	4,539	4,578	4,674	4,690
Nye	17,781	32,485	43,946	46,050	45,737	46,390	47,856
Pershing	4,336	6,693	6,753	6,750	6,693	6,743	6,858
Storey	2,526	3,399	4,010	3,984	4,043	4,084	4,227
Washoe	254,667	339,486	421,407	441,946	448,316	451,923	460,237
White Pine	9,264	9,181	10,030	10,336	10,413	10,705	10,678
Nevada Total	1,201,833	1,998,257	2,700,551	2,897,584	2,953,375	2,986,656	3,057,582

Source: 1990, 2000 and 2010: U.S. Bureau of the Census; 2015-2018: Nevada State Demographer.

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The following Table sets forth a comparative age distribution profile for Clark County, Washoe County, the State and the United States in 2017:

Table 17
Age Distribution

	Percent of Population			
Age	**Clark County**	**Washoe County**	**State**	**United States**
14 and under	19.5%	18.1%	18.9%	18.8%
15-24	12.3	12.6	12.2	13.3
25-34	14.9	14.9	14.6	13.8
35-54	27.2	25.1	26.6	25.7
55 and older	26.1	29.2	27.8	28.4

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates.

Income

The following Table sets forth annual per capita personal income levels of the Las Vegas-Paradise MSA (which consists of Clark County), the Reno-Sparks MSA (which consists of Washoe County and Storey County), the State and the United States. Quarterly per capita personal income is available for the State and the nation for the first quarter of 2019:

Table 18
Per Capita Personal Income

Year	Las Vegas-Paradise MSA	Reno-Sparks MSA	State	United States
2014	$40,459	$46,409	$41,654	$47,060
2015	42,665	50,651	44,247	48,985
2016	43,005	52,018	44,783	49,883
2017	44,217	55,460	46,557	51,731
2018	--(1)	--(1)	48,225	53,712
2019	--(1)	--(1)	49,458(2)	54,730 (2)

(1) Not yet available.
(2) Quarterly per capita personal income for the first quarter of 2019.

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

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

Table 19
Median Household Income

Year	Clark County	Washoe County	State	United States
2013	$51,057	$53,588	$51,230	$52,250
2014	51,214	52,618	51,450	53,657
2015	51,552	56,382	52,431	55,775
2016	54,384	58,175	55,180	57,617
2017	57,189	61,498	58,003	60,336

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates.

Table 20
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under $25,000	19.2%	16.9%	18.9%	20.3%
$25,000 - $49,999	24.0	22.0	23.6	21.8
$50,000 - $99,999	33.1	33.4	33.2	30.1
$100,000 and Over	23.7	27.6	24.3	27.8

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates.

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Employment

The following Tables set forth labor force and employment statistics for the State. The State experienced high rates of unemployment beginning in 2008, which continued through 2012. In November 2010, the State's unemployment rate reached a high of 13.7%. The State's unemployment rate for the month of September 2019 was 4.1% (seasonally adjusted).

Table 21(1)
Average Annual Labor Force Summary

Calendar Year	2014	2015	2016	2017	2018	2019 YTD(4)
Total Labor Force	1,388,769	1,407,273	1,424,145	1,458,344	1,500,377	1,535,919
Unemployed	109,961	95,171	95,715	73,739	68,418	62,906
Unemployment Rate(2)	7.9%	6.8%	5.7%	5.1%	4.6%	4.1%
Total Employment(3)	1,278,808	1,312,101	1,342,473	1,384,605	1,431,959	1,473,013

(1) Subject to revision as additional information becomes available, not seasonally adjusted data provided.
(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2014 through 2019 were 6.6%, 5.6%, 5.1%, 4.6%, 4.1%, and 3.9%, respectively.
(3) Adjusted by census relationships to reflect number of persons by place of residence.
(4) Through September 2019.

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

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

Industry Classification(2)	2014	2015	2016	2017	2018	2019 YTD(3)
Natural Resources and Mining	14.4	14.2	13.7	14.2	14.5	14.3
Construction	63.3	70.2	75.8	83.2	89.7	98.7
Manufacturing	41.5	42.1	43.7	47.9	55.5	55.3
Trade (wholesale and retail)	172.2	177.4	178.3	181.4	184.7	184.5
Transportation, Warehousing and Utilities	57.7	60.5	63.5	67.2	70.7	71.9
Information	14	14.2	14.7	15.2	15.6	15.5
Financial Activities	57.1	60.1	62.9	65.5	68.2	71.0
Professional and Business Services	156.6	167	176.3	181.9	190.7	200.4
Education and Health Services	115.6	120.9	127.4	133.5	140.6	143.0
Leisure and Hospitality (casinos excluded)	144.5	151.4	159.1	165	169.6	176.6
Casino Hotels and Gaming	191.1	189.5	186.2	184.8	183.8	183.3
Other Services	35.6	36.6	40	40.9	40.4	42.5
Government	152.5	154.7	157.6	160.6	161	162.8
Total All Industries	1,216.2	1,258.9	1,298.9	1,341.3	1,385.0	1,419.9

(1) Based on non-seasonally adjusted CES information as of September 2019. Subject to revision as additional information becomes available. Totals may not add due to rounding.
(2) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders.
(3) Through September 2019.

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

Educational Attainment

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

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

	Male	Female	Total[(1)]
Total population	49.7%	50.3%	100.0%
Educational Attainment Level			
Not a high school graduate	13.4	13.1	13.2
High school graduate (including equivalency)	29.4	28.1	28.7
Some college or associate degree	32.5	33.8	33.2
Bachelor's degree	16.3	16.7	16.5
Graduate or Professional Degree	8.4	8.4	8.4

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

Source: U.S. Census, 2017 American Community Survey 1-Year Estimates.

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada's counties currently range from 6.85% to 8.265% (Esmeralda County and Washoe County, respectively). The State General Fund's share (2%) is a major source of revenue for the State's General Fund. See "FINANCIAL INFORMATION—State General Fund Revenue Sources." Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following Table presents a record of taxable sales in the State:

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

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2015	50,347,535,951	6.13
2016	52,788,295,421	4.85
2017	56,547,741,530	7.12
2018	58,947,823,520	4.24
2019	62,561,025,875	6.13

(1) Subject to change.

Source: State of Nevada - Department of Taxation.

Gaming and Tourism

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues for the State, as well as for county and other local jurisdictions in which gaming companies operate. For five consecutive fiscal years (2015 through 2019), gross taxable gaming revenue has increased. During fiscal years 2015 and 2016, the increases in gaming were driven by markets outside of the Las Vegas Strip. In fiscal year 2017, the increase to gaming was driven primarily by increased convention attendance and record visitation on the Las Vegas Strip. During fiscal years 2018 and 2019, the increases to gaming were again driven by markets outside of the Las Vegas Strip. Gaming collections from all sources increased during fiscal year 2019, ending a streak of four consecutive fiscal year decreases to gaming collections (2015 through 2018). It should be noted that the primary reason for the decrease in gaming collections during fiscal years 2016 through 2018 was tax credits applied against percentage fees totaling $24.7, $42.1, and $74.2 million respectively. Furthermore, legislative changes made during the 2015 session to the Live Entertainment Tax further reduced collections during fiscal years 2016 and 2017. During fiscal year 2019, a total of $43.5 million in tax credits were applied against percentage fees. The following Table represents a record of gross taxable gaming revenues in the State and total State gaming taxes and fees collected.

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

Fiscal Year	Gross Taxable Gaming Revenue[(2)]		State Gaming Collection[(3)]	
Ended June 30	State Total	% Change	State Total	% Change
2015	$10,511,495,144	2.97%	$909,857,085	-0.28%
2016	10,612,521,986	0.96	876,040,147	-3.72
2017	10,964,590,630	3.32	874,777,727	-0.14
2018	11,330,605,257	3.34	866,305,681	-0.97
2019	11,358,411,605	0.25	919,517,317	6.14
July 18 – Sep 18	2,803,579,101	--	175,094,526	--
July 19 – Sep 19	2,993,950,733	6.79	205,755,136	17.51

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

Source: State of Nevada - Gaming Control Board.

Gaming Is a Highly Regulated Industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses, establish operating rules, monitor the activities of licensed establishments, and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes, and regulate gaming establishments and licensees. The laws, regulations, and ordinances of both state and local governments regulate the licensing, operations, and financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming industry.

The Gaming Industry Is Highly Competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming, such as pari-mutuel horse, dog, and jai alai betting, existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. According to the American Gaming Association, there are currently 41 states with some form of legalized commercial or tribal gaming, including land-based casinos, riverboats, racetrack casinos ("racinos"), and electronic gaming devices at bars, restaurants or other licensed establishments. In many of these states, there are multiple forms of gaming in operation. Overall, 25 states have commercial (land-based or riverboat) casinos, including 14 with racetrack casinos; 29 states have tribal casinos; and 10 states have legal electronic gaming devices in non-casino/racino locations. While Nevada continues to be the largest commercial casino market in the U.S., the State of California generates the most gaming revenue from Native American gaming facilities.

Gaming continues to expand in foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries, and other forms of gaming will likely continue to increase in the future. Additionally, on May 14, 2018, the Supreme Court of the United States ruled the Professional and Amateur Sports Protection Act was unconstitutional, allowing other states to consider legalized sports wagering. As of now, 18 other states including Washington D.C. have legalized sports wagering, 13 of which, including Nevada are operational, with several others considering legalization. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain.

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

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

Calendar Year	Total Visitor Volume	Average Nightly Number of Rooms Available	Occupancy Rate	National Occupancy Rate
2014	41,126,512	150,544	86.8%	63.9%
2015	42,312,216	149,213	87.7	65.4
2016	42,936,100	149,339	89.1	65.0
2017	42,214,200	148,896	88.7	65.7
2018	42,116,800	149,158	88.2	66.2
2018 YTD(2)	24,677,500	147,371	89.1	68.3(1)
2019 YTD(2)	24,825,500	148,584	89.6	68.5(1)

(1) Through July. Source: STR (formerly Smith Travel Research, Inc.).
(2) Through July.

Source: Las Vegas Convention and Visitors Authority.

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

Calendar Year	Total Visitor Volume	Average Nightly Number of Rooms Available	Occupancy Rate(1)	National Occupancy Rate
2014	4,631,196	23,642	63.5%	63.9%
2015	4,746,208	23,597	65.7	65.4
2016	4,893,107	23,875	67.7	65.0
2017	5,145,829	23,721	71.3	65.7
2018	4,994,209	23,404	69.7	66.2
2018 YTD(3)	2,921,885	23,411	70.3	68.3(2)
2019 YTD(3)	2,773,975	23,525	66.4	68.5(2)

(1) The rooms and units in all types of accommodation (with three or more rooms/units) licensed with the Reno-Sparks Convention and Visitors Authority to rent rooms/units on a short-term basis.
(2) Through July. Source: STR (formerly Smith Travel Research, Inc.)
(3) Through July.

Source: Reno-Sparks Convention and Visitors Authority.

Table 28
Convention and Visitors Authority Room Tax Revenue

Fiscal Year	Las Vegas Convention and Visitors Authority Revenue(1)	% Change	Fiscal Year	Reno Sparks Convention and Visitors Authority Revenue(1)	% Change
2015	$240,140,940	7.34%	2015	$18,060,419	6.52%
2016	263,207,145	9.61	2016	21,029,848	16.44
2017	281,410,351	6.92	2017	23,055,518	9.63
2018	282,624,622	0.43	2018	25,804,936	11.93
2019	264,554,403	1.46	2019	26,601,648	3.09

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

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

Transportation

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

McCarran International Airport in Las Vegas reported having a total of 49.7 million commercial and charter passengers enplaned and deplaned in 2018, making it the busiest year in the airport's 70-year history. This reflects an increase from 48.5 million in 2017 (an increase of 1.2 million passengers or 2.5% over the period).

The Reno/Tahoe International Airport reported having a total of 4.2 million passengers enplaned and deplaned in 2018, the largest number of annual passengers since 2008, an increase of 4.8% from 4.0 million in 2017.

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

The State highway system consists of approximately 5,400 centerline miles, which includes the federal-aid highway system and other improved roads. There are nine federal highways in Nevada, three of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects with the San Francisco Bay area and the Reno-Sparks area. Interstate 580 connects Reno and Carson City. The full 15 miles of Interstate-11 (aka Boulder City Bypass) opened on August 8th of 2018. This is the first segment of Interstate-11 in the United States. Interstate-11 will connect Phoenix and Las Vegas, the two largest metropolitan cities not connected via an interstate. Ultimately Interstate-11 will be a north-south interstate connecting Mexico and Canada as a secondary route to Interstate 5.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. Highway 95 extends to the Mexican border, generally following the Colorado River, and U.S. Highway 93 crosses into Arizona. U.S. Highway 395 connects Nevada with Washington, Oregon and California, as well as Canada, and U.S. Highway 6 connects California, Nevada, Utah all the way out to at least Iowa.

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

Economic Development

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

GOED has seven industry focal areas:

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

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

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

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

The Nevada Film Office is a GOED division that provides assistance to the local and national television and film production community.

The Procurement Technical Assistance Center Procurement Outreach Program is a division of GOED that works with Nevada small businesses to simplify the process of contracting with all levels of government.

The Nevada Local Emerging Small Business Certification is administered by GOED and assists small businesses in obtaining work with state and local government agencies.

The Rural Community and Economic Development Division in GOED promotes community development throughout rural Nevada. The Division administers the State's Non-Entitlement Community Development Block Grant Program which aids in the development of suitable living conditions, increases the supply of decent housing, and helps create economic opportunities in the rural parts of the State. In FY 2019, 13 projects were funded statewide. The Rural Division also administers the Nevada Main Street Program focused on communities' efforts to revitalize their downtowns.

For FY 2019, the State's economic development efforts resulted in approximately $839 million of recent or anticipated business investment in the State, 6,875 new jobs, and the arrival or expansion of 81 companies.

Construction on the Tesla Gigafactory continues at a cost of approximately $5 billion. The factory is being built to construct the lithium-ion batteries that are used to power Tesla electric motor cars at reduced production costs. Employment is estimated to exceed 7,500 employees.

Among its other economic development activities, GOED created and oversees the Battle Born Growth Escalator, Nevada's State venture capital program (under the auspices of the State Small Business Credit Initiative). This program provides equity-based funding to Nevada based start-ups and early stage high growth companies in the GOED industry focus sectors. Another component of the Nevada SSBCI-Program is the Collateral Support Program, which provides cash collateral to a portion of a loan to a qualified Nevada-based small and medium business and placed on account at the lending institution. This collateral may be drawn upon on a proportional risk basis in the event of default. The Collateral Support Program has distributed $11.7 million in US Treasury funds allowing access to nearly $29 million in business loans for 27 Nevada businesses.

GOED also administers the Nevada Small Business Opportunity Fund partnered with Bank of Nevada and funded with $1 million approved by the state legislature. This fund provides small business loans to traditionally underserved business. To date the fund has lent $642,661.67 in loans to 18 businesses.

GOED oversees the Knowledge Fund. At the 80th (2019) Regular Session, the Knowledge Fund was approved for a $2.5 million allocation for FY20 of the FY19-21 biennial budget allocation intended to spur research, innovation and commercialization in Nevada. To obtain this funding, the three research institutions of NSHE submit applications to GOED for projects that could benefit from Knowledge Fund support.

GOED also administers the Workforce Innovations for a New Nevada ("WINN") Program. Through WINN, GOED partners with companies and Nevadan higher learning institutions to address the availability and capacity of training programs enabling companies to develop a pipeline of qualified employees. WINN also allows Nevadans to receive the training necessary to access high-skill and high-wage occupations in Nevada's most promising and emerging industries. WINN allocated $8.4 million to projects in FYs 2017-2019 and the fund received a $6 million allocation for this Biennium.

The State was selected by the FAA as one of seven test site locations for flying Unmanned Aerial Systems. Since 2013, the UAS Test Sites have supported drone integration by providing an avenue for the drone industry and stakeholder community to conduct more advanced drone research and operational concept validation.

Federal Activities

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

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

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of North Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world famous air demonstration squadron.

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

Yucca Mountain. The federal government previously planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national repository for high-level radioactive waste and spent nuclear fuel from civilian nuclear power plants around the country. The U.S. Department of Energy (the "DOE") submitted in 2008 a license application to the U.S. Nuclear Regulatory Commission (the "NRC") seeking authorization to construct the nuclear waste and spent fuel repository, but the NRC suspended its review. Following various challenges, in 2013 the U.S. Court of Appeals for the District of Columbia Circuit ordered the NRC to resume the statutory license review process unless Congress declares otherwise through legislation or until appropriated funds are depleted. While NRC review of the Yucca Mountain application continues, there are significant hurdles to its approval, strong opposition to the project, and a current lack of federal funding (no new funds appropriated since September 2010). President Donald Trump's Administration (the "Administration") sought an appropriation in his federal fiscal year 2018, 2019, and 2020 budget proposals for the DOE and the NRC to continue the licensing process, but Congress did not appropriate the requested funds. The Administration requested $116 million for DOE and $38.5 million for NRC, for federal fiscal year 2020, which begins October 1, 2019. The House rejected the Administration request for FY 2020; the Senate Appropriations Committee rejected the Administration request in a 31-0 vote, but the full Senate has not voted on the request. Meanwhile, the House on September 17, and the Senate on September 26, passed a continuing resolution signed by President Trump on September 27, that continues the current level of funding for federal operations through November 21, 2019, with no new funding for Yucca Mountain. At present there is no way of knowing whether or when Congress will provide new Yucca Mountain funding. Congress has also considered authorizing legislation which could revive the DOE repository program and speed-up the NRC licensing process. The House Subcommittee on Environment and Climate Change as expected completed its mark-up of H.R. 2699, legislation that would jump start the Yucca Mountain project, during the week of September 23, 2019. However, there is considerable doubt that the full House will vote on H.R. 2699 this year, or that the Senate would pass this bill. Therefore, the status of the proposed high-level nuclear waste repository at Yucca Mountain remains uncertain as of October 2019.

Mining

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of mineral production (excluding oil, gas and geothermal) in Nevada reached $7.9 billion in 2018. Gold is the primary source of mining revenue which reached $7.1 billion in 2018. Nevada leads the nation in gold production and has the only operating lithium mine in the U.S.

Oil and natural gas exploration activity continues in Nevada, albeit at a slow pace compared to other regions in the country. During 2018, 251,021 barrels of oil were sold. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on leased sites.

Net geothermal energy production sold totaled 3.6 million megawatt-hours in 2018 from 26 electrical generating plants. Nevada remains the second largest geothermal energy producer in the nation, behind California.

According to the Nevada Department of Employment, Training and Rehabilitation, in 2018, an average of 14,787 people were employed in the minerals industry at an average annual salary of $97,600.

According to the Division of Minerals, gold and silver currently account for 88% of total value of metal and non-metal mine production in the Nevada mining industry. The following Table compares the calculated value of mineral production for the periods indicated:

Table 29[1]
Mineral Production

Calendar Year Ending	Millions of Dollars	% Change
2014	$7,126	-19.2%
2015	7,118	-0.1
2016	7,868	10.5
2017	8,257	4.9
2018	7,909	-4.2

(1) Estimates. Does not include oil, gas and geothermal energy.

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

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

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

	2014	2015	2016	2017	2018
Gold	4,941 oz	5,339 oz	5,468 oz	5,642 oz	5,581 oz
Copper	132,616 lbs	177,638 lbs	160,218 lbs	145,812 lbs	144,656 lbs
Silver	10,934 oz	9,498 oz	8,947 oz	8,477 oz	8,011 oz
Gypsum	2,804 tons	3,398 tons	3,276 tons	3,484 tons	3,340 tons
Lithium Compounds	9,431 lbs	11,717 lbs	9,335 lbs	10,233 lbs	12,909 lbs

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

Electric Utilities

NV Energy, Inc. ("NV Energy"), formerly Sierra Pacific Resources, was acquired by Berkshire Hathaway Energy in 2013. Through its subsidiaries, which include Sierra Pacific Power Company and Nevada Power Company (each doing business as NV Energy), NV Energy supplies electric service to Las Vegas and surrounding Clark County, and to northern Nevada. NV Energy through its subsidiaries provides electric and natural gas services to a range of over one million residential, commercial, industrial and public sector customers. Under current Nevada law, a single electric company may be the only authorized electricity provider within a particular region within the State.

Water

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

Clark County

The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District ("LVVWD"); and Nellis Air Force Base.

The LVVWD provides water service to the City of Las Vegas and almost all of the unincorporated urban areas of Clark County. Jean, Kyle Canyon, Blue Diamond, and Searchlight have their own water systems, but the LVVWD serves as operating agent for them. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the Coyote Springs Water Resources District, operated by the LVVWD, serves the community within the Coyote Spring valley. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

The Southern Nevada Water Authority ("SNWA") was established to address water issues on a regional basis rather than an individual purveyor basis. The members of the SNWA include the cities of Boulder City, Henderson, Las Vegas, North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District, and the LVVWD. The SNWA works collaboratively with its member agencies to manage regional water facilities; address water resource management and water conservation on a regional basis; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA. The SNWA has no employees of its own.

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

While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with expected conservation gains, are designed to enable the SNWA to meet current and projected water demands over the long-term planning horizon. The SNWA's Water Resource Plan was updated in 2018 and outlines the SNWA's approach to meeting demands during declared shortages. Response measures include the use of intentionally created surplus, banked resources, shortage-sharing agreements and heightened conservation measures. The SNWA also continues to work with the other Colorado River Basin states and Mexico to identify and explore options for long-term augmentation of Colorado River resources.

Washoe County

The primary source of water for Washoe County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of Washoe County. The Washoe County water system is susceptible to certain risks posed by flooding, drought, and seismic activity. Certain of these risks may be mitigated by the purchase of insurance, however it is not possible to predict whether insurance coverage will be sufficient to pay off the costs associated with a natural disaster.

Regional planning of water resources in certain portions of Washoe County is the responsibility of the Northern Nevada Water Planning Commission (the "Planning Commission") and the Western Regional Water Commission (the "Regional Commission"). The Regional Commission is governed by a Board of Trustees comprising representatives of the City of Reno, the City of Sparks, Washoe County, the Truckee Meadows Water Authority ("TMWA"), the Truckee Meadows Water Reclamation Facility, and the Sun Valley General Improvement District. The Planning Commission is comprised of members from Public Works for the City of Reno, Public Works for the City of Sparks, Community Services Department for Washoe County, Truckee Meadows Water Reclamation Facility, Pyramid Lake Paiute Tribe, The Nature Conservancy and Truckee Meadows Flood Management, the General Manager of the Sun Valley General Improvement District, two representatives from TMWA, and various other members.

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

TMWA is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement (which was amended and restated as of February 3, 2010) among the City of Reno, the City of Sparks and Washoe County. TMWA owns and operates a water system and develops, manages and maintains supplies of water for the cities of Reno and Sparks and other surrounding populated areas of Washoe County (except certain areas in the vicinity of Lake Tahoe and other small areas bordering California) over a total of 162 square miles of service area (the "Service Area"). The Service Area includes approximately 125,000 service connections after a merger with the Washoe County water utility and the South Truckee Meadows General Improvement District in December 2014.

Portions of Washoe County that are not served by TMWA are served either by special districts, private companies and/or private wells. TMWA has developed a Water Resource Plan through 2035 and a Water Facility Plan through 2035 to address the water needs of its Service Area.

Drought conditions have existed within TMWA's Service Area in the recent past. The Truckee River Operating Agreement (the "TROA") was implemented in December of 2015 and its major partners are TMWA, the Pyramid Lake Paiute Tribe, the State of Nevada, the State of California, and the United States of America. TROA provides for modified river and reservoir operations that result in multiple benefits for water users, including benefits related to endangered fish species (spawning fish flows,), recreation (minimum water levels in reservoirs), and significant additional drought storage for TMWA. Notably, the TROA provides TMWA with the ability to store a significant amount of water in upstream federal reservoirs and federally operated reservoirs in winter months for later use during a drought. The TROA also provides for carryover of unused drought storage in successive drought years such that drought storage can actually increase over years of extended drought. Implementation of the TROA also results in the entry into effect of the interstate allocation of water between Nevada and California as provided in the Truckee-Carson-Pyramid Lake Water Rights Settlement Act, Pub. L. No. 101-618 (Nov. 16, 1990), Title II, 104 Stat. 3289.

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PART II

ATTACHMENT I

SUMMARY OF STATE OF NEVADA PENSION SYSTEMS

The information relating to the retirement systems summarized in this Attachment I is derived from a number of sources, including the respective comprehensive annual financial statements and actuarial valuations referred to herein. A number of these sources make and rely on assumptions and projections which may or may not be realized. No representation is made that such projections or assumptions will be realized. The obligation of the State to the retirement systems, in particular the Public Employees' Retirement System of Nevada ("PERS"), represent significant financial obligations of the State. No assurances are made that the past or present contribution levels applicable to the State will not change. It should be noted that references to the financial condition of PERS and the contribution requirements of its employer members, when referred to in its entirety, refers solely to PERS and not to the State. PERS is a multiple employer system, of which State employees comprise approximately 17.4% of total active employees as of June 30, 2018. The State's responsibility to make contributions is limited to its allocable share attributable to the State employee members, of which the State employees themselves contribute 50% (under the Employee/Employer Contribution Plan). Under the Employer-Pay Contribution Plan the contributions are paid on the employee's behalf by the State, with the employee's 50% share accounted for through salary reduction.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems. Under Article 9 Section 2 of the Nevada Constitution, PERS is created as a trust fund and is prohibited from lending money to the State and from purchasing obligations of the State. Article 9 Section 2 also requires PERS to be governed by the Retirement Board and the Retirement Board to hire an independent actuary and an executive officer. The Nevada Constitution states that the Retirement Board shall adopt actuarial assumptions based upon the recommendations made by the independent actuary it employs.

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

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

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2018 State CAFR included in this Official Statement as Appendix A to this Part II, and the State's proportionate share of PERS and JRS net pension liability is set forth in the 2018 State CAFR under the heading "Pension Plan Information." LRS is a single employer plan for which the State has 100% funding responsibility.

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

PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. As of June 30, 2018, PERS includes 107,506 active members, of whom 94,615 are Regular employees and 12,891 are Police/Fire employees; 16,607 vested inactive members; and 67,108 retirees and beneficiaries, of whom 58,561 are Regular retirees, survivors or disability recipients and 8,547 are Police/Fire retirees, survivors or disability recipients. Retirement benefits include cost-of-living increases that can range from 2% per year to 5% per year (up to 4% for employees first hired on or after January 1, 2010, up to 3% for employees first hired on or after July 1, 2015), depending upon increases in the Consumer Price Index. Employers that participate in PERS as of June 30, 2018 include the State, 23 State-related boards and agencies and 183 local governments and related districts and agencies. The Board of Regents of the University of Nevada, a component unit of the State, provides a separate retirement program for its professional staff.

Measured by the number of covered employees, the State was the second-largest PERS employer as of June 30, 2018, representing approximately 17.4% of the current active employees covered by PERS.

Benefits. Benefits, as required by the State statute, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or age 55 with thirty years of service and at any age with thirty-three and a third years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

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

Additionally, there are statutory limits on the eligible compensation used to determine the retirement benefit of a member of the System. For membership prior to July 1, 1996, the limitation is $405,000 for 2018 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1993. For System membership on or after July 1, 1996, and before July 1, 2015, the limitation is $275,000 for 2018 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1996. For System membership on or after July 1, 2015, the limitation is the lesser of:

(a) The $280,000 limitation for 2019 as provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 2015; or

(b) $207,712 for 2019. The $207,712 limitation will be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

PERS Funding. PERS is funded with a combination of investment income and contributions from employees and employers. The State is one of many employer participants in PERS and has funding responsibilities relating to State employee participants only. Upon becoming a member, most State employees and some local government employees choose either an employer-pay plan or an employee/employer-pay plan. Under the employer-pay provisions, which can be revised by the State Legislature for new employees, the employer pays the entire contribution on behalf of the employees. Contributions made by the employer on behalf of the employee are not credited to the member's account and are not refunded upon termination. Although the employer-pay plan does not require a direct employee payment, the employee does share in the cost either through a direct reduction to salary or through reductions in pay increases equivalent to one-half of the contribution rate. Under employee/employer pay provisions, each employee pays half of the required contribution on an after-tax basis (calculated as a percentage of the employee's covered salary) and the amounts contributed by the employee are credited to the employee's account and may be refunded to the employee upon termination, with the result that employee/employer contribution rates are higher than they would be if there were no guaranteed return. As of June 30, 2018, 19.7% of Regular employees and 13.1% Police/Fire employees are covered under this employee/employer pay program. See "PERS Contribution Rates" below.

The State's contribution to PERS (relating to the State's employee members) for FY 2014 through FY 2018 are set forth in the Table below.

STATE CONTRIBUTIONS TO PERS
FISCAL YEARS ENDING JUNE 30

Year	***Contribution***
2014	174,712,000
2015	176,579,000
2016	190,528,000
2017	151,491,716
2018	153,762,408

PERS Actuarial Valuations, Reports and Methods. The Public Employees' Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and, subject to certain limitations described below, requires contribution rates to be adjusted as of July 1 of every odd-numbered year, based in part upon the valuation report for the preceding even-numbered year. In practice, however, the Board requests that actuarial valuations be prepared annually for PERS and that reports reviewing PERS' actual experience be prepared every four to six years. Experience reports are used to evaluate how realistic the long-term assumptions have been and may be in the future. The most recent valuation report for PERS was prepared as of June 30, 2018 (the "2018 PERS Valuation Report"), and the most recent experience report, based on experience from July 1, 2012 through June 30, 2016, was prepared for the valuation as of June 30, 2017. Per policy, the Board conducts experience studies every four to six years.

. The 2018 PERS Valuation Report was used to determine the contribution rates for the 2019-2021 biennium. The 2018 PERS Valuation Report is the most recent assessment of PERS actuarial assets and liabilities and funding status, and along with the GASB Statement No. 67 Actuarial Valuation as of June 30, 2018, was the basis for PERS audited financial statements for FY 2018. The actuarial information included in the PERS 2018 CAFR is based upon the PERS valuations as of June 30, 2018. Subsequent to the foregoing, a GASB Statement No. 68 Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Related Notes was completed. This report applies revised accounting rules intended to provide useful information, support assessments of accountability and create additional transparency for PERS participating employers. The GASB Statement No. 68 identifies the State's employer allocation percentage of PERS liabilities with respect to total liabilities. As of June 30, 2018, the State's employer allocation percentage was 16.2% of the net pension liability of PERS.

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

The use of appropriate assumptions is important in maintaining adequate funding. To ensure the assumptions remain appropriate, the Retirement Board conducts an experience study, through its independent actuary, at least every four to six years. In October 2017, Segal Consulting performed an experience study to review the economic and demographic actuarial assumptions during the four-year period from July 1, 2012 through June 30, 2016. Based on trends in the data, the actuary recommended modifications to certain actuarial assumptions which the Board adopted at their October 19, 2017 meeting. These assumptions were utilized in preparing the actuarial valuation for June 30, 2018.

Changes adopted from the 2017 experience study to economic assumptions include reductions in the assumed investment rate of return to 7.50% from 8.00%, the inflation rate to 2.75% from 3.50%, and the active member payroll growth to 5.50% from 6.50% for Regular members and to 6.50% from 7.50% for Police/Fire members. Demographic assumptions that were modified in the 2017 experience study include retirement rates, presence and age of beneficiary, mortality, withdrawal, and disability. The impact of only the assumption changes on the 2017 PERS Valuation Report (non-rate setting valuation) was to increase the actuarially determined contribution rates by 1.60% for Regular and 2.33% for Police/Fire. Experience gains offset those increases somewhat, resulting in actuarially determined contribution rate increases of 1.19% for Regular and 2.11% for Police/Fire. The combined effect to the overall System was to increase the UAAL to $13.73 billion from $13.27 billion and to increase the actuarial funded ratio to 75.1 % from 74. 5%. The impact to the statutory contribution rates will not be known until the 2019 PERS Valuation Report is approved by the Retirement Board, which is expected to occur in November of 2019. Any increases to the statutory contribution rates will be shared equally between the employers and employees.

In addition to the experience studies that are conducted every four to six years, the Board conducts a second opinion review at least once every ten years to determine, among other things, whether the underlying actuarial assumptions are reasonable. The Board recently hired a second actuary to conduct a second opinion review, which took place in late 2018. The most recent second opinion review took place approximately nine years ago.

Actuarial Assets and Liabilities; Investment Return Assumptions and Calculations. In addition to the normal cost and administrative expense components described above, the third component of the contribution rate is the amount required to amortize the UAAL, the difference between the actuarial accrued liability (the "AAL") and the actuarial value of assets. The total AAL under the Entry Age Normal Cost Method represents the amount that would have been accumulated as of the valuation date if contributions sufficient to meet the normal costs had been made each year in the past, net of accumulated past benefit payments. The UAAL is the amount obtained by subtracting valuation assets from total actuarial accrued liability. PERS amortizes each year's change in the UAAL as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. From 2004 to 2011, the amortization period for each new layer was 30 years. Effective with FY 2012, any new layer was amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers, until the average remaining amortization period less than 20 years; after that time the 20-year amortization period was to be used. That occurred in FY 2015, and since that time all new layers are amortized over 20 years. The effective blended amortization period as of June 30, 2018 is 17.8 years. The economic assumptions and actuarial methods used in these calculations are summarized below in Table 1A.

In calculating the actuarial value of assets, contributions for the past year are added to the actuarial value of assets at the end of the prior year; benefits and expenses are subtracted; the assumed rate of return is added; and then a portion of market value gains and losses are added or subtracted. Actual market returns are taken into account, but to reduce rate volatility, actual market gains and losses are spread or "smoothed" over a five-year period. Such smoothing is further limited by a "corridor" so that the actuarial value for one year will not be more than 130% or less than 70% of the value in the previous year. Prior to 2009, this corridor provided that the actuarial value would not be less than 80% or more than 120% of the previous year's actuarial value.

The assumed investment rate of return on the actuarial value of PERS assets is based in part upon an assumed, long-term rate of inflation. Actual returns on the actuarial value of assets vary year by year, however, and also vary when compared to the return on the market value of PERS assets. The return on the actuarial value of PERS assets (on a "smoothed" basis) for FY 2018 was 8.20% and for FY 2017 was 9.11%. As a result, PERS experienced an investment gain on an actuarial value basis of approximately $211 million for Regular employees and $59 million for Police/Fire employees in FY 2018 as compared to an investment loss of $311 million for Regular employees and $86 million for Police/Fire employees in FY 2017. The return on the market value of PERS assets, however, was 8.6% in FY 2018 and 11.9% for FY 2017, resulting in an investment gain not yet recognized as of June 30, 2018 of $78 million ($58 million for regular employees and $20 million for Police/Fire employees) or 0.2% of PERS' market value of assets. By comparison, the unrecognized investment loss as of June 30, 2017 was $33 million or .1% of the market value of assets. In the 2018 PERS Valuation Report the ratio of the actuarial value of PERS assets to the market value of PERS assets is 99.8% for Regular members and 99.8% for Police/fire members (compared to 100.1% for Regular members and 100.1% for Police/fire members at June 30, 2017). The actuary also calculated that if 2018 deferred gains were recognized immediately instead of being smoothed over five years, PERS' actuarial funded percentage described below would increase from 74.7% to 74.8% for Regular members and increase from 76.5% to 76.7% for Police/fire members and that actuarially determined contribution rates would decrease. PERS' average annualized investment return for the five years ended June 30, 2019 was 7.01%, including the unaudited return for FY 2019 of 8.5%.

PERS experienced an overall experience loss in 2018 of $163 million, $45 million in the Regular fund and $118 million in the Police/Fire fund.

PERS Contribution Rates. The following Tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for PERS for - for 2017-2019 and for 2019-2021, and some of the primary economic assumptions and actuarial methods upon which these calculations are based. Legislation was enacted in 2009 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired on or after January 1, 2010 and on or after July 1, 2015.

The Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for employer-pay and more than 0.25% higher for employee/employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for employer-pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for employee/employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll. The 2018 valuation determined whether a change to the contribution rates was required for the 2019-2021 biennium in accordance with the statutory contribution rate change mechanism described above. Pursuant to the statutory contribution rate mechanism, contribution rates increased for the 2019-2021 biennium for both the Regular fund and the Police/Fire fund as summarized below in Table 2A.

Table 1A
PERS 2018 Economic Assumptions and Actuarial Methods

Inflation	2.75% per year
Investment Return	7.50% per year, assuming inflation at 2.75% per year
Salary Increases	Assumed annual salary increases include inflation at 2.75% per year and range from 9.15% for Regular employees with less than one year of service to 4.25% for Regular employees with 15 or more years of service and from 13.90% for Police/Fire employees with less than one year of service to 4.55% for employees with 15 or more years of service. For members hired after January 1, 2010, the maximum increase in compensation that can be taken into account in calculating benefits is 10% per year (unless promoted or assignment related).
Rate Payroll	The payroll for the coming year is based on actual annualized payroll for the actives as of the valuation date and projected by the salary scale. Payroll Growth Funding 5.5% per year for Regular employees and 6.5% for Police/Fire employees (assuming inflation at 2.75% per year). For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees.
Post-retirement Benefit Increases	For current retirees and beneficiaries, future Post-Retirement Benefit Increases reflect actual changes in historical CPI and are assumed to follow the formulas described below. For future retirees, those hired prior to 2010 are assumed to reach the cap after 16 years of retirement. Those hired on or after January 1, 2010 and before July 1, 2015 are assumed to reach the cap after 16 years of retirement. Those hired after July 1, 2015 are assumed to never receive an increase above 2.75%. Underlying all of these assumptions is that CPI will grow over time at a rate of 2.75% per year.

For members with an effective date of membership before January 1, 2010:

The lesser of:

(a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

(b) The annual benefit increase is equal to the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph (a) if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other Board approved index) for the period between retirement and the date of increase.

For members with an effective date of membership on or after January 1, 2010:

Same as above, except the increases do not exceed 4% per year.

For members with an effective date of membership on or after July 1, 2015:

(a) 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of 3% of the CPI for the preceding calendar year following the ninth anniversary.

Asset Valuation Method	The total of the prior year's actuarial value of assets, plus contributions, less benefit payments and expenses, an adjustment for net transfers, plus expected investment return and 20% of each of the previous five years' gain or loss due to investment return greater or less than expected, further limited to not less than 70% (80% before 2009) or greater than 130% (120% before 2009) of the market value of assets.
Actuarial Funding Method	Entry Age Normal Cost Method assuming the current benefit accrual rate had always been in effect.
Amortization of the UAAL	The UAAL is amortized over a year-by-year closed amortization period, where each amortization period for each year is set at a period of the truncated average remaining period of all prior amortization layers until the average remaining period is less than 20 years. In FY 2015 the average remaining period fell to less than 20 years such that the remaining amortization periods since then have been 20 years. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years

Source: State of Nevada, compiled from the 2018 PERS Valuation Report.

Table 2A
PERS Contribution Rates 2017-2019 and 2019-2021

Contribution Rates	**Regular Employees**	**Police/Fire Employees**
(as a percentage of payroll)		
Employer-Pay Actuarial Rate[(1)]		
Normal Cost	16.13%	25.99%
Amortization Percentage	13.06	16.43
Administrative Expenses	0.15	0.15
Employer-Pay Total Rate[(2)]	29.34	42.57
Employer-Pay 2017-19 Statutory Rate[(3)]	28.00	40.50
Employer-Pay 2019-21Statutory Rate[(4)]	29.25	42.50
Employee/Employer Pay Actuarial Rate[(1)]		
Normal Cost	17.38	27.35
Amortization Percentage	13.06	16.43
Administrative Expenses	0.15	0.15
Employee/Employer Total Rate[(5)]	30.59	43.93
Employee/Employer 2017-19 Statutory Rate[(3)]	29.00	41.50
Employee/Employer 2019-21 Statutory Rate[(4)]	30.50	44.00

(1) These actuarial rates are based upon the 2018 PERS Valuation Report as of June 30, 2018.
(2) The 2018 actuarial employer-pay contribution rate would have been 29.27% for regular employees and 42.47% for police/fire employees if the deferred investment losses had not been smoothed over five years.
(3) These statutory rates apply for July 1, 2017 through June 30, 2019.
(4) These statutory rates apply for July 1, 2019 through June 30, 2021. Statutory rates are rounded to the nearest 0.25% and are adjusted only if the increase or decrease exceeds the percentage set forth in the Public Employees' Retirement Act.
(5) One half of this rate is paid by the employee. The actuarial employee/employer pay contribution rate would have been 30.52% for regular employees and 43.83% for police/fire employees if the deferred investment losses had not been smoothed over five years.

Source: State of Nevada, compiled from the 2018 PERS Valuation Report.

Information about the actuarial value of assets, AAL, UAAL, funded ratio, annual covered payroll, UAAL as a percentage of annual covered payroll, contributions and funding for PERS as a whole, derived from PERS' comprehensive annual financial report for FY 2018 (the "2018 PERS Financial Report") and from the 2018 PERS Valuation Report, is summarized in Tables 3A and 4A. The ratio of UAAL to covered payroll is a measure of the significance of the UAAL relative to the capacity to pay it. The trend in the ratio provides information as to whether the financial strength of the pension plan is improving or deteriorating over time. The financial strength of a Pension plan is generally improving if the ratio of UAAL to covered payroll is decreasing. The actuary notes in the 2018 PERS Valuation Report that using the methods, assumptions and results of the June 30, 2018 valuation, payments required to amortize the UAAL represent 13.06% of projected payroll for Regular employees and 16.43% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 17.9 years for Regular employees and 17.4 years for Police/fire employees.

PERS notes in the 2018 PERS Financial Report that in addition to changes in benefits and actuarial methods and assumptions, trends such as those shown in the tables below are affected by investment experience (favorable and unfavorable), salary experience, changes in demographic characteristics and employees and retirement experience, among other factors. Recent experience in overall payroll growth and active membership has impacted both the actuarial contribution rates and the UAAL. Less than expected payroll growth since 2009 has negatively affected the amount of contributions collected as the contributions are collected as a percentage of payroll. Although the payroll growth and inflation assumptions were reduced beginning in the 2017 valuation report, this may continue to impact contribution rates and the UAAL. PERS and the actuary note that the number of active employees increased in 2018 in both the Regular and the Police/Fire fund. From 2009 to 2018, the ratio of active PERS Regular members to retirees decreased from 2.8 to 1.8 and that the ratio of active PERS Police/Fire members to retirees decreased from 2.8 to 1.7 during the same period. In FY 2018, the number of PERS benefit recipients (excluding survivors and beneficiaries) increased 4.6% from FY 2017.

Table 3A
PERS Schedule of Funding Progress[1]
2014 to 2018
(in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2014	31,465.6	33,575.1	43,997.1	12,531.5	71.5	5,113.5	245.1%
2015	33,717.9	34,610.7	46,070.1	12,352.2	73.2	5,227.2	236.3
2016	35,896.2	35,002.0	48,459.2	12,562.9	74.1	5,346.3	235.0
2017	38,719.3	38,686.3	51,986.1	13,266.8	74.5	5,542.2	239.4
2018	41,342.4	41,420.0	55,069.4	13,727.1	75.1	5,830.4	235.4

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

Source: State of Nevada, compiled from the 2018 PERS Financial Report and 2018 PERS Valuation Report.

Table 4A is derived from the Schedule of Employer Contributions included in the 2018 PERS Financial Report. Due to the implementation of GASB Statement No. 67 in FY 2014, the Schedule of Employer Contributions includes different information from previous schedules of the same name. The current Schedule of Employer Contributions was first developed in 2014 and includes information for prior years. The schedule no longer includes the concept of the annual required contribution but rather includes the actuarially determined contribution and contributions in relation to the actuarially required contributions.

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

Table 4A
PERS Schedule of Employer Contributions
2014 to 2018
(in millions)

Year Ended June 30[(3)]	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions[(1)]	Contribution Deficiency (Excess)	Covered Employee Payroll[(2)]	Contributions as a Percentage of Covered Employee Payroll
2014	1,508.8	1,405.0	103.8	5,715.3	24.6
2015	1,499.8	1,436.7	63.1	5,753.1	25.0
2016	888.6	849.8	38.8	5,921.6	14.4
2017	912.6	901.7	10.9	6,081.1	14.8
2018	939.7	930.3	9.4	6,237.2	14.9

(1) Includes employer contributions towards administrative expenses.
(2) Measurement as of beginning of year.
(3) 2016 values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 67 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

Source: 2018 PERS Financial Report.

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

Pursuant to GASB Statement No. 67, the System provided information on the Net Pension Liability in the 2018 PERS Financial Report. The components of the Net Pension Liability at June 30, 2018 were as follows:

Total Pension Liability	$55,069,428,741
Plan Fiduciary Net Position	(41,420,028,577)
Net Pension Liability	$13,649,400,164
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.2%

The discount rate used to measure the Total Pension Liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assume plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

The 2018 PERS Financial Report also contains the sensitivity of the net pension liability to changes in the discount rate pursuant to GASB Statement No. 67. The following presents the Net Pension Liability using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate.

1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
$20,808,662,703	$13,649,400,164	$7,700,469,943

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

Retirement Board may not change the actuarial assumptions used in computing the benefits provided to a member of LRS and that the employer contributions will be the amounts actuarially determined to be sufficient to fund LRS. The 2018 State CAFR, in Note 10, under the heading "Financial Section – Required Supplementary Information – Pension Plan Information" and under the heading "Financial Section – Fiduciary Funds," includes a description of the actuarial methods and significant assumptions used in actuarial valuations of LRS, the changes in the net pension liability and the State's contribution to LRS. The most recent valuation report for LRS (the "2018 LRS Valuation Report") is the Valuation and Review dated June 30, 2018.

As of July 1, 2018, LRS had 30 active legislators, 10 inactive members entitled to future benefits, 72 retirees and beneficiaries and 33 inactive non-vested members. LRS had a total net position (at market value) of $4,707,776 as of June 30, 2018 (compared to $4,644,651 as of June 30,2017), and as of June 30, 2018, the actuarial value of LRS assets was $4,690,760 (compared to $4,631,063 as of June 30, 2017) and reflected in Appendix A to this Part II. LRS actuarial value of assets as of June 30, 2018 was 99.6% of market value. As of June 30, 2018, LRS was 90.5% funded on an actuarial basis compared to 89.2% funded as of July 1, 2017. The unfunded actuarial accrued liability was $493,622 as of June 30, 2018 as compared to $561,224 as of July 1, 2017. The State's annual contribution to LRS was $104,834 in FY 2018. The annual contribution calculated as of June 30, 2018 for the 2017-2019 biennium required to meet the normal cost of LRS and to amortize LRS' UAAL over 20 years from July 1, 2017 is $97,935. Legislation was enacted in 2015 modifying benefits for members with an effective date of membership on or after July 1, 2015.

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

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

With the implementation of GASB Statement No. 67, the LRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position beginning with the FY 2014. The components of the Net Pension Liability of the LRS at June 30, 2018, were as follows:

Total pension liability	$ 5,165,430
Plan fiduciary net position	(4,707,776)
Net pension liability	$ 457,654
Plan fiduciary net position as a percentage of the total pension liability	91.1%

JRS. JRS was created in 2001 for State judges elected or appointed after November 2002 and for those who were elected or appointed earlier and chose to withdraw from PERS. In 2005, JRS was amended to allow justices of the peace and municipal judges to participate if their jurisdiction opts to allow participation. JRS is an agent multiple-employer, defined benefit pension system that provides retirement, disability and death benefits. For all members with an effective date of membership prior to July 1, 2015, the JRS is an employer-paid plan, and active members are not required to make contributions. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015, including requiring those members to pay a portion of the contribution rate through payroll deduction.

As of June 30, 2018, the date as of the most recent annual valuation report (the "2018 JRS Valuation Report"), the State and 11 local jurisdictions participate in JRS. As of June 30, 2018, JRS has 113 same active members (of whom 93 are State judges), 4 vested, inactive members (2 of whom are attributed to the State), 53 retirees (of whom 42 are State judges) and 20 beneficiaries (of whom 16 are attributed to the State).

Like PERS and LRS, JRS is administered by the Retirement Board, and JRS assets are invested identically with the assets of the LRS. Unlike PERS, however, the UAAL and UAAL amortization periods for State judges are calculated differently than for non-State judges, and the actuary calculates State and non-State employer contributions separately. In general, the State portion of JRS expected payroll as of June 30, 2018 (approximately $20.5 million) is 86% (approximately $17.6 million).

As of June 30, 2018, JRS as a whole had market value of assets of $125,953,368, an actuarial value of $125,907,565, an accrued actuarial liability of $137,170,938 and a UAAL of $11,263,373. The return on market value of assets for FY 2017 was 8.4% and the return on the actuarial value of assets as of June 30, 2018 was 8.11%. Taking into account market gains and losses from earlier years, the JRS Fund as a whole experienced an investment gain on an actuarial value basis of approximately $ .7 million in FY 2018. Taking into account smoothing over a 5-year period, the total net investment loss not yet recognized as of June 30, 2018 is approximately $46 thousand. The ratio of actuarial value of assets to the market value of assets is 99.96% as of June 30, 2018. The actuary noted in the 2018 JRS Valuation Report that if the deferred losses were recognized immediately in the actuarial value of JRS assets, the JRS funded percentage as a whole at June 30, 2018 would remain unchanged at 91.8% and that the contribution requirement for the State alone would decrease from 29.52% of State covered payroll to 29.51% of the State covered payroll.

As of June 30, 2018, the State portion of JRS had a total net position at market value assets of $101,034,869, an actuarial value of $100,998,130, an accrued actuarial liability of $115,530,579 and a UAAL of $14,532,449 Annual payments required to fund the State's normal costs and administrative expenses (approximately $3,853,471 million or 21.91% of covered payroll) and to amortize the State portion of the UAAL (approximately $1.4 million or 7.61% of covered payroll) are calculated to be a total of $5.2 million or 29.52% of the State's 2018 expected JRS payroll of approximately $17.6 million.

The State's contribution to JRS was, $5,444,000 in FY 2014, $5,535,000 in FY 2015, $5,227,000 in FY 2016, $5,261,970 in FY 2017 and $4,788,927 in FY 2018. See the 2018 State CAFR, Note 10, Required Supplementary Information – Pension Plan Information and Fiduciary Funds Combining Statements for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the June 30, 2017 actuarial valuation of JRS, the net pension liability and the State's contributions as of June 30, 2017.

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

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

With the implementation of GASB Statement No. 67, the JRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position beginning with FY 2014. The components of the Net Pension Liability of the JRS at June 30, 2018, were as follows:

Total pension liability	$ 137,726,452
Plan fiduciary net position	124,374,024)
Net pension liability	$ 13,352,428
Plan fiduciary net position as a percentage of the total pension liability	90.3%

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PART II

ATTACHMENT II

SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

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

Benefits and Eligibility. PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) self-insured consumer driven preferred provider organization high deductible health plan ("CDHP"), an exclusive provider organization plan ("EPO Plan"), both of which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP and EPO Plans, (ii) Health Maintenance Organization ("HMO Plan") that is fully insured by an outside insurance carrier and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 53% of PEBP participants participate in the CDHP, 10% participate in the EPO plan, 9% participate in the HMO plan and 28% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits as well as an array of voluntary benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets. See "—Contributions" below.

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Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracting with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. Certain retirees from non-participating local government agencies, as well as their eligible dependents and survivors, are eligible to continue participation in the PEBP as long as they enrolled prior to November 1, 2008 and have been continuously covered by the PEBP since that date. As of June 30, 2019, the State, the Nevada System of Higher Education and 116 local government agencies are billed for retiree subsidies. Primary insured ("Participant") enrollment as of July 1, 2019 is shown in Table 2A below. The figures below do not include approximately 27,377 dependent spouses, domestic partners and children.

Table 2A
Enrollment as of July 1, 2019

	PPO	EPO	HMO	Exchange	Total
State					
Employees	19,245	4,027	3,365	0	26,637
Retirees-Non Medicare	2,631	510	243	0	3,384
Retirees-Medicare	599	86	42	7,361	8,088
Total Retirees	3,230	596	285	7,361	11,472
Total	22,475	4,623	3,650	7,361	38,109
Local Government					
Employees	4	4	0	0	8
Retirees-Non Medicare	418	109	162	0	689
Retirees-Medicare	253	52	103	5,275	5,683
Total Retirees	671	161	265	5,275	6,372
Total	675	165	265	5,275	6,380
Total					
Employees	19,249	4,031	3,365	0	26,645
Retirees-Non Medicare	3,049	619	405	0	4,073
Retirees-Medicare	852	138	145	12,636	13,771
Total Retirees	3,901	757	550	12,636	17,844
Total	23,150	4,788	3,915	12,636	44,489

Source: State of Nevada, Public Employees' Benefits Program.

Contributions. PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. The PEBP Board establishes claims liability based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damages awards, the process used in computing claims and liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are computed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are incurred.

Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO and EPO Plans or premiums for the HMO Plan. The State subsidy from participating

State agencies is deposited into the Active Employees' Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State ("Payroll Fund"). The Governor's Finance Office determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

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

For FY 2016, 2017, 2018 and 2019, the State and its component units contributed \$246,994,433, \$254,013,359, \$270,732,842, and \$276,639,847 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2020 is \$286,540,424. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Self Insurance Trust Fund. Nevada statutes require that all amounts received by PEBP for the payment of contributions for the PPO and EPO Plans or premiums for the HMO Plan, including employer subsidies and participant contributions, be deposited with the State Treasurer for credit to the Self Insurance Trust Fund. Amounts are held in the Self Insurance Trust Fund until applied to pay approved claims or premiums for the HMO Plans on a "pay-as-you-go" basis or to pay other administrative and contract costs. There is no stop loss or excess liability insurance. As of June 30, 2018, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of \$37,568,000, a fully funded reserve for Health Reimbursement Arrangement contributions made by PEBP but not spent by participants of \$34,115,258, and net assets of \$76,188,502 which includes a \$42,400,000 catastrophic reserve actuarially determined to provide a 95% probability that the PEBP will maintain long-term solvency and approximately \$36,193,175 in excess reserves. See the Audited Annual Financial Statements of the Self Insurance Trust Fund at https://pebp.state.nv.us/resources/fiscal-utilization-reports/ for more information about the Self Insurance Trust Fund as of June 30, 2018.

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

Financial Statements of the State Retirees' Health and Welfare Benefits Fund at https://pebp.state.nv.us/resources/fiscal-utilization-reports/ for more information about the Retirees' Fund as of June 30, 2018.

For FY 2016, 2017, 2018, and 2019 the State and its component units contributed to the Retirees' Fund $35,931,986, $38,069,185, $39,710,152, and $40,985,175 respectively. For FY 2016, 2017, 2018, and 2019 $35,931,986, $38,069,185, $39,710,152, and $40,985,175 were transferred to the Self Insurance Trust Fund to fund health and welfare benefits for current State retirees for such fiscal years.

For FY 2008 and 2009, the Retirees' Fund invested $19,672,376 and $6,426,399, respectively, in the Retirees' Benefits Investment Fund to prefund such benefits. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th (2010) Special Session directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2017, the Retirees' Fund had total assets of $6,424,564, of which $1,478,881 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $3,401,325 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2017, after deducting $4,948,402 in liabilities, the Retirees' Fund had net assets of $1,476,162. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

GASB 75. Compliance with GASB 75 requires that the State report its other post-employment benefit ("OPEB") liability and its annual required contribution, effective July 1, 2018. Like the pension liability, the OPEB liability calculated in accordance with GAAP can differ from the actuarial accrued liability. However, unlike the pension liability for which the State is putting money aside, the State pays the OPEB liability on a pay-as-you-go basis and is not prefunding the OPEB liability, other than the amounts set aside in the Retirees' Fund. In July 2019, AON Hewitt Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final for the year ending June 30, 2019 (the "2019 Valuation"). The 2019 Valuation considered the medical, prescription drug, dental and life insurance coverage provided by PEBP. The reports can be found at PEBP's website at https://pebp.state.nv.us/resources/fiscal-utilization-reports/.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and trends in healthcare costs. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In preparing the 2019 Valuation, the Actuary made certain assumptions, including current claim cost, projected increases in health insurance costs, mortality, turnover, retirement, disability and discount rate. For more information, see the Actuarial Report for Other Post-Employment Benefits at https://pebp.state.nv.us/resources/fiscal-utilization-reports/.

The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2019, the present value of the benefits of the Plan was $1,904,532,100 according to the 2019 Valuation. Of this amount, 63% was allocable to currently active employees (future retirees). Active employees include all employees enrolled in PEBP's plan to include the State and the Nevada System of Higher Education ("NSHE").

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Table 2B below sets forth the GASB 75 statistics for the year ending June 30, 2019.

Table 2B
GASB 75 Statistics

	June 30, 2019
Present Value of Benefits	$1,904,532,100.00
OPEB Expense	70,466,100.00
Net OPEB Liability	1,324,382,500.00

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2019 (the "2019 Valuation"). Table reflects the PEBP data which includes both the State and NSHE employees as participants. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at https://pebp.state.nv.us/resources/fiscal-utilization-reports/

GASB 43 and 45. Table 2C below sets forth the present value of the State's benefits, actuarial accrued liability, annual required contribution, and annual OPEB cost, as presented in PEBP's GASB 43 and 45 reports and as determined in accordance with GAAP, for the three fiscal years ended June 30, 2016 the date of the last full valuation under GASB 43 and 45.

Table 2C
GASB 43 and GASB 45 Statistics

	June 30, 2014	June 30, 2015	June 30, 2016
Present Value of Benefits	$2,025,895,000	$2,196,933,000	$ 2,062,594,000
Actuarial Accrued Liability (AAL)	1,271,752,000	1,428,645,000	1,446,629,000
Annual Required Contribution (ARC)	140,846,000	157,588,000	142,683,000
Annual OPEB Cost	127,019,000	142,446,000	126,090,000

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation for FY 2016 (the "2016 Valuation") and the 2017 Valuation. Table reflects the PEBP which includes both the State and NSHE employees as participants. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at https://pebp.state.nv.us/resources/fiscal-utilization-reports/.

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

The Table 2D below sets forth the schedule of funding progress as presented in PEBP's GASB 43 and 45 reports as of the last three valuation dates. As described above, actions by the State Legislature resulted in a decrease in the amount of money invested for pre-funding the State's OPEB liability from over $25 million in FY 2010 to 1,478,881 as of June 30, 2017. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

Table 2D
OPEB Funding Progress
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (Value of Assets/AAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2012	$ 1,278	$ 1,182,766	$ 1,181,488	0.1%	$1,414,681	83.5%
7/1/2013	1,061	1,271,752	1,270,691	0.1	1,374,462	92.5
7/1/2015	1,296	1,446,629	1,445,333	0.1	1,308,322	110.5

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2016 the date of the last full valuation under GASB 43 and 45. Table reflects the PEBP which includes both the State and NSHE employees as participants.

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

PART II

APPENDIX A

STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2018 (EXCLUDING THE INTRODUCTORY SECTION AND STATISTICAL SECTION)

[Note: Page numbers in Appendix A correspond to the actual page numbers in the Comprehensive Annual Financial Report.]

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Financial Section

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, 2018, and the related notes to the financial statements, which collectively comprise the State of Nevada'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 a major fund, represent 24.94 percent of the assets and deferred outflows of resources, 9.54 percent of net position, and 3.76 percent of the revenues of the business-type activities;

- the financial statements of the Nevada System of Higher Education, which is a discretely presented component unit, represent 97.03 percent of assets and deferred outflows of resources, 99.68 percent of net position, and 97.63 percent of revenues of the discretely presented component units;

- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 2.08 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 60.41 percent of the assets and deferred outflows of resources, 61.61 percent of the net position and 28.21 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 34.04 percent of the assets and deferred outflows of resources, 35.16 percent of the net position and 55.32 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, 2018, 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 Note 19 to the financial statements, the State of Nevada has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which has resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Correction of Errors
As discussed in Note 19 to the financial statements, the State of Nevada corrected an error in the General Fund Medicaid federal reimbursements and related expenditures recorded in fiscal year 2017, which resulted in a restatement of net position as of July 1, 2017. In addition, as discussed in Note 19 to the financial statements, the State of Nevada corrected an error in the Unemployment Compensation Fund for assessment revenue recorded in fiscal year 2017, which resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to these matters.

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 postemployment benefits other than pensions (OPEB) information, the pension plan information, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 102 through 106 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 section and the statistical section 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 January 7, 2019, 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 solely 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 effectiveness of the State of Nevada's 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 of Nevada's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
January 7, 2019

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, 2018. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

HIGHLIGHTS

Government-wide:

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by $6.7 billion (reported as net position). Of this amount, $5.7 billion is net investment in capital assets and $3.4 billion is restricted for specific uses, neither of which are available to meet the State's general obligations, and a negative $2.4 billion is reported as an unrestricted deficit, which indicates no funds are available for discretionary purposes.
- The State's total net position decreased by $224.7 million or 3.2% over the prior year. Net position of governmental activities decreased by $754.7 million or 14.5%. Net position of business-type activities increased by $530.0 million or 30.7%. Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the State recorded $22.8 million in deferred outflows of resources and $825.0 million liability related to the prior year, for a net decrease of $802.2 million to beginning net position. Beginning net position of governmental activities decreased by $809.5 million, of which $786.7 million is a decrease due to the implementation of GASB Statement No. 75 and $22.8 million is a decrease to correct an error from 2017 for an understatement of Medicaid incurred but not reported claims expenditures and related federal reimbursement. Beginning net position of business-type activities decreased by $66.5 million, of which $15.5 million is a decrease due to implementation of GASB Statement No. 75 and a decrease of $51.0 million due to an overstatement of 2017 unemployment assessment receivables and revenues.

Fund-level:

- The State's governmental funds reported combined ending fund balances of $1,986.3 million, a decrease of $132.6 million from the prior year, before restatement. Of the ending fund balance, $494.0 million is nonspendable, $740.9 million is restricted, $991.9 million is committed and a negative $240.5 million is unassigned.
- The State's enterprise funds reported combined ending net position of $2,254.5 million, an increase of $529.9 million from the prior year, before restatement. Of the ending net position, $6.1 million is net investment in capital assets, $2,226.8 million is restricted, and $21.6 million is unrestricted.

Capital Assets and Long-term Debt:

- The State's capital assets, net of depreciation, increased by $163.2 million or 2.3%.
- The State's total bonds payable and certificates of participation payable decreased by $78.0 million or 2.6%.

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, a schedule of postemployment benefits other than pensions (OPEB) 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, 2018 and 2017 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
	2018	2017	2018	2017	2018	2017	2018-2017
Assets							
Current and other assets	$ 4,722,494	$ 4,470,888	$ 3,173,635	$ 2,748,174	$ 7,896,129	$ 7,219,062	$ 677,067
Net capital assets	7,137,710	6,973,989	14,223	14,712	7,151,933	6,988,701	163,232
Total assets	11,860,204	11,444,877	3,187,858	2,762,886	15,048,062	14,207,763	840,299
Deferred outflows of resources	460,239	427,810	8,201	7,571	468,440	435,381	33,059
Liabilities							
Current liabilities	2,012,636	1,779,280	70,456	69,179	2,083,092	1,848,459	234,633
Long-term liabilities	5,632,170	4,704,329	866,682	973,101	6,498,852	5,677,430	821,422
Total liabilities	7,644,806	6,483,609	937,138	1,042,280	8,581,944	7,525,889	1,056,055
Deferred inflows of resources	221,644	180,372	4,246	3,517	225,890	183,889	42,001
Net position							
Net investment in capital assets	5,694,397	5,623,373	6,121	6,446	5,700,518	5,629,819	70,699
Restricted	1,208,340	1,165,363	2,226,783	1,704,681	3,435,123	2,870,044	565,079
Unrestricted (deficit)	(2,448,744)	(1,580,030)	21,771	13,533	(2,426,973)	(1,566,497)	(860,476)
Total net position	$ 4,453,993	$ 5,208,706	$ 2,254,675	$ 1,724,660	$ 6,708,668	$ 6,933,366	$ (224,698)

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State reported net position of $6.7 billion at the end of 2018, compared with $6.9 billion at the end of the previous year.

The largest portion of the State's net position ($5.7 billion or 85.0%) 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 ($3.4 billion or 51.2%) 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 $2.4 billion or (36.2%) as compared to a $1.6 billion deficit in the prior year. The governmental activities and business-type activities components of the unrestricted net position deficit are discussed below.

The unrestricted net position deficit in governmental activities increased by $868.7 million; from a deficit of $1.6 billion to a deficit of $2.4 billion. Changes in governmental activities were a result of several factors, including an increase in the unrestricted fund balance of the General Fund of $142.9 million and an increase of $39.1 million in deferred inflows of resources for unrestricted and unavailable revenue recognized as revenue in the government-wide statement of net activities. In business-type activities the unrestricted net position increased by $8.2 million from a net position of $13.5 million to a net position of $21.8 million. The increase is primarily due to an increase in the unrestricted net position of the Housing Division fund in the amount of $14.0 million.

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

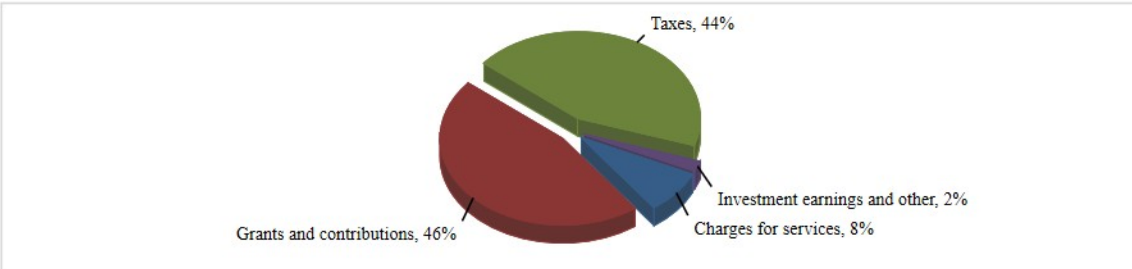
	Governmental Activities		Business-type Activities		Total		Total Change
	2018	2017	2018	2017	2018	2017	2018-2017
Revenue							
Program revenue							
Charges for services	$ 900,670	$ 902,110	$ 133,898	$ 123,222	$ 1,034,568	$ 1,025,332	$ 9,236
Operating grants and contributions	5,274,340	5,076,398	82,657	83,365	5,356,997	5,159,763	197,234
Capital grants and contributions	21,999	31,458	-	-	21,999	31,458	(9,459)
General revenues:							
Gaming taxes	868,923	896,571	-	-	868,923	896,571	(27,648)
Sales and use taxes	1,340,985	1,285,247	-	-	1,340,985	1,285,247	55,738
Modified business taxes	584,212	572,873	-	-	584,212	572,873	11,339
Insurance premium taxes	394,543	358,499	-	-	394,543	358,499	36,044
Lodging taxes	179,951	178,846	-	-	179,951	178,846	1,105
Cigarette taxes	160,665	180,677	-	-	160,665	180,677	(20,012)
Commerce taxes	205,013	198,322	-	-	205,013	198,322	6,691
Property and transfer taxes	277,987	247,939	-	-	277,987	247,939	30,048
Motor and special fuel taxes	316,780	299,426	-	-	316,780	299,426	17,354
Other taxes	635,151	680,739	653,150	624,242	1,288,301	1,304,981	(16,680)
Unrestricted investment earnings	10,864	2,645	-	-	10,864	2,645	8,219
Other general revenues	203,347	207,338	-	-	203,347	207,338	(3,991)
Total revenue	11,375,430	11,119,088	869,705	830,829	12,245,135	11,949,917	295,218
Expenses							
General government	289,383	351,831	-	-	289,383	351,831	(62,448)
Health services	4,142,999	3,957,042	-	-	4,142,999	3,957,042	185,957
Social services	1,700,745	1,545,446	-	-	1,700,745	1,545,446	155,299
Education - K-12 state support	1,612,584	1,478,773	-	-	1,612,584	1,478,773	133,811
Education - K-12 administrative	563,634	580,719	-	-	563,634	580,719	(17,085)
Education - higher education	717,073	570,398	-	-	717,073	570,398	146,675
Law, justice and public safety	729,018	750,614	-	-	729,018	750,614	(21,596)
Regulation of business	315,038	295,766	-	-	315,038	295,766	19,272
Transportation	851,333	841,046	-	-	851,333	841,046	10,287
Recreation and resource development	178,524	161,621	-	-	178,524	161,621	16,903
Interest on long-term debt	74,499	73,785	-	-	74,499	73,785	714
Unallocated depreciation	2,766	2,673	-	-	2,766	2,673	93
Unemployment insurance	-	-	297,531	313,306	297,531	313,306	(15,775)
Housing	-	-	23,582	19,316	23,582	19,316	4,266
Water loans	-	-	7,017	4,802	7,017	4,802	2,215
Workers' compensation and safety	-	-	39,276	30,011	39,276	30,011	9,265
Higher education tuition	-	-	11,293	23,383	11,293	23,383	(12,090)
Other	-	-	31,488	32,181	31,488	32,181	(693)
Total expenses	11,177,596	10,609,714	410,187	422,999	11,587,783	11,032,713	555,070
Change in net position before contributions to permanent funds, special items and transfers	197,834	509,374	459,518	407,830	657,352	917,204	(259,852)
Contributions to permanent funds	10,005	9,586	-	-	10,005	9,586	419
Special item - termination of project construction	(16,054)	-	-	-	(16,054)	-	(16,054)
Transfers	(137,005)	(146,901)	137,005	146,901	-	-	-
Change in net position	54,780	372,059	596,523	554,731	651,303	926,790	(275,487)
Net position - beginning of year	5,208,706	4,804,920	1,724,660	1,166,231	6,933,366	5,971,151	962,215
Net position restatement	(809,493)	31,727	(66,508)	3,698	(876,001)	35,425	(911,426)
Net position - beginning of year (as restated)	4,399,213	4,836,647	1,658,152	1,169,929	6,057,365	6,006,576	50,789
Net position - end of year	$ 4,453,993	$ 5,208,706	$ 2,254,675	$ 1,724,660	$ 6,708,668	$ 6,933,366	$ (224,698)

Changes in Net Position:

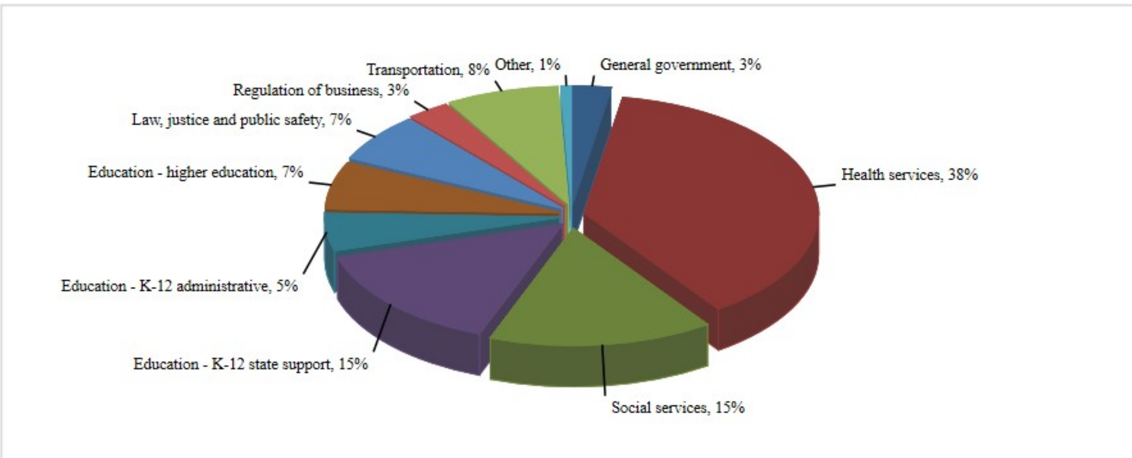
Total government-wide revenues increased by $295.2 million during the current year. The increase in revenues is a result of several factors, including increases of $197.2 million in federal funding, $55.7 million in sales and use taxes, $36.0 million in insurance premium taxes and $30.0 million in property and transfer taxes. Program revenues from charges for services increased by $9.2 million compared to the prior year.

Governmental activities – The current year net position increased by $54.8 million. Approximately 43.6% of the total revenue came from taxes, while 46.6% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 7.9% of the total revenues (see chart following). The State's governmental activities expenses cover a range of services and the largest expenses were 37.3% for health services, 15.3% for social services, and 14.5% for state support of K-12 education (see chart following). In 2018, governmental activities expenses exceeded program revenues, resulting in the use of $4.9 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:



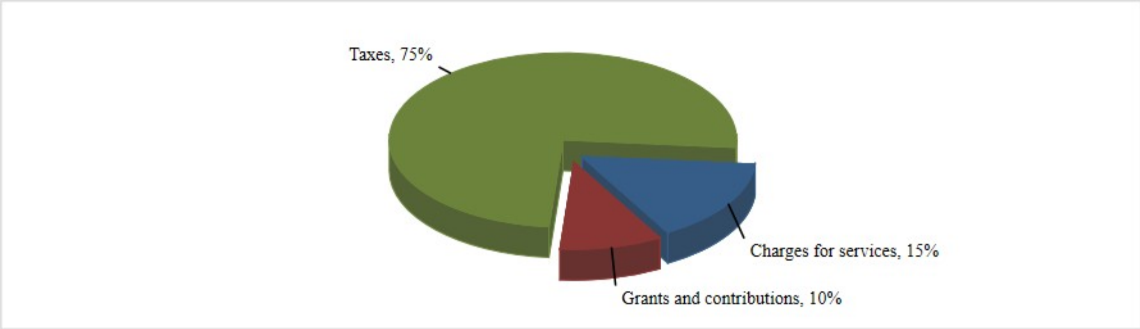
The following table depicts the total program revenues and expenses for each function of governmental activities:

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

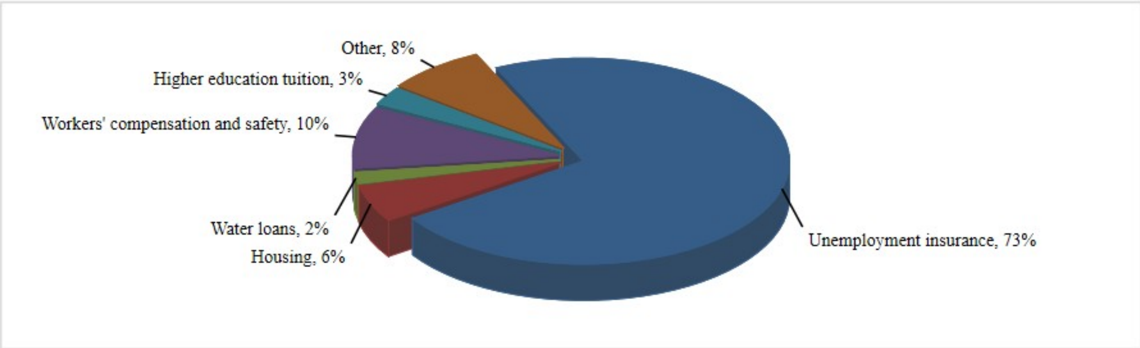
	Expenses	Revenues
General government	$ 289,383	$ 219,197
Health services	4,142,999	3,315,484
Social services	1,700,745	1,208,066
Education - K-12 state support	1,612,584	3,821
Education - K-12 administrative	563,634	319,259
Education - higher education	717,073	-
Law, justice and public safety	729,018	315,236
Regulation of business	315,038	269,389
Transportation	851,333	435,301
Recreation and resource development	178,524	110,081
Total	$ 11,100,331	$ 6,195,834

Business-type activities – The current year net position increased by $596.5 million. Approximately 75.1% of the total revenue came from taxes, while 9.5% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 15.4% of the total revenues (see chart following). The State's business-type activities expenses cover a range of services. The largest expenses were 72.5% for unemployment compensation (see chart following). In 2018, business-type activities expenses exceeded program revenues by $193.6 million. Of this amount, unemployment compensation was the largest, with net expenses of $265.4 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 insurance	$ 297,531	$ 32,166
Housing	23,582	32,742
Water loans	7,017	26,292
Workers' compensation and safety	39,276	57,186
Higher education tuition	11,293	35,921
Other	31,488	32,248
Total	$ 410,187	$ 216,555

The State's overall financial position improved over the past year. Current year operations resulted in a $54.8 million increase in the net position of the governmental activities and a $596.5 million increase in the net position of the business-type activities. 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 $65.1 million or 1.3% compared to an increase of $330.9 million or 7.2% in the prior fiscal year. In addition, operating grants and contributions for governmental activities increased $197.9 million primarily due to Medicaid receipts.

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 $2.0 billion, a decrease of $132.6 million from the prior year. Of these total ending fund balances, $494.0 million or 24.9% is nonspendable, either due to its form or legal constraints, and $740.9 million or 37.3% is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional $991.9 million or 49.9% of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. 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. Additionally, commencing with the fiscal year that begins on July 1, 2017, 1% of the total anticipated revenue for the fiscal year in which the transfer will be made, as projected by the Economic Forum for that fiscal year, will also be deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists, or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2018 is $235.7 million. The remaining negative $240.5 million or (12.1%) 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 $547.7 million compared to $556.7 million in the prior fiscal year. The fund balance decreased by $9.0 million or 1.6% over the previous year. The negative unassigned fund balance of $240.5 million is primarily due to an accrual for Medicaid expenditures and for unearned gaming 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, 2018 and 2017 (expressed in thousands). Other financing sources are not included.

General Fund Revenues *(expressed in thousands)*

	2018		2017		Increase (Decrease)	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Gaming taxes, fees, licenses	$ 849,965	8.8 %	$ 884,599	9.5 %	$ (34,634)	(3.9)%
Sales taxes	1,337,930	13.9 %	1,282,745	13.7 %	55,185	4.3 %
Modified business taxes	581,844	6.1 %	575,233	6.2 %	6,611	1.1 %
Insurance premium taxes	394,263	4.1 %	358,482	3.8 %	35,781	10.0 %
Lodging taxes	179,951	1.9 %	178,846	1.9 %	1,105	0.6 %
Cigarette taxes	160,665	1.7 %	180,677	1.9 %	(20,012)	(11.1)%
Commerce taxes	201,927	2.1 %	197,827	2.1 %	4,100	2.1 %
Property and transfer taxes	106,921	1.1 %	87,446	0.9 %	19,475	22.3 %
Motor and special fuel taxes	2,255	0.0 %	2,220	0.0 %	35	1.6 %
Other taxes	406,907	4.2 %	320,521	3.4 %	86,386	27.0 %
Intergovernmental	4,867,647	50.7 %	4,727,482	50.6 %	140,165	3.0 %
Licenses, fees and permits	383,914	4.0 %	359,687	3.8 %	24,227	6.7 %
Sales and charges for services	67,368	0.7 %	71,813	0.8 %	(4,445)	(6.2)%
Interest and investment income	9,593	0.1 %	2,820	0.0 %	6,773	240.2 %
Settlement income	1,151	0.0 %	-	0.0 %	1,151	0.0 %
Other	57,840	0.6 %	116,252	1.2 %	(58,412)	(50.2)%
Total revenues	$ 9,610,141	100.0 %	$ 9,346,650	100.0 %	$ 263,491	2.8 %

The total General Fund revenues increased $263.5 million or 2.8%. The largest increases in revenue sources were $140.2 million or 3.0% in intergovernmental revenues, $86.4 million or 27.0% in other taxes, $55.2 million or 4.3% in sales taxes and $35.8 million or 10.0% in insurance premium taxes. The increase in intergovernmental revenues is primarily due to an increase of $163.5 million in receipts for Medicaid over the prior year. Decreases in revenue sources were primarily due to $58.4 million of other revenue, of which $48 million represents a refund of the Home Means Nevada grant, $34.6 million or 3.9% in gaming taxes, fees and licenses and a decrease in cigarette tax of $20.0 million over the prior year.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2018 and 2017 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures *(expressed in thousands)*

	2018		2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 177,106	1.8 %	$ 139,990	1.5 %	$ 37,116	26.5 %
Health services	4,132,487	42.6 %	3,948,218	43.0 %	184,269	4.7 %
Social services	1,592,241	16.4 %	1,545,419	16.8 %	46,822	3.0 %
Education - K-12 state support	1,612,584	16.6 %	1,478,773	16.1 %	133,811	9.0 %
Education - K-12 administrative	562,281	5.8 %	588,991	6.4 %	(26,710)	(4.5)%
Education - higher education	645,297	6.7 %	583,819	6.4 %	61,478	10.5 %
Law, justice and public safety	530,498	5.5 %	498,523	5.4 %	31,975	6.4 %
Regulation of business	292,614	3.0 %	274,436	3.0 %	18,178	6.6 %
Recreation and resource development	146,621	1.5 %	130,315	1.4 %	16,306	12.5 %
Debt service	3,718	0.0 %	3,502	0.0 %	216	6.2 %
Total expenditures	$ 9,695,447	100.0 %	$ 9,191,986	100.0 %	$ 503,461	5.5 %

The total General Fund expenditures increased 5.5%. The largest increases in expenditures were $184.3 million or 4.7% in health services expenditures due to expansion of the Medicaid program, $133.8 million or 9.0% in education - K-12 state support, $61.5 million or 10.5% in higher education expenditures, and $46.8 million or 3.0% in social services expenditures. The largest decrease was $26.7 million or 4.5% in education - K-12 administrative expenditures.

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 by $18.0 million or 3.3% during the current fiscal year compared to an increase of $17.3 million or 3.3% in the prior year. Total revenues increased by $79.3 million. This was primarily due to increases in motor vehicle government services tax of $22.2 million, federal reimbursements of $11.9 million, local government reimbursements of $18.4 million and vehicle registration fees of $5.0 million. Expenditures increased by $52.3 million or 4.6% over the prior year. This was primarily due to an increase in current expenditures for transportation projects of $37.5 million and an increase in personnel costs of $6.5 million. Expenditures increased as spending for four major road construction projects, Project NEON, USA Parkway, the Boulder City Bypass and bus lanes for Las Vegas Blvd, increased. Other financing sources and uses decreased by $62.4 million or 33.2% over the prior year, primarily due to a decrease of $50.3 million in bonds issued for transportation projects.

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 increased by $1.7 million during the current fiscal year, which is a 1.9% increase from the prior year. This increase was primarily due to bonds issued of $6.0 million.

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 $9.9 million during the current fiscal year, which is a 2.8% increase from the prior year. This increase was due to revenues from land sales and court fines.

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 $2,236.6 million, the net position of the nonmajor enterprise funds is $18.0 million and the total combined net position of all enterprise funds is $2,254.5 million. The combined net position of all enterprise funds increased by $529.9 million in 2018, of which $15.5 million is a decrease to beginning net position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, $51.0 million is a decrease to beginning net position due to an overstatement of unemployment assessment receivables and revenue in fiscal year 2017, and $596.4 million is the current year increase in net position, for an ending net position of $2,254.5 million. 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 home buyers with low or moderate incomes. The net position increased by $8.6 million or 4.2%, of which $.7 million is a decrease to beginning net position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Posteemployment Benefits*

Other Than Pensions, resulting in an ending net position of $215.1 million. Revenues from interest on loans increased by 32.8% reflecting Nevada's improved housing market. Operating expenses increased by $2.3 million, and operating revenues increased by $2.8 million.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by $487.6 million during the current fiscal year, of which $51.0 million is a decrease to beginning net position due to an overstatement of unemployment assessment receivables and revenues in the prior year, resulting in an ending net position of $1,485.6 million. The increase in net position is primarily due to revenues exceeding expenses by $387.3 million and a transfer of $155.4 million from the Unemployment Compensation Bond Fund for special bond contributions assessed on employers for payment of principal and interest on Unemployment Compensation Bonds. During fiscal year 2018, $297.3 million of unemployment compensation benefits was paid to unemployed State citizens compared to $310.0 million paid in fiscal year 2017, representing a 4.1% 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 $17.1 million during the current fiscal year, of which $.2 million is a decrease to beginning net position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for a final net position of $432.8 million, which is a 4.1% 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 twentieth enrollment period during the fiscal year with 767 new enrollments. The net position increased $25.3 million, for an ending net position of $103.1 million, a 32.5% increase over last year, primarily due to a decrease in claims expenses.

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 2018, total internal service fund net position decreased by $11.0 million, of which $21.4 million is a decrease to beginning net position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for a final net position of $2.4 million. The three largest funds are:

The *Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position increased by $2.1 million, of which $1.3 million is a decrease to beginning net position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for a final net position of $76.2 million. The remaining increase is considered a normal fluctuation in insurance premium income and in claims expense.

The *Information Services Fund* accounts for design, maintenance and operation of the State's central computer facility, radio communication and telecommunication systems. Net position decreased by $4.8 million, of which $9.4 million is a decrease to beginning net position due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for a final net position deficit of $14.5 million. The increase in net position from current activity of $4.7 million is considered a normal fluctuation in services and expenses of the fund.

The *Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit decreased by $3.9 million or (8.0)% during the current year, of which $.4 million is a decrease to beginning net position deficit due to implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulting in an ending net position deficit of $45.0 million. The remaining deficit decrease of $4.4 million is primarily due to a decrease in insurance claims and expenses of 26.5% in the current year.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were $678.8 million or 5.6% 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 $850.8 million. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. Increases due to the nonexecutive budgets approved after July 1 and increased estimated receipts were approximately $850.8 million.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2018 amount to $8.5 billion, net of accumulated depreciation of $1.4 billion, leaving a net book value of $7.1 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 elected 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 95 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. 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 95				
	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2017 condition assessment	90%	85%	90%	61%	25%
Actual results of 2016 condition assessment	91%	88%	92%	66%	30%
Actual results of 2015 condition assessment	87%	82%	85%	45%	13%

Condition Level of the Bridges

	Percentage of substandard bridges		
	2017	2016	2015
State Policy-minimum percentage	10%	10%	10%
Actual results condition assessment	1%	2%	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 2018 by $33.3 million. Even though actual spending for maintenance and reservation 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 2018 (expressed in millions):

	Expended by June 30, 2018	Total budget
DMV East Sahara Complex	$ 21.2	$ 25.0
Northern Nevada Veterans' Home	16.5	19.8
Southern Nevada Veterans' Cemetery Expansion	13.2	13.4
Washoe County Armory Maintenance Shop	6.9	8.9
Secretary of State Online Business Portal	6.6	16.0
Northern Nevada Correctional Center - Electrical	6.1	9.9
Access Nevada Modernization Software	5.9	10.0
Northern Nevada Correctional Center - ADA	2.1	11.3
DMV - South Reno Complex	1.3	42.0
National Guard Readiness Center	1.3	37.1

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

Long-term Debt Administration:

As of year-end, the State had $2.9 billion in bonds and certificates of participation outstanding, compared to $3.0 billion last year, a decrease of $78.0 million or 2.6% during the current fiscal year. This decrease was due primarily to the payment of principal on debt and refunding of general obligation bonds and certificates of participation.

The most current bond ratings from Fitch Investor Service was AA+, Moody's was Aa2, and Standard and Poor's was AA+. 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 2018 fiscal year and draws on previously authorized Housing bonds were (expressed in thousands):

General Obligation Capital Improvement Bonds	11/07/2017A	$ 85,635
General Obligation Natural Resources and Refunding Bonds	11/07/2017B	5,890
General Obligation Open Space, Parks, Natural Resources and Refunding Bonds	11/07/2017C	7,940
General Obligation Municipal Bond Bank	11/07/2017D	6,000
General Obligation Safe Drinking Water Revolving Fund Matching Bonds	11/07/2017E	6,215
General Obligation Water Pollution Control Revolving Fund Matching Bonds	11/07/2017F	3,760
Highway Improvement Revenue Bonds MVFT 2018	06/05/2018	125,905
Housing Multi-Unit Boulder Pines II	05/26/2016	7,951
Housing Multi-Unit Vintage at the Crossings	09/08/2016	15,034
Housing Multi-Unit Rose Garden Townhouses	11/17/2016	74
Housing Multi-Unit Baltimore Cleveland	02/03/2017	1,805
Housing Multi-Unit Madison Palms	06/23/2017	2,070
Housing Multi-Unit Steamboat by Vintage	09/26/2017	6,122
Housing Multi-Unit Rose Garden Senior	10/11/2017	5,823
Housing Multi-Unit Sierra Pines	12/15/2017	3,486
Housing Multi-Unit Summit Club	02/09/2018	90,000
Housing Multi-Unit Tenaya Senior	04/18/2018	2,626
Housing Multi-Unit Sky Mountain	06/01/2018	1,603

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

Requests for Information

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

Basic Financial Section

Statement of Net Position

June 30, 2018 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and pooled investments	$ 2,114,613	$ 1,447,437	$ 3,562,050	$ 291,760
Investments	334,826	493,296	828,122	1,423,793
Internal balances	(44)	44	-	-
Due from component unit	40,640	-	40,640	-
Due from primary government	-	-	-	148,013
Accounts receivable	113,901	5,139	119,040	25,874
Taxes/assessments receivable	1,312,949	203,427	1,516,376	-
Intergovernmental receivables	611,506	917	612,423	77,646
Accrued interest and dividends	8,678	18,271	26,949	77
Contracts receivable	-	40,772	40,772	-
Mortgages receivable	-	352,278	352,278	-
Notes/loans receivable	106,727	430,822	537,549	8,968
Capital lease receivable	48,500	-	48,500	-
Other receivables	-	-	-	90,959
Inventory	23,692	1,449	25,141	7,791
Prepaid expenses	3,752	336	4,088	27,412
Restricted assets:				
Cash	2,750	-	2,750	164,088
Investments	-	179,432	179,432	12,275
Other assets	4	15	19	99,927
Capital assets:				
Land, infrastructure and construction in progress	5,764,291	568	5,764,859	291,881
Other capital assets, net	1,373,420	13,655	1,387,075	2,022,881
Total assets	11,860,205	3,187,858	15,048,063	4,693,345
Deferred Outflows of Resources				
Deferred charge on refunding	60,077	659	60,736	14,411
Pension contributions	376,875	7,078	383,953	65,700
OPEB contributions	23,287	464	23,751	15,768
Total deferred outflows of resources	460,239	8,201	468,440	95,879
Liabilities				
Accounts payable	1,299,421	56,672	1,356,093	55,327
Accrued payroll and related liabilities	53,006	977	53,983	89,739
Intergovernmental payables	201,323	72	201,395	-
Interest payable	17,697	3,387	21,084	14,616
Due to component units	93,984	1	93,985	-
Due to primary government	-	-	-	40,640
Contracts/retentions payable	104,987	-	104,987	-
Unearned revenues	158,174	9,336	167,510	66,489
Other liabilities	84,044	11	84,055	67,381
Long-term liabilities:				
Portion due or payable within one year:				
Reserve for losses	88,952	-	88,952	-
Obligations under capital leases	3,621	-	3,621	1,561
Compensated absences	70,713	1,336	72,049	35,310
Benefits payable	-	17,509	17,509	-
Bonds payable	191,952	41,572	233,524	45,159
Certificates of participation payable	3,373	-	3,373	-
Pollution remediation obligations	660	-	660	-
Portion due or payable after one year:				
Federal advances	-	-	-	7,236
Reserve for losses	43,922	-	43,922	-
Obligations under capital leases	14,870	-	14,870	49,328
Net pension obligation	2,208,472	43,061	2,251,533	389,093

Statement of Net Position

June 30, 2018 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Net OPEB liability	783,854	15,623	799,477	491,460
Compensated absences	29,955	545	30,500	15,972
Benefits payable	-	200,283	200,283	-
Bonds payable	2,054,432	546,753	2,601,185	761,026
Certificates of participation payable	78,102	-	78,102	-
Due to component unit	54,028	-	54,028	-
Unearned revenue	-	-	-	46,128
Pollution remediation obligations	5,265	-	5,265	-
Total liabilities	7,644,807	937,138	8,581,945	2,176,465
Deferred Inflows of Resources				
Pension related amounts	171,948	3,274	175,222	29,648
OPEB related amounts	48,788	972	49,760	30,589
Taxes	86	-	86	-
Fines and forfeitures	822	-	822	-
Lease revenue	-	-	-	6,722
Split-interest agreements	-	-	-	5,319
Total deferred inflows of resources	221,644	4,246	225,890	72,278
Net Position				
Net investment in capital assets	5,694,397	6,121	5,700,518	1,638,881
Restricted for:				
Unemployment compensation	-	1,485,617	1,485,617	-
Tuition contract benefits	-	103,009	103,009	-
Security of outstanding obligations	-	187,905	187,905	-
Workers' compensation	-	17,476	17,476	-
Capital projects	6,062	-	6,062	175,377
Debt service	26,168	-	26,168	35,317
Education - K to 12	2,323	-	2,323	1,445
Transportation	374,628	-	374,628	-
Recreation and resource development	41,663	432,774	474,437	-
Law, justice and public safety	46,709	-	46,709	-
Health services	316,887	-	316,887	-
Social services	969	-	969	-
Regulation of business	31,955	2	31,957	-
Scholarships	-	-	-	543,790
Loans	-	-	-	6,991
Research and development	-	-	-	10,731
Other purposes	246	-	246	8,298
Funds held as permanent investments:				
Nonexpendable	360,709	-	360,709	402,277
Expendable	21	-	21	-
Unrestricted (deficit)	(2,448,744)	21,771	(2,426,973)	(282,626)
Total net position	$ 4,453,993	$ 2,254,675	$ 6,708,668	$ 2,540,481

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

Statement of Activities

For the Year Ended June 30, 2018 (Expressed in Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Function/Programs								
Primary Government								
Governmental activities:								
General government	$ 289,383	$ 212,509	$ 6,688	$ -	$ (70,186)	$ -	$ (70,186)	$ -
Health services	4,142,999	183,740	3,131,744	-	(827,515)	-	(827,515)	-
Social services	1,700,745	49,653	1,158,413	-	(492,679)	-	(492,679)	-
Education - K-12 state support	1,612,584	-	3,821	-	(1,608,763)	-	(1,608,763)	-
Education - K-12 administrative	563,634	2,717	316,542	-	(244,375)	-	(244,375)	-
Education - higher education	717,073	-	-	-	(717,073)	-	(717,073)	-
Law, justice and public safety	729,018	263,957	47,046	4,233	(413,782)	-	(413,782)	-
Regulation of business	315,038	91,563	177,826	-	(45,649)	-	(45,649)	-
Transportation	851,333	44,720	381,766	8,815	(416,032)	-	(416,032)	-
Recreation and resource development	178,524	51,811	49,320	8,950	(68,443)	-	(68,443)	-
Interest on long-term debt	74,499	-	1,175	-	(73,324)	-	(73,324)	-
Unallocated depreciation	2,766	-	-	-	(2,766)	-	(2,766)	-
Total governmental activities	11,177,596	900,670	5,274,341	21,998	(4,980,587)	-	(4,980,587)	-
Business-type activities:								
Unemployment insurance	297,532	3,442	28,724	-	-	(265,366)	(265,366)	-
Housing	23,582	22,252	10,490	-	-	9,160	9,160	-
Water loans	7,017	9,581	16,711	-	-	19,275	19,275	-
Workers' compensation and safety	39,276	54,130	3,056	-	-	17,910	17,910	-
Higher education tuition	11,293	13,934	21,987	-	-	24,628	24,628	-
Other	31,487	30,559	1,689	-	-	761	761	-
Total business-type activities	410,187	133,898	82,657	-	-	(193,632)	(193,632)	-
Total primary government	$ 11,587,783	$ 1,034,568	$ 5,356,998	$ 21,998	(4,980,587)	(193,632)	(5,174,219)	-
Total component units	$ 1,957,652	$ 767,921	$ 511,810	$ 1,837	-	-	-	(676,084)

General Revenues:				
Taxes:				
Gaming taxes	868,923	-	868,923	-
Sales and use taxes	1,192,282	-	1,192,282	-
Modified business taxes	584,212	-	584,212	-
Insurance premium taxes	394,543	-	394,543	-
Cigarette taxes	160,665	-	160,665	-
Commerce taxes	205,013	-	205,013	-
Property and transfer taxes	120,488	-	120,488	-
Motor and special fuel taxes	2,255	-	2,255	-
Other taxes	421,887	457	422,344	-
Restricted for unemployment compensation:				
Other taxes	-	652,693	652,693	-
Restricted for educational purposes:				
Sales and use taxes	148,703	-	148,703	-
Lodging taxes	179,951	-	179,951	-
Restricted for debt service purposes:				
Property and transfer taxes	157,499	-	157,499	-
Motor and special fuel taxes	74,524	-	74,524	-
Other	5,165	-	5,165	-
Restricted for recreation and resources development:				
Other taxes	25,279	-	25,279	-
Other	1,911	-	1,911	-
Restricted for health services purposes:				
Other taxes	86,906	-	86,906	-
Restricted for social services purposes:				
Other taxes	13,561	-	13,561	-
Restricted for transportation purposes:				
Motor and special fuel taxes	240,001	-	240,001	-
Other taxes	83,176	-	83,176	-
Restricted for regulation of business:				
Other taxes	4,342	-	4,342	-
Settlement income	44,953	-	44,953	-
Unrestricted investment earnings	10,864	-	10,864	98,100
Gain on sale of assets	-	-	-	537
Other general revenues	151,318	-	151,318	59
Contributions to permanent funds	10,005	-	10,005	9,982
Payments from State of Nevada	-	-	-	705,961
Special item - termination of project construction	(16,054)	-	(16,054)	-
Transfers	(137,005)	137,005	-	-
Total general revenues, contributions, payments, special items and transfers	5,035,367	790,155	5,825,522	814,639
Change in net position	54,780	596,523	651,303	138,555
Net position - beginning	5,208,706	1,724,660	6,933,366	2,903,950
Net position restatement	(809,493)	(66,508)	(876,001)	(502,024)
Net position - beginning (as restated)	4,399,213	1,658,152	6,057,365	2,401,926
Net position - ending	$ 4,453,993	$ 2,254,675	$ 6,708,668	$ 2,540,481

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

Balance Sheet
Governmental Funds

June 30, 2018

	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and pooled investments:						
Cash with treasurer	$ 858,674,879	$ 504,245,823	$ 3,953	$ 16,950,522	$ 552,347,772	$ 1,932,222,949
Cash in custody of other officials	4,814,163	190,624	-	950,595	92,374	6,047,756
Investments	13,692,928	-	-	319,542,450	1,590,384	334,825,762
Receivables:						
Accounts receivable	65,762,134	17,855,125	-	660	21,767,757	105,385,676
Taxes receivable	1,265,625,775	46,569,315	-	-	753,491	1,312,948,581
Intergovernmental receivables	531,339,922	66,118,629	-	1,198,914	5,802,497	604,459,962
Accrued interest and dividends	7,246,699	-	1,192,125	231,428	8,028	8,678,280
Notes/loans receivable	15,146,716	-	91,510,000	-	-	106,656,716
Capital lease receivable	-	-	-	-	48,500,000	48,500,000
Due from other funds	35,594,920	10,111,086	580	117,771	35,390,981	81,215,338
Due from fiduciary funds	68,129	-	-	-	1,252,525	1,320,654
Due from component units	112,313	-	-	39,388,102	188,140	39,688,555
Inventory	6,483,286	16,652,304	-	-	329,544	23,465,134
Advances to other funds	4,058,907	3,684,946	-	-	301,272	8,045,125
Restricted cash	2,749,688	-	-	-	-	2,749,688
Prepaid items	2,572,955	628,042	-	-	4,443	3,205,440
Total assets	$ 2,813,943,414	$ 666,055,894	$ 92,706,658	$ 378,380,442	$ 668,329,208	$ 4,619,415,616
Liabilities						
Accounts payable and accruals:						
Accounts payable	$ 645,387,906	$ 8,906,412	$ -	$ 2,114	$ 8,588,661	$ 662,885,093
Accrued payroll and related liabilities	36,577,729	13,146,260	-	-	1,924,602	51,648,591
Intergovernmental payables	182,691,788	17,567,294	-	-	998,133	201,257,215
Contracts/retentions payable	311,657	82,035,939	-	-	22,639,197	104,986,793
Due to other funds	29,124,493	4,522,703	4,338	17,058,123	39,867,500	90,577,157
Due to fiduciary funds	627,652,069	200,307	-	-	16,101	627,868,477
Due to component units	31,876,638	284,236	-	-	61,816,101	93,976,975
Unearned revenues	156,346,807	82,664	-	-	1,695,095	158,124,566
Other liabilities	78,367,682	2,113,066	-	622,690	2,940,543	84,043,981
Total liabilities	1,788,336,769	128,858,881	4,338	17,682,927	140,485,933	2,075,368,848
Deferred Inflows of Resources						
Unavailable revenue:						
Taxes	145,616,540	237,270	-	-	370,414	146,224,224
Intergovernmental	296,792,712	-	-	-	-	296,792,712
Licenses, fees and permits	1,162,817	2,071,018	-	-	107	3,233,942
Sales and charges for services	12,436,125	383,346	-	-	6,830	12,826,301
Settlement income	-	-	-	-	19,556,818	19,556,818
Lease principal payments	-	-	-	-	48,500,000	48,500,000
Interest	1,285,963	630,515	154,678	17,688	690,905	2,779,749
Other	19,659,163	6,590,306	-	660	648,089	26,898,218
Taxes	85,983	-	-	-	-	85,983
Fines and forfeitures	821,760	-	-	-	-	821,760
Total deferred inflows of resources	477,861,063	9,912,455	154,678	18,348	69,773,163	557,719,707
Fund Balances						
Nonspendable	27,620,812	17,280,346	88,085,000	360,679,167	363,987	494,029,312
Restricted	77,802,740	478,494,732	-	-	184,608,647	740,906,119
Committed	682,809,628	31,509,480	4,462,642	-	273,097,478	991,879,228
Unassigned	(240,487,598)	-	-	-	-	(240,487,598)
Total fund balances	547,745,582	527,284,558	92,547,642	360,679,167	458,070,112	1,986,327,061
Total liabilities, deferred inflows of resources and fund balances	$ 2,813,943,414	$ 666,055,894	$ 92,706,658	$ 378,380,442	$ 668,329,208	$ 4,619,415,616

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

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

June 30, 2018

Total fund balances - governmental funds		$ 1,986,327,061
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	$ 168,172,504	
Construction in progress	119,255,433	
Infrastructure assets	4,696,637,803	
Rights-of-way	770,929,564	
Buildings	1,809,593,049	
Improvements other than buildings	146,921,274	
Furniture and equipment	399,943,846	
Software costs	278,781,097	
Accumulated depreciation/amortization	(1,286,024,323)	
Total capital assets		7,104,210,247
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.		556,811,964
Intergovernmental receivable not providing current resources.		198,103
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.		2,309,010
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.		60,076,938
Deferred outflow of resources related to pensions are not reported in the governmental funds		367,535,516
Deferred outflow of resources related to other post-employment benefits are not reported in the governmental funds		22,653,442
Deferred inflow of resources related to pensions are not reported in the governmental funds.		(167,741,452)
Deferred inflow of resources related to other post-employment benefits are not reported in the governmental funds.		(47,460,859)
Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.		(550,002)
Amounts due to component unit for bonds authorized to be issued are not reported in the funds as they are not due and payable.		(54,028,000)
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	(2,153,773,517)	
Net OPEB liability	(762,533,846)	
Bonds payable	(2,242,674,225)	
Accrued interest on bonds	(17,697,316)	
Certificates of participation	(81,474,660)	
Capital leases	(14,981,144)	
Compensated absences	(97,289,641)	
Pollution remediation liability	(5,925,000)	
Total long-term liabilities		(5,376,349,349)
Net position of governmental activities		$ 4,453,992,619

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, 2018

	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Gaming taxes, fees, licenses	$ 849,964,671	$ -	$ -	$ -	$ 13,332,524	$ 863,297,195
Sales taxes	1,337,929,739	-	-	-	-	1,337,929,739
Modified business taxes	581,843,729	-	-	-	-	581,843,729
Insurance premium taxes	394,262,749	-	-	-	-	394,262,749
Lodging taxes	179,950,633	-	-	-	-	179,950,633
Cigarette taxes	160,664,759	-	-	-	-	160,664,759
Commerce taxes	201,926,513	-	-	-	-	201,926,513
Property and transfer taxes	106,921,489	-	-	-	171,065,052	277,986,541
Motor and special fuel taxes	2,255,065	240,000,854	-	-	74,524,218	316,780,137
Other taxes	406,907,220	118,174,844	-	-	90,089,885	615,171,949
Intergovernmental	4,867,646,977	410,826,270	-	-	96,042,436	5,374,515,683
Licenses, fees and permits	383,913,526	229,429,703	-	-	21,021,798	634,365,027
Sales and charges for services	67,367,989	19,010,052	-	-	20,711,431	107,089,472
Interest and investment income	9,593,312	4,944,643	3,433,567	16,450,057	3,628,276	38,049,855
Settlement income	1,150,502	-	-	-	42,081,347	43,231,849
Land sales	-	-	-	5,992,581	-	5,992,581
Other	57,839,526	21,153,434	-	4,013,950	10,441,751	93,448,661
Total revenues	9,610,138,399	1,043,539,800	3,433,567	26,456,588	542,938,718	11,226,507,072
Expenditures						
Current:						
General government	177,106,108	-	-	-	35,123,313	212,229,421
Health services	4,132,486,516	-	-	-	81,937	4,132,568,453
Social services	1,592,240,589	-	-	-	88,613,261	1,680,853,850
Education - K-12 state support	1,612,584,169	-	-	-	-	1,612,584,169
Education - K-12 administrative	562,281,022	-	-	-	-	562,281,022
Education - higher education	645,297,136	-	-	-	17,748,314	663,045,450
Law, justice and public safety	530,498,018	191,794,190	-	-	32,701,997	754,994,205
Regulation of business	292,614,454	-	-	-	20,378,983	312,993,437
Transportation	-	994,227,380	-	-	-	994,227,380
Recreation and resource development	146,621,117	-	-	-	32,474,072	179,095,189
Capital outlay	-	-	-	-	69,036,787	69,036,787
Debt service:						
Principal	2,727,197	-	-	-	164,682,000	167,409,197
Interest, fiscal charges	849,375	-	-	-	96,938,144	97,787,519
Debt issuance costs	141,108	725,098	-	-	814,073	1,680,279
Total expenditures	9,695,446,809	1,186,746,668	-	-	558,592,881	11,440,786,358
Excess (deficiency) of revenues over (under) expenditures	(85,308,410)	(143,206,868)	3,433,567	26,456,588	(15,654,163)	(214,279,286)
Other Financing Sources (Uses)						
Bonds issued	4,450,000	125,905,000	6,000,000	-	88,665,000	225,020,000
Refunding bonds issued	3,490,000	-	-	-	-	3,490,000
Premium on bonds issued	948,535	9,824,990	-	-	6,799,635	17,573,160
Payment to refunded bond agent	(3,996,073)	-	-	-	-	(3,996,073)
Sale of capital assets	616,902	-	-	-	11,321	628,223
Transfers in	109,529,490	4,811,934	-	-	82,543,884	196,885,308
Transfers out	(15,863,924)	(15,331,175)	(7,663,585)	(16,558,638)	(279,669,674)	(335,086,996)
Total other financing sources (uses)	99,174,930	125,210,749	(1,663,585)	(16,558,638)	(101,649,834)	104,513,622
Net change in fund balances	13,866,520	(17,996,119)	1,769,982	9,897,950	(117,303,997)	(109,765,664)
Fund balances, July 1	556,686,951	545,280,677	90,777,660	350,781,217	575,374,109	2,118,900,614
Fund balance restatement	(22,807,889)	-	-	-	-	(22,807,889)
Fund balances, July 1 (as restated)	533,879,062	545,280,677	90,777,660	350,781,217	575,374,109	2,096,092,725
Fund balances, June 30	$ 547,745,582	$ 527,284,558	$ 92,547,642	$ 360,679,167	$ 458,070,112	$ 1,986,327,061

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

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

For the Fiscal Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds		$ (109,765,664)
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	$ 243,229,789	
Depreciation expense	(80,736,502)	
Excess of capital outlay over depreciation expense		162,493,287
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	(225,020,000)	
Refunding bonds issued	(3,490,000)	
Premiums on debt issued	(17,573,160)	
Total bond proceeds		(246,083,160)
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	160,003,675	
Certficates of participation retirement	4,165,000	
Payments to the bond refunding agent	3,996,073	
Capital lease payments	2,382,207	
Total long-term debt repayment		170,546,955
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.		10,340,079
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		136,511,209
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 change in net assets differs from the change in fund balance by the cost of the asset sold.		(1,420,499)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(10,402,340)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		36,474,497
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	(17,464,386)	
Other post-employment benefit costs, net	(22,067,745)	
Accrued interest payable	(56,304)	
Compensated absences	(3,916,021)	
Long term due to component unit	(54,028,000)	
Settlement agreement liability	7,017,789	
Pollution remediation liability	(3,400,000)	
Total additional expenditures		(93,914,667)
Net change in net position - governmental activities		$ 54,779,697

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

Statement of Net Position
Proprietary Funds

June 30, 2018

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets							
Current assets:							
Cash and pooled investments:							
Cash with treasurer	$ 1,722,034	$ -	$ 74,476,619	$ 5,428,152	$ 68,558,925	$ 150,185,730	$ 176,342,299
Cash in custody of other officials	8,867,486	1,288,081,093	-	104,682	198,501	1,297,251,762	-
Investments	50,570,700	-	-	274,695,628	-	325,266,328	-
Receivables:							
Accounts receivable	-	-	-	-	5,134,235	5,134,235	3,414,594
Assessments receivable	-	203,427,361	-	-	-	203,427,361	-
Intergovernmental receivables	-	-	342,101	-	574,655	916,756	6,848,101
Contracts receivable	-	-	-	9,233,936	-	9,233,936	-
Mortgages receivable	33,330,544	-	-	-	-	33,330,544	-
Accrued interest and dividends	13,192,010	-	4,706,438	372,605	-	18,271,053	-
Notes/loans receivable	-	-	32,549,290	-	-	32,549,290	5,000
Due from other funds	107,142	-	529,236	38,878	1,629,692	2,304,948	10,463,684
Due from fiduciary funds	-	-	-	-	5,071	5,071	3,780,217
Due from component units	-	-	-	-	-	-	951,272
Inventory	-	-	-	-	1,449,263	1,449,263	226,823
Prepaid items	-	-	-	-	336,211	336,211	546,704
Restricted assets:							
Investments	87,800,094	-	-	-	-	87,800,094	-
Total current assets	195,590,010	1,491,508,454	112,603,684	289,873,881	77,886,553	2,167,462,582	202,578,694
Noncurrent assets:							
Investments	168,029,767	-	-	-	-	168,029,767	-
Receivables:							
Contracts receivable	-	-	-	31,537,836	-	31,537,836	-
Mortgages receivable	318,947,547	-	-	-	-	318,947,547	-
Notes/loans receivable	22,159,358	-	376,113,392	-	-	398,272,750	65,000
Restricted assets:							
Investments	91,631,757	-	-	-	-	91,631,757	-
Other assets	-	-	-	-	15,000	15,000	3,761
Capital assets:							
Land	-	-	-	-	567,812	567,812	1,032,737
Buildings	-	-	-	-	1,406,840	1,406,840	20,392,485
Improvements other than buildings	-	-	-	-	5,638,507	5,638,507	3,839,621
Furniture and equipment	798,555	-	11,820	173,374	15,809,685	16,793,434	63,358,379
Software costs	-	-	-	-	-	-	16,134,510
Construction in progress	-	-	-	-	-	-	8,262,730
Less accumulated depreciation/amortization	(620,302)	-	(11,820)	(116,668)	(9,435,061)	(10,183,851)	(79,520,897)
Total noncurrent assets	600,946,682	-	376,113,392	31,594,542	14,002,783	1,022,657,399	33,568,326
Total assets	796,536,692	1,491,508,454	488,717,076	321,468,423	91,889,336	3,190,119,981	236,147,020
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	431,986	-	227,471	659,457	-
Pension contributions	441,049	-	100,650	55,017	6,481,051	7,077,767	9,338,996
OPEB contributions	22,642	-	6,673	3,625	431,183	464,123	633,389
Total deferred outflows of resources	463,691	-	539,309	58,642	7,139,705	8,201,347	9,972,385

(continued)

	Enterprise Funds						
	Housing Division	**Unemployment Compensation**	**Water Projects Loans**	**Higher Education Tuition Trust**	**Nonmajor Enterprise Funds**	**Total Enterprise Funds**	**Internal Service Funds**
Liabilities							
Current liabilities:							
Accounts payable and accruals:							
Accounts payable	$ 49,222,359	$ 5,654,054	$ 76,871	$ 111,106	$ 1,552,823	$ 56,617,213	$ 5,681,235
Accrued payroll and related liabilities	43,781	-	14,958	7,066	911,451	977,256	1,357,640
Interest payable	2,463,178	-	858,550	-	65,766	3,387,494	-
Intergovernmental payables	-	-	836	-	71,426	72,262	65,774
Bank overdraft	-	-	-	-	-	-	2,419,159
Due to other funds	72,673	237,266	250,237	43,250	1,632,828	2,236,254	1,170,561
Due to fiduciary funds	-	-	-	-	54,639	54,639	16,308
Due to component units	-	-	-	968	-	968	6,972
Unearned revenues	-	-	-	-	9,335,725	9,335,725	48,946
Other liabilities	-	-	-	-	11,450	11,450	-
Short-term portion of long-term liabilities:							
Reserve for losses	-	-	-	-	-	-	88,951,585
Compensated absences	63,047	-	27,721	11,371	1,233,804	1,335,943	2,228,081
Benefits payable	-	-	-	17,509,034	-	17,509,034	-
Bonds payable	29,384,973	-	11,847,963	-	339,114	41,572,050	513,323
Obligations under capital leases	-	-	-	-	-	-	1,040,057
Total current liabilities	81,250,011	5,891,320	13,077,136	17,682,795	15,209,026	133,110,288	103,499,641
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	165,360	165,360	7,879,765
Reserve for losses	-	-	-	-	-	-	43,922,343
Net pension obligation	3,071,137	-	616,175	334,217	39,039,448	43,060,977	54,698,197
Net OPEB liability	762,107	-	224,638	122,013	14,514,107	15,622,865	21,320,253
Compensated absences	28,237	-	11,401	6,423	498,904	544,965	1,150,269
Benefits payable	-	-	-	200,282,612	-	200,282,612	-
Bonds payable	496,498,035	-	42,492,049	-	7,762,899	546,752,983	3,196,280
Obligations under capital leases	-	-	-	-	-	-	2,469,228
Total noncurrent liabilities	500,359,516	-	43,344,263	200,745,265	61,980,718	806,429,762	134,636,335
Total liabilities	581,609,527	5,891,320	56,421,399	218,428,060	77,189,744	939,540,050	238,135,976
Deferred Inflows of Resources							
Pension related amounts	233,522	-	46,852	25,413	2,968,473	3,274,260	4,206,456
OPEB related amounts	47,434	-	13,981	7,594	903,374	972,383	1,326,993
Total deferred inflows of resources	280,956	-	60,833	33,007	3,871,847	4,246,643	5,533,449
Net Position							
Net investment in capital assets	178,253	-	-	56,706	5,885,770	6,120,729	26,345,029
Restricted for:							
Unemployment compensation	-	1,485,617,134	-	-	-	1,485,617,134	-
Tuition contract benefits	-	-	-	103,009,292	-	103,009,292	-
Security of outstanding obligations	187,905,109	-	-	-	-	187,905,109	-
Workers' compensation	-	-	-	-	17,476,083	17,476,083	-
Revolving loans	-	-	432,774,153	-	-	432,774,153	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	27,026,538	-	-	-	(5,396,403)	21,630,135	(23,895,049)
Total net position	$ 215,109,900	$ 1,485,617,134	$ 432,774,153	$ 103,065,998	$ 17,967,450	$ 2,254,534,635	$ 2,449,980

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.	140,970
Net position of business-type activities	$ 2,254,675,605

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

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

For the Fiscal Year Ended June 30, 2018

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues							
Net premium income	$ -	$ -	$ -	$ -	$ -	$ -	$ 386,403,711
Sales	-	-	-	13,829,852	6,688,768	20,518,620	2,465,414
Assessments	-	652,693,029	-	-	457,069	653,150,098	-
Charges for services	-	-	304,990	104,300	13,863,843	14,273,133	55,771,101
Rental income	-	-	-	-	141,200	141,200	19,337,068
Interest income on loans/notes	13,287,689	-	9,276,049	-	-	22,563,738	-
Federal government	-	3,923,082	15,395,912	-	-	19,318,994	-
Licenses, fees and permits	-	-	-	-	49,844,497	49,844,497	-
Fines	-	-	-	-	3,700,431	3,700,431	-
Other	8,964,132	3,441,530	-	-	583,458	12,989,120	1,425,730
Total operating revenues	22,251,821	660,057,641	24,976,951	13,934,152	75,279,266	796,499,831	465,403,024
Operating Expenses							
Salaries and benefits	1,486,305	-	204,451	388,880	38,293,553	40,373,189	37,297,961
Operating	1,277,030	-	5,172,244	643,043	13,198,335	20,290,652	42,536,488
Claims and benefits expense	-	297,280,201	-	10,243,682	5,801,858	313,325,741	239,519,988
Interest on bonds payable	15,619,163	-	1,439,311	-	-	17,058,474	-
Materials or supplies used	-	-	-	-	2,776,330	2,776,330	604,831
Servicers' fees	19,539	-	-	-	-	19,539	-
Depreciation	36,255	-	-	16,698	764,550	817,503	5,442,271
Bond issuance costs	650,750	-	201,892	-	-	852,642	-
Insurance premiums	-	-	-	-	-	-	131,438,220
Total operating expenses	19,089,042	297,280,201	7,017,898	11,292,303	60,834,626	395,514,070	456,839,759
Operating Income	3,162,779	362,777,440	17,959,053	2,641,849	14,444,640	400,985,761	8,563,265
Nonoperating Revenues (Expenses)							
Interest and investment income	4,990,028	24,800,574	1,315,310	21,987,460	466,289	53,559,661	596,822
Interest expense	-	-	-	-	(310,214)	(310,214)	(62,735)
Bond issuance costs	-	-	-	-	(59,568)	(59,568)	-
Federal grant revenue	5,499,786	-	-	-	4,278,791	9,778,577	-
Federal grant expense	(4,273,874)	-	-	-	-	(4,273,874)	-
Gain (loss) on disposal of assets	-	-	-	-	7,782	7,782	127,467
Arbitrage rebate	-	(251,258)	-	-	-	(251,258)	-
Total nonoperating revenues (expenses)	6,215,940	24,549,316	1,315,310	21,987,460	4,383,080	58,451,106	661,554
Income before transfers	9,378,719	387,326,756	19,274,363	24,629,309	18,827,720	459,436,867	9,224,819
Transfers							
Transfers in	-	155,428,322	374	683,784	95,358	156,207,838	1,863,598
Transfers out	-	(4,188,917)	(1,984,897)	-	(13,029,324)	(19,203,138)	(666,610)
Change in net position	9,378,719	538,566,161	17,289,840	25,313,093	5,893,754	596,441,567	10,421,807
Net position, July 1	206,484,749	998,017,349	415,709,400	77,752,905	26,636,740		13,440,161
Net position restatement	(753,568)	(50,966,376)	(225,087)	-	(14,563,044)		(21,411,988)
Net position, July 1 (as restated)	205,731,181	947,050,973	415,484,313	77,752,905	12,073,696		(7,971,827)
Net position, June 30	$ 215,109,900	$ 1,485,617,134	$ 432,774,153	$ 103,065,998	$ 17,967,450		$ 2,449,980

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.	81,730
Change in net position of business-type activities	$ 596,523,297

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, 2018

	Enterprise Funds						
	Major 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	$ -	$ 644,917,879	$ 304,990	$ 16,359,728	$ 69,220,972	$ 730,803,569	$ 54,981,869
Receipts for interfund services provided	386,128	1,378,182	-	1,434	3,414,140	5,179,884	395,831,342
Receipts from component units	-	-	-	-	-	-	16,396,737
Receipts of principal on loans/notes	108,705,956	-	-	-	-	108,705,956	5,000
Receipts of interest on loans/notes	18,610,338	-	-	-	-	18,610,338	-
Receipts from Federal governemnt	-	3,923,082	15,700,451	-	-	19,623,533	-
Payments to suppliers, other governments and beneficiaries	(8,308,596)	(297,562,679)	(5,021,168)	(6,659,620)	(15,320,275)	(332,872,338)	(396,994,351)
Payments to employees	(1,278,090)	-	(415,317)	(207,895)	(36,995,983)	(38,897,285)	(39,434,736)
Payments for interfund services	(701,670)	-	(127,441)	(180,879)	(6,204,036)	(7,214,026)	(20,069,467)
Payments to component units	-	-	-	(7,316,545)	(23,353)	(7,339,898)	(264,598)
Purchase of loans and notes	(49,288,436)	-	-	-	-	(49,288,436)	-
Net cash provided by (used for) operating activities	68,125,630	352,656,464	10,441,515	1,996,223	14,091,465	447,311,297	10,451,796
Cash flows from noncapital financing activities							
Grant receipts	5,499,786	-	-	-	5,276,018	10,775,804	-
Proceeds from sale of bonds	136,594,623	-	10,820,493	-	-	147,415,116	-
Transfers and advances from other funds	-	155,944,059	274	683,784	95,957	156,724,074	1,374,160
Principal paid on noncapital debt	(125,127,294)	(128,045,000)	(9,380,000)	-	-	(262,552,294)	-
Interest paid on noncapital debt	(15,345,799)	(3,549,941)	(1,938,877)	-	-	(20,834,617)	-
Transfers and advances to other funds	-	(4,142,844)	(1,979,726)	10,165	(13,126,193)	(19,238,598)	(666,610)
Payments to other governments and organizations	(3,047,962)	(1,326,547)	-	-	-	(4,374,509)	-
Bond issuance costs	-	-	(201,892)	-	-	(201,892)	-
Net cash provided by (used for) noncapital financing activities	(1,426,646)	18,879,727	(2,679,728)	693,949	(7,754,218)	7,713,084	707,550
Cash flows from capital and related financing activities							
Proceeds from capital debt	-	-	-	-	3,001,854	3,001,854	-
Proceeds from sale of capital assets	-	-	-	-	7,782	7,782	220,410
Purchase of capital assets	-	-	-	-	(327,983)	(327,983)	(3,882,770)
Principal paid on capital debt	-	-	-	-	(243,000)	(243,000)	(1,839,409)
Interest paid on capital debt	-	-	-	-	(348,139)	(348,139)	(62,735)
Payments on construction projects	-	-	-	-	(50,516)	(50,516)	-
Payments on refunding bonds	-	-	-	-	(2,885,000)	(2,885,000)	-
Bond Issuance costs	-	-	-	-	(59,568)	(59,568)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(904,570)	(904,570)	(5,564,504)
Cash flows from investing activities							
Proceeds from sale of investments	366,742,604	-	-	-	-	366,742,604	-
Receipts of principal on loans/notes	-	-	28,193,350	-	-	28,193,350	-
Purchase of investments	(429,209,472)	-	-	(23,774,613)	-	(452,984,085)	-
Purchase of loans and notes	-	-	(64,890,515)	-	-	(64,890,515)	-
Interest, dividends and gains (losses)	5,337,233	29,532,319	9,987,259	21,897,557	297,916	67,052,284	274,125
Net cash provided by (used for) investing activities	(57,129,635)	29,532,319	(26,709,906)	(1,877,056)	297,916	(55,886,362)	274,125
Net increase (decreases) in cash	9,569,349	401,068,510	(18,948,119)	813,116	5,730,593	398,233,449	5,868,967
Cash and cash equivalents, July 1	1,020,171	887,012,583	93,424,738	4,719,718	63,026,833	1,049,204,043	170,473,332
Cash and cash equivalents, June 30	$ 10,589,520	$ 1,288,081,093	$ 74,476,619	$ 5,532,834	$ 68,757,426	$ 1,447,437,492	$ 176,342,299

(continued)

	Enterprise Funds						
	Major 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)	$ 3,162,779	$ 362,777,440	$ 17,959,053	$ 2,641,849	$ 14,444,640	$ 400,985,761	$ 8,563,265
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	36,255	-	-	16,698	764,550	817,503	5,442,271
Interest on loans	-	-	(9,276,049)	-	-	(9,276,049)	-
Interest on bonds payable	15,619,163	-	1,439,311	-	-	17,058,474	-
Debt issuance costs	-	-	201,892	-	-	201,892	-
Decrease (increase) in loans and notes receivable	66,813,294	-	-	-	-	66,813,294	5,000
Decrease (increase) in accrued interest and receivables	(19,575,367)	(9,838,498)	304,539	2,427,010	(1,934,241)	(28,616,557)	861,320
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	-	(19,650)	(19,650)	(429,198)
Decrease (increase) in deferred outflow of resources	27,406	-	17,255	(11,565)	(412,889)	(379,793)	(459,357)
Increase (decrease) in accounts payable, accruals, other liabilities	1,861,291	(282,478)	25,518	(3,274,534)	460,903	(1,209,300)	(1,970,185)
Increase (decrease) in unearned revenues	-	-	-	-	(709,913)	(709,913)	(38,724)
Increase (decrease) in net pension liability	308,782	-	(216,753)	63,483	1,135,214	1,290,726	(1,739,713)
Increase (decrease) in net OPEB liability	(24,440)	-	(7,204)	122,013	(465,459)	(375,090)	(683,728)
Increase (decrease) in deferred inflows of resources	(103,533)	-	(6,047)	11,269	828,310	729,999	900,845
Total adjustments	64,962,851	(10,120,976)	(7,517,538)	(645,626)	(353,175)	46,325,536	1,888,531
Net cash provided by (used for) operating activities	$ 68,125,630	$ 352,656,464	$ 10,441,515	$ 1,996,223	$ 14,091,465	$ 447,311,297	$ 10,451,796
Noncash investing, capital and financing activities							
Gain (loss) on disposal of assets	$ -	$ -	$ -	$ -	$ (7,782)	$ (7,782)	$ 6,174
Capital assets leased	-	-	-	-	-	-	4,300,176

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

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2018

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Agency Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 2,304,641	$ -	$ 8,841,958	$ 127,085,200
Cash in custody of other officials	211,654,048	2,892,549	19,961,164	52,396,908
Investments:				
Investments	1,602,029	1,688,836,893	23,702,031,429	244,017,393
Fixed income securities	11,952,924,311	-	-	-
Marketable equity securiteis	17,381,484,784	-	-	-
International securities	7,930,065,599	-	-	-
Real estate	1,808,733,104	-	-	-
Alternative investments	1,963,430,139	-	-	-
Collateral on loaned securities	293,807,533	-	-	-
Receivables:				
Taxes receivable	-	-	-	77,975,808
Intergovernmental receivables	131,351,401	-	91,181	40,620
Accrued interest and dividends	143,615,647	7,478,383	1,305,368	-
Other receivables	5,863	-	-	87,846
Contributions receivables	-	-	18,013,242	-
Trades pending settlement	264,926,803	-	1,182,386	-
Due from other funds	162,397	-	161,112	627,615,917
Due from fiduciary funds	35,527,821	-	-	16,245,249
Due from component units	1,286,771	-	-	-
Other assets	3,396,862	-	-	-
Furniture and equipment	44,964,024	-	48,222	-
Less accumulated depreciation/amortization	(40,441,532)	-	(48,222)	-
Total assets	42,130,802,245	1,699,207,825	23,751,587,840	1,145,464,941
Liabilities				
Accounts payable and accruals:				
Accounts payable	16,204,618	71,085	3,764,910	-
Accrued payroll and related liabilities	-	-	-	29,583
Intergovernmental payables	-	75,370	23,191	725,620,653
Redemptions payable	-	-	6,213,649	-
Trades pending settlement	254,582,783	2,848,233	10,857,246	-
Bank overdraft	-	-	873,000	-
Obligations under securities lending	293,807,533	-	-	-
Due to other funds	3,780,217	6,991	1,318,734	-
Due to fiduciary funds	61,115	-	83,913	51,628,042
Other liabilities:				
Deposits	-	-	-	361,932,206
Other liabilities	-	22,373	-	6,254,457
Total liabilities	568,436,266	3,024,052	23,134,643	1,145,464,941
Net Position				
Restricted for:				
Pension benefits	41,560,768,652	-	-	-
OPEB benefits	1,597,327	-	-	-
Pool participants	-	1,696,183,773	-	-
Individuals	-	-	23,728,453,197	-
Total net position	$ 41,562,365,979	$ 1,696,183,773	$ 23,728,453,197	$ -

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended June 30, 2018

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds
Additions			
Contributions:			
Employer	$ 975,865,481	$ -	$ -
Plan members	930,323,606	-	-
Participants	-	-	8,804,104,665
Repayment and purchase of service	73,639,232	-	-
Total contributions	1,979,828,319	-	8,804,104,665
Investment income:			
Net increase (decrease) in fair value of investments	2,367,561,879	23,165,727	995,021,860
Interest, dividends	843,625,938	12,692,476	553,431,529
Securities lending	6,232,609	-	-
Other	117,458,561	-	-
	3,334,878,987	35,858,203	1,548,453,389
Less investment expense:			
Other	(50,757,942)	(63,841)	-
Net investment income	3,284,121,045	35,794,362	1,548,453,389
Other:			
Investment from local governments	-	1,908,623,502	-
Reinvestment from interest income	-	14,655,590	-
Other	2,381,124	164	-
Total other	2,381,124	1,923,279,256	-
Total additions	5,266,330,488	1,959,073,618	10,352,558,054
Deductions			
Principal redeemed	-	1,617,575,993	7,144,644,598
Benefit payments	2,465,840,859	-	25,726,424
Refunds	31,366,228	-	-
Contribution distributions	515,342	8,466,166	-
Dividends to investors	-	658,375	-
Administrative expense	13,115,201	400,069	36,115,244
Total deductions	2,510,837,630	1,627,100,603	7,206,486,266
Change in net position	2,755,492,858	331,973,015	3,146,071,788
Net position, July 1	38,806,873,121	1,364,210,758	20,582,381,409
Net position, June 30	$ 41,562,365,979	$ 1,696,183,773	$ 23,728,453,197

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

Combining Statement of Net Position
Discretely Presented Component Units

June 30, 2018

	Major Component Units: Colorado River Commission	Major Component Units: Nevada System of Higher Education	Nonmajor Component Unit: Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	$ 17,510,990	$ 274,249,000	$ -	$ 291,759,990
Investments	-	1,382,973,000	40,820,079	1,423,793,079
Due from primary government	159,487	147,853,428	-	148,012,915
Accounts receivable	611,130	25,262,572	-	25,873,702
Intergovernmental receivables	-	77,646,000	-	77,646,000
Accrued interest and dividends	63,759	-	13,000	76,759
Notes/loans receivable	-	8,968,000	-	8,968,000
Other receivables	-	90,959,000	-	90,959,000
Inventory	-	7,791,000	-	7,791,000
Prepaid expenses	27,411,659	-	-	27,411,659
Restricted assets:				
Cash	5,438,164	158,650,000	-	164,088,164
Investments	-	12,275,000	-	12,275,000
Other assets	-	99,927,000	-	99,927,000
Capital assets:				
Land, infrastructure and construction in progress	-	291,881,000	-	291,881,000
Other capital assets, net	49,079,355	1,973,802,000	-	2,022,881,355
Total assets	100,274,544	4,552,237,000	40,833,079	4,693,344,623
Deferred Outflows of Resources				
Deferred charge on refunding	-	14,411,000	-	14,411,000
Pension contributions	985,074	64,715,000	-	65,700,074
OPEB contributions	67,183	15,701,000	-	15,768,183
Total deferred outflows of resources	1,052,257	94,827,000	-	95,879,257
Liabilities				
Accounts payable	2,283,374	53,042,596	-	55,325,970
Accrued payroll and related liabilities	142,860	89,596,000	-	89,738,860
Interest payable	266,911	14,349,000	-	14,615,911
Due to primary government	5,321	1,246,404	39,388,102	40,639,827
Unearned revenues	3,203,489	63,286,000	-	66,489,489
Other liabilities	5,439,095	61,942,000	-	67,381,095
Long-term liabilities:				
Portion due or payable within one year:				
Obligations under capital leases	-	1,561,000	-	1,561,000
Compensated absences	241,695	35,068,000	-	35,309,695
Bonds payable	730,000	44,429,000	-	45,159,000
Portion due or payable after one year:				
Federal advances	-	7,236,000	-	7,236,000
Obligations under capital leases	-	49,328,000	-	49,328,000
Net pension obligation	5,867,314	383,226,000	-	389,093,314
Net OPEB liability	2,261,443	489,199,000	-	491,460,443
Compensated absences	166,670	15,805,000	-	15,971,670
Bonds payable	27,330,128	733,696,000	-	761,026,128
Unearned revenue	46,128,055	-	-	46,128,055
Total liabilities	94,066,355	2,043,010,000	39,388,102	2,176,464,457
Deferred Inflows of Resources				
Lease revenue	-	6,722,000	-	6,722,000
Split-interest agreements	-	5,319,000	-	5,319,000
Pension related amounts	446,138	29,202,000	-	29,648,138
OPEB related amounts	140,754	30,448,000	-	30,588,754
Total deferred inflows of resources	586,892	71,691,000	-	72,277,892
Net Position				
Net investment in capital assets	49,079,355	1,589,802,000	-	1,638,881,355
Restricted for:				
Capital projects	-	175,377,000	-	175,377,000
Debt service	-	35,317,000	-	35,317,000
Scholarships	-	543,790,000	-	543,790,000
Loans	-	6,991,000	-	6,991,000
Education - K to 12	-	-	1,444,977	1,444,977
Research and development	10,731,129	-	-	10,731,129
Other purposes	-	8,298,000	-	8,298,000
Funds held as permanent investments:				
Nonexpendable	-	402,277,000	-	402,277,000
Unrestricted (deficit)	(53,136,930)	(229,489,000)	-	(282,625,930)
Total net position	$ 6,673,554	$ 2,532,363,000	$ 1,444,977	$ 2,540,481,531

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, 2018

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	$ 45,234,793	$ 1,911,088,000	$ 1,327,994	$ 1,957,650,787
Program revenue:				
Charges for services	45,835,001	722,086,000	-	767,921,001
Operating grants and contributions	-	511,810,000	-	511,810,000
Capital grants and contributions	-	1,837,000	-	1,837,000
Total program revenue	45,835,001	1,235,733,000	-	1,281,568,001
General revenues:				
Unrestricted investment earnings	463,139	94,221,000	3,416,132	98,100,271
Gain on sale of assets	-	537,000	-	537,000
Other general revenues	58,577	-	-	58,577
Contributions to permanent funds	-	9,982,000	-	9,982,000
Payments from State of Nevada	-	705,961,000	-	705,961,000
Total general revenues, contributions and payments	521,716	810,701,000	3,416,132	814,638,848
Change in net position	1,121,924	135,346,000	2,088,138	138,556,062
Net position, July 1	7,822,113	2,896,771,000	(643,161)	2,903,949,952
Net position restatement	(2,270,483)	(499,754,000)	-	(502,024,483)
Net position, July 1 (as restated)	5,551,630	2,397,017,000	(643,161)	2,401,925,469
Net position, June 30	$ 6,673,554	$ 2,532,363,000	$ 1,444,977	$ 2,540,481,531

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

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Note 1. Summary of Significant Accounting Policies

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

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

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

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

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

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

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

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 previously described, may be obtained at that organization's administrative offices:

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

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

C. Basis of Presentation

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

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

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

The State reports the following major governmental funds:

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

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

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

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 - provides 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 14, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

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

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

E. Assets, Liabilities, 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 as 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 that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 at current exchange rates. Fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is established by independent third party valuation firm in conjunction with Member Appraisal Institute (MAI) 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.

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 acquisition value at time of donation. The government defines capital assets as assets with a unit cost of $5,000 or more for furniture and equipment, or $500,000 or more for buildings and improvements or $1,000,000 or more for internally generated software, 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. Collections are capitalized at the acquisition value at the date of donation. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 10 to 15 years for land improvements and 3 to 11 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 interest 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 inventories, prepaid amounts and the 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.
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 13 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. Additionally, commencing with the fiscal year that begins on July 1, 2017, 1% of the total anticipated revenue for the fiscal year in which the transfer will be made as projected by the Economic Forum for that fiscal year, will also be deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2018 is $235,744,635.

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.

Postemployment Benefits Other than Pensions (OPEB) – For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, 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. Plan assets 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 $35,330,474 were made in the 2018 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. NRS 356 directs 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. Cash and cash equivalents of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds consists of deposits in money market funds, which are not federally insured, and cash in the bank. As of June 30, 2018, deposits in money market funds totaled $167,367,975, and cash in bank was $42,268,243 of which $10,701,121 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, 2018 NSHE's deposits in money market funds totaled $212,471,000 and cash in bank was $4,512,000. 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, 2018 (expressed in thousands):

	Fair Value	Maturities in Years: Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	$ 1,084,191	$ 412,016	$ 461,479	$ 170,880	$ 39,816
Negotiable certificate of deposit	640,189	615,153	25,036	-	-
U.S. agancies	12,911,854	718,134	7,798,942	2,283,134	2,111,644
Mutual funds	6,089	6,089	-	-	-
Repurchase agreements	193,000	193,000	-	-	-
Asset backed corporate securities	60,845	672	53,763	447	5,963
Corporate bonds and notes	577,437	184,369	374,705	10,484	7,879
Commercial paper	657,379	657,379	-	-	-
Fixed income securities	71	71	-	-	-
Investment agreements	93,392	-	93,380	-	12
Other short-term investments	428,173	428,173	-	-	-
Collateralized mortgage obligations	29,955	-	-	-	29,955
Other investments	(6,768)	997	8,179	-	(15,944)
Total	$ 16,675,807	$ 3,216,053	$ 8,815,484	$ 2,464,945	$ 2,179,325

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 security portfolios held by Vanguard, USAA, Upromise, Putnam and Wealthfront have various maturities from 31 days to 13.3 years and are not included in the table above.

Component Units – The Nevada System of Higher Education's (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2018 (expressed in thousands):

Less than 1 year	$ 219,270
1 to 5 years	155,624
6 to 10 years	121,602
Total	$ 496,496

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, 2018 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):

	Quality Rating						
	AAA	AA	A	BBB	BB	B	Unrated
Negotiable certificate of deposit	$ -	$ 3,262	$ 66,706	$ -	$ -	$ -	$ 575,187
U.S. agencies	21,358	848,994	-	-	-	-	12,062,416
Mutual funds	1,896	-	-	-	-	-	23,239,694
Repurchase agreements	-	-	-	-	-	-	193,000
Asset backed corporate securities	15,938	31,867	739	889	1,098	163	19,330
Corporate bonds and notes	9,608	146,665	360,060	40,553	2,309	-	71,811
Commercial paper	-	-	443,463	-	-	-	213,917
Fixed income	-	-	-	-	-	-	71
Investment agreements	-	93,380	-	12	-	-	93,392
Other short-term investments	128,359	97	136,316	-	-	-	837,059
Collateralized mortgage obligations	18,752	11,203	-	-	-	-	29,955
Other Investments	-	4,412	4,763	-	-	-	664,876
Total	$ 195,911	$ 1,139,880	$ 1,012,047	$ 41,454	$ 3,407	$ 163	$ 38,000,708

Component Units – 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, 2018 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	$ 491,187
Partnerships	51,534
Endowment cash/cash equivalents	976
Trust(s)	4,313
Private commingled funds	295,414
	843,424
Less: GBC Foundation Endowments	(6,958)
Total	$ 836,466

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. At June 30, 2018, no individual investment exceeded 5% of the total portfolio of the Primary Government.

At June 30, 2018, 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	$ 41,987	15.29%

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, 2018, the Housing Division's investments in Fannie Mae and Ginnie Mae are 2.55% and 20.80% 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, 2018 the investment in equity interest of SSOF exceeded 5% of NCIC's total investments.

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

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2018. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2018 (expressed in thousands):

	Currency by Investment and Fair Value				
	Equity	Private Equity	Pending Transactions	Cash	Total
Australian Dollar	$ 513,452	$ -	$ -	$ 101	$ 513,553
British Pound Sterling	1,325,394	-	200	711	1,326,305
Danish Krone	122,376	-	-	2	122,378
Euro	2,374,528	218,200	(300)	(160)	2,592,268
Hong Kong Dollar	246,017	-	-	418	246,435
Israeli Shekel	23,658	-	-	101	23,759
Japanese Yen	1,780,498	-	-	4,209	1,784,707
New Zealand Dollar	15,675	-	-	101	15,776
Norwegian Krone	54,586	-	-	1	54,587
Singapore Dollar	94,338	-	-	105	94,443
Swedish Krona	190,098	-	-	2	190,100
Swiss Franc	573,421	-	-	1	573,422
Total	$ 7,314,041	$ 218,200	$ (100)	$ 5,592	$ 7,537,733

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, Putnam for America Plan, and Wealthfront College Savings 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 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, 2018 (expressed in thousands):

	Currency at Fair Value
Australian Dollar	$ 1
Euro	(15)
Japanese Yen	(58)
New Taiwan Dollar	15
Swedish Krona	1
Swiss Franc	2
Total	$ (54)

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has $176,330,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2018.

Fair Value of Investments: The State uses the market approach to determine the fair value of its investments. The State categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using quoted prices for identical securities in markets that are not active; Level 3 inputs are significant unobservable inputs. The following table summarizes the fair value measurements of the primary government as of June 30 , 2018 (expressed in thousands):

		Fair Value Measurements Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by fair value level				
Debt securities				
U.S. Treasury securities	$ 651,187	$ 650,885	$ 302	$ -
Negotiable certificates of deposit	435,081	-	435,081	-
U.S. agencies	686,826	31,694	655,132	-
Mutual funds	204,704	204,704	-	-
Asset backed corporate securities	31,689	-	31,689	-
Corporate bonds & notes	360,723	20,188	340,535	-
Commercial paper	487,842	-	487,842	-
Repurchase agreements	93,000	-	93,000	-
Other short-term investments	25,054	25,054	-	-
Collateralized mortgage obligations	141,496	96,633	44,863	-
Federal National Mortgage Association	8,712	5,901	2,811	-
Other investments	140,326	132,910	7,416	-
Total investments by fair value level	$ 3,266,640	$ 1,167,969	$ 2,098,671	$ -

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 fair 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, 2018 (excluding PERS).

Public Employees' Retirement System (PERS) – PERS 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, U.S. 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 fair 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 fair value, plus accrued interest in the case of fixed income securities.

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, 2018 is $4,750,382,722. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of $293,807,533 and non-cash in the amount of $4,576,201,763. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2018, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the fair 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 November 2015 respectively. The primary government has no exposure to derivatives as of June 30, 2018.

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 six types of derivatives: options, 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 six 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, 2018, 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
Purchased Currency Option Contracts, gross	$ 3,052	$ 1	$ (16)
Forward Currency Contracts, net	$ 60,276	(48)	(39)
CC Interest Rate Swap Contracts, gross	$ 6,778	(10)	(7)
OTC Total Return Swap Contracts, gross	$ 17,666	(325)	(105)
OTC Credit Default Contracts, gross	$ 6,244	116	133
CC Credit Default Contracts, gross	$ 12,771	15	(51)
Futures Contracts, gross	-	(259)	(321)
Written Currency Option Contracts, gross	$ -	-	6
Total		$ (510)	$ (400)

The Portfolios use options contracts to manage duration and convexity, to isolate prepayment risk, to gain exposure to interest rates, to manage against changes in values of securities it owns, owned or expects to own to manage prepayment risk to generate additional income for the portfolio, to enhance returns on securities owned, to gain exposure to securities and to manage downside risks. The potential risk is that the change in value of options 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 exchanged rates move unexpectedly or if the counterparty to the contract is unable to perform. Realized gains and losses on purchased options are included in realized gains and losses on investment securities. Exchange-traded options are valued at the last sale price.

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

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

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. As of June 30, 2018, OTC derivative counterparties had ratings that were either greater than or equivalent to long-term ratings of A3 and short-term ratings of P-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, 2018 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
Purchased Currency Options	$ 1	$ -	$ -	$ -	$ 1
Forward Currency Contracts	(48)	-	-	-	(48)
CC Interest Rate Swap Contracts	-	(4)	-	(6)	(10)
OTC Total Return Swap Contracts	(325)	-	-	-	(325)
OTC Credit Default Contracts	-	-	-	116	116
CC Credit Default Contracts	-	15	-	-	15
Futures Contracts	(259)	-	-	-	(259)
Total	$ (631)	$ 11	$ -	$ 110	$ (510)

Forward currency contracts are subject to foreign currency risk. The following table provides information about the forward currency contracts as of June 30, 2018 (expressed in thousands):

	Fair Value
Australian Dollar	$ (267)
Brazilian Real	(3)
British Pound	(20)
Canadian Dollar	4
Chinese Yuan	(11)
Danish Krone	(1)
Euro	(5)
Japanese Yen	5
New Taiwan Dollar	3
New Zealand Dollar	140
Norwegian Krone	8
Russian Ruble	(1)
Singapore Dollar	(3)
South African Rand	(5)
Swedish Krona	111
Swiss Franc	(3)
Total	$ (48)

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 Governmental Funds			
	General Fund	Municipal Bond Bank	Permanent School Fund	Total
As shown on financial statements:				
Intergovernmental receivables	$ 531,340	$ -	$ 1,199	$ 532,539
Notes/loans receivable	15,147	91,510	-	106,657
Due from component units	112	-	39,388	39,500
Total	$ 546,599	$ 91,510	$ 40,587	$ 678,696

	Major Governmental Funds			
	General Fund	Municipal Bond Bank	Permanent School Fund	Total
Classified:				
Current portion:	$ 480,750	$ 3,425	$ 1,199	$ 485,374
Noncurrent portion:				
Intergovernmental receivables	51,343	-	-	51,343
Notes/loans receivable	14,506	88,085	-	102,591
Due from component units	-	-	39,388	39,388
Total noncurrent portion	65,849	88,085	39,388	193,322
Total	$ 546,599	$ 91,510	$ 40,587	$ 678,696

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at $22.4 million, and uncollectible accounts receivable are estimated at $158.4 million. The proprietary funds have $43.2 million in uncollectible accounts receivable of which $7.8 million are from uninsured employers' fines and penalties, and $13.0 million are from unemployment contributions and benefit overpayments.

Note 5. Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2018, follows (expressed in thousands):

	Advances From			
	General Fund	State Highway	Nonmajor Governmental	Total
Advances To				
Nonmajor enterprise	$ 165	$ -	$ -	$ 165
Internal Service Funds	3,894	3,685	301	7,880
Total other funds	$ 4,059	$ 3,685	$ 301	$ 8,045

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 following.

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, 2018, is shown below (expressed in thousands):

	Due To					
	Major Governmental Funds					
	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental	Total Governmental
Due From						
Major Governmental Funds:						
General	$ -	$ 6,190	$ 1	$ 118	$ 12,899	$ 19,208
State Highway	2,013	-	-	-	241	2,254
Municipal Bond Bank	4	-	-	-	-	4
Permanent School Fund	17,058	-	-	-	-	17,058
Nonmajor governmental	14,154	3,627	-	-	21,858	39,639
Total Governmental	33,229	9,817	1	118	34,998	78,163
Major Enterprise Funds:						
Housing Division	70	-	-	-	-	70
Unemployment Comp	-	-	-	-	237	237
Water Projects Loans	250	-	-	-	-	250
Higher Ed Tuition Trust	42	-	-	-	-	42
Nonmajor enterprise	1,527	4	-	-	-	1,531
Total Enterprise	1,889	4	-	-	237	2,130
Internal Service	477	290	-	-	155	922
Total other funds	$ 35,595	$ 10,111	$ 1	$ 118	$ 35,390	$ 81,215
Fiduciary	$ 68	$ -	$ -	$ -	$ 1,253	$ 1,321
Component Units:						
Colorado River Commission	$ 1	$ -	$ -	$ -	$ -	$ 1
Nevada System of Higher Education	112	-	-	-	188	300
Nevada Capital Investment Corporation	-	-	-	39,388	-	39,388
Total Component Units	$ 113	$ -	$ -	$ 39,388	$ 188	$ 39,689

	Due To								
	Major Enterprise Funds								
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From									
Major Governmental Funds:									
General	$ 107	$ -	$ 529	$ 39	$ 1,566	$ 2,241	$ 7,675	$ 29,124	$ 627,652
State Highway	-	-	-	-	2	2	2,267	4,523	200
Municipal Bond Bank	-	-	-	-	-	-	-	4	-
Permanent School Fund	-	-	-	-	-	-	-	17,058	-
Nonmajor governmental	-	-	-	-	18	18	211	39,868	16
Total Governmental	107	-	529	39	1,586	2,261	10,153	90,577	627,868
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	3	73	-
Unemployment Comp	-	-	-	-	-	-	-	237	-
Water Projects Loans	-	-	-	-	-	-	1	251	-
Higher Ed Tuition Trust	-	-	-	-	-	-	1	43	-
Nonmajor enterprise	-	-	-	-	21	21	82	1,634	55
Total Enterprise	-	-	-	-	21	21	87	2,238	55
Internal Service	-	-	-	-	23	23	225	1,170	16
Total other funds	$ 107	$ -	$ 529	$ 39	$ 1,630	$ 2,305	$ 10,465	$ 93,985	$ 627,939
Fiduciary	$ -	$ -	$ -	$ -	$ 5	$ 5	$ 3,780	$ 5,106	$ 51,773
Component Units:									
Colorado River Commission	$ -	$ -	$ -	$ -	$ -	$ -	$ 4	$ 5	$ -
Nevada System of Higher Education	-	-	-	-	-	-	947	1,247	1,287
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	39,388	-
Total Component Units	$ -	$ -	$ -	$ -	$ -	$ -	$ 951	$ 40,640	$ 1,287

	Due To		
	Component Units		
	Colorado River Commission	Nevada System of Higher Education	Total Component Units
Due From			
Primary Government:			
Governmental Activities for long term receivable	$ -	$ 54,028	$ 54,028
Major Governmental Funds:			
General	160	31,717	31,877
State Highway	-	284	284
Nonmajor governmental	-	61,816	61,816
Total Governmental	160	93,817	93,977
Major Enterprise Funds:			
Higher Ed Tuition Trust	-	1	1
Total Enterprise	-	1	1
Internal Service	-	7	7
Total	$ 160	$ 147,853	$ 148,013

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.

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2018, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental	Total Governmental
Transfers In/From						
Major Governmental Funds:						
General	$ -	$ 12,154	$ 4	$ 16,559	$ 65,811	$ 94,528
State Highway	1,191	-	-	-	3,621	4,812
Nonmajor governmental	12,927	2,293	7,659	-	54,809	77,688
Total Governmental	14,118	14,447	7,663	16,559	124,241	177,028
Major Enterprise Funds:						
Unemployment Comp	-	-	-	-	155,428	155,428
Higher Ed Tuition Trust	684	-	-	-	-	684
Nonmajor enterprise	83	-	-	-	-	83
Total Enterprise	767	-	-	-	155,428	156,195
Internal Service	979	885	-	-	-	1,864
Total other funds	$ 15,864	$ 15,332	$ 7,663	$ 16,559	$ 279,669	$ 335,087

	Transfers Out/To						
	Major Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise Funds	Total Enterprise	Internal Service	Total Other Funds
Transfers In/From							
Major Governmental Funds:							
General	$ -	$ -	$ 1,985	$ 13,017	$ 15,002	$ -	$ 109,530
State Highway	-	-	-	-	-	-	4,812
Nonmajor governmental	-	4,189	-	-	4,189	687	82,544
Total Governmental	-	4,189	1,985	13,017	19,191	687	196,886
Major Enterprise Funds:							
Unemployment Comp	-	-	-	-	-	-	155,428
Higher Ed Tuition Trust	-	-	-	-	-	-	684
Nonmajor enterprise	-	-	-	12	12	-	95
Total Enterprise	-	-	-	12	12	-	156,207
Internal Service	-	-	-	-	-	-	1,864
Total other funds	$ -	$ 4,189	$ 1,985	$ 13,029	$ 19,203	$ 687	$ 354,957

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.

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, 2018 are as follows (expressed in thousands):

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Component Units**
Restricted:			
Cash	$ 2,750	$ -	$ 164,088
Investments	-	179,432	12,275
Total	$ 2,750	$ 179,432	$ 176,363
Restricted for:			
Debt service	$ -	$ 179,432	$ 1,003
Capital projects	-	-	158,650
Regulation of business	2,750	-	-
Other purposes	-	-	16,710
Total	$ 2,750	$ 179,432	$ 176,363

Note 7. Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2018, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	$ 154,101	$ 15,104	$ -	$ 169,205
Construction in progress	130,009	63,559	(66,050)	127,518
Infrastructure	4,622,007	74,631	-	4,696,638
Rights-of-way	705,358	65,572	-	770,930
Total capital assets, not being depreciated	5,611,475	218,866	(66,050)	5,764,291
Capital assets, being depreciated/amortized				
Buildings	1,791,201	42,340	(3,555)	1,829,986
Improvements other than buildings	131,536	19,225	-	150,761
Furniture and equipment	446,716	32,414	(15,829)	463,301
Software costs	292,067	4,584	(1,735)	294,916
Total capital assets, being depreciated/amortized	2,661,520	98,563	(21,119)	2,738,964
Less accumulated depreciation/amortization for:				
Buildings	(678,393)	(45,394)	3,100	(720,687)
Improvements other than buildings	(93,261)	(3,255)	-	(96,516)
Furniture and equipment	(358,623)	(25,042)	15,446	(368,219)
Software costs	(168,729)	(12,488)	1,095	(180,122)
Total accumulated depreciation/amortization	(1,299,006)	(86,179)	19,641	(1,365,544)
Total capital assets, being depreciated/amortized, net	1,362,514	12,384	(1,478)	1,373,420
Governmental activities capital assets, net	$ 6,973,989	$ 231,250	$ (67,528)	$ 7,137,711

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated				
Land	$ 568	$ -	$ -	$ 568
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	568	-	-	568
Capital assets, being depreciated				
Buildings	3,389	-	(1,982)	1,407
Improvements other than buildings	3,656	-	1,982	5,638
Furniture and equipment	16,778	328	(312)	16,794
Total capital assets, being depreciated	23,823	328	(312)	23,839
Less accumulated depreciation for:				
Buildings	(3,088)	(54)	1,982	(1,160)
Improvements other than buildings	(647)	(76)	(1,982)	(2,705)
Furniture and equipment	(5,944)	(687)	312	(6,319)
Total accumulated depreciation	(9,679)	(817)	312	(10,184)
Total capital assets, being depreciated, net	14,144	(489)	-	13,655
Business-type activities capital assets, net	$ 14,712	$ (489)	$ -	$ 14,223

Included in the table above are three Department of Corrections facilities that have been closed. These assets are idle, with a carrying value of $9.0 million.

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

Governmental activities:		
General government	$	4,849
Education, support services		827
Health services		874
Law, justice, public safety		35,233
Recreation, resource development		5,931
Social services		15,608
Transportation		12,032
Regulation of business		2,617
Unallocated		2,766
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		5,442
Total depreciation/amortization expense - governmental activities	$	86,179
Business-type activities:		
Enterprise	$	817
Total depreciation/amortization expense - business-type activities	$	817

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2018, 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	$ 93,735	$ 96,071	$ (73,914)	$ 115,892
Land	152,585	10,788	(211)	163,162
Land improvements	288	-	-	288
Intangibles	642	-	-	642
Collections	11,775	167	(45)	11,897
Total capital assets, not being depreciated	259,025	107,026	(74,170)	291,881
Capital assets, being depreciated				
Buildings	2,732,730	94,543	-	2,827,273
Land and improvements	156,076	6,017	-	162,093
Machinery and equipment	373,742	26,479	(14,159)	386,062
Intangibles	44,680	1,829	-	46,509
Library books and media	122,217	1,778	(1,256)	122,739
Total capital assets, being depreciated	3,429,445	130,646	(15,415)	3,544,676
Less accumulated depreciation for:				
Buildings	(941,291)	(69,267)	(188)	(1,010,746)
Land and improvements	(107,313)	(6,182)	-	(113,495)
Machinery and equipment	(282,194)	(24,328)	12,443	(294,079)
Intangibles	(29,925)	(4,581)	-	(34,506)
Library books and media	(116,905)	(2,399)	1,256	(118,048)
Total accumulated depreciation	(1,477,628)	(106,757)	13,511	(1,570,874)
Total capital assets being depreciated, net	1,951,817	23,889	(1,904)	1,973,802
Nevada System of Higher Education activity capital assets, net	$ 2,210,842	$ 130,915	$ (76,074)	$ 2,265,683

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 was completed in fiscal year 2016. At the end of the lease, title to the buildings transfers to the NSHE. Construction was financed by Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest.

Proceeds from the certificates of participation were used to pay the capitalized interest during the construction period, and NSHE began making capital lease principal and interest payments starting in fiscal year 2017.

The future minimum lease payments receivable for capital leases are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities
2019	$ 3,381
2020	3,383
2021	3,383
2022	3,381
2023	3,380
2024-2043	67,641
Total future minimum lease revenues	$ 84,549

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, 2018 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,284,172	$ 102,605	$ (117,347)	$ 1,269,430	$ 117,658
Special obligation bonds	706,165	125,905	(46,985)	785,085	39,790
Subtotal	1,990,337	228,510	(164,332)	2,054,515	157,448
Issuance premiums (discounts)	210,383	17,573	(36,087)	191,869	34,504
Total bonds payable	2,200,720	246,083	(200,419)	2,246,384	191,952
Certificates of participation	84,994	-	(4,165)	80,829	3,042
Issuance premiums (discounts)	1,048	-	(402)	646	331
Total certificates of participation	86,042	-	(4,567)	81,475	3,373
Other Governmental long-term activities:					
Obligations under capital leases	17,363	4,300	(3,173)	18,490	3,621
Compensated absences obligations	96,620	89,595	(85,547)	100,668	70,713
Pollution remediation obligations	2,525	3,500	(100)	5,925	660
Total other governmental long-term activities	116,508	97,395	(88,820)	125,083	74,994
Governmental activities long-term obligations	$ 2,403,270	$ 343,478	$ (293,806)	$ 2,452,942	$ 270,319
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 60,103	$ 12,835	$ (12,508)	$ 60,430	$ 11,467
Special obligation bonds	641,830	136,594	(252,933)	525,491	29,370
Subtotal	701,933	149,429	(265,441)	585,921	40,837
Issuance premiums (discounts)	5,502	987	(4,085)	2,404	735
Total bonds payable	707,435	150,416	(269,526)	588,325	41,572
Compensated absences obligations	1,722	1,757	(1,598)	1,881	1,336
Arbitrage rebate liability	1,075	-	(1,075)	-	-
Tuition benefits payable	221,099	10,989	(14,296)	217,792	17,509
Business-type activities long-term obligations	$ 931,331	$ 163,162	$ (286,495)	$ 807,998	$ 60,417

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

B. Bonds Payable

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

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of $5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2018 are comprised of the following (expressed in thousands):

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	1.754-6.17%	$ 1,792,465	$ 1,025,895
Exempt from Constitutional Debt Limitation	2.0-6.0%	646,883	243,535
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	3.0-5.0%	999,895	785,085
Subtotal		3,439,243	2,054,515
Issuance premiums (discounts)		342,623	191,869
Governmental activities bonds payable		3,781,866	2,246,384
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	1.75-5.5%	106,207	60,430
Special obligation bonds:			
Housing Bonds	*.50-6.95%	903,374	525,491
Subtotal		1,009,581	585,921
Issuance premiums (discounts)		8,563	2,404
Business-type activities bonds payable		1,018,144	588,325
Total bonds payable		$ 4,800,010	$ 2,834,709

*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, 2018, 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
2019	$ 157,448	$ 93,169	$ 40,837	$ 16,668
2020	157,081	85,828	15,299	15,945
2021	162,503	77,767	17,235	15,296
2022	153,983	69,828	10,563	14,753
2023	150,479	62,107	10,059	14,263
2024-2028	704,066	199,634	48,808	65,445
2029-2033	379,845	73,614	72,667	55,745
2034-2038	189,110	12,452	117,909	37,171
2039-2043	-	-	90,348	23,932
2044-2048	-	-	11,854	18,213
2049-2053	-	-	60,342	7,619
2054-2058	-	-	90,000	4,013
Total	$ 2,054,515	$ 674,399	$ 585,921	$ 289,063

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, 2018, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$	2,467,971
Less: Bonds and leases payable as of June 30, 2018, subject to limitation		(1,025,895)
Remaining debt capacity	$	1,442,076

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. Eleven projects were funded through the Nevada Municipal Bond Bank as of June 30, 2018, and total outstanding loans to local governments amounted to $91,510,000.

E. Refunded Debt and Redemptions

During the fiscal year 2018, the State of Nevada refunded $6,700,000 in general obligation, limited tax, bonds related to open space, parks and natural resources by issuing refunding bonds with a total par amount of $6,350,000 at a $717,221 premium. Proceeds from refunding bonds and certificates were used to refund certain outstanding State debt to realize debt service savings. The refunding decreased the aggregate debt service payments by $1,718,252 with an economic or present value gain of $1,171,571. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of $238,876. 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):

	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
Issue Description:				
General obligation bonds:				
Natural Resources and Refunding Bonds Series 2016D	$ 2,936	$ 2,885	$ 1,201	$ 714
Open Space, Parks, and Natural Resources and Refunding Bonds Series 2017C	3,996	3,815	517	458
Total	$ 6,932	$ 6,700	$ 1,718	$ 1,172

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, 2018 is $13,191,405.

F. Capital Leases

The State has entered into various agreements for the lease of vehicles and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2018 include vehicles and building improvements of $32,082,927 with accumulated depreciation of $8,290,036.

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, 2018 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2019	$ 4,382
2020	4,210
2021	4,177
2022	2,982
2023	1,901
2024-2028	3,325
Total minimum lease payments	20,977
Less: amount representing interest	(2,487)
Obligations under capital leases	$ 18,490

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. Meanwhile, the NRPC entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2017, the NRPC issued $3,730,000 of Lease Revenue Refunding Certificates of Participation Series 2016A at 2.22% interest to refund the outstanding balances of Lease Revenue Certificate of Participation Series 2006 which were 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.

The following schedule presents future certificates of participation payments as of June 30, 2018 (expressed in thousands):

Year Ending June 30	Principal	Interest
2019	$ 3,042	$ 3,722
2020	3,239	3,597
2021	3,376	3,463
2022	3,517	3,313
2023	3,683	3,148
2024-2028	20,267	13,012
2029-2033	17,500	8,497
2034-2038	11,560	5,351
2039-2043	14,645	2,268
Total	$ 80,829	$ 46,371

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	$ 217,792
Net position available	320,858
Net position as a percentage of tuition benefits obligation	147.32 %

The actuarial valuation used an investment yield assumption of 5.00% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2019-20	4.00%	4.00%
2020-21	4.00%	4.00%
2021-22 and later	4.75%	4.00%

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, 2018, and changes for the fiscal year then ended are presented in Section A of this note.

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, 2018 there are five series of Industrial Revenue Bonds and three series of Charter School Bonds outstanding, with an aggregate principal amount payable of $374,648,296.

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, 2018, the outstanding balance of Highway Improvement Revenue and Refunding bonds is $785,085,000. The total of principal and interest remaining on the bonds is $1,104,547,735 payable through December 2037. Upon completion of eligible projects, federal aid of $343,436,484 is expected to be received in fiscal year 2019. For the current year, principal and interest paid was $78,480,375 and total motor vehicle fuel and special fuel tax revenues were $305,780,701.

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, 2018, the outstanding balance of Lease Revenue Certificates of Participation is $80,829,000. The total of principal and interest remaining on the certificates is $127,199,263 payable through June 2043. In fiscal year 2018, principal and interest of $6,699,207 was paid. Building rent of $7,000,000 is expected to be collected in fiscal year 2019, which will be used to pay the fiscal year 2019 debt service principal and interest of $6,764,298.

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. During fiscal year 2018 the outstanding balance of the bonds was paid off. In fiscal year 2018, principal and interest of $131,246,125 was paid.

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.

As of June 30, 2018, the outstanding balance of single-family and multi-unit bonds is $525,883,008. The total of principal and interest remaining on the bonds is $804,645,888 payable through June 2055. In fiscal year 2018, principal and interest of $122,081,559 was paid. As of June 30, 2018, $179,943,769 was held by the trustee for the benefit of the single-family bondholders. The amount of payments received for mortgage loans in fiscal year 2018 is $11,467,328. Fifty million is expected to be collected in fiscal year 2019, which, along with assets held by the trustee, will be used to pay the fiscal year 2019 debt service principal and interest of $43,885,134.

L. Pollution Remediation Obligation

Currently there are five sites in Nevada in various stages of pollution cleanup associated with contaminated soil and groundwater. The pollution remediation liabilities associated with these sites were measured using the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution. As of June 30, 2018 the liability, by component, is as follows (expressed in thousands):

Post remediation and site closure	$ 325
Site assessment	100
Site remediation	5,500
Total pollution remediation obligation	$ 5,925

M. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2018 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	$ 622,715	$ 168,132	$ (57,290)	$ 733,557	$ 41,166
Issuance premiums (discounts)	39,300	8,469	(3,201)	44,568	3,263
Total bonds payable	662,015	176,601	(60,491)	778,125	44,429
Obligations under capital leases	51,224	70	(1,326)	49,968	1,333
Compensated absences obligations	49,837	39,870	(39,154)	50,553	35,068
Total	$ 763,076	$ 216,541	$ (100,971)	878,646	80,830
Discretely presented component units of the NSHE:					
Compensated absences				320	-
Capital leases				921	228
Total				$ 879,887	$ 81,058

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, 2018 (expressed in thousands):

Year Ending June 30	Principal	Interest
2019	$ 44,429	$ 32,983
2020	44,366	30,970
2021	42,435	28,834
2022	42,580	26,511
2023	41,937	24,977
2024-2028	154,463	102,075
2029-2033	151,807	69,464
2034-2038	123,480	38,968
2039-2043	75,987	19,303
2044-2048	55,952	4,937
2049-thereafter	689	-
Total	$ 778,125	$ 379,022

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
2019	$ 3,711
2020	3,729
2021	3,577
2022	3,518
2023	3,516
2024-2028	15,543
Thereafter	50,734
Total minimum lease payments	84,328
Less: amount representing interest	(34,360)
Obligations under capital leases	$ 49,968

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2018, 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	$ 34,180	$ -	$ (5,970)	$ 28,210	$ 730
Issuance premiums (discounts)	(156)	-	6	(150)	-
Total bonds payable	34,024	-	(5,964)	28,060	730
Compensated absences obligations	320	269	(181)	408	242
Total	$ 34,344	$ 269	$ (6,145)	$ 28,468	$ 972

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
2019	$ 730	$ 1,062
2020	740	1,050
2021	755	1,034
2022	770	1,015
2023	800	994
2024-2028	4,340	4,572
2029-2033	5,190	3,702
2034-2038	6,355	2,510
2039-2043	6,960	1,098
2044	1,570	33
Total	$ 28,210	$ 17,070

Note 10. Pensions

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

The aggregate pension related amounts for the primary government consist of a net pension liability of $2,251,532,691, deferred outflows of resources of $383,952,279, deferred inflows of resources of $175,222,168, pension expenditures of $171,269,733 and pension expense of $5,544,775. 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 public 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 Benefit*s – Benefits provided to participants or their beneficiaries include retirement, disability, and survivor benefits. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months, with special provisions for members entering the System on or after January 1, 2010. 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	Police/Fire Members
Before January 1, 2010	Before 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 55 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 25 years of service
On or after January 1, 2010	On or after January 1, 2010
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 30 years of service
On or after July 1, 2015	On or after July 1, 2015
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Age 55 with 30 years of service	Age 50 with 20 years of service
Any age with 33.3 years of service	Any age with 33.3 years of service

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. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. Lastly, for members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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 thereafter. 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). For retirees entering the System on or after July 1, 2015, the increases begin at 2% in years 4, 5 and 6; increase to 2.5% in years 7, 8 and 9; the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar years following year 10 and every year thereafter.

Member and Employer Contributions - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set 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. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis, 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, 2018 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-per plan	28.00 %	N/A
Employee/employer plan (matching rate)	14.50 %	14.50 %
Police and Fire employees:		
Employer-pay plan	40.50 %	N/A
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, 2018 were $151,491,716.

Pension Liabilities, Pension Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the State reported a liability of $2,233,666,424, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the State's proportion was 16.79%, a decrease of .54% from its proportion measured at June 30, 2016.

For the year ended June 30, 2018, the State recognized pension expenditure of $167,359,379 and pension expense of $5,544,775. At June 30, 2018, 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	$ -	$ (146,574)
Changes of assumption	148,182	-
Net difference between projected and actual earnings on pension plan investments	14,503	-
Changes in proportionate share of contributions	61,360	(25,845)
State contributions subsequent to the measurement date	153,271	-
Total	$ 377,316	$ (172,419)

Deferred outflows of resources of $153,270,625 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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:	
2019	$ 49,004
2020	(42,907)
2021	(1,910)
2022	62,597
2023	53,903
Thereafter	(69,061)

Actuarial Assumptions – The State's net pension liability was measured as of June 30, 2017, 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:	2.75%
Payroll growth:	5.00%, including inflation
Investment rate of return:	7.50%
Productivity pay increase:	0.50%
Projected salary increases:	Regular: 4.25% to 9.15%, depending on service
	Police/Fire: 4.55% to 13.9%, depending on service
	Rates include inflation and productivity increases
Consumer price index:	2.75%
Other assumptions:	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality rates were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled members were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement members were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

Actuarial assumptions used in the June 30, 2017 valuation were based on an experience study for the period from July 1, 2012, through June 30, 2016.

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, 2017, 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 7.5% as of June 30, 2017. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

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, 2017 calculated using the discount rate of 7.5%, 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 (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net pension liability	$ 3,376,848	$ 2,233,666	$ 1,284,376

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, 2018, the State reported payables to the defined benefit pension plan of $24,098,619 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.

At June 30, 2017, the LRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	75
Inactive vested members	17
Inactive non-vested members	25
Active members	31
Total	148

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 post-retirement 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, and prior to July 1, 2015, same as above, except the increases in (a) above do not exceed 4% per year. For members with an effective date of membership on or after July 1, 2015, 2% per year following the third through fifth anniversaries of the commencement of benefits; 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lesser of 3% or the CPI for the preceding calendar 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 employee contribution of 15% of compensation is paid by the employee 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 $209,668 for fiscal years 2017 and 2018, 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 2017, of which $104,834 (half) was recognized as employer contributions in the fiscal year 2017, and the other half recognized as employer contributions in fiscal year 2018.

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2018 were $104,834.

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). Beginning July 1, 2014, actuarial valuations are done annually. 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.

Pension Liabilities, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the State reported a net pension liability of $530,693. The net pension liability was measured as of June 30, 2017, 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, 2018, the State recognized pension expenditure of $66,168. At June 30, 2018, 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
Changes of assumptions	$ 3	$ -
Net difference between projected and actual earnings on pension plan investments	20	-
Differences between expected and actual experience	-	(2)
State contributionss subsequent to the measurement date	105	-
Total	$ 128	$ (2)

Deferred outflows of resources of $104,835 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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		
2019	$	(29)
2020		63
2021		24
2022		(37)
2023		-
Thereafter		-

The following table presents the changes in the net pension liability for LRS for the year ended June 30, 2017 (expressed in thousands):

		2017
Total pension liability		
Service cost	$	29
Interest		398
Difference between expected and actual experience		(82)
Changes of assumptions		125
Benefit payments, including refunds		(482)
Net change in total pension liability		(12)
Total pension liability - beginning		5,187
Total pension liability - ending (a)	$	5,175
Plan fiduciary net position		
Contributions - employer	$	105
Contributions - employee		20
Net investment income		526
Benefit payments, including refunds		(481)
Administration expenses		(68)
Other		69
Net change in plan fiduciary net position		171
Plan fiduciary net position - beginning		4,474
Plan fiduciary net position - ending (b)	$	4,645
Net pension liability - beginning	$	713
Net pension liability - ending (a) - (b)	$	530
Plan fiduciary net position as a percentage of total pension liability		90%
Covred payroll		N/A
Net pension liability as a percentage of covered payroll		N/A

Actuarial Assumptions – The State's net pension liability was measured as of June 30, 2017, 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:	2.75%
Investment rate of return:	7.50%
Projected salary increases:	2.75%
Consumer price index:	2.75%
Other assumptions:	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality rates were based on the Headcount-Weighted RP-2014 Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

Investment Policy – The Retirement 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 expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2017, are included in the following table:

Asset Class	Target Allocation	Long-term 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 7.5% as of June 30, 2017. 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 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net pension liability	$ 978	$ 531	$ 147

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, 2018, 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.

At June 30, 2017, the JRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	76
Inactive vested members	2
Active members	113
Total	191

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 times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. 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 benefit payments 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 enrolled in the Judicial Retirement Plan on or after July 1, 2015 will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate through payroll deductions.

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.

Members enrolled on or after July 1, 2015, become fully vested after five years of service. Eligible retirement age is 65 with five years of service, at age 62 with 10 years of service, age 55 with 30 years of service, and at any age with 33 1/3 years of service.

Member and Employer Contributions –The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Also, 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 State's annual actuarially determined contribution to fund the System at June 30, 2018 was $5,585,449 and the actual contribution made was $4,788,927.

Pension Liability, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the State reported a liability of $17,335,574 for its net pension liability for the JRS pension plan.

The net pension liability was measured as of June 30, 2017, 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, 2018, the State recognized pension expenditure of $3,844,186. At June 30, 2018, 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	$ 1,236	$ (2,801)
Change of assumptions	55	-
Net difference between projected and actual earnings on pension plan investments	361	-
Changes in proportion and differences between State contributions and proportionate share of contributions	68	-
State contributions subsequent to the measurement date	4,789	-
Total	$ 6,509	$ (2,801)

Deferred outflows of resources of $4,788,927 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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:	
2019	$ (109)
2020	68
2021	(39)
2022	(675)
2023	-
Thereafter	-

The following table presents the changes in the net pension liability for JRS for the year ended June 30, 2017 (expressed in thousands):

	2017
Total pension liability	
Service cost	$ 3,718
Interest	9,994
Differences between expected and actual experience	1,123
Changes of assumptions	78
Benefit payments, including refunds	(5,524)
Other	419
Net change in total pension liability	9,808
Total pension liability - beginning	123,753
Total pension liability - ending (a)	$ 133,561
Plan fiduciary net position	
Contributions - employer	$ 5,786
Employee purchase of service	255
Net investment income	12,556
Benefit payments, including refunds	(5,524)
Administrative expenses	(95)
Other	419
Net change in plan fiduciary net position	13,397
Plan fiduciary net position - beginning	101,102
Plan fiduciary net position - ending (b)	$ 114,499
Net pension liability - beginning	$ 22,651
Net pension liability - ending (a) - (b)	$ 19,062
Plan fiduciary net position as a percentage of total pension liability	86%
Covered payroll (measurement as of end of fiscal year)	$ 20,995
Net pension liability as a percentage of covered payroll	91%

Actuarial Assumptions – The State's net pension liability was measured as of June 30, 2017, 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:	2.75%
Investment rate of return:	7.50%
Projected salary increases:	3.00% to 8.00%, varying by service
Consumer Price Index:	2.75%
Other assumptions:	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality rates were based on Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

Investment Policy – The Retirement 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 expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2017, are included in the following table:

Asset Class	Target Allocation	Long-term 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 7.5% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that 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 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net pension liability	$ 31,327	$ 17,336	$ 5,479

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued JRS report.

Payables to the pension plan – At June 30, 2018, the State reported payables to the defined benefit pension plan of $371,095 for legally required employer contributions not yet remitted to JRS.

Note 11. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, 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. Plan assets are reported at fair value.

Plan description – Officers and employees of the State of Nevada and of certain other participating local governmental agencies within the State of Nevada are provided with OPEB through the Nevada Public Employees' Benefits Program (PEBP), a multiple-employer cost-sharing defined postemployment benefit plan. The program is administered by the PEBP Board, whose ten members are appointed by the governor. NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. NRS 287.043 grants the PEBP Board the authority to establish and amend the benefit terms of the program. PEBP issues a publicly available financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Benefits provided – Benefits other than pensions are provided to eligible retirees and their dependents through the payment of subsidies from the State Retirees' Health & Welfare Benefits Fund. The "base" subsidy rates are set by PEBP and approved by the Legislature and vary depending on the number of dependents and the medical plan selected. These subsidy rates are subtracted from the premium to arrive at the "participant premium". The "years of service" subsidy rates are then used to adjust the "participant premium" based on years of service. The current subsidy rates can be found on the PEBP website at www.pebp.state.nv.us. Benefits include health, prescription drug, dental and life insurance coverage. As required by statute, benefits are determined by the number of years of service at the time of retirement and the individual's initial date of hire. Officers and employees hired after December 31, 2011 are not eligible to receive subsidies to reduce premiums. The following individuals and their dependents are eligible to receive subsidies from the Retirees' Fund:

Any PEBP covered retiree with State service whose last employer was the State or a participating local government entity and who:

- Was initially hired by the State prior to January 1, 2010 and has at least five years of public service; or
- Was initially hired by the State on or after January 1, 2010, but before January 1, 2012 and has at least fifteen years of public service; or
- Was initially hired by the State on or after January 1, 2010, but before January 1, 2012 and has at least five years of public service and has a disability; or
- Any PEBP covered retiree with State service whose last employer was not the State or a participating local government entity and who has been continuously covered under PEBP as a retiree since November 30, 2008.

State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. Participating local government entity is defined as a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency that has an agreement in effect with PEBP to obtain group insurance.

Contributions – The State Retirees' Health and Welfare Benefits Fund (Retirees' Fund) was established in 2007 by the Nevada Legislature as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees (NRS 287.0436). The money in the Retirees' Fund belongs to the officers, employees and retirees of the State of Nevada in aggregate; neither the State nor the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money in the Retirees' Fund.

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. According to NRS 287.046 the Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012, and have retired with state service. The money assessed must be deposited into the Retirees' Fund and must be based upon an amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered-employee payroll, for the fiscal year ended June 30, 2017 was 2.36%. State contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2018 were $23,751,000.

OPEB Liabilities, OPEB Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - At June 30, 2018, the State reported a liability of $799,476,966, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The State's proportion of the collective net OPEB liability was based on the State's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2018, the State's proportion was 61.43%.

For the year ended June 30, 2018, the State recognized OPEB expenditure of $45,300,973 and OPEB expense of $2,194,734. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 49,698
Net Differences between projected and actual investment earnings on OPEB plan investments	-	62
State contributions subsequent to the measurement date	23,751	-
Total	$ 23,751	$ 49,760

Of the total amount reported as deferred outflows of resources related to OPEB, $23,750,953 resulting from State contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019.

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

Year Ended June 30:	
2019	$ (13,163)
2020	(13,163)
2021	(13,163)
2022	(10,270)
2023	-
Thereafter	-

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.75%
Salary increases:	0.50% productivity pay increase, 2.73% average promotional and merit salary increase
Investment rate of return:	3.58% based on a 20-Year Municipal Bond Index
Healthcare cost trend rates:	7.50% initially, decreasing to a 4.50% long-term trend rate after eight years

Regular mortality rates were based on the RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set back one year for females. Police/Fire mortality rates were based on the RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set forward one year. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality projected to 2014 with Scale AA, set forward three years.

The actuarial assumptions used in the June 30, 2018 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary Aon, in conjunction with the State and guidance from the GASB statement.

Discount rate – The discount rate used to measure the total OPEB liability was 3.58%, which is consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2017 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate.

Sensitivity of the State's proportionate share of the collective net OPEB liability to changes in the discount rate – The following presents the State's proportionate share of the collective net OPEB liability, as well as what the State's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (expressed in thousands):

	1% Decrease	Discount Rate	1% Increase
State's proportionate share of the collective net OPEB liability	$ 885,027	$ 799,477	$ 725,362

Sensitivity of the State's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates – The following presents the State's proportionate share of the collective net OPEB liability, as well as what the State's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (expressed in thousands):

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's proportionate share of the collective net OPEB liability	$ 748,234	$ 799,477	$ 859,904

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PEBP financial report.

Payables to the OPEB plan – At June 30, 2018, the State reported payables to the defined benefit OPEB plan of $161,888 for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the Retirees' Fund.

Note 12. 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	Insurance Premiums
Balance June 30, 2016	$ 63,014	$ 63,717
Claims and changes in estimates	228,478	15,866
Claim payments	(222,823)	(13,858)
Balance June 30, 2017	68,669	65,725
Claims and changes in estimates	227,863	11,657
Claim payments	(224,849)	(16,191)
Balance June 30, 2018	$ 71,683	$ 61,191
Due Within One Year	$ 71,683	$ 17,268

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, 2018. 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 $48,826,249 as of June 30, 2018 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2018.

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, 2018, 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. 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, lung and cancer disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the two-year employment period under this act is eligible for coverage under Workers' Compensation for heart and lung disease. Any fireman that satisfies the five-year employment period under this act is eligible for coverage under Workers' Compensation for cancer disease. A range of estimated losses from $5,496,500 to $19,523,100 for heart disease, $6,221,020 for lung disease and $6,173,200 for cancer 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.

Loss reserve estimates are inherently uncertain because the ultimate amount the Fund will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Fund establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Fund's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

At June 30, 2018 total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by $44,950,388. The Fund is liable for approximately $45,000,000 as of June 30, 2018 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 13. Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports $3,496,437,422 of net position-restricted for the primary government, of which $134,174,935 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, 2018, is shown below (expressed in thousands):

	Major Governmental Funds					
	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental Funds	Total Governmental
Fund balances:						
Nonspendable:						
Long term notes/loans receivable	$ 14,506	$ -	$ 88,085	$ -	$ -	$ 102,591
Inventory	6,483	16,652	-	-	330	23,465
Advances	4,059	-	-	-	-	4,059
Prepaid items	2,573	628	-	-	4	3,205
Permanent fund principal	-	-	-	360,679	30	360,709
Restricted for:						
Administration	69	-	-	-	8,077	8,146
Agriculture	423	-	-	-	-	423
Business and industry	8,564	-	-	-	27,133	35,697
Capital projects	-	-	-	-	83,911	83,911
Conservation and natural resources	32,693	-	-	-	5,209	37,902
Corrections	12	-	-	-	13,001	13,013
Debt service	-	-	-	-	26,168	26,168
Economic development	3,995	-	-	-	-	3,995
Education K-12	1,823	-	-	-	-	1,823
Elected officials	1,913	-	-	-	-	1,913
Gaming control	9,603	-	-	-	-	9,603
Health and human services	3,072	-	-	-	17,135	20,207
Motor vehicles	-	48,728	-	-	-	48,728
Other purposes	-	-	-	-	3,975	3,975
Public safety	130	8,493	-	-	-	8,623
Transportation	-	421,274	-	-	-	421,274
Veteran's services	1,274	-	-	-	-	1,274
Wildlife	14,232	-	-	-	-	14,232
Committed to:						
Administration	5,955	-	-	-	-	5,955
Agriculture	5,638	-	-	-	976	6,614
Business and Industry	35,252	-	-	-	4,205	39,457
Capital projects	-	-	-	-	24,737	24,737
Conservation and natural resources	87,847	-	-	-	8,003	95,850
Corrections	7,979	-	-	-	-	7,979
Debt service	-	-	4,463	-	140,410	144,873
Economic development	17,682	-	-	-	6,686	24,368
Education K-12	40,494	-	-	-	-	40,494
Elected Officials	38,338	-	-	-	3,035	41,373
Employment and training	4,181	-	-	-	-	4,181
Fiscal emergency	235,745	-	-	-	-	235,745
Gaming control	1,230	-	-	-	-	1,230
Health and human services	78,923	-	-	-	1,041	79,964
Judicial	6,982	-	-	-	-	6,982
Legislative	51,368	-	-	-	-	51,368
Military	310	-	-	-	-	310
Motor vehicles	2,398	-	-	-	-	2,398
Other purposes	6,152	-	-	-	-	6,152
Public safety	14,565	1,900	-	-	-	16,465
Silver state health insurance	15,141	-	-	-	-	15,141
Social services	-	-	-	-	30,506	30,506
Tobacco setlement program	-	-	-	-	53,498	53,498
Taxation	2,805	-	-	-	-	2,805
Transportation	-	29,609	-	-	-	29,609
Veteran's services	5,732	-	-	-	-	5,732
Wildlife	18,093	-	-	-	-	18,093
Unassigned:	(240,488)	-	-	-	-	(240,488)
Total fund balances	$ 547,746	$ 527,284	$ 92,548	$ 360,679	$ 458,070	$ 1,986,327

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 a decrease in net position of $1,153,790 for the year ended June 30, 2018, resulting in a negative net position of $7,173,231 at June 30, 2018.

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 $105,917 for the year ended June 30, 2018, resulting in a negative net position of $1,256,568 at June 30, 2018.

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 $421,971 for the year ended June 30, 2018, resulting in a negative net position of $6,691,136 at June 30, 2018.

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 $177,673 for the year ended June 30, 2018, resulting in a negative net position of $1,076,135 at June 30, 2018.

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 $4,395,722 for the year ended June 30, 2018, resulting in a negative net position of $44,950,388 at June 30, 2018.

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 $675,368 for the year ended June 30, 2018, resulting in a negative net position of $3,829,613 at June 30, 2018.

Personnel – The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded an increase in net position of $228,972 for the year ended June 30, 2018, resulting in a negative net position of $8,322,489 at June 30, 2018.

Purchasing – The Purchasing Fund provides purchasing services to State agencies and other governmental units. The fund recorded an increase in net position of $186,205 for the year ended June 30, 2018, resulting in a negative net position of $2,377,639 at June 30, 2018.

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 an increase in net position of $4,662,838 for the year ended June 30, 2018, resulting in a negative net position of $14,539,036 at June 30, 2018.

Note 14. 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 1.30%, 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, financial institutions and mining. Businesses other than financial institutions and mining are assessed a tax at a rate of 1.475% per calendar quarter for amounts the wages exceed $50,000. Modified Business Tax is imposed on financial institutions and mining 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.

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.

Cigarette Tax is imposed at a rate of 90 mills per cigarette. A tax on tobacco products, other than cigarettes, is imposed at a rate of 30% of the wholesale price.

Commerce Tax is imposed upon each business entity whose Nevada gross revenue in a taxable year exceeds $4 million. The business entity is entitled to deduct certain amounts. The tax rate is based on the primary business industry classification.

Lodging Tax is imposed at a rate of at least 1% of the gross receipts from the rental of transient lodging with three-eighths of the first 1% paid to the State for the Tourism Promotion Fund. In counties with populations greater than 300,000, an additional tax of up to 3% is remitted to the State for distribution to the State Supplemental School Support Account.

Other Sources of tax revenues include: Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), 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, Tire Tax and Marijuana Excise 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 a rate of 9% on admission to a facility where live entertainment is provided with an occupancy over 200. Live entertainment provided by escort services is also subject to the tax.

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 15. 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. In Boulder City, the Nevada State Railroad Museum displays and operates locomotives. 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 16. Tax Abatements

Abatement of Taxes on Business: The Governor's Office of Economic Development (GOED) provides multiple tax abatement programs to incentivize business development in Nevada. GOED promotes a robust, diversified and prosperous economy to attract new business and facilitate community development, stimulate business expansion and retention, and encourage entrepreneurial enterprise.

A company that intends to locate or expand a business in the State may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. GOED may approve an application, upon making certain determinations, as outlined in NRS 360.750, which is effective through June 30, 2032. In addition to agreeing to continue in operation in the State for at least 5 years, applicants must also meet two of the following three requirements:

- New businesses locating in urban areas require fifty or more full-time employees on the payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective; in rural areas, the requirement is ten or more full-time employees. For an existing business that is expanding, the number of employees on the payroll must increase either by 10% more than the number of employees prior to the abatement becoming effective, or by 25 employees for urban areas (6 for rural areas), whichever is greater.
- New businesses locating in urban areas must make a capital investment of $1 million in eligible equipment within two years; in rural areas, the requirement is $250,000 in eligible equipment. For an existing business that is expanding, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- The average hourly wage paid to new employees must meet a specified minimum, and the business must provide a health insurance plan for all employees and their dependents by a specified time period.

A company that intends to locate or expand a business in certain areas of Economic Development may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. Certain areas of Economic Development are defined in NRS 274.310 as a historically underutilized business zone, a redevelopment area created pursuant to Chapter 279 of NRS, an area eligible for a community development block grant pursuant to 24 Code of Federal Regulations (CFR) Part 570, or an enterprise community established pursuant to 24 CFR Part 597. Applicants must agree to continue in operation in the State for at least 5 years, and is effective through June 30, 2032. Additionally, businesses looking to start or expand in certain areas of Economic Development must meet either one of the two following requirements to apply for an abatement:

- New businesses must invest a minimum of $500,000 in capital assets. For an existing business that is expanding, the investment in capital assets is a minimum of $250,000 (NRS 274.310 through 274.320).
- The business must hire one or more dislocated workers, pay a wage of not less than 100 percent of federally designated levels and provide medical benefits to the employees and their dependents which meet the minimum requirements (NRS 274.330).

All abatements granted to eligible businesses terminate upon determination that the business has ceased to meet eligibility requirements for the abatement. The business shall refund the abatement amount for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of the payment of the tax. These refund payments are also subject to interest at the rate most recently established pursuant to NRS 99.040.

The programs outlined below reflect the requirements and the abatements offered to eligible businesses.

Local Sales and Use Tax Abatement (NRS 374.357 through 374.358) – The tax abatement is on the gross receipts from the sale, and the storage, use or other consumption, of eligible capital equipment. The sale and use tax rates vary by county within Nevada. The abatement reduces the local sales and use tax rate to 2%, which is the State's portion of the tax. Therefore, none of the State's sales and use tax is abated; only local sales and use taxes are abated. The approved business is eligible for tax abatements for not less than 1 year but not more than 5 years beginning the date the abatement becomes effective.

Modified Business Tax Abatement (NRS 363B.120) – The current excise tax imposed on each employer is at the rate of 1.475% on taxable wages over $50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations. For a new company, the abatement of the modified business tax applies to the number of new employees stated in its application. For an expanding business, the abatement does not apply to existing employees of the business, but does apply to the number of new employees directly related to the expansion.

Personal Property Tax Abatement (NRS 361.0687) – The abatement can be up to 50% of the tax due, or 75% in certain areas of Economic Development, for not less than 1 year and up to 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada. The personal property tax abatement applies only to the same list of machinery and equipment eligible for the local sales and use tax abatement allowed under NRS 374.357 or 374.358. Property tax rates vary by taxing district within Nevada. This is effective through June 30, 2018 .

Aviation Tax Abatement (NRS 360.753) - The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement applies to aircraft and the personal property used to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales and use tax abatement reduces the applicable tax rate to 2% for a similar 20-year period. The local sales and use tax abatement excludes aircraft purchase. This is effective through June 30, 2035.

Data Center Tax Abatement (NRS 360.754) – The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of eligible machinery or equipment for use at a data center. The abatement reduces the applicable tax rate to 2% for a period of 10 or 20 years. The personal property tax abatement applies to personal property located at the center and can be up to 75% of the taxes due for 10 or 20-year abatement periods. The data center will, within 5 years after the date on which the abatement becomes effective, have or have added 10 or more full-time employees who are residents of Nevada, and provide health insurance. The data center must commit to continue operation within the State for a period of not less than 10 years, and must bind successors to the same. This is effective through December 31, 2056.

Capital Investment of at least $1 Billion Tax Abatement (NRS 360.893) – The partial abatements include personal property, modified business, real property, or local sales and use taxes for companies that have a minimum capital investment of $1 billion dollars within 10 years of approval of the abatement application. The personal property, modified business and real property tax abatement can be up to 75% of the taxes due for an abatement period of not more than 10 years. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for an abatement period of not more than 15 years. The State's 2% portion of the sales and use tax is not abated. As a condition of approving a partial abatement of taxes pursuant to NRS 360.880 to 360.896, inclusive, the Executive Director of the Office of Economic Development, if he or she determines it to be in the best interests of the State of Nevada, may require the lead participant to pay at such a time or times as deemed appropriate, an amount of money equal to all or a portion of the abated taxes into a trust fund in the State Treasury to be held until all or portion of the requirements for the partial abatement have been met. Interest and income earned on money in the trust fund must be credited to the trust fund. Any money remaining in the trust fund at the end of the fiscal year does not revert to the State General Fund, and the balance in the trust fund must be carried forward to the next fiscal year. This is effective through June 30, 2032.

Capital Investments of at least $3.5 Billion Tax Abatement (NRS 360.945) – An abatement from personal property, modified business, real property, or local sales and use tax are available to companies that have a minimum capital investment of $3.5 billion dollars within 10 years of approval of the abatement application. The personal property, modified business, and real property tax abatements can be up to 100% of the taxes due for up to a 10-year abatement period. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for up to a 20-year period. The State's 2% portion of the sales and use tax is not abated. This was approved during the 28th Special Session of the State Legislature in 2014, and is effective through June 30, 2036.

Transferable Tax Credits to Promote Economic Development (NRS 231.1555) – Transferable tax credits are available to entities who intend to locate or expand a business in Nevada. The business can apply for credits above or below $100,000 as long as the transferable tax credits do not extend for a period of more than 5 fiscal years per applicant and, in total, do not exceed set amounts each fiscal year as outlined in statute. The transferable tax credits can be applied to modified business, insurance premium and/or gaming percentage fee taxes. The applicant must set forth the proposed use of the credits, the plans, projects and programs for which the credits will be used, the expected benefits, and a statement of short-term and long-term impacts of the issuance of the transferable tax credits.

Film and Other Productions (NRS 360.758 through 360.7598) - A transferable tax credit is available to production companies producing a film, television series, commercial, music video or other qualified production in Nevada. A production may qualify for a transferable tax credit of up to 25% of the qualified direct production expenditures incurred in Nevada if at least 60% of the total qualified expenditures are incurred in Nevada. Principal photography of the production must begin within 90 days after the application is issued. The transferable tax credits issued for qualified film production completed in the State may be used against the modified business, insurance premium and/or the gaming percentage fee taxes.

Economic Development with Capital Investment of at least $3.5 Billion (NRS 360.945 through 360.980) – The 2014 28th Special Session of the State Legislature required the Governor's Office of Economic Development (GOED) to issue transferable tax credits for certain qualifying projects that may be used against the modified business, insurance premium and/or the gaming percentage fee taxes. A qualifying project is required to be located within the geographical borders of the State of Nevada, make a new capital investment in the State of at least $3.5 billion during the 10-year period immediately following approval of the application, employ Nevada residents in at least half of the project's construction jobs and operational jobs, and provides health insurance to all employees. The amount of transferable tax credits is equal to $12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first $1 billion and 2.8% of the next $2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project. The amount of tax credits approved by GOED may not exceed $45 million per fiscal year (although any unissued credits may be issued in any subsequent fiscal year ending on or before June 30, 2022), and GOED may not issue total tax credits in excess of $195 million. This is effective through June 30, 2036.

Renewable Energy Tax Abatements: The mission of the Governor's Office of Energy is to ensure the wise development of Nevada's energy resources in harmony with local economic needs, and to position Nevada to lead the nation in renewable energy production, conservation, and exportation. In an effort to incentivize the development of renewable energy in Nevada, the program awards partial sales and use tax and property tax abatements to eligible renewable energy facilities. Businesses must make a capital investment of $3 million or $10 million, dependent on the project location.

Local Sales and Use Tax Abatement (NRS 701A.360 through NRS 701A.365) – The abatement applies to the 3 years following the approval of the application in which the applicant will only be required to pay sales and use taxes imposed in the State at the rate of 2.6%, of which 2% is the State's portion of the tax. Therefore, none of the State's sales and use tax is abated. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. The applicant must state that the facility will, after the date on which the abatement becomes effective, continue in operation in the State for a period of not less than 10 years, and bind any successors to the same. This is effective through June 30, 2049.

Real and Personal Property Tax Abatement (NRS 701A.370) – The abatement is for a duration of the 20 fiscal years immediately following the date of approval of the application and is equal to 55% of the taxes on real and personal property payable by the facility each year. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. This is effective through June 30, 2049.

Green Building Tax Abatements: The Governor's Office of Energy administers the green building tax abatement program based on criteria set forth in the Leadership in Energy and Environmental Design (LEED) or Green Globes (GG) rating system and certification from the U.S. Green Building Council or the Green Building Initiative. Both LEED and GG rating systems provide a complete framework for assessing building performance and meeting environmental sustainable goals. They use industry recognized standards for designing, operating and certifying green building projects. The program was instituted in 2007 as an incentive for business owners to improve the energy efficiency of new and existing buildings. To qualify for the tax abatement, applicants must earn a minimum number of points for energy conservation to meet the Silver Level or higher through the LEED rating system or two globes or higher under the GG rating system. LEED and GG building rating systems are based on a set of standards for the environmentally sustainable design, construction and operation of the building.

Real Property Taxes (NRS 701A.110) – Incentives range from 25% to 35% of the portion of taxes imposed pursuant to NRS 361, other than any taxes imposed for public education, for a period of 5 to 10 years, depending on the certification level. The abatement terminates if it is determined that the building or other structure has ceased to meet the equivalent of the Silver Level or higher.

The State's tax abatement programs as of June 30, 2018, on an accrual basis, are summarized in the following table (expressed in thousands):

	Taxes Abated			
Abatement Program	**Modified Business Tax**	**Property Tax**	**Gaming Tax**	**Total**
Businesses	$ 1,582	$ 1,224	$ -	$ 2,806
Capital Investment $3.5B	3,583	-	-	3,583
Renewable Energy	-	1,031	-	1,031
Green Building	-	3,659	-	3,659
Transferable Tax Credits	-	-	73,832	73,832
Total	$ 5,165	$ 5,914	$ 73,832	$ 84,911

A receivable of $13,710, associated with Renewable Energy Tax Incentive, is due from Elko County per NRS 361.483, at June 30, 2018.

Note 17. 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 a defendant on several lawsuits associated with the Little Valley fire, which occurred in October 2016. The State intends to defend these lawsuits vigorously. The outcome of the lawsuits is not presently determinable, and as the amount is neither probable nor capable of reasonable estimation, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant associated with a medical malpractice class action lawsuit. A jury has awarded $250,000 to a representative plaintiff in this matter. Although a class has been certified, the Court has not determined how many persons are in the class. Accordingly, the potential exposure cannot yet be determined. Moreover, the potential judgment will be subject to post-trial motions and appeals. As a result, it is possible that the existing judgment will be reduced or eliminated. The outcome of the lawsuit is not presently determinable, and as the amount is neither probable nor capable of reasonable estimation, the accompanying financial statements do not include a liability for any potential loss.

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, 2018 amounted to $47.5 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, 2018 (expressed in thousands):

For the Year Ending June 30	Amount
2019	$ 43,833
2020	36,513
2021	30,401
2022	24,934
2023	20,137
2024-2028	37,363
2029-2033	5,562
2034-2038	6,499
2039-2043	5,176
2044-2048	88
Total	$ 210,506

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, 2018, 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.

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, 2018 were $212.5 million which includes accrued interest of $1.3 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from the

State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

Encumbrances – As of June 30, 2018, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	$ 5,449
State Highway	5,202
Nonmajor governmental funds	128
Total	$ 10,779

Construction Commitments – As of June 30, 2018, the Nevada Department of Transportation had total contractual commitments of approximately $219.0 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $63.4 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2018, 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 adversely affect the net position, changes in net position or cash flows of NSHE.

The NSHE and the State of Nevada are defendants in various lawsuits, collectively referred to as the Little Valley Fire Cases. The cases relate to a prescribed burn conducted by the Nevada Division of Forestry in October 2016 on land partially owned by the University of Nevada at Reno. Embers from the fire escaped and burned 23 structures. A jury verdict in August 2018 finding liability on behalf of the Nevada Division of Forestry, but no liability on behalf of NSHE/UNR. However, oral arguments occurred in November 2018 before the Nevada Supreme Court and the case is not yet final.

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, 2018.

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, 2018 is $154.5 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

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.

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, 2018, the NCIC has fulfilled $43.8 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 18. Subsequent Events

A. Primary Government

Bonds – On November 1, 2018, the State issued $57,100,000 in General Obligation (Limited Tax) Capital Improvement, Historic Preservation and Refunding Bonds. The Series 2018A Bonds were issued to finance various capital improvement projects, including (i) construction of a new Department of Motor Vehicles Service Center, (ii)construction of a new Engineering Building at the University of Nevada, Reno, (iii) to award financial assistance to pay the actual expenses of preserving or protecting historical buildings to be used to develop a network of cultural centers and activities, and (iv) to pay cost of issuance of the 2018A Bonds. On November 1, 2018, the State issued $2,500,000 in General Obligation (Limited Tax) Natural Resources Tahoe Bonds. The Series 2018B Bonds were issued as an investment of funds in the Consolidated Bond Interest and Redemption Fund.

Litigation Settlement – On December 28, 2018, the State, along with other states and the District of Columbia, announced a $575 million settlement with Wells Fargo Bank N.A. to resolve claims that the bank violated state consumer protection laws. Under the terms of the agreement, the State of Nevada will receive $13.4 million. Additionally, Wells Fargo will create a consumer redress review program and implement other restitution efforts.

B. New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, Certain Asset Retirement Obligations, which addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. GASB 83 is effective for fiscal years beginning after June 15, 2018. The anticipated impact of this pronouncement is uncertain at this time.

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities or all state and local governments. GASB 84 is effective for fiscal years beginning after December 15, 2018. The anticipated impact of this pronouncement is uncertain at this time.

In June 2017, the GASB issued Statement No. 87, Leases, which addresses information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 is effective for fiscal years beginning after December 15, 2019. The anticipated impact of this pronouncement is uncertain at this time.

In April 2018, the GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in government financial statements related to debt, including direct borrowings and direct placements. It will also clarify which liabilities government entities should include when disclosing information related to debt. This Statement will be effective for reporting periods beginning after June 15, 2018 and the impact is uncertain at this time.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify account for interest cost incurred before the end of a construction period. The Statement is effective for reporting periods beginning after December 15, 2019. The anticipated impact of this pronouncement is uncertain at this time.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests-An Amendment to GASB Statements No. 14 and No. 61. The primary objectives are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. GASB 90 is effective for fiscal years beginning after December 15, 2018. The anticipated impact of this pronouncement is uncertain at this time.

Note 19. Accounting Changes and Restatements

A. Primary Government

The State implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in the current year. This statement requires governments calculate and report the cost, obligations, deferred outflows of resources, and deferred inflows of resources associated with other postemployment benefits in their financial statements, including additional note disclosures and required supplementary information. Accordingly, beginning net position was restated to retroactively report the beginning net OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

In addition, prior period adjustments were made to correct an error in the General Fund for an understatement of the Medicaid incurred but not reported claims expenditures and the related federal reimbursement in fiscal year 2017, and to correct an error in the Unemployment Compensation Fund for an overstatement of unemployment assessment receivables and revenues in fiscal year 2017.

The following table shows the changes to the beginning net position as of July 1, 2017 for the primary government (expressed in thousands):

	Governmental Activities	Business-type Activities
Net position at June 30, 2017 as previously reported	$ 5,208,706	$ 1,724,660
Net OPEB liability at June 30, 2016	(808,992)	(15,998)
Deferred outflows of resources related to contributions made during the year ended June 30, 2017	22,306	456
Unemployment assessments	-	(50,966)
Medicaid IBNR	(65,268)	-
Medicaid federal reimbursement	42,460	-
Net position at July 1, 2017 as restated	$ 4,399,212	$ 1,658,152

The following table shows the changes to the beginning fund balance/net position as of July 1, 2017 for the following major and nonmajor funds (expressed in thousands):

	Major Governmental Fund	Major Enterprise Funds				
	General Fund	Housing Division	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise Funds	Internal Service Funds
Fund balance/net position at June 30, 2017 as previously reported	$ 556,687	$ 206,485	$ 998,017	$ 415,709	$ 26,637	$ 13,440
Net OPEB liability at June 30, 2016	-	(787)	-	(232)	(14,980)	(22,004)
Deferred outflows of resources related to contributions made during the year ended June 30, 2017	-	33	-	7	417	592
Unemployment assessments	-	-	(50,966)	-	-	-
Medicaid IBNR	(65,268)	-	-	-	-	-
Medicaid federal reimbursement	42,460	-	-	-	-	-
Fund balance/net position at July 1, 2017 as restated	$ 533,879	$ 205,731	$ 947,051	$ 415,484	$ 12,074	$ (7,972)

B. Discretely Presented Component Units

The Colorado River Commission and the Nevada System of Higher Education implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*s in the current year. This statement requires governments calculate and report the cost, obligations, deferred outflows of resources, and deferred inflows of resources associated with other postemployment benefits in their financial statements, including additional note disclosures and required supplementary information. Accordingly, beginning net position was restated to retroactively report the beginning net OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

The Nevada System of Higher Education's system related organizations restated beginning net position for a change in accounting policy.

The following table shows the changes to the beginning net position as of July 1, 2017 for the discretely presented component units (expressed in thousands):

	Colorado River Commission	Nevada System of Higher Education
Net position at June 30, 2017 as previously reported	$ 7,822	$ 2,896,771
Net OPEB liability at June 30, 2016	(2,334)	(504,888)
Deferred outflows of resources related to contributions made during the year ended June 30, 2017	64	13,709
Change in accounting policy for system related organizations	-	(8,575)
Net position at July 1, 2017 as restated	$ 5,552	$ 2,397,017

REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2018

	General Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**
Sources of Financial Resources				
Fund balances, July 1	$ 1,014,986,786	$ 1,014,986,786	$ 1,014,986,786	$ -
Revenues:				
Sales taxes	1,199,966,000	1,199,966,000	1,189,226,502	(10,739,498)
Gaming taxes, fees, licenses	907,275,951	898,899,923	847,679,389	(51,220,534)
Intergovernmental	4,022,117,023	4,664,530,357	4,158,822,198	(505,708,159)
Other taxes	2,018,217,312	2,018,936,945	2,175,202,854	156,265,909
Sales, charges for services	283,068,464	301,324,396	256,330,551	(44,993,845)
Licenses, fees and permits	705,973,174	752,594,217	749,683,032	(2,911,185)
Interest	13,356,316	16,010,595	16,771,297	760,702
Other	368,514,870	395,848,719	326,141,422	(69,707,297)
Other financing sources:				
Proceeds from sale of bonds	-	4,750,000	4,751,354	1,354
Transfers	733,630,813	852,669,375	701,001,921	(151,667,454)
Reversions from other funds	-	-	1,118,129	1,118,129
Total sources of financial resources	11,267,106,709	12,120,517,313	11,441,715,435	(678,801,878)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officals	177,144,067	186,447,029	134,690,445	51,756,584
Legislative and judicial	156,758,513	161,668,337	102,057,348	59,610,989
Finance and administration	126,483,074	136,057,592	112,434,627	23,622,965
Education - K to 12	2,423,340,750	2,560,329,600	2,379,253,641	181,075,959
Education - higher education	938,042,989	966,056,601	953,709,879	12,346,722
Human services	5,564,915,438	6,066,797,885	5,541,870,084	524,927,801
Commerce and industry	430,916,768	445,302,485	319,107,452	126,195,033
Public safety	471,576,390	530,309,490	448,499,877	81,809,613
Motor Vehicles	-	-	-	-
Infrastructure	376,821,305	457,900,327	207,906,027	249,994,300
Special purpose agencies	86,503,923	91,798,137	59,941,677	31,856,460
Other financing uses:				
Transfers to other funds	34,038,697	34,648,501	34,648,501	-
Reversions to other funds	-	-	1,049,475	(1,049,475)
Projected reversions	(50,000,000)	(50,000,000)	-	(50,000,000)
Total uses of financial resources	10,736,541,914	11,587,315,984	10,295,169,033	1,292,146,951
Fund balances, June 30	$ 530,564,795	$ 533,201,329	$ 1,146,546,402	$ 613,345,073

[redacted]

(continued)

State Highway				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ 528,473,009	$ 528,473,009	$ 528,473,009	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
345,812,086	398,393,140	383,089,953	(15,303,187)	-	-	-	-
387,074,068	434,019,752	432,699,916	(1,319,836)	-	-	-	-
20,019,256	20,929,042	20,916,496	(12,546)	-	-	-	-
225,182,549	231,293,126	229,891,641	(1,401,485)	-	-	-	-
1,511,818	5,804,968	7,929,408	2,124,440	3,358,780	3,473,634	3,473,585	(49)
42,511,554	45,998,398	50,951,540	4,953,142	4,190,000	4,190,000	4,190,000	-
180,000,000	136,000,000	135,004,892	(995,108)	-	-	-	-
10,157,989	16,093,514	16,058,159	(35,355)	-	-	-	-
-	-	-	-	-	-	-	-
1,740,742,329	1,817,004,949	1,805,015,014	(11,989,935)	7,548,780	7,663,634	7,663,585	(49)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
95,854,281	97,863,975	85,138,946	12,725,029	-	-	-	-
150,511,726	165,908,084	126,775,489	39,132,595	-	-	-	-
1,116,229,750	1,279,774,565	997,576,235	282,198,330	-	-	-	-
-	-	-	-	-	-	-	-
84,067,271	84,067,271	84,067,271	-	7,548,780	7,663,634	7,663,585	49
-	-	-	-	-	-	-	-
(60,378,816)	(125,378,816)	-	(125,378,816)	-	-	-	-
1,386,284,212	1,502,235,079	1,293,557,941	208,677,138	7,548,780	7,663,634	7,663,585	49
$ 354,458,117	$ 314,769,870	$ 511,457,073	$ 196,687,203	$ -	$ -	$ -	$ -

Budgetary Reporting

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the "final budget" column. Therefore, updated revenue estimates available for appropriations as of August 16th are reported instead of the amounts disclosed in the original budget. The August 16, 2018 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2018 budget as permitted by NRS 353.220.

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

	General Fund	State Highway	Municipal Bond Bank
Fund balances (budgetary basis) June 30, 2018	$ 1,146,546	$ 511,457	$ -
***Adjustments*:**			
Basis differences:			
Petty cash or outside bank accounts	5,080	191	-
Investments not recorded on the budgetary basis	753	-	-
Loans not recorded on the budgetary basis	-	-	91,510
Accrual of certain other receivables	356,896	6,583	1,038
Inventory	5,954	17,280	-
Advances to other funds	4,347	3,792	-
Accrual of certain accounts payable and other liabilities	(551,268)	(6,647)	-
Unearned revenues	(133,586)	-	-
Deferred inflows - unavailable	(298,075)	(6,126)	-
Encumbrances	5,449	5,202	-
Other	(10,330)	(4,447)	-
Perspective differences:			
Special revenue fund reclassified to General Fund for GAAP purposes	15,980	-	-
Fund balances (GAAP basis) June 30, 2018	$ 547,746	$ 527,285	$ 92,548

Total fund balance on the budgetary basis in the General Fund at June 30, 2018, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	$ 1,146,546
Restricted funds	(728,729)
Unrestricted fund balance (budgetary basis)	$ 417,817

For the Fiscal Year Ended June 30, 2018

Pension Plan Information

A. Multiple-employer Cost Sharing Plan

The following schedule presents the State's (primary government's) proportionate share of the net pension liability for the Public Employees' Retirement System at June 30, 2017 (expressed in thousands):

	2017	2016	2015	2014
State's proportion of the net pension liability	16.8 %	16.3 %	16.4 %	16.6 %
State's proportionate share of the net pension liability	$ 2,233,666	$ 2,187,213	$ 1,879,626	$ 1,730,601
State's covered payroll	$ 984,131	$ 906,687	$ 874,098	$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	227 %	241 %	215 %	198 %
Plan fiduciary net position as a percentage of the total pension liability	74 %	72 %	75 %	76 %

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily required contributions	$ 153,762	$ 151,492	$ 190,528	$ 176,579	$ 174,712	$ 162,484	$ 163,219	$ 160,959	$ 164,630	$ 153,768
Contributions in relation to the statutorily required contribution	$ 153,762	$ 151,492	$ 190,528	$ 176,579	$ 174,712	$ 162,484	$ 163,219	$ 160,959	$ 164,630	$ 153,768
Covered payroll	$ 997,840	$ 984,131	$ 906,687	$ 874,098	$ 872,316	$ 855,179	$ 859,047	$ 946,818	$ 968,412	$ 961,050
Contributions as a percentage of covered payroll	15 %	15 %	21 %	20 %	20 %	19 %	19 %	17 %	17 %	16 %

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

B. Single-employer Plan

The following schedule presents the changes in the net pension liability for the Legislators' Retirement System for the year ended June 30, 2017 (expressed in thousands):

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 29	$ 31	$ 39	$ 37
Interest	398	414	426	428
Differences between expected and actual experience	(82)	(145)	(109)	-
Changes of assumptions	125	-	-	-
Benefit payments, including refunds	(482)	(503)	(497)	(494)
Net change in total pension liability	(12)	(203)	(141)	(29)
Total pension liability - beginning	5,187	5,390	5,531	5,560
Total pension liability - ending (a)	$ 5,175	$ 5,187	$ 5,390	$ 5,531
Plan fiduciary net position				
Contributions - employer	$ 105	$ 156	$ 156	$ 213
Contributions - employee	20	23	23	27
Net investment income	526	62	179	804
Benefit payments, including refunds	(481)	(503)	(497)	(494)
Administrative expense	(68)	(65)	(85)	(46)
Other	69	66	86	46
Net change in plan fiduciary net position	171	(261)	(138)	550
Plan fiduciary net position - beginning	4,474	4,735	4,873	4,323
Plan fiduciary net position - ending (b)	$ 4,645	$ 4,474	$ 4,735	$ 4,873
Net pension liability - beginning	$ 713	$ 655	$ 658	$ 1,237
Net pension liability - ending (a) - (b)	$ 530	$ 713	$ 655	$ 658
Plan fiduciary net position as a percentage of total pension liability	90 %	86 %	88 %	88 %
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

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

	2018	2017	2016	2015
Statutorily required contribtutions	$ -	$ 210	$ -	$ 312
Contributions in relation to the statutorily required contribution	$ -	$ 210	$ -	$ 312
Contribution (deficiency) excess	$ -	$ -	$ -	$ -
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System for the year ended June 30, 2017 (expressed in thousands):

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 3,718	$ 3,828	$ 3,593	$ 3,411
Interest	9,993	9,677	8,876	8,367
Differences between expected and actual experience	1,123	(4,211)	1,250	(2,666)
Change of assumptions	79	-	-	-
Benefit payments, including refunds	(5,524)	(5,351)	(4,896)	(4,295)
Other	419	-	2,357	990
Net change in total pension liability	9,808	3,943	11,180	5,807
Total pension liability - beginning	123,753	119,810	108,630	102,823
Total pension liability - ending (a)	$ 133,561	$ 123,753	$ 119,810	$ 108,630
Plan fiduciary net position				
Contributions - employer	$ 5,786	$ 5,773	$ 6,155	$ 6,002
Contributions - employee	255	269	96	-
Net investment income	12,556	1,556	3,206	14,252
Benefit payments, including refunds	(5,524)	(5,351)	(4,896)	(4,295)
Administrative expense	(95)	(90)	(86)	(83)
Other	419	-	2,357	990
Net change in plan fiduciary net position	13,397	2,157	6,832	16,866
Plan fiduciary net position - beginning	101,102	98,945	92,113	75,247
Plan fiduciary net position - ending (b)	$ 114,499	$ 101,102	$ 98,945	$ 92,113
Net pension liability - beginning	$ 22,651	$ 20,865	$ 16,517	$ 27,576
Net pension liability - ending (a) - (b)	$ 19,062	$ 22,651	$ 20,865	$ 16,517
Plan fiduciary net position as a percentage of total pension liability	86 %	82 %	83 %	85 %
Covered payroll (measurement as of end of fiscal year)	$ 20,995	$ 20,154	$ 19,930	$ 18,934
Net pension liability as a percentage of covered payroll	91 %	112 %	105 %	87 %

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

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

	2018	2017	2016	2015
Actuarially determined contribution	$ 5,585	$ 5,138	$ 5,443	$ 5,266
Contributions in relation to the actuarially determined contribution	$ 4,789	$ 5,262	$ 5,227	$ 5,535
Contribution (deficiency) excess	$ (796)	$ 124	$ (216)	$ 269
Covered payroll	$ 17,583	$ 18,195	$ 17,425	$ 17,132
Contributions as a percentage of covered payroll	27 %	29 %	30 %	32 %

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

Notes to Required Supplementary Information – actuarial assumptions used in calculating the actuarially determined contributions can be found in Note 10C.

Postemployment Benefits Other Than Pensions (OPEB)

The following schedule presents the State's (primary government's) proportionate share of the collective net OPEB liability at June 30, 2017 (expressed in thousands):

		2017
State's proportion of the collective net OPEB liability		61.4 %
State's proportionate share of the collective net OPEB liability	$	799,477
State's covered-employee payroll	$	990,429
State's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll		80.7 %
Plan fiduciary net position as a percentage of the total OPEB liability		0.11 %

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

The following schedule presents the State's (primary government's) contributions to the OPEB plan (expresssed in thousands):

		2018
Contractually required contribution	$	23,755
Contributions in relation to the contractually required contribution	$	23,751
Contribution deficiency	$	(4)
State's covered-employee payroll	$	1,010,862
Contributions as a percentage of covered-employee payroll		2.35 %

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

Schedule of Infrastructure Condition and Maintenance Data

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of 5,400 centerline miles of roads and 1,200 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 400 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. Results of the condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for all road categories. The following tables show the State's condition level of the roadways.

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 95

	Category				
	I	**II**	**III**	**IV**	**V**
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2017 condition assessment	90%	85%	90%	61%	25%
Actual results of 2016 condition assessment	91%	88%	92%	66%	30%
Actual results of 2015 condition assessment	87%	82%	85%	45%	13%

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

Condition Level of the Bridges

Percentage of substandard bridges

	2017	**2016**	**2015**
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	1%	2%	4%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs

(Expressed in Thousands)

	2018	**2017**	**2016**	**2015**	**2014**
Estimated	$ 286,153	$ 171,755	$ 306,532	$ 386,093	$ 433,338
Actual	252,859	157,670	295,244	329,677	360,510

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

Combining Statements and Schedules

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

Cleaning Up Petroleum Discharges Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 445C.310).

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

Nonmajor Permanent Fund

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

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 209,249,597	$ 157,719,639	$ 185,327,331	$ 51,205	$ 552,347,772
Cash in custody of other officials	92,374	-	-	-	92,374
Investments	1,590,384	-	-	-	1,590,384
Receivables:					
Accounts receivable	21,767,757	-	-	-	21,767,757
Taxes receivable	753,491	-	-	-	753,491
Intergovernmental receivables	5,203,182	445,837	153,478	-	5,802,497
Accrued interest and dividends	1,152	6,876	-	-	8,028
Capital lease receivable	48,500,000	-	-	-	48,500,000
Due from other funds	12,012,160	1,706,941	21,671,508	372	35,390,981
Due from fiduciary funds	1,252,525	-	-	-	1,252,525
Due from component units	188,140	-	-	-	188,140
Inventory	329,544	-	-	-	329,544
Advances to other funds	-	301,272	-	-	301,272
Prepaid items	4,443	-	-	-	4,443
Total assets	$ 300,944,749	$ 160,180,565	$ 207,152,317	$ 51,577	$ 668,329,208
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 8,366,092	$ 105,109	$ 117,460	$ -	$ 8,588,661
Accrued payroll and related liabilities	1,924,602	-	-	-	1,924,602
Intergovernmental payables	998,133	-	-	-	998,133
Contracts/retentions payable	-	-	22,639,197	-	22,639,197
Due to other funds	22,487,211	4,902	17,374,658	729	39,867,500
Due to fiduciary funds	16,101	-	-	-	16,101
Due to component units	3,056,436	-	58,759,665	-	61,816,101
Unearned revenues	1,695,095	-	-	-	1,695,095
Other liabilities	2,940,543	-	-	-	2,940,543
Total liabilities	41,484,213	110,011	98,890,980	729	140,485,933
Deferred Inflows of Resources					
Unavailable revenue:					
Taxes	370,414	-	-	-	370,414
Licenses, fees and permits	107	-	-	-	107
Sales and charges for services	6,830	-	-	-	6,830
Settlement income	19,556,818	-	-	-	19,556,818
Lease principal payments	48,500,000	-	-	-	48,500,000
Interest	390,314	193,586	106,949	56	690,905
Other	648,089	-	-	-	648,089
Total deferred inflows of resources	69,472,572	193,586	106,949	56	69,773,163
Fund Balances					
Nonspendable	333,987	-	-	30,000	363,987
Restricted	75,002,684	26,167,748	83,417,423	20,792	184,608,647
Committed	114,651,293	133,709,220	24,736,965	-	273,097,478
Total fund balances	189,987,964	159,876,968	108,154,388	50,792	458,070,112
Total liabilities and deferred inflows of resources and fund balances	$ 300,944,749	$ 160,180,565	$ 207,152,317	$ 51,577	$ 668,329,208

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

For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	$ 13,332,524	$ -	$ -	$ -	$ 13,332,524
Property and transfer taxes	13,566,256	157,498,796	-	-	171,065,052
Motor and special fuel taxes	-	74,524,218	-	-	74,524,218
Other taxes	90,089,885	-	-	-	90,089,885
Intergovernmental	89,582,427	2,910,049	3,549,960	-	96,042,436
Licenses, fees and permits	21,021,798	-	-	-	21,021,798
Sales and charges for services	20,462,836	248,595	-	-	20,711,431
Interest and investment income	1,591,153	1,380,205	656,490	428	3,628,276
Settlement income	42,081,347	-	-	-	42,081,347
Other	10,431,428	-	10,323	-	10,441,751
Total revenues	302,159,654	236,561,863	4,216,773	428	542,938,718
Expenditures					
Current:					
General government	34,918,135	205,178	-	-	35,123,313
Health services	81,937	-	-	-	81,937
Social services	88,613,261	-	-	-	88,613,261
Education - higher education	2,658,781	-	15,089,533	-	17,748,314
Law, justice and public safety	32,701,997	-	-	-	32,701,997
Regulation of business	20,378,983	-	-	-	20,378,983
Recreation and resource development	32,474,072	-	-	-	32,474,072
Capital outlay	-	-	69,036,787	-	69,036,787
Debt service:					
Principal	-	164,682,000	-	-	164,682,000
Interest	1,025	96,937,119	-	-	96,938,144
Debt issuance costs	60,737	-	753,336	-	814,073
Total expenditures	211,888,928	261,824,297	84,879,656	-	558,592,881
Excess (deficiency) of revenues over (under) expenditures	90,270,726	(25,262,434)	(80,662,883)	428	(15,654,163)
Other Financing Sources (Uses)					
Bonds issued	3,030,000	-	85,635,000	-	88,665,000
Premium on bonds issued	538,823	-	6,260,812	-	6,799,635
Sale of capital assets	11,321	-	-	-	11,321
Transfers in	14,885,422	25,157,298	42,501,164	-	82,543,884
Transfers out	(239,949,133)	(93,456)	(39,626,356)	(729)	(279,669,674)
Total other financing sources (uses)	(221,483,567)	25,063,842	94,770,620	(729)	(101,649,834)
Net change in fund balances	(131,212,841)	(198,592)	14,107,737	(301)	(117,303,997)
Fund balances, July 1	321,200,805	160,075,560	94,046,651	51,093	575,374,109
Fund balances, June 30	$ 189,987,964	$ 159,876,968	$ 108,154,388	$ 50,792	$ 458,070,112

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2018

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 23,192,905	$ -	$ 12,757,294	$ 10,974,279
Cash in custody of other officials	-	-	2,000	-
Investments	-	-	-	-
Receivables:				
Accounts receivable	-	-	544,536	-
Taxes receivable	370,414	-	-	-
Intergovernmental receivables	5,062,535	-	-	-
Accrued interest and dividends	-	-	-	-
Capital lease receivable	-	-	-	-
Due from other funds	1,946,497	-	138,471	4,215,347
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	4,443	-
Total assets	$ 30,572,351	$ -	$ 13,446,744	$ 15,189,626
Liabilities				
Accounts payable and accruals:				
Accounts payable	$ 2,003,764	$ -	$ 112,357	$ 2,700
Accrued payroll and related liabilities	1,009,161	-	520,476	-
Intergovernmental payables	496,045	-	-	-
Due to other funds	3,801,564	-	230,666	8,486,065
Due to fiduciary funds	800	-	-	-
Due to component units	199,541	-	-	-
Unearned revenues	-	-	1,695,095	-
Other liabilities	-	-	-	-
Total liabilities	7,510,875	-	2,558,594	8,488,765
Deferred Inflows of Resources				
Unavailable revenue:				
Taxes	370,414	-	-	-
Licenses, fees and permits	-	-	107	-
Sales and charges for services	-	-	6,830	-
Settlement income	-	-	-	-
Lease principal payments	-	-	-	-
Interest	24,722	-	7,817	-
Other	1,540	-	-	-
Total deferred inflows of resources	396,676	-	14,754	-
Fund Balances				
Nonspendable	-	-	4,443	-
Restricted	15,544,911	-	5,688,397	-
Committed	7,119,889	-	5,180,556	6,700,861
Total fund balances	22,664,800	-	10,873,396	6,700,861
Total liabilities, deferred inflows of resources, and fund balances	$ 30,572,351	$ -	$ 13,446,744	$ 15,189,626

(continued)

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
$ 11,487,765	$ 23,523,930	$ 6,726,471	$ 11,822,929	$ 57,665,301	$ 21,745,330	$ 2,620,247
-	-	-	-	-	-	21,397
-	-	-	-	-	-	130,656
-	-	-	1,160,291	19,556,825	120	25,359
-	383,077	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,152
-	-	-	-	-	-	-
62,025	196,575	4,281,258	358,949	483,873	162,891	18,832
-	-	-	1,138,342	-	-	-
-	-	-	-	-	-	-
-	-	-	156,301	-	-	-
-	-	-	-	-	-	-
$ 11,549,790	$ 24,103,582	$ 11,007,729	$ 14,636,812	$ 77,705,999	$ 21,908,341	$ 2,817,643
$ 174,394	$ 59,525	$ 3,968,336	$ 219,001	$ 266,993	$ 365,948	$ (7,316)
-	-	79,180	130,586	10,169	69,272	-
100	-	263,531	260	138,997	-	-
3,958,201	626,552	10,849	450,738	4,143,252	4,468	371
-	-	-	15,301	-	-	-
-	-	-	-	34,742	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,132,695	686,077	4,321,896	815,886	4,594,153	439,688	(6,945)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	19,556,818	-	-
-	-	-	-	-	-	-
9,315	29,524	120	24,796	57,040	24,465	2,720
-	-	-	639,117	-	-	-
9,315	29,524	120	663,913	19,613,858	24,465	2,720
-	-	-	156,301	-	-	-
-	-	-	13,000,712	-	21,444,188	2,227,093
7,407,780	23,387,981	6,685,713	-	53,497,988	-	594,775
7,407,780	23,387,981	6,685,713	13,157,013	53,497,988	21,444,188	2,821,868
$ 11,549,790	$ 24,103,582	$ 11,007,729	$ 14,636,812	$ 77,705,999	$ 21,908,341	$ 2,817,643

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2018

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 5,277,915	$ 483,277	$ 20,971,954	$ 209,249,597
Cash in custody of other officials	-	-	68,977	92,374
Investments	-	-	1,459,728	1,590,384
Receivables:				
Accounts receivable	-	-	480,626	21,767,757
Taxes receivable	-	-	-	753,491
Intergovernmental receivables	-	-	140,647	5,203,182
Accrued interest and dividends	-	-	-	1,152
Capital lease receivable	-	48,500,000	-	48,500,000
Due from other funds	39,855	12,454	95,133	12,012,160
Due from fiduciary funds	-	-	114,183	1,252,525
Due from component units	-	188,140	-	188,140
Inventory	-	-	173,243	329,544
Prepaid items	-	-	-	4,443
Total assets	$ 5,317,770	$ 49,183,871	$ 23,504,491	$ 300,944,749
Liabilities				
Accounts payable and accruals:				
Accounts payable	$ 106,294	$ -	$ 1,094,096	$ 8,366,092
Accrued payroll and related liabilities	-	-	105,758	1,924,602
Intergovernmental payables	84,616	-	14,584	998,133
Due to other funds	91,772	-	682,713	22,487,211
Due to fiduciary funds	-	-	-	16,101
Due to component units	-	-	2,822,153	3,056,436
Unearned revenues	-	-	-	1,695,095
Other liabilities	-	-	2,940,543	2,940,543
Total liabilities	282,682	-	7,659,847	41,484,213
Deferred Inflows of Resources				
Unavailable revenue:				
Taxes	-	-	-	370,414
Licenses, fees and permits	-	-	-	107
Sales and charges for services	-	-	-	6,830
Settlement income	-	-	-	19,556,818
Lease principal payments	-	48,500,000	-	48,500,000
Interest	5,961	190,011	13,823	390,314
Other	-	-	7,432	648,089
Total deferred inflows of resources	5,961	48,690,011	21,255	69,472,572
Fund Balances				
Nonspendable	-	-	173,243	333,987
Restricted	5,029,127	493,860	11,574,396	75,002,684
Committed	-	-	4,075,750	114,651,293
Total fund balances	5,029,127	493,860	15,823,389	189,987,964
Total liabilities, deferred inflows of resources, and fund balances	$ 5,317,770	$ 49,183,871	$ 23,504,491	$ 300,944,749

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

For the Fiscal Year Ended June 30, 2018

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 13,332,524
Property and transfer taxes	-	-	-	-
Other taxes	14,499,610	34,998,617	60,369	-
Intergovernmental	68,924,542	-	728,951	-
Licenses, fees and permits	435,308	-	17,337,746	-
Sales and charges for services	625,143	-	542	-
Interest and investment income	137,744	286,250	64,559	-
Settlement income	-	-	-	-
Other	1,204	-	614,091	-
Total revenues	84,623,551	35,284,867	18,806,258	13,332,524
Expenditures				
Current:				
General government	-	-	-	-
Health services	-	-	-	-
Social services	80,917,169	-	-	-
Education - higher education	-	-	-	2,658,781
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	19,121,408	-
Recreation and resource development	-	-	-	-
Debt service:				
Interest	-	-	-	1,025
Debt issuance costs	-	-	-	-
Total expenditures	80,917,169	-	19,121,408	2,659,806
Excess (deficiency) of revenues over (under) expenditures	3,706,382	35,284,867	(315,150)	10,672,718
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	11,321	-	-	-
Transfers in	6,111,203	-	213,736	-
Transfers out	(4,247,260)	(156,008,128)	(383,940)	(11,512,972)
Total other financing sources (uses)	1,875,264	(156,008,128)	(170,204)	(11,512,972)
Net change in fund balances	5,581,646	(120,723,261)	(485,354)	(840,254)
Fund balances, July 1	17,083,154	120,723,261	11,358,750	7,541,115
Fund balances, June 30	$ 22,664,800	$ -	$ 10,873,396	$ 6,700,861

(continued)

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	13,566,256	-	-	-	-	-
14,361,972	-	24,629,235	-	-	-	-
-	19,134,926	-	-	-	-	-
407,400	-	34,610	-	-	-	-
-	-	-	19,338,952	-	-	-
47,451	204,677	573	182,102	195,256	224,518	(103,955)
-	-	-	-	42,081,347	-	-
-	-	4,605	17,999	28,208	5,280	757,395
14,816,823	32,905,859	24,669,023	19,539,053	42,304,811	229,798	653,440
-	-	-	-	34,837,793	-	77,592
-	-	-	-	-	-	-
-	129,525	-	-	7,519,626	-	46,941
-	-	-	-	-	-	-
-	-	-	15,182,333	-	5,082,589	-
-	-	-	-	-	-	-
9,459,453	-	20,183,538	-	-	-	555,140
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,459,453	129,525	20,183,538	15,182,333	42,357,419	5,082,589	679,673
5,357,370	32,776,334	4,485,485	4,356,720	(52,608)	(4,852,791)	(26,233)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	713	-	7,928,146	-	729
(5,426,848)	(30,739,683)	(4,988,683)	(5,141,181)	(14,372,018)	-	-
(5,426,848)	(30,739,683)	(4,987,970)	(5,141,181)	(6,443,872)	-	729
(69,478)	2,036,651	(502,485)	(784,461)	(6,496,480)	(4,852,791)	(25,504)
7,477,258	21,351,330	7,188,198	13,941,474	59,994,468	26,296,979	2,847,372
$ 7,407,780	$ 23,387,981	$ 6,685,713	$ 13,157,013	$ 53,497,988	$ 21,444,188	$ 2,821,868

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

For the Fiscal Year Ended June 30, 2018

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 13,332,524
Property and transfer taxes	-	-	-	13,566,256
Other taxes	-	-	1,540,082	90,089,885
Intergovernmental	-	-	794,008	89,582,427
Licenses, fees and permits	-	-	2,806,734	21,021,798
Sales and charges for services	-	-	498,199	20,462,836
Interest and investment income	38,244	34,683	279,051	1,591,153
Settlement income	-	-	-	42,081,347
Other	-	6,686,774	2,315,872	10,431,428
Total revenues	38,244	6,721,457	8,233,946	302,159,654
Expenditures				
Current:				
General government	-	2,750	-	34,918,135
Health services	-	-	81,937	81,937
Social services	-	-	-	88,613,261
Education - higher education	-	-	-	2,658,781
Law, justice and public safety	-	-	12,437,075	32,701,997
Regulation of business	-	-	1,257,575	20,378,983
Recreation and resource development	2,275,941	-	-	32,474,072
Debt service:				
Interest	-	-	-	1,025
Debt issuance costs	60,737	-	-	60,737
Total expenditures	2,336,678	2,750	13,776,587	211,888,928
Excess (deficiency) of revenues over (under) expenditures	(2,298,434)	6,718,707	(5,542,641)	90,270,726
Other Financing Sources (Uses)				
Bonds issued	3,030,000	-	-	3,030,000
Premium on bonds issued	538,823	-	-	538,823
Sale of capital assets	-	-	-	11,321
Transfers in	-	-	630,895	14,885,422
Transfers out	(241,408)	(6,699,207)	(187,805)	(239,949,133)
Total other financing sources (uses)	3,327,415	(6,699,207)	443,090	(221,483,567)
Net change in fund balances	1,028,981	19,500	(5,099,551)	(131,212,841)
Fund balances, July 1	4,000,146	474,360	20,922,940	321,200,805
Fund balances, June 30	$ 5,029,127	$ 493,860	$ 15,823,389	$ 189,987,964

Combining Balance Sheet
Other Nonmajor Governmental Funds

June 30, 2018

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 131,551,891	$ 26,167,748	$ 157,719,639	$ -	$ 15,050,722
Receivables:					
Intergovernmental receivables	445,837	-	445,837	-	-
Accrued interest and dividends	6,876	-	6,876	-	-
Due from other funds	1,706,941	-	1,706,941	-	111,883
Advances to other funds	301,272	-	301,272	-	-
Total assets	$ 134,012,817	$ 26,167,748	$ 160,180,565	$ -	$ 15,162,605
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 105,109	$ -	$ 105,109	$ -	$ 4,284
Contracts/retentions payable	-	-	-	-	189,640
Due to other funds	4,902	-	4,902	-	24,122
Due to component units	-	-	-	-	-
Total liabilities	110,011	-	110,011	-	218,046
Deferred Inflows of Resources					
Unavailable revenue:					
Interest	193,586	-	193,586	-	16,804
Total deferred inflows of resources	193,586	-	193,586	-	16,804
Fund Balances					
Restricted	-	26,167,748	26,167,748	-	14,901,539
Committed	133,709,220	-	133,709,220	-	26,216
Total fund balances	133,709,220	26,167,748	159,876,968	-	14,927,755
Total liabilities and deferred inflows of resources and fund balances	$ 134,012,817	$ 26,167,748	$ 160,180,565	$ -	$ 15,162,605

(continued)

Capital Projects Funds						
CIP University System	**CIP General State Government**	**CIP Prison System**	**CIP Military**	**CIP Wildlife**	**CIP Bond Proceeds**	**Total**
$ 56,256,452	$ 5,410,094	$ 5,012,689	$ 24,805,969	$ 2,273	$ 78,789,132	$ 185,327,331
-	-	-	153,478	-	-	153,478
-	-	-	-	-	-	-
6,459,098	2,861,764	2,521,582	8,969,915	147,062	600,204	21,671,508
-	-	-	-	-	-	-
$ 62,715,550	$ 8,271,858	$ 7,534,271	$ 33,929,362	$ 149,335	$ 79,389,336	$ 207,152,317
$ -	$ 103,298	$ 9,585	$ 293	$ -	$ -	$ 117,460
3,934,908	3,748,675	4,303,757	10,312,883	149,334	-	22,639,197
20,977	232,383	60,131	53,771	-	16,983,274	17,374,658
58,759,665	-	-	-	-	-	58,759,665
62,715,550	4,084,356	4,373,473	10,366,947	149,334	16,983,274	98,890,980
-	-	-	-	-	90,145	106,949
-	-	-	-	-	90,145	106,949
-	1,739,446	2,838,089	1,622,431	1	62,315,917	83,417,423
-	2,448,056	322,709	21,939,984	-	-	24,736,965
-	4,187,502	3,160,798	23,562,415	1	62,315,917	108,154,388
$ 62,715,550	$ 8,271,858	$ 7,534,271	$ 33,929,362	$ 149,335	$ 79,389,336	$ 207,152,317

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

For the Fiscal Year Ended June 30, 2018

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Revenues					
Property and transfer taxes	$ 157,498,796	$ -	$ 157,498,796	$ -	$ -
Motor and special fuel taxes	-	74,524,218	74,524,218	-	-
Intergovernmental	2,910,049	-	2,910,049	-	-
Sales and charges for services	248,595	-	248,595	-	-
Interest and investment income	1,380,205	-	1,380,205	5	188,778
Other	-	-	-	-	8,067
Total revenues	162,037,645	74,524,218	236,561,863	5	196,845
Expenditures					
Current:					
General government	205,178	-	205,178	-	-
Education - higher education	-	-	-	-	-
Capital outlay	-	-	-	5	2,174,374
Debt service:					
Principal	117,697,000	46,985,000	164,682,000	-	-
Interest	65,441,744	31,495,375	96,937,119	-	-
Debt issuance costs	-	-	-	-	113,000
Total expenditures	183,343,922	78,480,375	261,824,297	5	2,287,374
Deficiency of revenues under expenditures	(21,306,277)	(3,956,157)	(25,262,434)	-	(2,090,529)
Other Financing Sources (Uses)					
Bonds issued	-	-	-	-	12,421,459
Premium on bonds issued	-	-	-	-	939,122
Transfers in	25,157,298	-	25,157,298	-	-
Transfers out	(93,456)	-	(93,456)	-	(18,067)
Total other financing sources (uses)	25,063,842	-	25,063,842	-	13,342,514
Net change in fund balances	3,757,565	(3,956,157)	(198,592)	-	11,251,985
Fund balances, July 1	129,951,655	30,123,905	160,075,560	-	3,675,770
Fund balances, June 30	$ 133,709,220	$ 26,167,748	$ 159,876,968	$ -	$ 14,927,755

(continued)

Capital Projects Funds						
CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	142,356	-	3,407,604	-	-	3,549,960
-	-	-	-	-	-	-
-	-	-	-	-	467,707	656,490
-	-	-	2,256	-	-	10,323
-	142,356	-	3,409,860	-	467,707	4,216,773
-	-	-	-	-	-	-
-	-	-	-	-	15,089,533	15,089,533
-	16,115,777	16,844,366	32,882,754	1,019,511	-	69,036,787
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	640,336	753,336
-	16,115,777	16,844,366	32,882,754	1,019,511	15,729,869	84,879,656
-	(15,973,421)	(16,844,366)	(29,472,894)	(1,019,511)	(15,262,162)	(80,662,883)
-	-	-	-	-	73,213,541	85,635,000
-	-	-	-	-	5,321,690	6,260,812
-	12,411,508	13,966,103	15,161,931	961,622	-	42,501,164
-	(25,528)	-	(2,256)	-	(39,580,505)	(39,626,356)
-	12,385,980	13,966,103	15,159,675	961,622	38,954,726	94,770,620
-	(3,587,441)	(2,878,263)	(14,313,219)	(57,889)	23,692,564	14,107,737
-	7,774,943	6,039,061	37,875,634	57,890	38,623,353	94,046,651
$ -	$ 4,187,502	$ 3,160,798	$ 23,562,415	$ 1	$ 62,315,917	$ 108,154,388

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Elected officals			
Attorney General Administrative Account	$ 27,776,168	$ 26,997,687	$ 778,481
Attorney General Council For Prosecuting Attorneys	371,673	178,923	192,750
Attorney General Crime Prevention	456,221	450,948	5,273
Attorney General Extradition Coordinator	553,329	542,531	10,798
Attorney General Forfeiture	252,009	145,936	106,073
Attorney General Medicaid Fraud	3,363,716	1,970,930	1,392,786
Attorney General Private Investigator Licensing Bd	2,046,738	1,484,921	561,817
Attorney General Special Litigation Fund	9,316,153	3,048,030	6,268,123
Attorney General State Settlements	6,501,932	2,480,898	4,021,034
Attorney General Victims of Domestic Violence	411,829	340,331	71,498
Attorney General Violence Against Women Grants	5,735,706	3,987,915	1,747,791
Attorney General Workers' Compensation Fraud	4,340,360	3,645,990	694,370
Controller's Office	5,911,480	5,438,271	473,209
Controller's Office Debt Recovery	384,375	73,545	310,830
Ethics Commission	870,951	824,048	46,903
Governor's Commission for Deaf Persons	25,000	21,318	3,682
Governor's Finance Office	3,483,918	3,429,836	54,082
Governor's High Level Nuclear Waste	1,899,382	1,713,573	185,809
Governor's Finance Division of Internal Audits	1,545,669	1,447,466	98,203
Governor's Finance Office Info Technology Project	2,477,639	1,474,737	1,002,902
Governor's Finance Office Special Appropriations	19,715,810	19,264,994	450,816
Governor's Mansion Maintenance	320,859	268,440	52,419
Governor's Merit Award Board	1,424	445	979
Governor's NV P20 Workforce Reporting	1,076,946	894,068	182,878
Governor's Office	2,341,475	2,261,828	79,647
Governor's Office of Energy	1,925,952	1,509,069	416,883
Governor's Office of Workforce Innovation	2,519,774	1,027,982	1,491,792
Governor's Renewable Energy Account	14,365,854	3,621,260	10,744,594
Governor's Renewable Energy Program	2,069,077	807,957	1,261,120
Governor's Science Innovation and Technology	3,506,852	3,462,357	44,495
Governor's Washington Office	259,434	259,433	1
Governor's WICHE Administration	383,538	373,005	10,533
Governor's WICHE Loan and Stipend	1,180,345	1,074,613	105,732
Lieutenant Governor	569,848	520,091	49,757
Secretary of State	28,373,382	18,139,629	10,233,753
Secretary of State Advisory Committee Gift	63	-	63
Secretary of State HAVA Elections Account	9,070,363	8,970,955	99,408
Secretary of State Notary Training	466,125	156,721	309,404
Secretary of State Securities Forfeiture Account	99,533	-	99,533
State Treasurer	3,085,457	2,963,819	121,638
State Treasurer's College Savings Endowment	11,252,469	3,884,838	7,367,631
State Treasurer's College Savings Private Entity	83,419	-	83,419
State Treasurer's Nevada College Savings Trust	3,599,776	3,406,630	193,146
State Treasurer's Silicosis and Disabled Pensions	84,424	31,958	52,466
State Treasurer's Unclaimed Property	2,370,582	2,092,519	278,063
	186,447,029	134,690,445	51,756,584
Legislative and judicial			
Judicial Branch			
Administrative Office of the Courts	5,475,813	3,725,228	1,750,585
Court of Appeals	2,648,186	2,627,364	20,822
Judicial Discipline	906,100	849,711	56,389
Judicial Education	1,439,542	699,238	740,304
Judicial Programs and Services Division	1,302,890	1,144,578	158,312
Judicial Retirement System State Share	1,598,389	1,598,389	-
Judicial Selection	15,349	5,099	10,250
Judicial Support, Governance and Special Events	434,944	200,066	234,878
Law Library	1,870,267	1,715,442	154,825
Law Library Gift Fund	18,498	32	18,466
Senior Justice and Senior Judge Program	1,492,503	1,468,767	23,736
Specialty Courts	11,555,456	8,328,549	3,226,907
State Judicial Elected Officials	22,286,565	21,670,638	615,927
Supreme Court	12,552,675	12,099,104	453,571
Uniform System of Judicial Records	2,683,844	1,376,918	1,306,926

(continued)

	Final Budget	Actual	Variance
Legislative Branch			
Disaster Relief	9,868,318	310,363	9,557,955
Foreclosure Mediation	1,762,699	493,723	1,268,976
Interim Finance Committee	66,749,840	39,955,283	26,794,557
Legislative Counsel Bureau Disbursement	17,000,000	3,788,856	13,211,144
So Nevada Community Project Fund	6,459	-	6,459
	161,668,337	102,057,348	59,610,989
Finance and administration			
Department of Administration			
Building Official Admin	3,280,659	1,139,826	2,140,833
Commission for Women	22,944	9,417	13,527
Construction Education Account	228,697	136,297	92,400
Director's Office	894,316	682,273	212,043
Emergency Fund	279,841	-	279,841
General Fund Salary Adjustment	27,115,096	17,759,367	9,355,729
Graffiti Reward Fund	16,604	-	16,604
Grants Office	697,379	459,064	238,315
Hearings and Appeals	5,094,286	4,881,158	213,128
Judicial College/Juvenile and Family Justice	225,000	225,000	-
Nevada State Library	5,201,711	4,646,815	554,896
Nevada State Library Cooperative	472,257	268,784	203,473
NSLA - IPS Equipment/Software	66,703	10,118	56,585
Public Works Division	357,091	323,067	34,024
Public Works Division Administration	939,411	928,165	11,246
Public Works Inspection	6,613,039	4,863,734	1,749,305
Public Works Retention Payment	4,116	-	4,116
Roof Maintenance Reserve	574,768	13,000	561,768
State Archives	1,568,582	1,431,930	136,652
Stale Claims	1,761,451	962,915	798,536
State Unemployment Compensation	2,330,004	1,526,189	803,815
Statutory Contingency	2,947,586	2,319,232	628,354
Unbudgeted Activity	-	864,310	(864,310)
Department of Taxation			
Department of Taxation	75,366,051	68,983,966	6,382,085
	136,057,592	112,434,627	23,622,965
Education - K to 12			
Department of Education			
Account for Alternative Schools	14,460,226	2,841,982	11,618,244
Account for Health Education of Minors	567	565	2
Achievement School District	194,861	130,495	64,366
Anti-Bullying Gift Fund	59,103	5,303	53,800
Anti Bullying Grants	45,000	40,847	4,153
Assessments and Accountability	25,200,206	18,624,950	6,575,256
Career and Technical Education	15,961,096	12,618,952	3,342,144
Contingency Account for Special Education	2,000,000	114,426	1,885,574
Continuing Education	7,263,659	6,735,880	527,779
Data Systems Management	2,850,541	2,523,645	326,896
Department Support Services	3,549,451	2,952,002	597,449
Distributive School Account	1,621,051,564	1,617,520,370	3,531,194
District Support Services	1,486,307	1,393,708	92,599
Education Technology Trust	67	67	-
Educational Trust Fund	613,574	17,409	596,165
Educator Effectiveness	18,291,618	12,584,099	5,707,519
Educator Licensure	4,239,984	2,280,216	1,959,768
Gear Up	5,356,776	3,100,096	2,256,680
Gear Up Scholarship Trust	7,435,496	327,842	7,107,654
Incentives for Licensed Educational Personnel	1,000,000	506,392	493,608
Individuals with Disabilities (IDEA)	103,035,524	86,229,149	16,806,375
Instruction in Financial Liter	1,000,000	479,852	520,148
Literacy Programs	295,702	280,121	15,581
New NV Education Funding Plan	36,065,426	35,918,709	146,717
Office of Early Learning & Development	29,302,201	22,508,595	6,793,606
Office of the Superintendent	1,781,838	1,671,668	110,170

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Other State Education Programs	80,994,115	73,707,706	7,286,409
Parent Involve & Family Engage	130,703	102,392	28,311
Professional Development Program	14,385,282	10,787,341	3,597,941
Public Charter School Loan Program	839,296	198,000	641,296
Safe and Respect Learning	9,617,317	5,570,231	4,047,086
School Remediation	126,453,080	108,182,277	18,270,803
Standards and Instructional Support	3,008,290	2,763,145	245,145
State Supplemental School Support	185,056,000	180,468,823	4,587,177
Student and School Support	211,887,079	150,511,908	61,375,171
Student Indemnification Account	364,171	-	364,171
Teach NV Scholarship Prograrm	3,607,126	910,699	2,696,427
Teacher's School Supplies Reimbursement	3,124,785	2,507,084	617,701
Commission on Postsecondary Education	494,064	460,419	33,645
State Public Charter School Authority	17,827,505	11,676,276	6,151,229
	2,560,329,600	2,379,253,641	181,075,959
Education - higher education			
Nevada System of Higher Education			
Agricultural Experiment Station	7,023,047	7,023,047	-
Anatomical Gift Account	392,591	40,000	352,591
Business Center North	2,029,238	2,029,238	-
Business Center South	1,893,131	1,893,131	-
College of Southern Nevada	143,271,950	142,158,337	1,113,613
Collegiate License Plate Account	447,097	401,171	45,926
Cooperative Extension Service	5,486,163	5,425,723	60,440
Desert Research Institute	7,818,247	7,302,621	515,626
Education for Dependent Children	51,726	3,010	48,716
Great Basin College	17,831,548	17,650,788	180,760
Intercollegiate Athletics - UNLV	7,840,730	7,840,730	-
Intercollegiate Athletics - UNR	5,388,775	5,388,775	-
Laboratory and Research	1,689,538	1,689,538	-
National Direct Student Loan Program	35,793	35,793	-
Nevada State College at Henderson	25,865,851	25,717,539	148,312
Silver State Opportunity Grant	5,000,000	4,147,254	852,746
Special Projects	4,212,088	1,832,265	2,379,823
System Computing Center	18,129,136	18,129,136	-
Truckee Meadows Community College	47,860,080	47,233,766	626,314
University of Nevada, Las Vegas	298,566,893	296,035,892	2,531,001
University of Nevada, Reno	228,849,380	226,496,622	2,352,758
University Press	428,827	428,827	-
University System Administration	4,925,278	4,922,062	3,216
UNLV Dental School	18,355,671	18,178,231	177,440
UNLV Law School	14,879,842	14,796,498	83,344
UNLV School of Medicine	23,786,825	23,240,200	546,625
UNLV Statewide Programs	3,758,818	3,758,818	-
UNR School of Medicine	43,351,503	43,232,566	118,937
UNR Statewide Programs	8,476,211	8,285,110	191,101
Western Nevada College	18,410,624	18,393,191	17,433
	966,056,601	953,709,879	12,346,722
Human services			
Director's Office			
Administration	1,739,694	1,595,004	144,690
Consumer Health Assistance	1,492,339	1,358,000	134,339
Developmental Disabilities	934,949	776,775	158,174
DHR Children's Trust Account	1,342,638	704,051	638,587
Grants Management Unit	30,458,267	26,183,751	4,274,516
Grief Support Trust Account	67,179	13,000	54,179
IDEA Part C Compliance	3,997,159	3,959,603	37,556
Prevention/Treatment of Problem Gambling	1,918,217	1,325,741	592,476
Public Defender	3,340,132	2,964,271	375,861
UPL Holding Account	11,124,793	7,774,796	3,349,997
Victims of Human Trafficking	151,137	16,416	134,721
Aging and Disability Services Division			
Aging Federal Programs and Administration	30,775,665	26,259,735	4,515,930

(continued)

	Final Budget	Actual	Variance
Desert Regional Center	140,372,632	128,611,268	11,761,364
Early Intervention Services	41,246,841	36,241,853	5,004,988
Family Preservation Program	2,836,416	2,829,618	6,798
Home and Community Based Service	40,661,172	36,310,928	4,350,244
Rural Regional Center	20,088,221	19,033,952	1,054,269
Sierra Regional Center	48,937,464	42,576,251	6,361,213
Division of Health Care Financing and Policy			
Health Care Financing and Policy	204,124,963	174,634,535	29,490,428
Increased Quality of Nursing Care	37,626,871	35,104,504	2,522,367
Intergovernmental Transfer Program	197,272,371	160,227,772	37,044,599
Nevada Check-Up Program	55,373,758	52,370,639	3,003,119
Nevada Medicaid	3,989,274,154	3,770,749,122	218,525,032
Division of Public and Behavioral Health			
Alcohol Tax Program	1,229,405	1,164,767	64,638
Behavioral Health Administration	5,603,963	3,610,016	1,993,947
Behavioral Health Prevention & Treatment	48,158,849	34,678,286	13,480,563
Biostatistics and Epidemiology	9,337,550	6,955,856	2,381,694
Cancer Control Registry	810,547	555,120	255,427
Child Care Services	1,792,447	1,461,174	331,273
Chronic Disease	10,818,060	9,861,072	956,988
Communicable Diseases	34,980,852	24,300,820	10,680,032
Community Health Services	3,913,163	2,961,202	951,961
Consumer Protection	2,352,977	1,666,667	686,310
Emergency Medical Services	946,517	731,859	214,658
Facility for the Mental Offender	11,846,680	11,637,985	208,695
Health Care Facility Reg	22,587,527	12,096,287	10,491,240
Health Facilities-Admin Penalty	140,608	375	140,233
Health Statistics and Planning	3,398,453	1,453,194	1,945,259
Immunization Program	7,196,415	6,463,141	733,274
Marijuana Health Registry	3,665,895	1,004,471	2,661,424
Maternal Child Health Services	8,923,123	8,042,891	880,232
No NV Adult Mental Health Services	31,029,343	26,336,156	4,693,187
Office of State Health Administration	10,218,064	8,478,863	1,739,201
Public Health Preparedness Program	12,746,893	10,201,997	2,544,896
Radiation Control Program	5,073,828	3,092,899	1,980,929
Rural Clinics	14,984,509	13,728,662	1,255,847
So NV Adult Mental Health Services	88,734,214	81,279,577	7,454,637
WIC Food Supplement	72,139,151	62,024,893	10,114,258
Division of Welfare and Supportive Services			
Assistance to Aged and Blind	10,143,633	10,125,000	18,633
Child Care Assistance and Development	59,860,452	54,250,818	5,609,634
Child Support Enforcement Program	47,443,753	18,571,673	28,872,080
Child Support Federal Reimbursement	28,718,516	25,015,342	3,703,174
Energy Assistance - Welfare	26,374,861	19,925,761	6,449,100
Temp Assistance for Needy Families	44,429,470	42,039,870	2,389,600
Welfare Administration	63,466,589	47,790,573	15,676,016
Welfare Field Services	119,128,259	113,125,584	6,002,675
Division of Child and Family Services			
Caliente Youth Center	9,566,801	8,715,273	851,528
Children, Youth and Family Administration	43,463,119	34,393,014	9,070,105
Clark County Child Welfare	111,125,407	108,225,643	2,899,764
Community Juvenile Justice Programs	4,710,246	4,418,256	291,990
Farm Account - Youth Training Center	7,150	-	7,150
Juvenile Correctional Facility	7,677,832	7,440,235	237,597
Nevada Youth Training Center	8,946,131	7,964,580	981,551
No NV Child and Adolescent Services	9,345,064	8,526,743	818,321
Normalcy for Youth Gift	1,000	-	1,000
Review of Death of Children	557,456	129,397	428,059
Rural Child Welfare	21,278,446	18,851,561	2,426,885
So NV Child and Adolescent Services	30,053,106	28,109,500	1,943,606
Transition from Foster Care	2,023,268	1,429,415	593,853
UNITY/SACWIS	7,230,213	7,055,003	175,210
Victims of Domestic Violence	4,778,528	3,336,433	1,442,095
Washoe County Integration	35,720,443	35,388,402	332,041
Youth Alternative Placement	4,335,793	4,335,793	-
Youth Parole Services	6,555,982	5,994,033	561,949

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Department of Employment, Training and Rehabilitat			
Blind Business Enterprise Program	5,083,549	1,642,352	3,441,197
DETR Administrative Services	5,448,613	4,677,975	770,638
Disability Adjudication	19,988,034	16,136,042	3,851,992
Information Develoment and Processing	17,029,016	11,699,148	5,329,868
Nevada Equal Rights Commission	1,928,609	1,855,776	72,833
Rehabilitation Administration	1,394,777	1,105,227	289,550
Research and Analysis	2,730,953	2,327,510	403,443
Services to the Blind	3,800,558	2,585,177	1,215,381
Vocational Rehabilitation	24,666,193	19,273,160	5,393,033
	6,066,797,885	5,541,870,084	524,927,801
Commerce and industry			
Office of Economic Development			
GOED Nevada Knowledge Fund	9,114,120	5,711,880	3,402,240
Governor's Office of Economic Development	8,834,388	8,418,494	415,894
Motion Pictures	816,132	700,205	115,927
Nevada Catalyst Fund	6,024,429	1,421,607	4,602,822
Nevada Main Street Program	350,000	67,023	282,977
NV SSBCI Program	9,846,553	2,296,790	7,549,763
Rural Community Development	2,793,273	1,658,956	1,134,317
Small Business and Procurement	725,789	655,896	69,893
Small Business Enterprise Loan	1,000,000	500,000	500,000
WINN	4,023,358	394,424	3,628,934
Commission on Mineral Resources			
Bond Reclamation	4,599,708	367,086	4,232,622
Minerals	3,970,454	2,602,529	1,367,925
Department of Agriculture			
Agriculture Administration	2,646,327	2,547,666	98,661
Agriculture License Plates	33,731	5,373	28,358
Agricultural Registration/Enforcement	6,287,235	3,384,146	2,903,089
Agriculture Research and Promotion	111,261	-	111,261
Commercial Feed Account	42,017	2,696	39,321
Commodity Food Program	19,639,327	13,505,189	6,134,138
Consumer Equitibility	3,529,650	2,426,966	1,102,684
Junior Agricultural Loan Program	4,645	-	4,645
Livestock Enforcement	394,671	330,072	64,599
Livestock Inspection	1,670,001	1,276,300	393,701
Nevada Beef Council	300,615	285,915	14,700
Nutrition Education Programs	188,786,970	167,377,577	21,409,393
Pest, Plant Disease and Noxious Weed	1,538,220	1,194,360	343,860
Plant Health and Quarantine Services	1,199,565	885,345	314,220
Predatory Animal and Rodent Control	812,422	796,929	15,493
Rangeland Resources Commission	280,082	146,212	133,870
Veterinary Medical Services	1,355,277	1,188,084	167,193
Weed Abatement and Control	105,524	-	105,524
Department of Tourism and Cultural Affairs			
Governor's Portrait Fund	25,000	24,945	55
Indian Commission	430,068	389,915	40,153
Lost City Museum	494,734	437,391	57,343
Museums and History Administration	936,541	496,391	440,150
Nevada Arts Council	2,739,062	2,480,804	258,258
Nevada Historical Society	633,402	540,099	93,303
Nevada Humanities	100,000	100,000	-
Nevada State Museum	1,900,286	1,798,234	102,052
Nevada State Museum, Las Vegas	2,130,724	2,010,186	120,538
State Railroad Museums	1,810,333	1,435,454	374,879
Stewart Indian School Living Legacy	329,943	182,667	147,276
Gaming Control Board			
Federal Forfeiture Treasury	6,225,707	153,881	6,071,826
Gaming Commission	640,189	574,471	65,718
Gaming Control Board	45,854,903	42,505,725	3,349,178
Gaming Control Federal Forfeiture	4,358,909	-	4,358,909
Gaming Control - Forfeiture Account	562,904	9,054	553,850
Gaming Control - Other State Forfeiture	500,440	-	500,440

(continued)

	Final Budget	Actual	Variance
Department of Business and Industry			
Athletic Commission	3,237,957	1,300,676	1,937,281
Attorney for Injured Workers	3,617,815	3,572,216	45,599
Business and Industry Administration	5,135,310	4,799,717	335,593
Common Interest Communities	4,202,674	2,225,516	1,977,158
Division of Mortgage Lending	11,172,563	2,578,899	8,593,664
DOE Weatherization	8,080,341	5,714,793	2,365,548
Employee Management Relations	1,230,782	401,524	829,258
Financial Institutions	6,252,999	3,465,114	2,787,885
Financial Institutions Audit	243,123	116,013	127,110
Financial Institutions Investigations	1,439,192	69,398	1,369,794
Housing Inspection and Comp	4,298,304	2,562,516	1,735,788
Industrial Development Bonds	1,148,324	17,888	1,130,436
Labor Relations	1,832,740	1,728,891	103,849
Low Income Housing Trust Fund	29,001,796	8,163,664	20,838,132
Nevada Transportation Authority	5,419,328	4,531,889	887,439
NVTA Administrative Fines	1,041,016	96,339	944,677
Office of Business and Planning	471,828	313,285	158,543
Real Estate	4,099,207	3,786,192	313,015
Special Housing Assistance	2,868,297	375,985	2,492,312
	445,302,485	319,107,452	126,195,033
Public safety			
Department of Corrections			
AB505 79th One-shot	6,525,233	227,405	6,297,828
Carlin Conservation Camp	1,271,806	1,231,664	40,142
Casa Grande Transitional Housing	4,647,409	4,487,474	159,935
Correctional Programs	10,206,575	9,157,235	1,049,340
Director's Office	34,101,804	32,186,298	1,915,506
Ely Conservation Camp	1,322,233	1,263,942	58,291
Ely State Prison	28,794,071	28,581,957	212,114
Endowment Fund Historical Preservation of NSP	52,534	-	52,534
Florence McClure Women's Correctional Center	16,428,099	16,136,129	291,970
High Desert State Prison	54,159,599	53,562,480	597,119
Humboldt Conservation Camp	1,360,476	1,328,137	32,339
Jean Conservation Camp	1,651,462	1,580,843	70,619
Lovelock Correctional Center	25,157,707	25,021,022	136,685
Nevada State Prison	94,314	88,707	5,607
No Nevada Correctional Center	30,133,989	29,558,571	575,418
No. Nevada Transitional Housing	1,462,158	1,451,486	10,672
Pioche Conservation Camp	1,739,076	1,618,786	120,290
Prison Medical Care	49,803,250	49,430,518	372,732
Silver Springs Conservation Camp	3,616	3,616	-
Stewart Conservation Camp	2,007,294	1,889,638	117,656
So Nevada Correctional Center	226,849	222,226	4,623
Southern Desert Correctional Center	26,018,856	25,642,150	376,706
Three Lakes Valley Conservation Camp	2,712,406	2,675,752	36,654
Tonopah Conservation Camp	1,310,783	1,291,420	19,363
Warm Springs Correctional Center	11,457,005	11,329,857	127,148
Wells Conservation Camp	1,427,555	1,362,378	65,177
Department of Public Safety			
Child Volunteer Background Checks Trust	15,087	15,087	-
Cigarette Fire Safety Standard	128,691	57,867	70,824
Contingency Account for Haz Mat	1,012,784	306,591	706,193
Criminal History Repository	33,617,651	17,092,455	16,525,196
Dignitary Protection	1,093,853	854,576	239,277
Disaster Response and Recovery Account	22,934,629	4,287,805	18,646,824
Emergency Assistance Subaccount	318,911	210,692	108,219
Emergency Management Assistance Grant	15,608,687	11,887,167	3,721,520
Emergency Management Division	8,249,458	5,885,861	2,363,597
Fire Marshal	3,619,489	3,429,362	190,127
Forfeitures	878,326	525,673	352,653
Fund for Reentry Programs	5,000	-	5,000
Highway Safety Plan and Administration	4,471,824	3,038,361	1,433,463
Investigations	9,774,400	7,545,245	2,229,155

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Justice Assistance Account	7,251,398	2,631,203	4,620,195
Justice Assistance Grant	3,742,540	1,840,215	1,902,325
Justice Grant	518,964	429,511	89,453
K-9 Program	36,510	32,227	4,283
Motorcycle Safety Program	936,050	448,752	487,298
Office of Homeland Security	457,681	441,323	16,358
Parole and Probation	60,547,218	56,860,820	3,686,398
Parole Board	2,898,060	2,855,302	42,758
RCCD Communications Bureau	6,500,581	5,564,072	936,509
Traffic Safety	13,614,532	6,380,436	7,234,096
Training Division	2,104,899	1,767,071	337,828
Department of Motor Vehicles			
Motor Vehicle Pollution Control	13,240,020	10,718,859	2,521,161
Peace Officers Standards and Training	2,656,088	2,063,653	592,435
	530,309,490	448,499,877	81,809,613
Infrastructure			
Department of Wildlife			
Conservation Education	3,592,909	2,550,500	1,042,409
Diversity	2,080,629	1,861,507	219,122
Fisheries Management	9,988,109	7,870,800	2,117,309
Game Management	9,099,199	8,039,465	1,059,734
Habitat	10,627,518	9,514,861	1,112,657
Law Enforcement	7,763,382	7,360,980	402,402
Wildlife Director's Office	4,068,201	3,844,313	223,888
Wildlife Fund	38,508,847	20,478,579	18,030,268
Wildlife Habitat Enhancements	5,806,278	846,186	4,960,092
Wildlife Heritage Account	9,808,598	463,325	9,345,273
Wildlife Operations	9,546,386	8,357,911	1,188,475
Department of Conservation and Natural Resources			
AB9/Q1 Bonds	9,692,474	3,798,563	5,893,911
Adjudication Emergency	16,000	-	16,000
Air Quality	9,216,521	7,028,816	2,187,705
Air Quality Management Account	9,572,348	3,292,109	6,280,239
Amargosa Valley Ground Water	33,518	8,499	25,019
Antelope Valley Ground Water Basin	25,124	17,948	7,176
Antelope Valley Water Basin 106	7,491	1,157	6,334
Big Smokey Valley Ground Water	19,070	3,181	15,889
Black Mountain Area Ground Water Basin	4,204	696	3,508
Boulder Flat Ground Water	146,108	104,013	42,095
Buena Vista Valley Water Basin	8,579	1,253	7,326
Bureau of Waste Management and Corrective Actions	15,173,387	10,183,675	4,989,712
Bureau of Water	7,777,426	3,415,574	4,361,852
Carico Lake Valley Ground Water	2,990	2,190	800
Carson Desert Water Basin	10,846	1,395	9,451
Carson Valley Ground Water	118,474	20,682	97,792
Channel Clearance	322,890	51,964	270,926
Chemical Hazard Prevention	1,791,189	546,816	1,244,373
Churchill Valley Ground Water	28,637	1,658	26,979
Clover Valley Ground Water Basin	4,547	767	3,780
Clovers Area Groundwater	40,481	26,435	14,046
Cold Springs Valley	31,958	6,575	25,383
Colorado River Valley	16,521	5,016	11,505
Comstock Historic District	193,968	189,136	4,832
Comstock Historical District Gifts	22,324	2,859	19,465
Conservation Districts	641,082	540,886	100,196
Conservation and Natural Resources Gift	293,230	40,062	253,168
Coyote Springs Groundwater Basin	39,306	11,999	27,307
Crescent Water Groundwater	55,227	41,078	14,149
Cultural Resource Program	867,538	591,973	275,565
Currant Creek	3,519	337	3,182
Dayton Valley Ground Water	51,833	3,232	48,601
Dep Industrial Site Cleanup	6,696,388	3,126,766	3,569,622
Desert Valley Water Basin	14,492	1,912	12,580
Diamond Valley Ground Water	146,477	22,588	123,889

(continued)

	Final Budget	Actual	Variance
Dixie Creek/10 Mi Ground Water	23,172	14,424	8,748
Duckwater Creek	47,302	11,958	35,344
Eagle Valley	110,882	21,571	89,311
Elko Segment Water Basin	18,643	13,563	5,080
Environmental Protection Administration	7,995,227	6,678,184	1,317,043
Fernley Area Water Basin	10,382	1,045	9,337
Fish Lake Valley Artesian	33,092	6,568	26,524
Flood Control Revenue Fund	250,000	-	250,000
Forest Fire Suppression/Emergency Response	24,295,686	16,444,644	7,851,042
Forestry	18,460,443	10,488,054	7,972,389
Forestry Conservation Camps	9,793,766	7,938,478	1,855,288
Garnet Valley Ground Water Basin	4,206	696	3,510
Goshute Valley Ground Water Basin	4,514	770	3,744
Grass Valley Hydrographic Basin	25,158	18,998	6,160
Groundwater Recharge Projects	212,884	38,133	174,751
Hazardous Waste - Beatty Site	11,865,687	-	11,865,687
Hazardous Waste Management	23,525,761	4,530,120	18,995,641
Historic Preservation and Archives	1,519,190	1,318,888	200,302
Honey Lake Valley	23,777	7,156	16,621
Hualapai Flat Ground Water Basin	12,115	1,348	10,767
Humboldt Water District	338,258	221,915	116,343
Huntington Valley Water Basin	7,181	5,296	1,885
Imlay Ground Water	8,775	5,685	3,090
Indian Springs Valley Ground Water	4,140	696	3,444
Interim Fluid Management Trust	1,314,452	-	1,314,452
Kelly Creek Ground Water	43,335	30,467	12,868
Kings River Valley Water Basin	20,020	2,160	17,860
Kingston Creek	8,096	2,594	5,502
Kobeh Valley Groundwater Basin	21,820	3,179	18,641
Lake Tahoe Water Basin	18,227	668	17,559
Lake Valley Ground Water Basin	55,002	13,342	41,660
Lamoille Valley Water Basin	6,255	4,550	1,705
Las Vegas Basin Water District	6,264,161	1,871,835	4,392,326
Lemmon Valley	73,599	5,030	68,569
Little Humboldt River	98,466	40,725	57,741
Little Humboldt Valley Ground Water	7,274	5,255	2,019
Lovelock & Oreana Sub-area Ground Water	11,443	121	11,322
Lower Moapa Valley Groundwater	16,062	608	15,454
Lower Reese River Valley	27,929	18,745	9,184
Maggie Creek	64,666	46,707	17,959
Maintenance of State Parks	4,329,742	688,766	3,640,976
Mary's Creek Area Water Basin	3,499	2,087	1,412
Mary's River Water Basin	18,338	13,709	4,629
Mason Valley Ground Water	210,271	64,023	146,248
Mesquite Valley (Sandy Valley)	8,477	1,069	7,408
Middle Reese River Ground Water Basin	41,081	28,728	12,353
Mining Regulation/Reclamation	6,693,279	3,384,763	3,308,516
Muddy River Springs	10,343	3,846	6,497
Muddy River Surface Water	46,124	14,425	31,699
Natural Resources Administration	1,719,183	1,707,444	11,739
Nevada Natural Heritage	1,134,701	950,311	184,390
Nevada Tahoe Regional Planning Agency	1,319	610	709
North Fork Ground Water	17,340	11,295	6,045
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Off-highway Vehicle Commission	3,896,417	562,852	3,333,565
Pahranagat Lake	115,814	45,640	70,174
Pahranagat Valley Ground Water Basin	8,418	1,495	6,923
Pahrump Artesian Basin	247,324	24,679	222,645
Panaca Valley Groundwater	8,961	1,370	7,591
Paradise Valley Ground Water	86,923	66,058	20,865
Parks Federal Grant Programs	8,297,480	2,077,502	6,219,978
Penoyer Valley Groundwater	10,689	1,627	9,062
Pine Forest Valley Water Basin	16,534	2,565	13,969
Pine Valley Water Basin	11,242	8,569	2,673
Pleasant Valley	16,955	3,402	13,553
Public Water System Fund	1,860,617	549,550	1,311,067

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Pumpernickel Valley Ground Water	12,635	9,385	3,250
Q1 2017/SB546 2017C Bond	4,845,000	289,953	4,555,047
Quinn River Distribution	70,138	19,613	50,525
Quinn River Valley Water Basin	35,042	3,802	31,240
Reclamation Surety Account	46,570,889	30,481	46,540,408
Rock Creek Valley Ground Water	1,685	1,233	452
Safe Drinking Water Regulatory Program	5,078,962	4,057,151	1,021,811
Sagebrush Ecosystem Account	2,305,546	373,750	1,931,796
San Emidio Desert Ground Water Basin	12,513	4,939	7,574
Silver State Valley Water Basin	11,678	1,452	10,226
Smith Valley Artesian Basin	79,395	20,989	58,406
Spanish Springs Valley Water Basin	14,623	1,337	13,286
Starr Valley Ground Water Basin	2,505	1,804	701
State Engineer Revenue	249,412	111,616	137,796
State Environmental Commission	119,156	67,510	51,646
State Lands	1,879,820	1,727,659	152,161
State Lands Revolving Account	265,398	12,920	252,478
State Parks	23,073,401	16,660,458	6,412,943
State Parks Facility and Grounds Maintenance	14,945,568	467,777	14,477,791
State Parks Interpretive and Educational Program	1,334,917	728,170	606,747
Steptoe Valley Water Basin	41,117	4,197	36,920
Storage Tank Management	339,984	-	339,984
Tahoe Bond Sale	877,191	42,539	834,652
Tahoe License Plates	2,428,914	313,439	2,115,475
Tahoe Mitigation	3,239,246	1,305,188	1,934,058
Tahoe Regional Planning Agency	14,540,645	2,220,657	12,319,988
Tracy Segment Water Basin	11,272	1,337	9,935
Truckee Cyn Segment Water Basin	10,642	668	9,974
Truckee Meadows/Sun Valley	186,327	11,278	175,049
Upper Reese River Valley Water Basin	5,775	4,181	1,594
Upper White River	10,099	2,301	7,798
USGS Co-Op	733,898	470,538	263,360
Warm Springs Ground Water	42,872	8,249	34,623
Warm Springs/Winnemucca Creek	23,239	2,218	21,021
Washoe Valley Ground Water	28,264	1,631	26,633
Water District Revenue Fund	30,000	-	30,000
Water Planning - Capital Improvement	36,992	7,885	29,107
Water Quality Planning	6,565,960	3,090,549	3,475,411
Water Resources	8,685,732	7,973,986	711,746
Water Resources Cooperative Project	1,812,914	597,722	1,215,192
Water Resources Legal Cost	2,156,358	52,735	2,103,623
Water Right Surveyors	51,829	14,415	37,414
Water Studies	277,000	-	277,000
Well Driller's Licenses	67,593	10,952	56,641
Whirlwind Valley	26,410	18,669	7,741
White River Valley Basin	3,982	644	3,338
Wildland Fire Protection Program	4,788,189	2,824,015	1,964,174
Willow Creek Valley Ground Water	4,300	3,150	1,150
Winnemucca Segment Water Basin	26,958	20,087	6,871
	457,900,327	207,906,027	249,994,300
Special purpose agencies			
Department of Veterans' Services			
Cemetery Gifts and Donations	237,639	196,376	41,263
Department of Veterans' Services	4,325,139	3,804,312	520,827
Fallen Soldier Gift Fund	451,200	200,930	250,270
General Veterans' Services - Fees	1,933,018	766,568	1,166,450
Gift Account for Veterans' Home - So Nevada	74,525	24,879	49,646
Northern Nevada Veterans	226,588	154,364	72,224
Veterans' Home Account	27,521,956	19,977,338	7,544,618
Veterans' Home Gift Fund	11,102	-	11,102
Veterans' Memorial Gift Account	8,930	-	8,930
Office of the Military			
Adjutant General Special Facilities Account	48,696	-	48,696
Military	24,273,266	17,678,239	6,595,027

(continued)

	Final Budget	Actual	Variance
Military Emergency Operations Center	601,784	380,709	221,075
Military State Active Duty	600,000	555,290	44,710
National Guard Benefits	57,824	57,818	6
Patriot Relief Account	142,608	102,499	40,109
Silver State Health Insurance Exchange Admin	28,179,743	13,039,727	15,140,016
Deferred Compensation Committee	449,263	380,141	69,122
Civil Air Patrol	72,149	39,780	32,369
Public Employees' Benefits Program			
Non-State Retirees' Rate Mitigation	2,582,707	2,582,707	-
	91,798,137	59,941,677	31,856,460
Appropriated Transfers to Other Funds			
Attorney General Special Fund	668,259	668,259	-
Highway Fund	154,370	154,370	-
Internal Service Funds	95,010	95,010	-
Legislative Fund	33,730,862	33,730,862	-
	34,648,501	34,648,501	-
Reversions to Other Funds			
Reversion to Enterprise Funds	-	656,397	(656,397)
Reversion to Internal Service Funds	-	5,301	(5,301)
Reversion to Special Revenue Funds	-	387,777	(387,777)
	-	1,049,475	(1,049,475)
Projected reversions	(50,000,000)	-	(50,000,000)
Total General Fund	$ 11,587,315,984	$ 10,295,169,033	$ 1,292,146,951

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
State Highway			
Infrastructure			
AB 595 Revenue Clark Co.	$ 72,038,081	$ 46,476,859	$ 25,561,222
AB 595 Revenue Rental Car Tax	3,072	-	3,072
AB 595 Revenue Washoe Co.	11,664,924	11,341,167	323,757
Aviation Trust Fund	227,790	73,757	154,033
Bond Construction	332,902,515	220,995,637	111,906,878
NDOT - SB 5 RTC Public Road Project	19,164,212	1,325,437	17,838,775
NDOT Fuel Revenue Indexing Clark	5,000,000	-	5,000,000
System of Providing Information to the Traveling Public	598,515	233,878	364,637
Transportation Administration	838,175,456	716,453,044	121,722,412
Unbudgeted Activity	-	676,456	(676,456)
Public Safety			
Director's Office - Public Safety	3,300,180	2,872,492	427,688
Emergency Response Commission	3,120,359	1,168,969	1,951,390
Evidence Vault	643,351	612,258	31,093
Highway Patrol	75,274,128	71,598,095	3,676,033
Office of Cyber Defense	398,870	398,870	-
One Shot Account	10,135,767	5,512,256	4,623,511
Professional Responsibility	817,862	762,055	55,807
PS Highway Safety Grants Account	4,173,458	2,213,951	1,959,507
Motor Vehicles			
Admin Off Highway Vehicle Titling and Registration	1,384,046	1,222,147	161,899
Administrative Services	16,135,989	14,847,563	1,288,426
Assistance of Off Highway Vehicle Titling	26,825	-	26,825
Central Services	11,436,393	10,555,937	880,456
Compliance Enforcement	5,124,334	4,585,418	538,916
Director's Office	4,717,203	4,574,123	143,080
Field Services	55,607,672	47,989,363	7,618,309
Forfeitures	208	-	208
Hearings	1,249,134	1,213,038	36,096
License Plate Factory	7,195,843	3,832,057	3,363,786
Local Fuel Tax Indexing Fund	127,175	2,458	124,717
Management Services	1,518,761	1,451,711	67,050
Motor Carrier	4,597,335	4,232,409	364,926
Motor Vehicle Information Technology	11,964,521	9,215,187	2,749,334
Records Search	9,523,354	9,411,599	111,755
Salvage Titles Trust Account	473,765	180,435	293,330
Special Fuel Ind Reimb Clark	4,474,833	3,762,451	712,382
Special Plates Trust Account	2,668,361	625,370	2,042,991
System Modernization	24,937,681	6,877,510	18,060,171
Verification of Insurance	2,744,651	2,196,713	547,938
Transfers to Other Funds			
Appropriations to Other Funds	9,543,053	9,543,053	-
Debt Service	74,524,218	74,524,218	-
Projected Reversions	(125,378,816)	-	(125,378,816)
	1,502,235,079	1,293,557,941	208,677,138
Municipal Bond Bank			
Transfers to Other Funds			
Debt Service	7,663,634	7,663,585	49
	7,663,634	7,663,585	49
Employment Security			
Human Services			
Employment Security Special Fund	9,419,346	1,904,989	7,514,357
Unemployment Insurance	31,460,405	29,550,940	1,909,465
Workforce Development	75,251,602	56,240,911	19,010,691
	116,131,353	87,696,840	28,434,513
Unemployment Comp Bond Fund			
Elected Officials			
Unemployment Comp Bond Account	200,016,575	86,013,198	114,003,377
	200,016,575	86,013,198	114,003,377

(continued)

	Final Budget	Actual	Variance
Regulatory			
Commerce and Industry			
Real Estate Education and Research	1,132,127	570,441	561,686
Real Estate Recovery Account	883,030	579,919	303,111
Regulatory Fund	15,397,591	11,911,647	3,485,944
Administrative Fines	431,773	431,773	-
Taxicab Authority	11,792,846	5,580,766	6,212,080
Dairy Commission	1,985,048	1,055,225	929,823
	31,622,415	20,129,771	11,492,644
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	6,513,997	6,513,997	-
	11,513,997	11,513,997	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	21,750,000	15,061,301	6,688,699
	21,750,000	15,061,301	6,688,699
Hospital Care to Indigent Persons			
Finance and Administration			
Indigent Hospital Care	54,427,497	30,869,208	23,558,289
	54,427,497	30,869,208	23,558,289
Tourism Promotion			
Commerce and Industry			
Division of Tourism	32,235,947	25,303,024	6,932,923
Tourism Development	112,498	2,600	109,898
	32,348,445	25,305,624	7,042,821
Offender's Store			
Public Safety			
Inmate Welfare Account	7,670,460	6,651,019	1,019,441
Offenders' Store Fund	32,903,147	19,987,075	12,916,072
	40,573,607	26,638,094	13,935,513
Tobacco Settlement			
Elected Officials			
Guinn Memorial Millennium Scholarship Fund	427,746	9,000	418,746
MSA Compliance Administration	818,187	591,519	226,668
Millennium Scholarship Fund	52,858,267	34,500,837	18,357,430
Millennium Scholarship Administration	370,922	328,146	42,776
Trust Fund for Healthy Nevada	56,432,698	21,300,407	35,132,291
Human Services			
Senior RX and Disability RX	2,464,400	2,282,501	181,899
Tobacco Settlement Program	5,943,500	5,729,375	214,125
	119,315,720	64,741,785	54,573,935
Attorney General Settlement			
Public Safety			
National Settlement Administration	26,692,767	5,083,631	21,609,136
	26,692,767	5,083,631	21,609,136
Gift			
Education			
Education Gift Fund	35,051	-	35,051
Library and Archives Gift Fund	548,655	77,591	471,064
Human Services			
Aging Services Gift Account	66,040	1,915	64,125
Blind Gift Fund	452,777	-	452,777

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

For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
CBS Washoe Gift Fund	10,849	-	10,849
CYC Gift Fund	1,678	-	1,678
DRC Gift Fund	6,331	-	6,331
Henry Woods Christmas Fund	1,883	735	1,148
Hospital Gift Fund	243,246	154	243,092
Indian Commission Gift Account	44,437	4,708	39,729
NV Equal Rights Commission Gift Fund	5,331	1,694	3,637
Nevada Children's Gift Account	579,990	19,610	560,380
Public Health Gift Fund	57,581	37,699	19,882
Rehabilitation Gift Fund	17,054	-	17,054
Rural Services Gift Account	12,817	-	12,817
SNAMHS Gift Fund	29,426	-	29,426
SRC Gift Fund	11,000	-	11,000
Welfare Gift Fund	9,887	-	9,887
Youth Training Center Gift Fund	31,151	140	31,011
Infrastructure			
Park Gift and Grants	294,277	26,556	267,721
Wildlife Trust Account	1,258,946	528,585	730,361
	3,718,407	699,387	3,019,020
Natural Resources			
Infrastructure			
Erosion Control Bond Q12	317,532	2,500	315,032
Grants To Water Purveyors	1,337,249	293,785	1,043,464
Lake Tahoe 2016D Bonds	1,530,000	729,051	800,949
Protect Lake Tahoe	3,785,906	2,221,064	1,564,842
Tahoe 2017/SB546 2017B Bond	2,560,200	-	2,560,200
Water Grants 2017/SB546 2017B Bond	1,026,120	-	1,026,120
	10,557,007	3,246,400	7,310,607
Miscellaneous			
Elected Officials			
Consumer Advocate	6,631,292	3,581,924	3,049,368
Racketeering-Prosecution Account	125	-	125
Unfair Trade Practices	750,000	33,864	716,136
Commerce and Industry			
Lost City Museum Trust	137,478	93,066	44,412
LV Museum and Historical Society Trust	104,239	47,629	56,610
Museums Administrator Trust	48,307	29,017	19,290
Museums and History Board Trust	56,070	43,090	12,980
Nevada Historical Society Trust	2,389,851	453,395	1,936,456
Nevada State Museum Trust	1,541,328	613,670	927,658
Nevada Railroad Museum Trust	389,283	210,009	179,274
Human Services			
Low Level Radioactive Waste	1,179,775	86,129	1,093,646
Finance and Administration			
Victims of Crime	17,651,167	8,908,215	8,742,952
	30,878,915	14,100,008	16,778,907
Legislative (Non-GAAP Fund)			
Legislative Branch			
Audit Contingency Account	397,464	345,000	52,464
Legislative Counsel Bureau	47,467,949	36,075,584	11,392,365
Nevada Legislative Interim	869,907	762,752	107,155
	48,735,320	37,183,336	11,551,984
Total Special Revenue	$ 2,258,180,738	$ 1,729,504,106	$ 528,676,632

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

For the Fiscal Year Ended June 30, 2018

	Employment Security			Unemployment Comp Bond Fund		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Fund balances, July 1	$ 16,863,024	$ 16,863,024	$ -	$ -	$ -	$ -
Revenues:						
Other taxes	-	-	-	199,941,575	85,964,993	(113,976,582)
Intergovernmental	74,022,218	68,924,542	(5,097,676)	-	-	-
Sales, charges for services	965,069	636,549	(328,520)	-	-	-
Licenses, fees and permits	229,430	435,308	205,878	-	-	-
Interest	117,263	290,807	173,544	75,000	48,205	(26,795)
Other	17,810,199	19,566,629	1,756,430	-	-	-
Other financing sources:						
Transfers	6,124,150	3,831,024	(2,293,126)	-	-	-
Total sources	$ 116,131,353	$ 110,547,883	$ (5,583,470)	$ 200,016,575	$ 86,013,198	$ (114,003,377)

	Regulatory			Higher Education Capital Construction		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Fund balances, July 1	$ 11,390,844	$ 11,390,844	$ -	$ -	$ -	$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	13,332,524	13,332,524	-
Other taxes	11,392,001	11,415,161	23,160	-	-	-
Intergovernmental	658,953	727,996	69,043	-	-	-
Sales, charges for services	4,197,568	3,712,494	(485,074)	-	-	-
Licenses, fees and permits	2,513,212	2,271,002	(242,210)	-	-	-
Interest	23,895	104,868	80,973	-	-	-
Other	654,510	614,148	(40,362)	-	-	-
Other financing sources:						
Transfers	791,432	766,519	(24,913)	-	-	-
Total sources	$ 31,622,415	$ 31,003,032	$ (619,383)	$ 13,332,524	$ 13,332,524	$ -

	Cleaning Up Petroleum Discharges			Hospital Care to Indigent Persons		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Fund balances, July 1	$ 7,500,000	$ 7,500,000	$ -	$ 21,369,997	$ 21,369,997	$ -
Revenues:						
Other taxes	13,500,000	14,361,972	861,972	13,566,256	13,566,256	-
Intergovernmental	-	-	-	19,131,926	19,131,926	-
Licenses, fees and permits	550,000	407,400	(142,600)	-	-	-
Interest	100,000	116,929	16,929	356,318	356,317	(1)
Other	100,000	175,000	75,000	3,000	3,000	-
Total sources	$ 21,750,000	$ 22,561,301	$ 811,301	$ 54,427,497	$ 54,427,496	$ (1)

	Tourism Promotion			Offenders' Store		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Fund balances, July 1	$ 7,192,894	$ 7,192,894	$ -	$ 13,655,640	$ 13,655,640	$ -
Revenues:						
Other taxes	25,012,438	24,629,235	(383,203)	-	-	-
Sales, charges for services	-	-	-	19,418,969	19,341,952	(77,017)
Licenses, fees and permits	36,580	34,610	(1,970)	-	-	-
Interest	539	1,204	665	184,369	294,795	110,426
Other	5,994	4,605	(1,389)	514,642	504,390	(10,252)
Other financing sources:						
Transfers	100,000	100,713	713	6,799,987	5,997,782	(802,205)
Total sources	$ 32,348,445	$ 31,963,261	$ (385,184)	$ 40,573,607	$ 39,794,559	$ (779,048)

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(continued)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			**Attorney General Settlement**		
Fund balances, July 1	$ 60,071,802	$ 60,071,802	$ -	$ 26,345,136	$ 26,345,136	$ -
Revenues:						
Interest	408,403	564,743	156,340	342,350	342,350	-
Other	42,456,693	42,109,555	(347,138)	5,281	5,280	(1)
Other financing sources:						
Transfers	16,378,822	15,940,021	(438,801)	-	-	-
Total sources	$ 119,315,720	$ 118,686,121	$ (629,599)	$ 26,692,767	$ 26,692,766	$ (1)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Gift			**Natural Resources**		
Fund balances, July 1	$ 2,570,290	$ 2,570,290	$ -	$ 2,496,029	$ 2,496,029	$ -
Revenues:						
Interest	35,102	35,742	640	250,537	70,431	(180,106)
Other	1,112,286	763,260	(349,026)	2,000	-	(2,000)
Intergovernmental	-	-	-	239,255	-	(239,255)
Other financing sources:						
Proceeds from sale of bonds	-	-	-	3,516,000	3,508,086	(7,914)
Transfers	729	729	-	2,538,186	729,051	(1,809,135)
Total sources	$ 3,718,407	$ 3,370,021	$ (348,386)	$ 9,042,007	$ 6,803,597	$ (2,238,410)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Miscellaneous			**Legislative (Non-GAAP Fund)**		
Fund balances, July 1	$ 19,210,309	$ 19,210,309	$ -	$ 12,430,602	$ 12,430,602	$ -
Revenues:						
Other taxes	2,341,252	1,878,565	(462,687)	-	-	-
Intergovernmental	1,220,146	794,008	(426,138)	-	-	-
Sales, charges for services	679,381	565,671	(113,710)	760,250	434,131	(326,119)
Licenses, fees and permits	2,543,727	2,110,673	(433,054)	-	-	-
Interest	53,288	204,902	151,614	-	-	-
Other	4,115,189	2,818,826	(1,296,363)	53,508	257,429	203,921
Other financing sources:						
Transfers	715,623	705,244	(10,379)	35,490,960	35,342,919	(148,041)
Total sources	$ 30,878,915	$ 28,288,198	$ (2,590,717)	$ 48,735,320	$ 48,465,081	$ (270,239)

	Final Budget	Actual	Variance
	Total Nonmajor Special Revenue Funds		
Fund balances, July 1	$ 201,096,567	$ 201,096,567	$ -
Revenues:			
Gaming taxes, fees, licenses	13,332,524	13,332,524	-
Other taxes	265,753,522	151,816,182	(113,937,340)
Sales, charges for services	26,021,237	24,690,797	(1,330,440)
Intergovernmental	95,272,498	89,578,472	(5,694,026)
Licenses, fees and permits	5,872,949	5,258,993	(613,956)
Interest	1,947,064	2,431,293	484,229
Other	66,833,302	66,822,122	(11,180)
Other financing sources:			
Proceeds from sale of bonds	3,516,000	3,508,086	(7,914)
Transfers	68,939,889	63,414,002	(5,525,887)
Total sources	$ 748,585,552	$ 621,949,038	$ (126,636,514)

Nonmajor Enterprise Funds

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

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

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

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

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

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

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

Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2018

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 48,097,108	$ 4,277,584	$ 10,612,376	$ 963,377
Cash in custody of other officials	250	-	198,051	100
Receivables:				
Accounts receivable	2,967,405	1,931,286	106,230	10,814
Intergovernmental receivables	384,734	35,571	-	22,331
Due from other funds	1,169,229	31,981	2,313	41,369
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	104,397
Prepaid items	202,957	94,100	39,154	-
Total current assets	52,821,683	6,370,522	10,958,124	1,142,388
Noncurrent assets:				
Other assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	4,557,991	215,501	141,656	60,965
Less accumulated depreciation/amortization	(2,083,340)	(203,593)	(141,656)	(60,965)
Total noncurrent assets	2,474,651	11,908	-	-
Total assets	55,296,334	6,382,430	10,958,124	1,142,388
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Pension contributions	4,184,391	1,635,779	-	50,131
OPEB contributions	277,496	111,467	-	3,404
Total deferred outflows of resources	4,461,887	1,747,246	-	53,535
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	806,372	173,725	304,128	3,846
Accrued payroll and related liabilities	587,034	230,529	-	6,766
Interest payable	-	-	-	-
Intergovernmental payables	70,991	-	166	-
Due to other funds	80,586	22,898	1,382,381	42,217
Due to fiduciary funds	51	-	-	403
Unearned revenues	-	26,250	9,019,449	-
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	791,189	283,944	-	6,842
Bonds payable	-	-	-	-
Total current liabilities	2,336,223	737,346	10,706,124	60,074
Noncurrent liabilities:				
Advances from other funds	-	-	-	165,360
Net pension obligation	25,318,166	9,746,921	-	296,428
Net OPEB liability	9,340,819	3,752,093	-	114,583
Compensated absences	305,761	91,879	-	732
Bonds payable	-	-	-	-
Total noncurrent liabilities	34,964,746	13,590,893	-	577,103
Total liabilities	37,300,969	14,328,239	10,706,124	637,177
Deferred Inflows of Resources				
Pension related amounts	1,925,136	741,134	-	22,540
OPEB related amounts	581,382	233,534	-	7,132
Total deferred inflows of resources	2,506,518	974,668	-	29,672
Net Position				
Net investment in capital assets	2,474,651	11,908	-	-
Restricted for:				
Workers' compensation	17,476,083	-	-	-
Regulation of business	-	-	2,000	-
Unrestricted (deficit)	-	(7,185,139)	250,000	529,074
Total net position	$ 19,950,734	$ (7,173,231)	$ 252,000	$ 529,074

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 4,275,279	$ 83,477	$ 249,724	$ 68,558,925
100	-	-	198,501
43,187	75,313	-	5,134,235
40,654	-	91,365	574,655
380,013	4,450	337	1,629,692
5,071	-	-	5,071
1,308,043	36,823	-	1,449,263
-	-	-	336,211
6,052,347	200,063	341,426	77,886,553
15,000	-	-	15,000
153,140	-	414,672	567,812
908,227	-	498,613	1,406,840
1,982,000	-	3,656,507	5,638,507
1,184,069	-	9,649,503	15,809,685
(3,683,716)	-	(3,261,791)	(9,435,061)
558,720	-	10,957,504	14,002,783
6,611,067	200,063	11,298,930	91,889,336
-	-	227,471	227,471
390,223	157,372	63,155	6,481,051
24,156	10,533	4,127	431,183
414,379	167,905	294,753	7,139,705
230,114	32,466	2,172	1,552,823
55,245	22,030	9,847	911,451
-	-	65,766	65,766
269	-	-	71,426
95,694	5,144	3,908	1,632,828
54,185	-	-	54,639
143,149	146,877	-	9,335,725
9,400	-	2,050	11,450
107,551	20,101	24,177	1,233,804
-	-	339,114	339,114
695,607	226,618	447,034	15,209,026
-	-	-	165,360
2,353,140	945,081	379,712	39,039,448
813,107	354,569	138,936	14,514,107
84,298	4,337	11,897	498,904
-	-	7,762,899	7,762,899
3,250,545	1,303,987	8,293,444	61,980,718
3,946,152	1,530,605	8,740,478	77,189,744
178,928	71,862	28,873	2,968,473
50,609	22,069	8,648	903,374
229,537	93,931	37,521	3,871,847
543,720	-	2,855,491	5,885,770
-	-	-	17,476,083
-	-	-	2,000
2,306,037	(1,256,568)	(39,807)	(5,396,403)
$ 2,849,757	$ (1,256,568)	$ 2,815,684	$ 17,967,450

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

For the Fiscal Year Ended June 30, 2018

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	$ -	$ -	$ -	$ 758,390
Assessments	-	457,069	-	-
Charges for services	5,082	14,270	13,097,379	-
Rental income	-	-	-	-
Licenses, fees and permits	40,438,852	9,405,645	-	-
Fines	3,668,181	32,250	-	-
Other	151,160	-	-	198,833
Total operating revenues	44,263,275	9,909,234	13,097,379	957,223
Operating Expenses				
Salaries and benefits	17,149,745	7,514,479	11,074,289	294,537
Operating	6,173,670	3,050,701	1,141,904	88,029
Claims and benefits expense	5,801,858	-	-	-
Materials or supplies used	-	-	-	505,047
Depreciation	309,082	869	-	-
Total operating expenses	29,434,355	10,566,049	12,216,193	887,613
Operating income (loss)	14,828,920	(656,815)	881,186	69,610
Nonoperating Revenues (Expenses)				
Interest and investment income	396,992	37,255	-	-
Interest expense	-	-	-	-
Bond issuance costs	-	-	-	-
Federal grant revenue	2,658,791	423,330	-	-
Gain (loss) on disposal of assets	7,782	-	-	-
Total nonoperating revenues (expenses)	3,063,565	460,585	-	-
Income (loss) before transfers	17,892,485	(196,230)	881,186	69,610
Transfers				
Transfers in	-	12,301	-	82,720
Transfers out	(11,068,622)	(969,861)	(881,186)	-
Change in net position	6,823,863	(1,153,790)	-	152,330
Net position, July 1	22,495,830	(2,252,123)	252,000	491,841
Net position restatement	(9,368,959)	(3,767,318)	-	(115,097)
Net position, July 1 (as restated)	13,126,871	(6,019,441)	252,000	376,744
Net position, June 30	$ 19,950,734	$ (7,173,231)	$ 252,000	$ 529,074

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 4,013,770	$ 958,448	$ 958,160	$ 6,688,768
-	-	-	457,069
719,450	27,662	-	13,863,843
141,200	-	-	141,200
-	-	-	49,844,497
-	-	-	3,700,431
75,812	12,465	145,188	583,458
4,950,232	998,575	1,103,348	75,279,266
1,351,421	683,318	225,764	38,293,553
2,351,658	206,088	186,285	13,198,335
-	-	-	5,801,858
2,056,197	215,086	-	2,776,330
79,609	-	374,990	764,550
5,838,885	1,104,492	787,039	60,834,626
(888,653)	(105,917)	316,309	14,444,640
32,042	-	-	466,289
-	-	(310,214)	(310,214)
-	-	(59,568)	(59,568)
1,196,670	-	-	4,278,791
-	-	-	7,782
1,228,712	-	(369,782)	4,383,080
340,059	(105,917)	(53,473)	18,827,720
-	-	337	95,358
(109,655)	-	-	(13,029,324)
230,404	(105,917)	(53,136)	5,893,754
3,435,849	(794,869)	3,008,212	26,636,740
(816,496)	(355,782)	(139,392)	(14,563,044)
2,619,353	(1,150,651)	2,868,820	12,073,696
$ 2,849,757	$ (1,256,568)	$ 2,815,684	$ 17,967,450

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2018

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	$ 43,555,088	$ 8,097,977	$ 12,334,626	$ 388,053
Receipts for interfund services provided	104,418	312,617	-	574,674
Payments to suppliers, other governments and beneficiaries	(8,357,378)	(1,882,629)	(1,184,003)	(510,199)
Payments to employees	(16,613,218)	(6,637,566)	(11,089,976)	(210,707)
Payments for interfund services	(3,408,599)	(1,194,536)	(31,955)	(31,793)
Payments to component units	(19,950)	-	-	-
Net cash provided by (used for) operating activities	15,260,361	(1,304,137)	28,692	210,028
Cash flows from noncapital financing activities				
Grant receipts	3,548,640	442,798	-	-
Transfers and advances from other funds	-	12,301	-	82,720
Transfers and advances to other funds	(11,036,888)	(1,146,683)	(831,784)	-
Net cash provided by (used for) noncapital financing activities	(7,488,248)	(691,584)	(831,784)	82,720
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Proceeds from sale of capital assets	7,782	-	-	-
Purchase of capital assets	(271,408)	(9,875)	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Payments on refunding bonds	-	-	-	-
Bond Issuance costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(263,626)	(9,875)	-	-
Cash flows from investing activities				
Interest, dividends and gains (losses)	237,461	42,002	-	-
Net cash provided by (used for) investing activities	237,461	42,002	-	-
Net cash increase (decreases) in cash	7,745,948	(1,963,594)	(803,092)	292,748
Cash and cash equivalents, July 1	40,351,410	6,241,178	11,613,519	670,729
Cash and cash equivalents, June 30	$ 48,097,358	$ 4,277,584	$ 10,810,427	$ 963,477
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ 14,828,920	$ (656,815)	$ 881,186	$ 69,610
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	309,082	869	-	-
Decrease (increase) in accrued interest and receivables	(603,769)	(1,524,890)	415	5,504
Decrease (increase) in inventory, deferred charges, other assets	(102,752)	-	(15,687)	56,555
Decrease (increase) in deferred outflow of resources	(215,900)	(178,051)	-	(11,101)
Increase (decrease) in accounts payable, accruals, other liabilities	420,494	16,140	(74,054)	(2,394)
Increase (decrease) in unearned revenues	-	26,250	(763,168)	-
Increase(decrease) in net pension liability	416,788	870,736	-	82,995
Increase(decrease) in net OPEB liability	(299,554)	(120,327)	-	(3,675)
Increase (decrease) in deferred inflows of resources	507,052	261,951	-	12,534
Total adjustments	431,441	(647,322)	(852,494)	140,418
Net cash provided by (used for) operating activities	$ 15,260,361	$ (1,304,137)	$ 28,692	$ 210,028
Noncash investing, capital and financing activities				
Gain (loss) on disposal of assets	$ (7,782)	$ -	$ -	$ -

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 2,985,433	$ 725,616	$ 1,134,179	$ 69,220,972
2,136,100	263,272	23,059	3,414,140
(2,843,709)	(417,351)	(125,006)	(15,320,275)
(1,535,768)	(621,275)	(287,473)	(36,995,983)
(1,393,046)	(72,148)	(71,959)	(6,204,036)
-	-	(3,403)	(23,353)
(650,990)	(121,886)	669,397	14,091,465
1,284,580	-	-	5,276,018
-	-	936	95,957
(110,838)	-	-	(13,126,193)
1,173,742	-	936	(7,754,218)
-	-	3,001,854	3,001,854
-	-	-	7,782
-	-	(46,700)	(327,983)
-	-	(243,000)	(243,000)
-	-	(348,139)	(348,139)
-	-	(50,516)	(50,516)
-	-	(2,885,000)	(2,885,000)
-	-	(59,568)	(59,568)
-	-	(631,069)	(904,570)
18,453	-	-	297,916
18,453	-	-	297,916
541,205	(121,886)	39,264	5,730,593
3,734,174	205,363	210,460	63,026,833
$ 4,275,379	$ 83,477	$ 249,724	$ 68,757,426
$ (888,653)	$ (105,917)	$ 316,309	$ 14,444,640
79,609	-	374,990	764,550
148,149	(13,540)	53,890	(1,934,241)
33,980	8,254	-	(19,650)
2,270	(12,966)	2,859	(412,889)
179,486	(66,690)	(12,079)	460,903
23,152	3,853	-	(709,913)
(225,399)	54,102	(64,008)	1,135,214
(26,076)	(11,371)	(4,456)	(465,459)
22,492	22,389	1,892	828,310
237,663	(15,969)	353,088	(353,175)
$ (650,990)	$ (121,886)	$ 669,397	$ 14,091,465
$ -	$ -	$ -	$ (7,782)

Internal Service Funds

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

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

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

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

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

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

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

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

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

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

Combining Statement of Net Position
Internal Service Funds

June 30, 2018

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 140,029,596	$ 4,248,975	$ 1,083,232	$ 285,016
Receivables:				
Accounts receivable	2,864,110	3,586	1,900	14,161
Intergovernmental receivables	6,717,562	19,278	2,622	939
Notes/loans receivable	-	-	-	-
Due from other funds	2,408,106	309,841	441,441	541,780
Due from fiduciary funds	3,780,169	-	-	48
Due from component units	939,496	30	9,141	81
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	156,739,039	4,581,710	1,538,336	842,025
Noncurrent assets:				
Receivables:				
Notes/loans receivable	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	466,100	881,220	25,474,754	1,143,912
Software costs	-	-	-	-
Construction in progress	-	-	-	-
Less accumulated depreciation/amortization	(369,138)	(2,625,179)	(17,192,320)	(1,280,967)
Total noncurrent assets	96,962	835,725	11,661,179	285,396
Total assets	156,836,001	5,417,435	13,199,515	1,127,421
Deferred Outflows of Resources				
Pension contributions	572,133	1,347,701	240,450	258,220
OPEB contributions	39,801	86,169	16,718	16,961
Total deferred outflows of resources	611,934	1,433,870	257,168	275,181
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	1,736,131	821,620	168,144	9,477
Accrued payroll and related liabilities	91,013	197,635	34,834	35,053
Intergovernmental payables	-	58,595	1,922	-
Bank overdraft	2,419,159	-	-	-
Due to other funds	16,562	151,750	199,436	30,753
Due to fiduciary funds	-	5,438	1,674	-
Due to component units	-	12	-	-
Unearned revenues	48,916	-	-	-
Short-term portion of long-term liabilities:				
Reserve for losses	71,683,258	-	-	-
Compensated absences	157,495	288,058	46,597	53,130
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	1,040,057	-
Total current liabilities	76,152,534	1,523,108	1,492,664	128,413
Noncurrent liabilities:				
Advances from other funds	-	-	1,812,500	-
Reserve for losses	-	-	-	-
Net pension obligation	3,361,917	8,209,561	1,410,030	1,583,721
Net OPEB liability	1,339,747	2,900,533	562,726	570,915
Compensated absences	66,215	104,469	39,209	39,732
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	2,469,228	-
Total noncurrent liabilities	4,767,879	11,214,563	6,293,693	2,194,368
Total liabilities	80,920,413	12,737,671	7,786,357	2,322,781
Deferred Inflows of Resources				
Pension related amounts	255,633	624,238	107,215	120,422
OPEB related amounts	83,387	180,532	35,025	35,534
Total deferred inflows of resources	339,020	804,770	142,240	155,956
Net Position				
Net investment in capital assets	96,962	835,725	8,151,894	285,396
Unrestricted (deficit)	76,091,540	(7,526,861)	(2,623,808)	(1,361,531)
Total net position	$ 76,188,502	$ (6,691,136)	$ 5,528,086	$ (1,076,135)

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 17,867,422	$ 739,282	$ 1,956,154	$ 1,021,465	$ 7,846,041	$ 1,265,116	$ 176,342,299
1,465	-	44	371,308	158,020	-	3,414,594
-	-	-	-	107,700	-	6,848,101
5,000	-	-	-	-	-	5,000
630,266	2,108	248,226	6,553	4,821,835	1,053,528	10,463,684
-	-	-	-	-	-	3,780,217
1,472	-	-	-	1,052	-	951,272
-	-	-	-	-	226,823	226,823
161,119	-	5,000	-	380,585	-	546,704
18,666,744	741,390	2,209,424	1,399,326	13,315,233	2,545,467	202,578,694
65,000	-	-	-	-	-	65,000
-	-	-	-	3,761	-	3,761
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
14,442	45,250	201,252	86,146	31,055,373	3,989,930	63,358,379
-	-	16,134,510	-	-	-	16,134,510
-	-	-	-	8,262,730	-	8,262,730
(12,814)	(45,250)	(15,555,750)	(226,146)	(36,759,579)	(5,453,754)	(79,520,897)
66,628	-	780,012	95,554	17,340,123	2,406,747	33,568,326
18,733,372	741,390	2,989,436	1,494,880	30,655,356	4,952,214	236,147,020
200,550	553,111	1,331,427	447,581	4,000,663	387,160	9,338,996
12,801	37,752	88,295	30,607	278,455	25,830	633,389
213,351	590,863	1,419,722	478,188	4,279,118	412,990	9,972,385
791,513	4,936	46,715	112,233	1,893,683	96,783	5,681,235
27,554	88,850	206,333	63,102	575,746	37,520	1,357,640
-	-	-	48	5,209	-	65,774
-	-	-	-	-	-	2,419,159
11,165	21,277	128,352	49,736	557,432	4,098	1,170,561
-	-	-	-	76	9,120	16,308
-	-	6,960	-	-	-	6,972
-	-	-	-	30	-	48,946
17,268,327	-	-	-	-	-	88,951,585
51,779	118,237	292,847	108,259	1,031,435	80,244	2,228,081
-	-	-	-	513,323	-	513,323
-	-	-	-	-	-	1,040,057
18,150,338	233,300	681,207	333,378	4,576,934	227,765	103,499,641
-	-	-	-	6,067,265	-	7,879,765
43,922,343	-	-	-	-	-	43,922,343
1,244,992	3,299,949	8,089,324	2,669,574	23,348,751	1,480,378	54,698,197
430,904	1,270,772	2,972,111	1,030,287	9,373,128	869,130	21,320,253
27,048	27,829	188,924	50,354	552,373	54,116	1,150,269
-	-	-	-	3,196,280	-	3,196,280
-	-	-	-	-	-	2,469,228
45,625,287	4,598,550	11,250,359	3,750,215	42,537,797	2,403,624	134,636,335
63,775,625	4,831,850	11,931,566	4,083,593	47,114,731	2,631,389	238,135,976
94,666	250,922	615,094	202,988	1,775,386	159,892	4,206,456
26,820	79,094	184,987	64,126	583,393	54,095	1,326,993
121,486	330,016	800,081	267,114	2,358,779	213,987	5,533,449
1,628	-	780,012	95,554	13,691,111	2,406,747	26,345,029
(44,952,016)	(3,829,613)	(9,102,501)	(2,473,193)	(28,230,147)	113,081	(23,895,049)
$ (44,950,388)	$ (3,829,613)	$ (8,322,489)	$ (2,377,639)	$ (14,539,036)	$ 2,519,828	$ 2,449,980

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

For the Fiscal Year Ended June 30, 2018

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Operating Revenues				
Net premium income	$ 362,340,352	$ -	$ -	$ -
Sales	-	-	300	-
Charges for services	-	1,213,853	110,373	5,985,890
Rental income	-	14,630,681	4,706,387	-
Other	1,683	57,207	-	-
Total operating revenues	362,342,035	15,901,741	4,817,060	5,985,890
Operating Expenses				
Salaries and benefits	2,206,566	6,101,455	1,276,920	1,000,813
Operating	3,878,955	10,093,123	2,501,280	5,132,050
Claims and benefits expense	227,862,964	-	-	-
Materials or supplies used	-	-	219,408	-
Depreciation	41,586	134,435	2,924,655	30,700
Insurance premiums	125,492,052	-	-	-
Total operating expenses	359,482,123	16,329,013	6,922,263	6,163,563
Operating income (loss)	2,859,912	(427,272)	(2,105,203)	(177,673)
Nonoperating Revenues (Expenses)				
Interest and investment income	596,822	-	-	-
Interest expense	-	-	(62,735)	-
Gain (loss) on disposal of assets	-	-	177,276	-
Total nonoperating revenues (expenses)	596,822	-	114,541	-
Income (loss) before transfers	3,456,734	(427,272)	(1,990,662)	(177,673)
Transfers				
Transfers in	-	5,301	-	-
Transfers out	-	-	(541,783)	-
Change in net position	3,456,734	(421,971)	(2,532,445)	(177,673)
Net position, July 1	74,077,292	(3,359,383)	8,626,148	(326,302)
Net position restatement	(1,345,524)	(2,909,782)	(565,617)	(572,160)
Net position, July 1 (as restated)	72,731,768	(6,269,165)	8,060,531	(898,462)
Net position, June 30	$ 76,188,502	$ (6,691,136)	$ 5,528,086	$ (1,076,135)

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 24,063,359	$ -	$ -	$ -	$ -	$ -	$ 386,403,711
-	-	-	-	-	2,465,114	2,465,414
-	2,850,155	8,054,950	3,201,683	34,354,197	-	55,771,101
-	-	-	-	-	-	19,337,068
959,471	-	28,601	365,793	3,045	9,930	1,425,730
25,022,830	2,850,155	8,083,551	3,567,476	34,357,242	2,475,044	465,403,024
872,447	1,878,444	5,001,877	1,297,543	16,028,464	1,633,432	37,297,961
2,100,669	393,461	2,760,484	2,202,483	12,937,254	536,729	42,536,488
11,657,024	-	-	-	-	-	239,519,988
-	-	-	-	-	385,423	604,831
800	-	92,218	-	2,086,869	131,008	5,442,271
5,946,168	-	-	-	-	-	131,438,220
20,577,108	2,271,905	7,854,579	3,500,026	31,052,587	2,686,592	456,839,759
4,445,722	578,250	228,972	67,450	3,304,655	(211,548)	8,563,265
-	-	-	-	-	-	596,822
-	-	-	-	-	-	(62,735)
-	-	-	-	(49,809)	-	127,467
-	-	-	-	(49,809)	-	661,554
4,445,722	578,250	228,972	67,450	3,254,846	(211,548)	9,224,819
-	97,118	-	118,755	1,482,819	159,605	1,863,598
(50,000)	-	-	-	(74,827)	-	(666,610)
4,395,722	675,368	228,972	186,205	4,662,838	(51,943)	10,421,807
(48,914,793)	(3,229,344)	(5,571,734)	(1,529,566)	(9,778,947)	3,446,790	13,440,161
(431,317)	(1,275,637)	(2,979,727)	(1,034,278)	(9,422,927)	(875,019)	(21,411,988)
(49,346,110)	(4,504,981)	(8,551,461)	(2,563,844)	(19,201,874)	2,571,771	(7,971,827)
$ (44,950,388)	$ (3,829,613)	$ (8,322,489)	$ (2,377,639)	$ (14,539,036)	$ 2,519,828	$ 2,449,980

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2018

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications	Insurance Premiums	Administrative Services
Cash flows from operating activities						
Receipts from customers and users	$ 51,789,488	$ 181,194	$ 75,265	$ 13,546	$ 983,605	$ -
Receipts for interfund services provided	300,422,806	15,570,375	4,771,867	6,016,815	23,471,295	2,850,155
Receipts from component units	15,384,957	-	66,957	1,885	541,801	-
Receipts of principal on loans/notes	-	-	-	-	5,000	-
Payments to suppliers, other governments and beneficiaries	(354,340,910)	(9,651,055)	(1,765,825)	(4,833,977)	(11,689,068)	(63,871)
Payments to employees	(2,445,449)	(5,665,373)	(1,053,341)	(1,094,844)	(742,332)	(2,369,005)
Payments for interfund services	(1,098,176)	(1,527,357)	(929,157)	(301,616)	(12,987,246)	(315,576)
Payments to component units	-	(121)	(277)	-	(132,199)	-
Net cash provided by (used for) operating activities	9,712,716	(1,092,337)	1,165,489	(198,191)	(549,144)	101,703
Cash flows from noncapital financing activities						
Transfers and advances from other funds	-	16,672	3,821	-	7,170	95,010
Transfers and advances to other funds	-	-	(541,783)	-	(50,000)	-
Net cash provided by (used for) noncapital financing activities	-	16,672	(537,962)	-	(42,830)	95,010
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	220,410	-	-	-
Purchase of capital assets	(12,773)	(24,898)	(328,338)	-	-	-
Principal paid on capital debt	-	-	(915,891)	-	-	-
Interest paid on capital debt	-	-	(62,735)	-	-	-
Net cash provided by (used for) capital and related financing activities	(12,773)	(24,898)	(1,086,554)	-	-	-
Cash flows from investing activities						
Interest, dividends and gains (losses)	274,125	-	-	-	-	-
Net cash provided by (used for) investing activities	274,125	-	-	-	-	-
Net increase (decreases) in cash	9,974,068	(1,100,563)	(459,027)	(198,191)	(591,974)	196,713
Cash and cash equivalents, July 1	130,055,528	5,349,538	1,542,259	483,207	18,459,396	542,569
Cash and cash equivalents, June 30	$ 140,029,596	$ 4,248,975	$ 1,083,232	$ 285,016	$ 17,867,422	$ 739,282
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	$ 2,859,912	$ (427,272)	$ (2,105,203)	$ (177,673)	$ 4,445,722	$ 578,250
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	41,586	134,435	2,924,655	30,700	800	-
Decrease (increase) in loans and notes receivable	-	-	-	-	5,000	-
Decrease (increase) in accrued interest and receivables	4,328,891	(169,452)	97,029	46,356	(26,129)	-
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	-	(73,619)	-
Decrease (increase) in deferred outflow of resources	(16,556)	(87,570)	(38,476)	1,633	(12,348)	7,310
Increase (decrease) in accounts payable, accruals, other liabilities	2,805,200	(1,046,068)	44,384	(8,510)	(5,009,602)	(52,698)
Increase (decrease) in unearned revenues	(38,724)	-	-	-	-	-
Increase(decrease) in net pension liability	(271,871)	417,505	214,871	(93,658)	104,908	(421,598)
Increase(decrease) in net OPEB liability	(42,965)	(93,018)	(18,046)	(18,309)	(13,819)	(40,753)
Increase (decrease) in deferred inflows of resources	47,243	179,103	46,275	21,270	29,943	31,192
Total adjustments	6,852,804	(665,065)	3,270,692	(20,518)	(4,994,866)	(476,547)
Net cash provided by (used for) operating activities	$ 9,712,716	$ (1,092,337)	$ 1,165,489	$ (198,191)	$ (549,144)	$ 101,703
Noncash investing, capital and financing activities						
Gain (loss) on disposal of assets	$ -	$ -	$ (43,635)	$ -	$ -	$ -
Capital assets leased	-	-	4,300,176	-	-	-

(continued)

Personnel	Purchasing	Information Services	Printing	Total
$ 2,335	$ 981,698	$ 749,175	$ 205,563	$ 54,981,869
7,483,847	2,235,781	31,586,474	1,421,927	395,831,342
401,137	-	-	-	16,396,737
-	-	-	-	5,000
(649,729)	(1,584,936)	(11,767,862)	(647,118)	(396,994,351)
(5,364,319)	(1,878,756)	(17,234,649)	(1,586,668)	(39,434,736)
(2,102,701)	(553,554)	(300)	(253,784)	(20,069,467)
(18,020)	-	(113,981)	-	(264,598)
(247,450)	(799,767)	3,218,857	(860,080)	10,451,796
-	118,755	973,127	159,605	1,374,160
-	-	(74,827)	-	(666,610)
-	118,755	898,300	159,605	707,550
-	-	-	-	220,410
(34,960)	-	(3,370,539)	(111,262)	(3,882,770)
-	-	(923,518)	-	(1,839,409)
-	-	-	-	(62,735)
(34,960)	-	(4,294,057)	(111,262)	(5,564,504)
-	-	-	-	274,125
-	-	-	-	274,125
(282,410)	(681,012)	(176,900)	(811,737)	5,868,967
2,238,564	1,702,477	8,022,941	2,076,853	170,473,332
$ 1,956,154	$ 1,021,465	$ 7,846,041	$ 1,265,116	$ 176,342,299
$ 228,972	$ 67,450	$ 3,304,655	$ (211,548)	$ 8,563,265
92,218	-	2,086,869	131,008	5,442,271
-	-	-	-	5,000
(196,232)	(349,997)	(2,021,593)	(847,553)	861,320
-	-	(380,585)	25,006	(429,198)
(14,394)	29,586	(245,940)	(82,602)	(459,357)
(2,464)	79,068	1,236,231	(15,726)	(1,970,185)
-	-	-	-	(38,724)
(380,249)	(597,608)	(873,993)	161,980	(1,739,713)
(95,314)	(33,041)	(300,591)	(27,872)	(683,728)
120,013	4,775	413,804	7,227	900,845
(476,422)	(867,217)	(85,798)	(648,532)	1,888,531
$ (247,450)	$ (799,767)	$ 3,218,857	$ (860,080)	$ 10,451,796
$ -	$ -	$ 49,809	$ -	$ 6,174
-	-	-	-	4,300,176

Fiduciary Funds

Pension and Other Employee Benefit Trust

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

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

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

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

Investment Trust

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

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

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

Private Purpose Trust

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

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

Agency

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

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

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

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

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

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

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

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

June 30, 2018

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	$ -	$ -	$ -	$ 2,304,641	$ 2,304,641
Cash in custody of other officials	211,016,287	17,604	620,157	-	211,654,048
Investments:					
Investments	-	-	-	1,602,029	1,602,029
Fixed income securities	11,916,868,196	1,337,958	34,718,157	-	11,952,924,311
Marketable equity securiteis	17,292,074,389	3,257,202	86,153,193	-	17,381,484,784
International securities	7,927,633,948	87,444	2,344,207	-	7,930,065,599
Real estate	1,808,733,104	-	-	-	1,808,733,104
Alternative investments	1,963,430,139	-	-	-	1,963,430,139
Collateral on loaned securities	293,807,533	-	-	-	293,807,533
Receivables:					
Intergovernmental receivables	131,275,781	-	61,815	13,805	131,351,401
Accrued interest and dividends	143,335,793	10,787	269,067	-	143,615,647
Other receivables	-	-	5,863	-	5,863
Trades pending settlement	263,654,290	56,080	1,216,433	-	264,926,803
Contributions receivables	-	-	-	-	-
Due from other funds	509	-	-	161,888	162,397
Due from fiduciary funds	35,148,364	-	371,095	8,362	35,527,821
Due from component units	-	-	-	1,286,771	1,286,771
Other assets	3,396,862	-	-	-	3,396,862
Furniture and equipment	44,964,024	-	-	-	44,964,024
Less accumulated depreciation/amortization	(40,441,532)	-	-	-	(40,441,532)
Total assets	41,994,897,687	4,767,075	125,759,987	5,377,496	42,130,802,245
Liabilities					
Accounts payable and accruals:					
Accounts payable	16,167,250	1,889	35,479	-	16,204,618
Intergovernmental payables	-	-	-	-	-
Trades pending settlement	253,174,889	57,410	1,350,484	-	254,582,783
Redemptions payable	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Obligations under securities lending	293,807,533	-	-	-	293,807,533
Due to other funds	48	-	-	3,780,169	3,780,217
Due to fiduciary funds	61,115	-	-	-	61,115
Other liabilities	-	-	-	-	-
Total liabilities	563,210,835	59,299	1,385,963	3,780,169	568,436,266
Net Position					
Restricted for:					
Pension benefits	41,431,686,852	4,707,776	124,374,024	-	41,560,768,652
OPEB benefits	-	-	-	1,597,327	1,597,327
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	$ 41,431,686,852	$ 4,707,776	$ 124,374,024	$ 1,597,327	$ 41,562,365,979

(continued)

Investment Trust Funds				Private-Purpose Trust Funds		
Local Government Investment Pool	**Nevada Enhanced Savings Term**	**Retirement Benefits Investment Fund**	**Total**	**Prisoners' Personal Property**	**Nevada College Savings Plan**	**Total**
$ -	$ -	$ -	$ -	$ 8,841,958	$ -	$ 8,841,958
-	-	2,892,549	2,892,549	-	19,961,164	19,961,164
1,118,822,422	116,819,707	453,194,764	1,688,836,893	-	23,702,031,429	23,702,031,429
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	91,181	-	91,181
3,096,121	270,606	4,111,656	7,478,383	-	1,305,368	1,305,368
-	-	-	-	-	-	-
-	-	-	-	-	1,182,386	1,182,386
-	-	-	-	-	18,013,242	18,013,242
-	-	-	-	161,112	-	161,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	48,222	-	48,222
-	-	-	-	(48,222)	-	(48,222)
1,121,918,543	117,090,313	460,198,969	1,699,207,825	9,094,251	23,742,493,589	23,751,587,840
-	34,909	36,176	71,085	152,980	3,611,930	3,764,910
75,370	-	-	75,370	23,191	-	23,191
-	-	2,848,233	2,848,233	-	10,857,246	10,857,246
-	-	-	-	-	6,213,649	6,213,649
-	-	-	-	-	873,000	873,000
-	-	-	-	-	-	-
2,337	4,654	-	6,991	1,318,734	-	1,318,734
-	-	-	-	83,913	-	83,913
22,373	-	-	22,373	-	-	-
100,080	39,563	2,884,409	3,024,052	1,578,818	21,555,825	23,134,643
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,121,818,463	117,050,750	457,314,560	1,696,183,773	-	-	-
-	-	-	-	7,515,433	23,720,937,764	23,728,453,197
$ 1,121,818,463	$ 117,050,750	$ 457,314,560	$ 1,696,183,773	$ 7,515,433	$ 23,720,937,764	$ 23,728,453,197

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

For the Fiscal Year Ended June 30, 2018

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
Contributions:					
Employer	$ 930,269,427	$ 104,834	$ 5,822,336	$ 39,668,884	$ 975,865,481
Plan members	930,269,427	20,286	33,893	-	930,323,606
Participants	-	-	-	-	-
Repayment and purchase of service	73,557,804	-	81,428	-	73,639,232
Total contributions	1,934,096,658	125,120	5,937,657	39,668,884	1,979,828,319
Investment income:					
Net increase (decrease) in fair value of investments	2,359,397,125	320,457	7,759,702	84,595	2,367,561,879
Interest, dividends	841,519,100	77,429	1,951,199	78,210	843,625,938
Securities lending	6,232,609	-	-	-	6,232,609
Other	117,458,561	-	-	-	117,458,561
	3,324,607,395	397,886	9,710,901	162,805	3,334,878,987
Less investment expense:					
Other	(50,737,942)	(840)	(18,788)	(372)	(50,757,942)
Net investment income	3,273,869,453	397,046	9,692,113	162,433	3,284,121,045
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,308,241	72,883	-	-	2,381,124
Total other	2,308,241	72,883	-	-	2,381,124
Total additions	5,210,274,352	595,049	15,629,770	39,831,317	5,266,330,488
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	2,420,013,618	459,910	5,657,179	39,710,152	2,465,840,859
Refunds	31,366,228	-	-	-	31,366,228
Contribution distributions	515,342	-	-	-	515,342
Dividends to investors	-	-	-	-	-
Administrative expense	12,945,720	72,014	97,467	-	13,115,201
Total deductions	2,464,840,908	531,924	5,754,646	39,710,152	2,510,837,630
Change in net position	2,745,433,444	63,125	9,875,124	121,165	2,755,492,858
Net position, July 1	38,686,253,408	4,644,651	114,498,900	1,476,162	38,806,873,121
Net position, June 30	$ 41,431,686,852	$ 4,707,776	$ 124,374,024	$ 1,597,327	$ 41,562,365,979

(continued)

Investment Trust Funds				Private-Purpose Trust Funds		
Local Government Investment Pool	**Nevada Enhanced Savings Term**	**Retirement Benefits Investment Fund**	**Total**	**Prisoners' Personal Property**	**Nevada College Savings Plan**	**Total**
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	25,976,223	8,778,128,442	8,804,104,665
-	-	-	-	-	-	-
-	-	-	-	25,976,223	8,778,128,442	8,804,104,665
(817,633)	(887,220)	24,870,580	23,165,727	-	995,021,860	995,021,860
856,950	1,772,637	10,062,889	12,692,476	-	553,431,529	553,431,529
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,317	885,417	34,933,469	35,858,203	-	1,548,453,389	1,548,453,389
-	-	(63,841)	(63,841)	-	-	-
39,317	885,417	34,869,628	35,794,362	-	1,548,453,389	1,548,453,389
1,894,562,478	-	14,061,024	1,908,623,502	-	-	-
14,655,590	-	-	14,655,590	-	-	-
-	-	164	164	-	-	-
1,909,218,068	-	14,061,188	1,923,279,256	-	-	-
1,909,257,385	885,417	48,930,816	1,959,073,618	25,976,223	10,326,581,831	10,352,558,054
1,617,499,093	76,900	-	1,617,575,993	-	7,144,644,598	7,144,644,598
-	-	-	-	25,726,424	-	25,726,424
-	-	-	-	-	-	-
-	-	8,466,166	8,466,166	-	-	-
658,375	-	-	658,375	-	-	-
198,575	157,814	43,680	400,069	-	36,115,244	36,115,244
1,618,356,043	234,714	8,509,846	1,627,100,603	25,726,424	7,180,759,842	7,206,486,266
290,901,342	650,703	40,420,970	331,973,015	249,799	3,145,821,989	3,146,071,788
830,917,121	116,400,047	416,893,590	1,364,210,758	7,265,634	20,575,115,775	20,582,381,409
$ 1,121,818,463	$ 117,050,750	$ 457,314,560	$ 1,696,183,773	$ 7,515,433	$ 23,720,937,764	$ 23,728,453,197

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2018

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 15,093,875	$ 34,373,626	$ 40,708,101	$ -
Cash in custody of other officials	-	21,893,634	26,884,700	3,618,574
Investments	-	244,017,393	-	-
Receivables:				
Taxes receivable	14,222,726	-	63,753,082	-
Intergovernmental receivables	-	-	1,241	-
Other receivables	-	-	86,961	-
Due from other funds	593,578,826	32,882,994	45,678	-
Due from fiduciary funds	16,108,583	-	2,696	-
Total assets	$ 639,004,010	$ 333,167,647	$ 131,482,459	$ 3,618,574
Liabilities				
Accruals:				
Accrued payroll and related liabilities	$ -	$ -	$ -	$ -
Intergovernmental payables	639,004,010	-	86,598,746	-
Due to fiduciary funds	-	-	16,108,583	-
Other liabilities:				
Deposits	-	333,167,647	28,764,559	-
Other liabilities	-	-	10,571	3,618,574
Total liabilities	$ 639,004,010	$ 333,167,647	$ 131,482,459	$ 3,618,574

(continued)

Child Welfare Trust	Restitution Trust	State Payroll	Total Agency Funds
$ 88,543	$ 2,454,517	$ 34,366,538	$ 127,085,200
-	-	-	52,396,908
-	-	-	244,017,393
-	-	-	77,975,808
-	-	39,379	40,620
-	-	885	87,846
671	364	1,107,384	627,615,917
-	81,217	52,753	16,245,249
$ 89,214	$ 2,536,098	$ 35,566,939	$ 1,145,464,941
$ -	$ -	$ 29,583	$ 29,583
-	-	17,897	725,620,653
-	-	35,519,459	51,628,042
-	-	-	361,932,206
89,214	2,536,098	-	6,254,457
$ 89,214	$ 2,536,098	$ 35,566,939	$ 1,145,464,941

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Intergovernmental				
Assets				
Cash with treasurer	$ 14,212,800	$ 3,251,027,484	$ 3,250,146,409	$ 15,093,875
Taxes receivable	11,991,606	14,222,726	11,991,606	14,222,726
Due from other funds	561,937,770	593,578,826	561,937,770	593,578,826
Due from fiduciary funds	15,292,802	16,108,583	15,292,802	16,108,583
Total assets	$ 603,434,978	$ 3,874,937,619	$ 3,839,368,587	$ 639,004,010
Liabilities				
Intergovernmental payables	$ 603,434,978	$ 3,874,937,619	$ 3,839,368,587	$ 639,004,010
Total liabilities	$ 603,434,978	$ 3,874,937,619	$ 3,839,368,587	$ 639,004,010
State Agency Fund for Bonds				
Assets				
Cash with treasurer	$ 29,481,493	$ 8,901,967	$ 4,009,834	$ 34,373,626
Cash in custody of other officials	23,523,295	6,348,454	7,978,115	21,893,634
Investments	236,026,738	62,607,655	54,617,000	244,017,393
Due from other funds	32,810,573	1,105,382	1,032,961	32,882,994
Total assets	$ 321,842,099	$ 78,963,458	$ 67,637,910	$ 333,167,647
Liabilities				
Deposits	$ 321,842,099	$ 78,963,459	$ 67,637,911	$ 333,167,647
Total liabilities	$ 321,842,099	$ 78,963,459	$ 67,637,911	$ 333,167,647
Motor Vehicle				
Assets				
Cash with treasurer	$ 46,405,790	$ 1,496,336,055	$ 1,502,033,744	$ 40,708,101
Cash in custody of other officials	26,040,300	844,400	-	26,884,700
Taxes receivable	52,535,098	63,753,082	52,535,098	63,753,082
Intergovernmental receivables	593,263	1,241	593,263	1,241
Other receivables	87,101	-	140	86,961
Due from other funds	447,827	45,678	447,827	45,678
Due from fiduciary funds	1,648	2,696	1,648	2,696
Total assets	$ 126,111,027	$ 1,560,983,152	$ 1,555,611,720	$ 131,482,459
Liabilities				
Intergovernmental payables	$ 82,672,764	$ 1,543,831,858	$ 1,539,905,876	$ 86,598,746
Due to fiduciary funds	15,292,802	16,108,583	15,292,802	16,108,583
Deposits	27,989,722	954,280	179,443	28,764,559
Other liabilities	155,739	88,431	233,599	10,571
Total liabilities	$ 126,111,027	$ 1,560,983,152	$ 1,555,611,720	$ 131,482,459
Child Support Disbursement				
Assets				
Cash in custody of other officials	$ 4,059,416	$ 223,138,875	$ 223,579,717	$ 3,618,574
Total assets	$ 4,059,416	$ 223,138,875	$ 223,579,717	$ 3,618,574
Liabilities				
Other liabilities	$ 4,059,416	$ 223,117,559	$ 223,558,401	$ 3,618,574
Total liabilities	$ 4,059,416	$ 223,117,559	$ 223,558,401	$ 3,618,574
Child Welfare Trust				
Assets				
Cash with treasurer	$ 63,062	$ 192,601	$ 167,120	$ 88,543
Due from other funds	381	671	381	671
Total assets	$ 63,443	$ 193,272	$ 167,501	$ 89,214
Liabilities				
Other liabilities	$ 63,443	$ 193,272	$ 167,501	$ 89,214
Total liabilities	$ 63,443	$ 193,272	$ 167,501	$ 89,214

(continued)

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Restitution Trust				
Assets				
Cash with treasurer	$ 1,769,170	$ 2,894,615	$ 2,209,268	$ 2,454,517
Due from other funds	522	364	522	364
Due from fiduciary funds	-	81,217	-	81,217
Total assets	$ 1,769,692	$ 2,976,196	$ 2,209,790	$ 2,536,098
Liabilities				
Other liabilities	$ 1,769,692	$ 2,724,391	$ 1,957,985	$ 2,536,098
Total liabilities	$ 1,769,692	$ 2,724,391	$ 1,957,985	$ 2,536,098
State Payroll				
Assets				
Cash with treasurer	$ 32,318,700	$ 823,045,190	$ 820,997,352	$ 34,366,538
Intergovernmental receivables	31,467	39,379	31,467	39,379
Other receivables	-	885	-	885
Due from other funds	998,860	1,107,384	998,860	1,107,384
Due from fiduciary funds	43,374	52,753	43,374	52,753
Total state payroll	$ 33,392,401	$ 824,245,591	$ 822,071,053	$ 35,566,939
Liabilities				
Accrued payroll and related liabilities	$ 19,056	$ 434,825,828	$ 434,815,301	$ 29,583
Intergovernmental payables	-	17,897	-	17,897
Due to fiduciary funds	33,373,345	306,949,886	304,803,772	35,519,459
Deposits	-	82,451,980	82,451,980	-
Total liabilities	$ 33,392,401	$ 824,245,591	$ 822,071,053	$ 35,566,939
Totals - All Agency Funds				
Assets				
Cash with treasurer	$ 124,251,015	$ 5,582,397,912	$ 5,579,563,727	$ 127,085,200
Cash in custody of other officials	53,623,011	230,331,729	231,557,832	52,396,908
Investments	236,026,738	62,607,655	54,617,000	244,017,393
Taxes receivable	64,526,704	77,975,808	64,526,704	77,975,808
Intergovernmental receivables	624,730	40,620	624,730	40,620
Other receivables	87,101	885	140	87,846
Due from other funds	596,195,933	595,838,305	564,418,321	627,615,917
Due from fiduciary funds	15,337,824	16,245,249	15,337,824	16,245,249
Total assets	$ 1,090,673,056	$ 6,565,438,163	$ 6,510,646,278	$ 1,145,464,941
Liabilities				
Accrued payroll and related liabilities	$ 19,056	$ 434,825,828	$ 434,815,301	$ 29,583
Intergovernmental payables	686,107,742	5,418,787,374	5,379,274,463	725,620,653
Due to fiduciary funds	48,666,147	323,058,469	320,096,574	51,628,042
Deposits	349,831,821	162,369,719	150,269,334	361,932,206
Other liabilities	6,048,290	226,123,653	225,917,486	6,254,457
Total liabilities	$ 1,090,673,056	$ 6,565,165,043	$ 6,510,373,158	$ 1,145,464,941

[Information that is not a part of the Financial Statements was on pages 167 to 190, and is not included in this Appendix.]

Compliance Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated January 7, 2019. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education, a discretely presented component unit; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund – Investment Trust Fund, and the Division of Museums and History Dedicated Trust Fund – Special Revenue Fund, as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as findings 2018-A and 2018-B to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and responses as finding 2018-C to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Nevada's Response to Findings

The State of Nevada's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The State of Nevada's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
January 7, 2019

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

2018-A Prior Period Adjustment of Unemployment Revenues
Material Weakness

Criteria:	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting revenues is a key component of effective internal control over financial reporting.
Condition:	A prior period adjustment of $50,966,376 was required to correct certain 2017 revenues, which were inadvertently recorded twice in 2017.
Cause:	Internal controls in place in 2017, did not ensure that revenues were reported accurately.
Effect:	In 2017, revenues in the Unemployment Compensation Fund were overstated by $50,966,376.
Recommendation:	We recommend the State of Nevada enhance internal controls to ensure revenues are reported accurately.
Views of Responsible Officials:	Management agrees with this finding.

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018

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

2018-B Prior Period Adjustment of Medicaid Federal Reimbursements and Expenditures
Material Weakness

Criteria:	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting Medicaid expenditures and the related Medicaid federal reimbursements is a key component of effective internal control over financial reporting.
Condition:	A prior period adjustment of $22,807,889 was required to correct 2017 Medicaid expenditures in the amount of $65,268,331 and Medicaid federal reimbursements in the amount of $42,460,442, both of which were miscalculated and therefore understated in the 2017 financial statements.
Cause:	Internal controls in place in 2017 did not ensure that Medicaid expenditures and the related Medicaid Federal reimbursements were properly calculated and reported.
Effect:	At June 30, 2017, fund balance in the General Fund was overstated by $22,807,889.
Recommendation:	We recommend the State of Nevada enhance internal controls to ensure Medicaid expenditures and the related Medicaid federal reimbursements are calculated and reported accurately.
Views of Responsible Officials:	Management agrees with this finding.

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018

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

2018-C Highway Fund – Revenue and Unavailable Revenue
Significant Deficiency

Criteria:	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording revenue and unavailable revenue (deferred inflows of resources) is a key component of effective internal control over financial reporting.
Condition:	During our testing over revenue and unavailable revenue, we noted that a portion of a year-end journal entry was duplicated. An adjusting journal entry was required to correct the duplicated journal entry in the Highway Fund.
Cause:	The internal controls in place over revenue recognition did not ensure the post-June 30th amounts recorded for revenue and unavailable revenue were correct.
Effect:	Prior to the adjusting journal entry, revenue was understated by \$1,835,468 and unavailable revenue was overstated by \$1,835,468.
Recommendation:	We recommend the State of Nevada enhance internal controls over revenue recognition to ensure post-June 30th amounts recorded for revenue and unavailable revenue are correct.
Views of Responsible Officials:	Management agrees with this finding.

PART II

APPENDIX B

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

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

	2014	2015	2016	2017	2018
Revenues:					
Gaming taxes, fees, licenses	$ 913,960	$ 894,805	$ 896,768	$ 884,599	$ 849,965
Sales taxes	1,081,735	1,161,893	1,214,113	1,282,745	1,337,930
Intergovernmental	3,118,097	4,081,580	4,358,112	4,727,482	4,867,647
Other Taxes	1,259,052	1,348,925	1,745,075	1,901,253	2,034,732
Licenses, fees and permits	289,652	305,079	353,306	359,686	383,914
Sales and charges for services	58,016	70,878	72,635	71,813	67,368
Interest and investment income	9,914	(337)	8,445	2,820	9,593
Other	53,555	87,208	61,293	116,252	58,990
Total Revenues	6,783,981	7,950,031	8,709,747	9,346,650	9,610,139
Expenditures:					
Current:					
General government	112,076	128,236	127,247	139,990	177,106
Health and social services[(2)]	3,490,663	4,766,687	-	-	-
Health services[(2)]	-	-	3,535,985	3,948,218	4,132,487
Social services[(2)]	-	-	1,510,685	1,545,419	1,592,241
Education and support services	30,192	-	-	-	-
Education – K to 12[(3)]	-	1,891,259	-	-	-
Education K to 12 state support[(3)]	-	-	1,460,123	1,478,773	1,612,584
Education K to 12 administrative[(3)]	-	-	524,747	588,991	562,281
Education – Higher Education	-	486,937	549,228	583,819	645,297
Law, justice and public safety	435,425	450,754	473,774	498,523	530,498
Regulation of business	272,317	233,072	276,859	274,436	292,615
Recreation & resource development	104,852	113,164	115,882	130,315	146,621
Intergovernmental	2,523,472	-	-	-	-
Debt Service:					-
Principal	1,821	1,990	2,199	2,415	2,727
Interest, fiscal charges	1,309	1,250	1,154	1,049	849
Debt issuance costs	92	-	15	38	141
Arbitrage payments	494	11	-	-	-
Total Expenditures	6,972,713	8,073,360	8,577,898	9,191,986	9,695,447
Excess of (deficiency) revenues over expenditures	(188,732)	(123,329)	131,849	154,664	(85,308)
Other Financing Sources (uses):					
Capital leases	-	-	-	-	-
Sale of bonds	3,140	-	1,805	1,929	7,940
Premium on bonds	206	-	218	108	949
Payment to Refunded bond agency	-	-	-	-	(3,996)
Sale of capital assets	219	266	632	167	617
Transfers in	119,805	77,053	89,697	96,242	109,529
Transfers out	(30,799)	(21,561)	(29,241)	(94,585)	(15,864)
Total other financing sources (uses)	92,571	55,758	63,111	3,861	99,175
Net change in fund balances	(96,161)	(67,571)	194,960	158,525	13,867
Fund balances, July 1 (as restated)	547,746	451,585	203,202[(1)]	398,162	533,879[(1)]
Fund balances, June 30	$ 451,585	$ 384,014	$ 398,162	$ 556,687	$ 547,746

(1) Fund Balance in the General Fund was restated in FY 2016 due to the allocation of investment loss; and in FY 2018 due to the understatement of Medicaid IBNR and the related federal requirements in FY 2017.
(2) Beginning with FY 2016, Social services expenditures are reported separately from Health services.
(3) Beginning with FY 2016, educational expenditures are reported separately for K-12 administrative and K-12 state support.

Source: State of Nevada, Comprehensive Annual Financial Reports, 2014-2018.

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PART II

APPENDIX C

MAY 1, 2019 ECONOMIC FORUM FORECAST
WITH LEGISLATIVELY APPROVED ADJUSTMENTS

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GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE MAY 1, 2019, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE 2019 LEGISLATURE (80TH SESSION)

	DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST: FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
	TAXES												
	MINING TAX												
3064	Net Proceeds of Minerals [2-16][3-16]	$34,674,918	-33.0%	$25,260,140	-27.2%	$63,522,196	151.5%	$51,462,000	-19.0%	$53,373,000	3.7%	$52,950,000	-0.8%
3245	Centrally Assessed Penalties	$68,648		$3,636		$1		$17,200		$0		$0	
	TOTAL MINING TAXES AND FEES	$34,743,566	-32.8%	$25,263,776	-27.3%	$63,522,196	151.4%	$51,479,200	-19.0%	$53,373,000	3.7%	$52,950,000	-0.8%
	SALES AND USE												
3001	Sales & Use Tax [1-19][1-20]	$1,036,549,227	4.2%	$1,090,695,356	5.2%	$1,142,799,766	4.8%	$1,232,208,000	7.8%	$1,310,969,000	6.4%	$1,356,168,000	3.4%
3002	State Share - LSST [4-16][1-19][1-20]	$10,155,240	4.4%	$10,605,173	4.4%	$11,091,996	4.6%	$11,960,000	7.8%	$12,725,000	6.4%	$13,164,000	3.4%
3003	State Share - BCCRT [1-19][1-20]	$4,506,053	4.0%	$4,730,822	5.0%	$4,996,610	5.6%	$5,388,000	7.8%	$5,735,000	6.4%	$5,933,000	3.5%
3004	State Share - SCCRT [1-19][1-20]	$15,764,607	3.9%	$16,550,744	5.0%	$17,481,048	5.6%	$18,849,000	7.8%	$20,054,000	6.4%	$20,745,000	3.4%
3005	State Share - PTT [1-19][1-20]	$10,028,644	6.0%	$11,133,048	11.0%	$12,857,082	15.5%	$13,863,000	7.8%	$14,748,000	6.4%	$15,257,000	3.5%
	TOTAL SALES AND USE	$1,077,003,772	4.2%	$1,133,715,143	5.3%	$1,189,226,502	4.9%	$1,282,268,000	7.8%	$1,364,231,000	6.4%	$1,411,267,000	3.4%
	GAMING - STATE												
3041	Percent Fees - Gross Revenue: Before Tax Credits	$700,773,974	1.1%	$730,496,482	4.2%	$757,790,502	3.7%	$763,360,000	0.7%	$781,256,000	2.3%	$792,106,000	1.4%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	-$4,288,194		-$5,222,720		$0		$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]	-$20,461,554		-$36,850,519		-$73,831,822		$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		-$355,000		$0		$0		$0	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		$0	
	Total - Tax Credit Programs	-$24,749,748		-$42,073,239		-$74,186,822		$0		$0		$0	
	Percent Fees - Gross Revenue: After Tax Credits	$676,024,226	-2.5%	$688,423,243	1.8%	$683,603,680		$763,360,000	11.7%	$781,256,000	2.3%	$792,106,000	1.4%
3032	Pari-mutuel Tax	$3,261	10.0%	$3,405	4.4%	$3,200	-6.0%	$3,200	0.0%	$3,300	3.1%	$3,400	3.0%
3181	Racing Fees	$9,293	24.6%	$9,935	6.9%	$8,723	-12.2%	$7,500	-14.0%	$7,500	0.0%	$7,600	1.3%
3247	Racing Fines/Forfeitures	$700		$0		$0		$500		$0		$0	
3042	Gaming Penalties	$4,069,112	1105.5%	$2,151,524	-47.1%	$415,429	-80.7%	$22,250,000		$750,000	-96.6%	$750,000	0.0%
3043	Flat Fees-Restricted Slots [2-20]	$8,225,963	-0.8%	$8,172,087	-0.7%	$8,270,489	1.2%	$8,367,000	1.2%	$8,678,700	3.7%	$8,744,900	0.8%
3044	Non-Restricted Slots [2-20]	$10,861,213	-2.7%	$10,641,146	-2.0%	$10,496,064	-1.4%	$10,411,000	-0.8%	$11,481,400	10.3%	$11,487,900	0.1%
3045	Quarterly Fees-Games	$6,450,491	-1.1%	$6,443,060	-0.1%	$6,390,520	-0.8%	$6,266,000	-1.9%	$6,157,000	-1.7%	$6,214,000	0.9%
3046	Advance License Fees	$1,780,785	2.7%	$1,042,709	-41.4%	$1,000,375	-4.1%	$1,436,000	43.5%	$1,200,000	-16.4%	$1,444,500	20.4%
3048	Slot Machine Route Operator	$34,000	-2.9%	$33,500	-1.5%	$32,000	-4.5%	$32,500	1.6%	$33,000	1.5%	$33,500	1.5%
3049	Gaming Info Systems Annual	$42,000	0.0%	$36,000	-14.3%	$36,000	0.0%	$30,000	-16.7%	$30,000	0.0%	$30,000	0.0%
3028	Interactive Gaming Fee - Operator	$500,000	0.0%	$500,000	0.0%	$500,000	0.0%	$500,000	0.0%	$500,000	0.0%	$500,000	0.0%
3029	Interactive Gaming Fee - Service Provider	$63,000	3.3%	$55,000	-12.7%	$56,000	1.8%	$54,000	-3.6%	$55,000	1.9%	$56,000	1.8%
3030	Interactive Gaming Fee - Manufacturer	$175,000	-12.5%	$100,000	-42.9%	$100,000	0.0%	$100,000	0.0%	$100,000	0.0%	$100,000	0.0%
3033	Equip Mfg. License	$279,500	-0.5%	$275,000	-1.6%	$291,520	6.0%	$290,000	-0.5%	$287,500	-0.9%	$288,500	0.3%
3034	Race Wire License	$36,391	28.1%	$12,084	-66.8%	$4,439	-63.3%	$4,000	-9.9%	$3,900	-2.5%	$3,900	0.0%
3035	Annual Fees on Games	$115,214	6.9%	$121,244	5.2%	$119,782	-1.2%	$110,600	-7.7%	$111,400	0.7%	$110,600	-0.7%
	TOTAL GAMING - STATE: BEFORE TAX CREDITS	$733,419,897	1.5%	$760,093,175	3.6%	$785,515,041	3.3%	$813,222,300	3.5%	$810,654,700	-0.3%	$821,880,800	1.4%
	Tax Credit Programs	-$24,749,748		-$42,073,239		-$74,186,822		$0		$0		$0	
	TOTAL GAMING - STATE: AFTER TAX CREDITS	$708,670,149	-1.9%	$718,019,936	1.3%	$711,328,219	-0.9%	$813,222,300	14.3%	$810,654,700	-0.3%	$821,880,800	1.4%
	LIVE ENTERTAINMENT TAX (LET)												
3031G	Live Entertainment Tax-Gaming [5-16]	$111,994,620	-14.4%	$102,328,255	-8.6%	$100,863,918	-1.4%	$102,521,000	1.6%	$103,555,000	1.0%	$104,192,000	0.6%
3031NG	Live Entertainment Tax-Nongaming [5-16]	$16,536,346	10.5%	$26,977,758	63.1%	$24,544,887	-9.0%	$25,212,000	2.7%	$25,739,000	2.1%	$26,248,000	2.0%
	TOTAL LET	$128,530,966	-11.9%	$129,306,013	0.6%	$125,408,805	-3.0%	$127,733,000	1.9%	$129,294,000	1.2%	$130,440,000	0.9%
	COMMERCE TAX												
3072	Commerce Tax [6-16]	$143,507,593		$197,827,208	37.9%	$201,926,513	2.1%	$215,284,000	6.6%	$222,470,000	3.3%	$231,527,000	4.1%
	TRANSPORTATION CONNECTION EXCISE TAX												
3073	Transportation Connection Excise Tax [7-16]	$11,898,532		$23,101,058	94.2%	$21,773,229	-5.7%	$30,221,000	38.8%	$29,284,000	-3.1%	$37,051,000	26.5%
	CIGARETTE TAX												
3052	Cigarette Tax [8-16][3-20]	$153,033,176	65.0%	$180,677,113	18.1%	$160,664,759	-11.1%	$162,407,000	1.1%	$156,650,000	-3.5%	$151,826,000	-3.1%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE MAY 1, 2019, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE 2019 LEGISLATURE (80TH SESSION)

	DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
	TAXES - CONTINUED												
	MODIFIED BUSINESS TAX (MBT)												
	MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [9-16][10-16] [11-16][12-16][4-20]												
3069	MBT - Nonfinancial: Before Tax Credits	$517,135,234	33.4%	$573,574,680	10.9%	$604,038,466	5.3%	$635,211,000	5.2%	$670,603,000	5.6%	$696,860,000	3.9%
	Commerce Tax Credits [13-16]	$0		-$43,216,582		-$57,111,521		$0		$0		$0	
	MBT - Nonfinancial: After Commerce Tax Credits	$517,135,234	33.4%	$530,358,099	2.6%	$546,926,945	3.1%	$635,211,000	16.1%	$670,603,000	5.6%	$696,860,000	3.9%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	-$82,621		$0		$0		$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]	$0		$0		$0		$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		$0		$0		$0		$0	
	Educational Choice Scholarship Tax Credits [TC-5]	-$4,401,540		-$4,646,956		-$15,925,154		$0		$0		$0	
	College Savings Plan Tax Credits [TC-6]	$0		$0		$0		$0		$0		$0	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		$0	
	Total - Tax Credit Programs	-$4,484,161		-$4,646,956		-$15,925,154		$0		$0		$0	
	MBT - Nonfinancial: After Tax Credit Programs	$512,651,073	32.2%	$525,711,142	2.5%	$531,001,790	1.0%	$635,211,000	19.6%	$670,603,000	5.6%	$696,860,000	3.9%
	MBT - FINANCIAL BUSINESSES (MBT-FI) [12-16][4-20]												
3069	MBT - Financial: Before Tax Credits	$27,188,910	12.6%	$27,921,155	2.7%	$29,088,764	4.2%	$30,049,000	3.3%	$31,774,000	5.7%	$32,928,000	3.6%
	Commerce Tax Credits [13-16]	$0		-$453,095		-$633,954		$0		$0		$0	
	MBT - Financial: After Commerce Tax Credits	$27,188,910	12.6%	$27,468,060	1.0%	$28,454,810	3.6%	$30,049,000	5.6%	$31,774,000	5.7%	$32,928,000	3.6%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	$0		$0		$0		$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]	$0		$0		$0		$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		$0		$0		$0		$0	
	Educational Choice Scholarship Tax Credits [TC-5]	$0		-$50,000		-$50,000		$0		$0		$0	
	College Savings Plan Tax Credits [TC-6]	$0		$0		$0		$0		$0		$0	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		$0	
	Total - Tax Credit Programs	$0		-$50,000		-$50,000		$0		$0		$0	
	MBT - Financial: After Tax Credit Programs	$27,188,910	12.6%	$27,418,060	0.8%	$28,404,810	3.6%	$30,049,000	5.8%	$31,774,000	5.7%	$32,928,000	3.6%
	MBT - MINING BUSINESSES (MBT-MINING) [11-16][4-20]												
3069	MBT - Mining: Before Tax Credits	$21,938,368		$22,149,695	1.0%	$22,508,221	1.6%	$22,907,000	1.8%	$23,543,000	2.8%	$23,818,000	1.2%
	Commerce Tax Credits [13-16]	$0		-$45,977		-$71,092		$0		$0		$0	
	MBT - Mining: After Commerce Tax Credits	$21,938,368		$22,103,717	0.8%	$22,437,129	1.5%	$22,907,000	2.1%	$23,543,000	2.8%	$23,818,000	1.2%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	$0		$0		$0		$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]	$0		$0		$0		$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		$0		$0		$0		$0	
	Educational Choice Scholarship Tax Credits [TC-5]	$0		$0		$0		$0		$0		$0	
	College Savings Plan Tax Credits [TC-6]	$0		$0		$0		$0		$0		$0	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		$0	
	Total - Tax Credit Programs	$0		$0		$0		$0		$0		$0	
	MBT - Mining - After Tax Credit Programs	$21,938,368		$22,103,717	0.8%	$22,437,129	1.5%	$22,907,000	2.1%	$23,543,000	2.8%	$23,818,000	1.2%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE MAY 1, 2019, MEETING
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	DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST: FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
	TAXES - CONTINUED												
	TOTAL MBT - NFI, FI, & MINING												
	TOTAL MBT: BEFORE TAX CREDITS	$566,262,513	37.5%	$623,645,530	10.1%	$655,635,451	5.1%	$688,167,000	5.0%	$725,920,000	5.5%	$753,606,000	3.8%
	TOTAL COMMERCE TAX CREDITS [13-16]	$0		-$43,715,654		-$57,816,568		-$56,222,000		-$59,128,000		-$62,145,000	
	TOTAL MBT: AFTER COMMERCE TAX CREDITS	$566,262,513	37.5%	$579,929,875	2.4%	$597,818,883	3.1%	$631,945,000	5.7%	$666,792,000	5.5%	$691,461,000	3.7%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	-$82,621		$0		$0		$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]	$0		$0		$0		$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		$0		$0		$0		$0	
	Educational Choice Scholarship Tax Credits [TC-5]	-$4,401,540		-$4,696,956		-$15,975,154		-$18,131,350		-$11,400,000		-$11,400,000	
	College Savings Plan Tax Credits [TC-6]	$0		$0		$0		-$1,000		-$50,000		-$50,000	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		$0	
	Total - Tax Credit Programs	-$4,484,161		-$4,696,956		-$15,975,154		-$18,132,350		-$11,450,000		-$11,450,000	
	TOTAL MBT: AFTER TAX CREDIT PROGRAMS	$561,778,352	36.4%	$575,232,919	2.4%	$581,843,729	1.1%	$613,812,650	5.5%	$655,342,000	6.8%	$680,011,000	3.8%
	INSURANCE TAXES												
3061	Insurance Premium Tax: Before Tax Credits [1-16]	$335,118,754	9.8%	$383,635,486	14.5%	$417,497,362	8.8%	$444,340,000	6.4%	$466,254,000	4.9%	$492,665,000	5.7%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	$0		$0		$0		$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]	$0		$0		$0		$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		$0		$0		$0		$0	
	Nevada New Markets Job Act Tax Credits [TC-3]	-$26,005,450		-$25,153,081		-$23,234,613		-$22,000,000		-$7,195,974		$0	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		$0	
	Total - Tax Credit Programs	-$26,005,450		-$25,153,081		-$23,234,613		-$22,000,000		-$7,195,974		$0	
	Insurance Premium Tax: After Tax Credit Programs	$309,113,304	5.6%	$358,482,405	16.0%	$394,262,749	10.0%	$422,340,000	7.1%	$459,058,026	8.7%	$492,665,000	7.3%
3062	Insurance Retaliatory Tax	$185,855	-47.8%	$180,831	-2.7%	$170,507	-5.7%	$284,400	66.8%	$183,200	-35.6%	$183,200	0.0%
3067	Captive Insurer Premium Tax	$923,869	2.5%	$1,077,605	16.6%	$1,267,234	17.6%	$1,415,000	11.7%	$1,483,000	4.8%	$1,533,000	3.4%
	TOTAL INSURANCE TAXES: BEFORE TAX CREDITS	$336,228,478	9.8%	$384,893,922	14.5%	$418,935,102	8.8%	$446,039,400	6.5%	$467,920,200	4.9%	$494,381,200	5.7%
	TAX CREDIT PROGRAMS	-$26,005,450		-$25,153,081		-$23,234,613		-$22,000,000		-$7,195,974		$0	
	TOTAL INSURANCE TAXES: AFTER TAX CREDITS	$310,223,028	5.5%	$359,740,841	16.0%	$395,700,489	10.0%	$424,039,400	7.2%	$460,724,226	8.7%	$494,381,200	7.3%
	REAL PROPERTY TRANSFER TAX (RPTT)												
3055	Real Property Transfer Tax	$75,794,844	18.0%	$83,957,113	10.8%	$103,390,400	23.1%	$102,067,000	-1.3%	$105,083,000	3.0%	$106,357,000	1.2%
	GOVERMENTAL SERVICES TAX (GST)												
3051	Governmental Services Tax [14-16][2-18][5-20]	$66,731,895	6.2%	$38,567,416	-42.2%	$20,252,358	-47.5%	$21,443,000	5.9%	$21,954,000	2.4%	$22,321,000	1.7%
	OTHER TAXES												
3113	Business License Fee [15-16]	$103,045,619	36.7%	$104,858,331	1.8%	$109,297,773	4.2%	$112,278,000	2.7%	$113,000,000	0.6%	$113,352,000	0.3%
3050	Liquor Tax	$43,944,413	2.9%	$43,868,496	-0.2%	$44,194,634	0.7%	$45,526,000	3.0%	$45,682,000	0.3%	$46,058,000	0.8%
3053	Other Tobacco Tax [6-20]	$13,131,919	14.6%	$14,693,540	11.9%	$16,496,006	12.3%	$17,804,000	7.9%	$22,834,000	28.3%	$28,423,000	24.5%
4862	HECC Transfer	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%
3065	Business License Tax	$243	-86.9%	$281	15.5%	$0		$0		$0		$0	
3068	Branch Bank Excise Tax	$2,786,429	-11.0%	$2,785,199	0.0%	$2,745,343	-1.4%	$2,805,000	2.2%	$2,735,000	-2.5%	$2,722,000	-0.5%
	TOTAL TAXES: BEFORE TAX CREDITS	$3,495,063,854	15.4%	$3,752,253,314	7.4%	$3,923,984,113	4.6%	$4,123,743,900	5.1%	$4,276,084,900	3.7%	$4,409,162,000	3.1%
	TOTAL COMMERCE TAX CREDITS [13-16]	$0		-$43,715,654		-$57,816,568		-$56,222,000		-$59,128,000		-$62,145,000	
	TOTAL TAXES: AFTER COMMERCE TAX CREDITS	$3,495,063,854	15.4%	$3,708,537,660	6.1%	$3,866,167,545	4.3%	$4,067,521,900	5.2%	$4,216,956,900	3.7%	$4,347,017,000	3.1%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]	-$4,370,815		-$5,222,720		$0		-$3,770,609		-$5,000,000		-$6,000,000	
	Economic Development Transferrable Tax Credits [TC-2]	-$20,461,554		-$36,850,519		-$73,831,822		-$41,943,604		-$21,912,500		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]	$0		$0		-$355,000		-$2,227,500		-$3,247,500		-$5,000,000	
	Nevada New Markets Job Act Tax Credits [TC-3]	-$26,005,450		-$25,153,081		-$23,234,613		-$22,000,000		-$7,195,974		$0	
	Educational Choice Scholarship Tax Credits [TC-5]	-$4,401,540		-$4,696,956		-$15,975,154		-$18,131,350		-$11,400,000		-$11,400,000	
	College Savings Plan Tax Credits [TC-6]	$0		$0		$0		-$1,000		-$50,000		-$50,000	
	Affordable Housing Transferrable Tax Credits [TC-7]							$0		$0		-$10,000,000	
	Total - Tax Credit Programs	-$55,239,359		-$71,923,277		-$113,396,589		-$88,074,063		-$48,805,974		-$32,450,000	
	TOTAL TAXES: AFTER TAX CREDITS	$3,439,824,495	14.0%	$3,636,614,383	5.7%	$3,752,770,956	3.2%	$3,979,447,837	6.0%	$4,168,150,926	4.7%	$4,314,567,000	3.5%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
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ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE MAY 1, 2019, MEETING
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							ECONOMIC FORUM MAY 1, 2019, FORECAST					
DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	$19,913,616	8.5%	$19,533,765	-1.9%	$21,002,623	7.5%	$21,964,000	4.6%	$22,622,000	3.0%	$23,263,000	2.8%
3120 Marriage License	$367,116	-1.1%	$364,681	-0.7%	$342,192	-6.2%	$340,100	-0.6%	$337,200	-0.9%	$335,100	-0.6%
SECRETARY OF STATE												
3105 UCC	$1,915,810	10.0%	$1,838,672	-4.0%	$1,942,182	5.6%	$2,223,000	14.5%	$2,156,000	-3.0%	$2,177,000	1.0%
3129 Notary Fees	$514,489	-0.5%	$548,574	6.6%	$556,389	1.4%	$550,300	-1.1%	$556,600	1.1%	$563,000	1.1%
3130 Commercial Recordings [16-16]	$73,701,665	7.1%	$74,606,592	1.2%	$77,057,113	3.3%	$77,225,000	0.2%	$77,843,000	0.8%	$78,515,000	0.9%
3131 Video Service Franchise	$525	-66.1%	$3,400	547.6%	$5,050	48.5%	$30,000	494.1%	$3,500	-88.3%	$3,500	0.0%
3121 Domestic Partnership Registry Fee	$28,790	-21.0%	$25,927	-9.9%	$0		$21,800		$21,800	0.0%	$21,800	0.0%
3152 Securities	$27,978,707	3.5%	$28,304,481	1.2%	$29,322,672	3.6%	$29,875,000	1.9%	$30,385,000	1.7%	$30,801,000	1.4%
TOTAL SECRETARY OF STATE	$104,139,985	6.1%	$105,327,646	1.1%	$108,883,405	3.4%	$109,925,100	1.0%	$110,965,900	0.9%	$112,081,300	1.0%
3172 Private School Licenses	$236,690	-7.4%	$212,848	-10.1%	$214,155	0.6%	$214,000	-0.1%	$214,500	0.2%	$215,000	0.2%
3173 Private Employment Agency	$14,800	34.5%	$13,600	-8.1%	$15,500	14.0%	$17,700	14.2%	$18,600	5.1%	$19,500	4.8%
REAL ESTATE												
3161 Real Estate License [17-16]	$2,137,010	54.4%	$2,345,884	9.8%	$2,469,797	5.3%	$2,568,000	4.0%	$2,415,000	-6.0%	$2,442,000	1.1%
3162 Real Estate Fees	$4,710	29.3%	$3,450	-26.8%	$1,670	-51.6%	$1,400	-16.2%	$1,900	35.7%	$1,900	0.0%
TOTAL REAL ESTATE	$2,141,720	54.4%	$2,349,334	9.7%	$2,471,467	5.2%	$2,569,400	4.0%	$2,416,900	-5.9%	$2,443,900	1.1%
3102 Athletic Commission Fees [18-16]	$5,041,720	-43.5%	$3,217,083	-36.2%	$6,016,432	87.0%	$4,923,000	-18.2%	$4,492,000	-8.8%	$4,492,000	0.0%
TOTAL LICENSES	$131,855,647	3.5%	$131,018,957	-0.6%	$138,945,774	6.1%	$139,953,300	0.7%	$141,067,100	0.8%	$142,849,800	1.3%
FEES AND FINES												
3203 Divorce Fees	$170,348	-2.8%	$172,297	1.1%	$164,198	-4.7%	$185,500	13.0%	$171,500	-7.5%	$168,100	-2.0%
3204 Civil Action Fees	$1,316,607	2.0%	$1,287,358	-2.2%	$1,249,463	-2.9%	$1,260,000	0.8%	$1,261,000	0.1%	$1,258,000	-0.2%
3242 Insurance Fines	$349,206	-30.9%	$1,139,995	226.5%	$676,092	-40.7%	$600,500	-11.2%	$600,500	0.0%	$600,500	0.0%
3103MD Medical Plan Discount Reg. Fees	$1,500		$0		$0		$500		$500	0.0%	$500	0.0%
REAL ESTATE FEES												
3107IOS IOS Application Fees	$5,700	-5.5%	$6,740	18.2%	$7,780	15.4%	$6,600	-15.2%	$7,000	6.1%	$6,800	-2.9%
3165 Land Co Filing Fees [19-16]	$28,530	-81.9%	$24,692	-13.5%	$24,575	-0.5%	$25,300	3.0%	$25,000	-1.2%	$25,000	0.0%
3167 Real Estate Adver Fees	$2,010	857.1%	$6,712	233.9%	$0							
3169 Real Estate Reg Fees	$8,550	-45.5%	$7,150	-16.4%	$12,275	71.7%	$9,400	-23.4%	$9,500	1.1%	$9,500	0.0%
4741 Real Estate Exam Fees	$387,294	122.4%	$472,141	21.9%	$601,757	27.5%	$600,200	-0.3%	$596,800	-0.6%	$596,800	0.0%
3178 Real Estate Accred Fees	$93,450	-2.3%	$102,900	10.1%	$109,295	6.2%	$102,000	-6.7%	$105,400	3.3%	$105,400	0.0%
3254 Real Estate Penalties	$65,595	157.7%	$95,337	45.3%	$102,131	7.1%	$101,800	-0.3%	$101,800	0.0%	$101,800	0.0%
3190 A.B. 165, Real Estate Inspectors	$53,860	14.7%	$57,490	6.7%	$60,150	4.6%	$60,400	0.4%	$61,200	1.3%	$61,900	1.1%
TOTAL REAL ESTATE FEES	$644,989	23.6%	$773,162	19.9%	$917,963	18.7%	$905,700	-1.3%	$906,700	0.1%	$907,200	0.1%
3066 Short Term Car Lease	$51,914,285	6.5%	$52,467,963	1.1%	$55,601,611	6.0%	$56,828,000	2.2%	$57,392,000	1.0%	$58,135,000	1.3%
3103AC Athletic Commission Licenses/Fines	$468,376	119.7%	$116,600	-75.1%	$117,035	0.4%	$125,200	7.0%	$132,300	5.7%	$132,300	0.0%
3150 Navigable Water Permit Fees [3-18]					$61,185		$65,000	6.2%	$65,000	0.0%	$65,000	0.0%
3205 State Engineer Sales [4-18]					$3,860,659		$3,721,000	-3.6%	$3,621,000	-2.7%	$3,620,000	0.0%
3206 Supreme Court Fees	$201,305	7.9%	$202,410	0.5%	$229,445	13.4%	$242,100	5.5%	$262,700	8.5%	$283,700	8.0%
3115 Notice of Default Fee	$1,400,099	-20.2%	$910,604	-35.0%	$806,743	-11.4%	$632,500	-21.6%	$573,300	-9.4%	$531,100	-7.4%
3271 Misc Fines/Forfeitures [5-18]	$2,735,813	-71.4%	$2,414,739	-11.7%	$2,764,378	14.5%	$2,750,000	-0.5%	$2,450,000	-10.9%	$2,450,000	0.0%
TOTAL FEES AND FINES	$59,202,527	-6.0%	$59,485,127	0.5%	$66,448,771	11.7%	$67,316,000	1.3%	$67,436,500	0.2%	$68,151,400	1.1%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE MAY 1, 2019, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE 2019 LEGISLATURE (80TH SESSION)

							ECONOMIC FORUM MAY 1, 2019, FORECAST					
DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change
USE OF MONEY AND PROP												
OTHER REPAYMENTS												
4403 Forestry Nurseries Fund Repayment (05-M27)	$20,670		$20,670		$20,670		$20,670		$20,670		$20,670	
4408 Comp/Fac Repayment	$23,744		$23,744		$23,744		$13,032		$13,032		$13,032	
4408 CIP 95-M1, Security Alarm	$2,998		$2,998		$0		$0		$0		$0	
4408 CIP 95-M5, Facility Generator	$6,874		$6,874		$0		$0		$0		$0	
4408 CIP 95-S4F, Advance Planning	$1,000		$1,000		$0		$0		$0		$0	
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	$62,542		$62,542		$62,542		$62,542		$0		$0	
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	$9,107		$9,107		$9,107		$9,107		$0		$0	
4408 EITS Repayment - State Microwave Communications System [1-18]					$57,900		$57,900		$57,900		$57,900	
4408 EITS Repayment - Cyber Security Resource Enhancement [2-19]							$124,406		$201,079		$201,079	
4408 EITS Repayment - Wide-Area Network Upgrade [3-19]							$499,724		$499,724		$499,724	
4409 Motor Pool Repay - LV	$125,000		$125,000		$125,000		$125,000		$125,000		$125,000	
TOTAL OTHER REPAYMENTS	$251,935	-44.6%	$251,935	0.0%	$298,963	18.7%	$912,381	205.2%	$917,405	0.6%	$917,405	0.0%
INTEREST INCOME												
3290 Treasurer	$1,247,554	36.1%	$3,578,939	186.9%	$9,146,057	155.6%	$17,671,000	93.2%	$17,588,000	-0.5%	$17,850,000	1.5%
3291 Other	$18,411	243.3%	$43,740	137.6%	$115,117	163.2%	$208,600	81.2%	$216,600	3.8%	$223,000	3.0%
TOTAL INTEREST INCOME	$1,265,964	37.3%	$3,622,679	186.2%	$9,261,175	155.6%	$17,879,600	93.1%	$17,804,600	-0.4%	$18,073,000	1.5%
TOTAL USE OF MONEY & PROP	$1,517,900	10.2%	$3,874,614	155.3%	$9,560,138	146.7%	$18,791,981	96.6%	$18,722,005	-0.4%	$18,990,405	1.4%
OTHER REVENUE												
3059 Hoover Dam Revenue	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%
MISC SALES AND REFUNDS												
3047 Expired Slot Machine Wagering Vouchers	$8,778,021	4.7%	$8,745,436	-0.4%	$9,482,546	8.4%	$10,357,000	9.2%	$10,736,000	3.7%	$11,016,000	2.6%
3107 Misc Fees [3-18]	$347,803	9.1%	$377,829	8.6%	$497,111	31.6%	$392,900	-21.0%	$407,900	3.8%	$407,900	0.0%
3109 Court Admin Assessments [21-16][6-18][7-20]	$0		$0		$1,551,956		$1,080,780	-30.4%	$351,220	-67.5%	$270,166	-23.1%
3114 Court Administrative Assessment Fee	$2,012,172	-5.8%	$2,066,687	2.7%	$2,095,971	1.4%	$2,117,000	1.0%	$2,132,000	0.7%	$2,141,000	0.4%
3168 Declare of Candidacy Filing Fee	$35,975	190.5%	$19,304	-46.3%	$35,075	81.7%	$36,300	3.5%	$50,000	37.7%	$40,000	-20.0%
3202 Fees & Writs of Garnishments	$2,190	2.3%	$1,765	-19.4%	$1,740	-1.4%	$7,500	331.0%	$4,000	-46.7%	$4,000	0.0%
3220 Nevada Report Sales	$11,495	87.8%	$4,210	-63.4%	$4,895	16.3%	$8,300	69.6%	$10,300	24.1%	$10,700	3.9%
3222 Excess Property Sales	$17,668	-81.9%	$3,685	-79.1%	$3,400	-7.7%	$1,300	-61.8%	$2,300	76.9%	$2,300	0.0%
3240 Sale of Trust Property	$850	-78.7%	$9,836		$864	-91.2%	$1,400	62.0%	$1,200	-14.3%	$1,200	0.0%
3243 Insurance - Misc	$371,455	-12.4%	$366,872	-1.2%	$397,998	8.5%	$359,700	-9.6%	$363,100	0.9%	$366,900	1.0%
3274 Misc Refunds	$31,709	-72.0%	$1,524,081		$51,085	-96.6%	$34,000	-33.4%	$34,000	0.0%	$34,000	0.0%
3276 Cost Recovery Plan [7-18][8-20]	$10,572,088	24.6%	$10,222,088	-3.3%	$9,839,249	-3.7%	$10,457,000	6.3%	$10,579,554	1.2%	$10,962,840	3.6%
TOTAL MISC SALES & REF	$22,181,427	-56.7%	$23,341,792	5.2%	$23,961,888	2.7%	$24,853,180	3.7%	$24,671,574	-0.7%	$25,257,006	2.4%
3255 Unclaimed Property	$38,960,791	60.3%	$25,871,335	-33.6%	$26,723,929	3.3%	$26,354,000	-1.4%	$25,934,000	-1.6%	$25,914,000	-0.1%
TOTAL OTHER REVENUE	$61,442,218	-18.9%	$49,513,127	-19.4%	$50,985,818	3.0%	$51,507,180	1.0%	$50,905,574	-1.2%	$51,471,006	1.1%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	$3,749,082,146	13.7%	$3,996,145,139	6.6%	$4,189,924,613	4.8%	$4,401,312,361	5.0%	$4,554,216,079	3.5%	$4,690,624,611	3.0%
TOTAL COMMERCE TAX CREDITS [13-16]	$0		-$43,715,654		-$57,816,568		-$56,222,000		-$59,128,000		-$62,145,000	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	$3,749,082,146	13.7%	$3,952,429,484	5.4%	$4,132,108,045	4.5%	$4,345,090,361	5.2%	$4,495,088,079	3.5%	$4,628,479,611	3.0%
TAX CREDIT PROGRAMS:												
FILM TRANSFERRABLE TAX CREDITS [TC-1]	-$4,370,815		-$5,222,720		$0		-$3,770,609		-$5,000,000		-$6,000,000	
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	-$20,461,554		-$36,850,519		-$73,831,822		-$41,943,604		-$21,912,500		$0	
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	$0		$0		-$355,000		-$2,227,500		-$3,247,500		-$5,000,000	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	-$26,005,450		-$25,153,081		-$23,234,613		-$22,000,000		-$7,195,974		$0	
EDUCATIONAL CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	-$4,401,540		-$4,696,956		-$15,975,154		-$18,131,350		-$11,400,000		-$11,400,000	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	$0		$0		$0		-$1,000		-$50,000		-$50,000	
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]							$0		$0		-$10,000,000	
TOTAL- TAX CREDIT PROGRAMS	-$55,239,359		-$71,923,277		-$113,396,589		-$88,074,063		-$48,805,974		-$32,450,000	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	$3,693,842,787	12.5%	$3,880,506,208	5.1%	$4,018,711,456	3.6%	$4,257,016,298	5.9%	$4,446,282,105	4.4%	$4,596,029,611	3.4%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
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DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST					
							FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change

NOTES:

FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.

[1-16] Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of $5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.

FY 2016: Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.

[2-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield $34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.

[3-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate $4,221,000 in addtional revenue in FY 2016.

[4-16] S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate $1,387,300 in FY 2016 and $1,463,400 in FY 2017.

[5-16] S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by $19,165,000 in FY 2016 and by $26,551,000 in FY 2017, but increase LET-Nongaming collections by $15,483,000 in FY 2016 and $25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of $3,682,000 in FY 2016 and $1,238,000 in FY 2017.

[6-16] S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds $4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.

[7-16] A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first $5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.

[8-16] S.B. 483 increases the cigarette tax per pack of 20 by $1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to $1.80 per pack (10 cents to Local Government Distribution Fund, $1.70 to State General Fund), effective July 1, 2015. The $1.00 per pack increase is estimated to generate $96,872,000 in FY 2016 and $95,391,000 in FY 2017.

[9-16] S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $50,000 per quarter and taxable wages exceeding $50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was $85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding $85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding $50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is $268,041,000 for FY 2016 and $281,443,000 for FY 2017.

[10-16] A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the $50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by $2,758,000 in FY 2016 and $3,861,000 in FY 2017.

[11-16] S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by $10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate $17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of $6,469,000 in both FY 2016 and FY 2017.

[12-16] S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding $50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-FI is estimated to be reduced by $891,000 in FY 2016 and $936,000 and the MBT-NFI is estimated to be increased by $278,000 in FY 2016 and $291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be $613,000 in FY 2016 and $645,000 in FY 2017.

[13-16] S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be $59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.

DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change

[14-16] S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.

[15-16] S.B. 483 makes the $100 increase in the Business License Fee (BLF) from $100 to $200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from $200 to $500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of $63,093,000 in FY 2016 and $64,338,000 in FY 2017 in relation ot the Economic Forum May 1, 2015, forecast with all business types paying a $100 annual fee.

[16-16] S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by $25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The $25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by $2,751,000 in FY 2016 and $2,807,000 in FY 2017.

[17-16] A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by $1,693,400 in FY 2016 and $1,404,200 in FY 2017.

[18-16] A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by $600,000 in both FY 2016 and FY 2017.

[19-16] A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately $152,600 in FY 2016 and $153,300 in FY 2017.

[20-16] A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed $20,813,716 from commissions and $4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to $23,724,000 and the penalties amount to $5,037,000. This results in an estimated net increase in General Fund revenue of $3,849,320 in FY 2015 from GST Commissions and Penalties.

[21-16] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.

FY 2018: Note 1 represents legislative actions approved during the 2015 Legislative Session.

[1-18] Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is $57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.

FY 2018: Notes 2 through 7 represent legislative actions approved during the 2017 Legislative Session.

[2-18] A.B. 486 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019, with the remaining 75% deposited in the State Highway Fund. Under A.B. 486, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently. Estimated to generate $19,367,000 in FY 2018 and $19,573,500 in FY 2019.

[3-18] S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources establish these fees by regulation, effective July 1, 2017. The bill requires that the first $65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of $65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin.

[4-18] S.B. 514 requires that certain fees collected by the State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources relating to services for the adjudication and appropriation of water be deposited in the State General Fund. Estimated to generate $3,467,000 per year in FY 2018 and FY 2019.

[5-18] S.B. 515 requires that certain penalties received by the Securities Division of the Secretary of State's Office be deposited in the State General Fund, instead of the Secretary of State's Office's operating budget, effective July 1, 2017. Estimated to generate $117,256 per fiscal year in FY 2018 and FY 2019.

[6-18] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2018 and FY 2019. Estimated to generate $1,328,228 in FY 2018 and $1,080,780 in FY 2019.

[7-18] Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 1, 2017, approval of the General Fund revenue forecast by the Economic Forum.

FY 2019: Notes 1 through 3 represent legislative actions approved during the 2017 Legislative Session.

[1-19] Senate Bill 415 (2017) required the submission of a question on the November 2018 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for certain feminine hygeine products. This ballot question was approved by the voters and, therefore, the sales tax exemption for these products will be effective January 1, 2019, until December 31, 2028.

S.B. 415 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2019, and would also expire on December 31, 2028. These exemptions will reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.

[2-19] Section 39 of A.B. 518 provides General Fund appropriations of $497,625 in FY 2018 and $306,690 in FY 2019 to the Division of Enterprise Information Technology Services of the Department of Administration to enhance the state's cyber security resources. The legislatively approved repayment of these appropriations is 25 percent of the amounts appropriated per year, beginning in FY 2019 (for the FY 2018 appropriation) and in FY 2020 (for the FY 2019 appropriation).

[3-19] Section 40 of A.B. 518 provides a General Fund appropriation of $1,998,895 in FY 2018 to the Division of Enterprise Information Technology Services of the Department of Administration to increase the bandwidth and connectivity of the State's wide area network. The legislatively approved repayment of this appropriation is 25 percent of the amount appropriated per year, beginning in FY 2019.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2019, FORECAST
ACTUAL: FY 2016 THROUGH FY 2018 AND FORECAST: FY 2019 THROUGH FY 2021
ECONOMIC FORUM'S FORECAST FOR FY 2019, FY 2020, AND FY 2021 APPROVED AT THE MAY 1, 2019, MEETING
ADJUSTED FOR ACTIONS APPROVED BY THE 2019 LEGISLATURE (80TH SESSION)

DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST					
							FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change

FY 2020: Notes 1 through 8 represent legislative actions approved during the 2019 Legislative Session.

[1-20] A.B. 445 requires a marketplace facilitator, defined as a person who facilitates the sale of tangible personal property by a marketplace seller in the state of Nevada, to collect and remit sales and use taxes on certain sales that are facilitated on behalf of the marketplace seller, effective October 1, 2019. Estimated to generate $16,459,000 in FY 2020 and $21,945,000 in FY 2021 for the State 2% rate. This requirement is also estimated to increase collections for the General Fund Commissions by $668,000 in FY 2020 (LSST: $160,000; BCCRT: $72,000; SCCRT: $252,000; PTT: $184,000) and $892,000 in FY 2021 (LSST: $214,000; BCCRT: $96,000; SCCRT: $336,000; PTT: $246,000).

[2-20] S.B. 535 removes the requirement that an amount equal to $2 per slot machine collected from quarterly restricted and non-restricted slot machine fees be allocated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. Estimated to generate $1,303,100 in FY 2020 (Non-restricted: $1,149,400; Restricted: $153,700) and $1,298,800 in FY 2021 (Non-restricted: $1,143,900; Restricted: $154,900).

[3-20] A.B. 535 increases the existing license fee on wholesale dealers of cigarettes, which is currently distributed between the State General Fund and local governments, and establishes new license fees for manufacturers, wholesale dealers of other tobacco products, and tobacco retailers. This bill requires all license fee proceeds to be retained by the Department of Taxation to administer and enforce the cigarette and OTP statutes. This action to require the license fees on wholesale dealers of cigarettes to be retained by the Department is estimated to reduce General Fund revenue by less than $10,000 per year in FY 2020 and FY 2021; thus, no adjustment is made to the forecast.

[4-20] S.B. 551 permanently repeals the provisions requiring the Modified Business Tax (MBT) tax rates on nonfinancial institutions (MBT-NFI), financial institutions (MBT-FI), and mining companies (MBT-Mining) to be reduced by the Department of Taxation if actual collections from these taxes, in combination with collections from the Commerce Tax and Branch Bank Excise Tax and tax credits taken against the MBT, are more than 4% above the Economic Forum's May forecast in any even-numbered fiscal year.

As a result of the passage of this bill, the rates for the MBT-NFI, which was to be reduced to 1.378% for all taxable wages in excess of $50,000 per calendar quarter, and the MBT-FI and MBT-Mining, which were to be reduced to 1.853% for all taxable wages, effective July 1, 2019, will remain at the current rates of 1.475% (for the MBT-NFI) and 2% (for the MBT-FI and MBT-Mining), on and after that date. Estimated to generate $48,166,000 in FY 2020 (MBT-NFI: $44,101,000; MBT-FI: $2,335,000; MBT-Mining: $1,730,000) and $49,998,000 in FY 2021 (MBT-NFI: $45,827,000; MBT:FI: $2,420,000; MBT-Mining: $1,751,000).

[5-20] S.B. 541 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund on a permanent basis, effective July 1, 2019. The remaining 75% portion of these proceeds are to be deposited in the State Highway Fund. Estimated to generate $21,954,000 in FY 2020 and $22,321,000 in FY 2021.

[6-20] S.B. 263 specifies that alternative nicotine products and vapor products, including e-cigarettes and their components, are subject to the 30 percent wholesale tax on other tobacco products, effective January 1, 2020. Estimated to generate $3,699,000 in FY 2020 and $7,931,000 in FY 2021.

[7-20] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2020 and FY 2021. Estimated to generate $351,220 in FY 2020 and $270,166 in FY 2021.

[8-20] Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 1, 2019, approval of the General Fund revenue forecast by the Economic Forum.

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE

[TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to $20 million per fiscal year for a total of $80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of $10 million.

Pursuant to A.B. 492 (2017), a total of $10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the $10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year. The amounts shown for FY 2019, FY 2020, and FY 2021 are based on information provided by GOED.

[TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to $12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first $1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next $2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed $45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of $195 million. The amounts shown for FY 2019 and FY 2020 are based on information provided by GOED.

Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to $9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed $7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of $38 million. The forecasts for FY 2019, FY 2020, and FY 2021 do not include any credits issued under these provisions, as there are currently no qualifying projects receiving these credits.

[TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of $200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, based on a percentage of the qualified investment, as follows:

2 years after the investment is made: 12%; 3 years after the investment is made: 12%; 4 years after the investment is made: 12%; 5 years after the investment is made: 11%; and 6 years after the investment is made: 11%.

Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown for FY 2019 and FY 2020 reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation.

Pursuant to A.B. 446 (2019), an additional $200 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2019, with a total of $116 million of credits that may be taken based on the increment percentages originally approved in S.B. 357 (2013). However, pursuant to A.B. 446, no credits may be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

DESCRIPTION	FY 2016 ACTUAL	% Change	FY 2017 ACTUAL	% Change	FY 2018 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2019, FORECAST FY 2019 FORECAST	% Change	FY 2020 FORECAST	% Change	FY 2021 FORECAST	% Change

[TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is $500,000 in FY 2016, $2,000,000 in FY 2017, and $5,000,000 for FY 2018 and each fiscal year thereafter.

A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, $1 million in FY 2017, $2 million per year in FY 2018 and FY 2019, and $3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at $5 million per year. The amount shown for FY 2019 reflects estimates of actual and forecast credits that have been issued or will be issued in that fiscal year, based on information provided by GOED. The amounts shown for FY 2020 and FY 2021 are based on the maximum amount that can be issued in each fiscal year.

[TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is $5 million in FY 2016, $5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.

S.B. 555 (2017) authorized an additional $20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the $20 million in credits that is not approved by the Department may be issued in future fiscal years. The forecast for FY 2019 is based on the amount of this $20 million that was awarded in FY 2018, but not used against the MBT in that fiscal year, plus the maximum amount of annual credits allowed based on the statutory formula adopted in A.B. 165 (2015). The forecasts for FY 2020 and FY 2021 are based on the maximum amount of annual credits allowed based on the statutory formula in A.B. 165 only.

A.B. 458 (2019) permanently eliminated the 10 percent increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at $6,655,000 beginning in FY 2020. The bill additionally clarified that the $6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter.

S.B. 551 (2019) authorized an additional $4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021 beyond those that were authorized in those years based on the provisions of A.B. 458 (2019). Any amount of the $4,745,000 million in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years. The forecasts for FY 2020 and FY 2021 are based on the maximum amount of $6,655,000 allowed pursuant to A.B. 458 (2019) plus the additional $4,745,000 per year authorized under S.B. 551 (2019).

[TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed $500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.

[TC-7] S.B. 448 (2019) authorizes the Housing Division of the Department of Business and Industry (Division) to approve a total of $40 million of transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. Under the provisions of S.B. 448, the Division may award up to $10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional $3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the state. If the Division approves any credits in excess of $10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of $10 million that was issued in the previous fiscal year. If the Division does not issue all of the $10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.

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PART III

INFORMATION CONCERNING ADDITIONAL SECURITY FOR THE 2019C BONDS ONLY

Part III of this Official Statement contains information concerning the State's Safe Drinking Water Revolving Fund Program, and supplements the information contained in the other parts of this Official Statement. **The security described in this Part III is applicable only to the 2019C Bonds.**

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STATE SAFE DRINKING WATER REVOLVING FUND PROGRAM

Under the federal Safe Drinking Water Act (the "Safe Drinking Water Act"), federal capitalization grants are made to the various states for deposit in a safe drinking water revolving fund. A safe drinking water revolving fund established by a state is perpetual in nature. Amounts in a safe drinking water revolving fund are restricted in use to those purposes authorized by the Safe Drinking Water Act including, among other purposes, making loans at or below market rates to public water systems to fund costs of facilities needed to achieve or maintain compliance with the Safe Drinking Water Act and to protect the public health. As a condition of receiving federal safe drinking water revolving fund grant monies, states are required to provide state matching funds in an amount equal to 20% of the amount of the federal grant funds (the "Required State Matching Funds").

Nevada Revised Statutes sections 445A.200 through 445A.295 (the "State Act") establish an Account for the Revolving Fund (the "Drinking Water State Revolving Fund" or "DWSRF") in connection with the State's program to implement certain provisions of the federal Safe Drinking Water Act. Funds in the DWSRF are used to make loans to certain eligible entities for eligible projects under the Safe Drinking Water Act. Payments of principal of and interest on these loans are required to be deposited back in the DWSRF.

All community water systems, whether publicly or privately owned, as well as non-profit, non-community water systems, are potentially eligible to receive DWSRF funding. Water systems owned by the federal government are not eligible to receive DWSRF funding. Systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the State Act are not eligible for assistance, unless the owner or operator agrees to make feasible and appropriate changes in operations to ensure compliance over the long term. A loan cannot be used by a system solely for the purpose of expanding the water system. Water system consolidation or regionalization, however, is a fundable capital improvement project.

Eligible projects generally include projects that further health protection objectives including rehabilitation or development of water resources to replace contaminated sources, installation or upgrading of facilities to improve quality of water (treatment), installation or upgrading of storage facilities, or installation or replacement of transmission or distribution pipes.

Loans are generally made for a term of 20 years, although shorter or longer terms (up to 30 years) may be agreed to in appropriate circumstances if the loan does not exceed the assets' useful life. Interest rates on loans from the DWSRF are currently established at or below market rates, benchmarked to widely distributed indices as outlined in the Debt Management Policy of the Board of Finance, and fixed for the life of the loan.

The State Act authorizes the State to issue bonds if viable to carry out the purposes of the DWSRF. Eligible purposes for which bonds can be issued include generating funds to make loans ("Leveraged Bonds") and providing money for the Required State Matching Funds ("State Match Bonds"). Under the State Act, the State is required to pledge, as primary source of payment for Leveraged Bonds and State Match Bonds, the money in the DWSRF that is available for the payment of the interest and installments of principal on such bonds. The State Act also permits the full faith and credit of the State to be pledged as additional security for the payment of such bonds. Funds available for the payment of State Match Bonds are limited to interest earnings in the DWSRF and interest payments received by the DWSRF on all loans made from the DWSRF. Funds available for the payment of Leveraged Bonds, if and when Leveraged Bonds are issued, consist of interest earnings in the DWSRF as well as interest and principal payments received by the DWSRF on all loans made from the DWSRF. As of the date of this Official Statement, the State has not issued any Leveraged Bonds for the DWSRF program. The 2019C Bonds are being issued as State Match Bonds.

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The following table sets forth the earnings and loan interest payments that the State considers available for payment of principal of and interest on State Match Bonds.

Table 1
STATE OF NEVADA DRINKING WATER REVOLVING FUND
Projected Revenues Available for Debt Service
As of October 1, 2019

Fiscal Year	Carryforward Cash Available for State Match Bonds Debt Service[(1)]	Fund Earnings and Loan Interest Payments[(2)]	State Match Bonds Debt Service[(3)]	State Match Bonds Coverage
	(A)	(B)	(C)	(D)=(A+B)/C
2020	$4,022,106.18	$2,516,698.12	$287,529.17	22.74
2021	6,251,275.14	5,561,156.98	3,412,062.50	3.46
2022	8,400,369.62	5,742,629.65	3,050,662.50	4.64
2023	11,092,336.77	5,805,659.00	2,964,812.50	5.70
2024	13,933,183.27	5,867,921.84	2,878,225.00	6.88
2025	16,922,880.11	5,940,441.00	2,799,075.00	8.17
2026	20,064,246.11	6,033,707.36	1,664,262.50	15.68
2027	20,717,562.79	6,158,284.41	1,135,250.00	23.67
2028	20,677,532.82	6,297,259.71	864,150.00	31.22
2029	20,741,593.11	6,444,443.13	834,825.00	32.56
2030	20,713,735.24	6,597,831.18	813,675.00	33.57
2031	20,708,263.81	6,749,456.89	787,600.00	34.86
2032	20,700,361.88	6,906,795.11	761,675.00	36.25
2033	20,762,543.98	7,073,096.26	361,600.00	76.98
2034	20,801,859.68	7,245,751.34	352,300.00	79.61
2035	20,833,517.34	7,423,668.91	343,000.00	82.38
2036	20,837,949.24	7,609,898.05	338,625.00	84.01
2037	20,859,728.44	7,799,550.23	329,175.00	87.06
2038	20,794,621.81	7,989,798.48	319,725.00	90.03
		$121,764,047.65	$24,298,229.17	

(1) Consists of accumulated estimated interest payments on loans and accumulated and estimated interest earnings on the fund in excess of the amount required to pay debt service on State Match Bonds. To the extent available, carryforward cash is pledged to pay debt service on State Match Bonds.
(2) Consists of estimated interest payments on loans and estimated interest earnings on the fund which are pledged to pay debt service on State Match Bonds.
(3) Includes estimated debt service on the 2019C Bonds. Preliminary, subject to change.
Source: State of Nevada Department of Conservation and Natural Resources

The State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board of Finance authorizing the issuance of State Match Bonds to maintain a minimum level of coverage or to restrict the use of funds in the DWSRF, except to purposes permitted by the Safe Drinking Water Act. State law permits the issuance of securities to be issued by the State with a lien on the State Match Bond Pledged Revenues that is senior to that of the State Match Bonds. The State has not issued any obligations with a lien senior to the lien securing the State Match Bonds.

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The following table identifies the various borrowers with loans outstanding from the DWSRF, including the principal amount of loans outstanding, the nature of the security for the loan, and the percentage of the principal amount of loans outstanding of each borrower to the total principal amount of loans outstanding.

Table 2
STATE OF NEVADA SAFE DRINKING WATER REVOLVING FUND
Schedule of Loans
As of October 1, 2019

Local Entity	Year Loan Made	Loan Balance Outstanding	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Big Bend Water District	2003	$ 1,362,585.66	GO/Revenue		
Big Bend Water District	2004	$ 1,125,343.56	GO/Revenue	$ 2,487,929.22	1.49%
Carson City, City of	2009	$ 1,837,837.81	GO/Revenue		
Carson City, City of	2010	$ 15,213,412.41	GO/Revenue		
Carson City, City of	2018	$ 10,198,745.40	GO/Revenue		
Carson City, City of	2014	$ 5,160,857.56	GO/Revenue	$ 32,410,853.18	19.39%
Carver's Smokey Valley RV	2009	$ 44,444.41	Private Company	$ 44,444.41	0.03%
Country Terrace, LLC	2002	$ 92,724.67	Private Company	$ 92,724.67	0.06%
Douglas County	2005	$ 277,702.28	GO/Revenue		
Douglas County	2009	$ 1,495,096.88	GO/Revenue		
Douglas County	2010	$ 710,537.43	GO/Revenue		
Douglas County	2011	$ 702,858.72	GO/Revenue		
Douglas County	2012	$ 830,653.42	GO/Revenue		
Douglas County	2014	$ 791,497.74	GO/Revenue	$ 4,808,346.47	2.88%
Dutchman Acres	2010	$ 30,811.91	Private Company	$ 30,811.91	0.02%
Fallon, City of	2002	$ 654,851.00	GO/Revenue		
Fallon, City of	2007	$ 820,323.00	GO/Revenue	$ 1,475,174.00	0.88%
IGWT Investments -Frontier	2011	$ 196,913.08	Private Company	$ 196,913.08	0.12%
Gardnerville Ranchos GID	2000	$ 864,049.94	Revenue		
Gardnerville Ranchos GID	2003	$ 440,224.92	Revenue	$ 1,304,274.86	0.78%
Gold Country Water Company	2008	$ 224,438.15	Private Company		
Gold Country Water Company	2011	$ 492,122.44	Private Company	$ 716,560.59	0.43%
Henderson, City of	2000	$ 1,270,163.23	GO/Revenue	$ 1,270,163.23	0.76%
Incline Village GID	2004	$ 618,227.47	GO/Revenue		
Incline Village GID	2012	$ 2,078,872.29	GO/Revenue	$ 2,697,099.76	1.61%
Indian Hills GID	2000	$ 161,326.77	Revenue		
Indian Hills GID	2003	$ 684,171.79	Revenue		
Indian Hills GID	2010	$ 768,858.37	GO/Revenue	$ 1,614,356.93	0.97%
Kingsbury GID	2003	$ 1,039,510.51	GO/Revenue		
Kingsbury GID	2007	$ 1,673,176.83	GO/Revenue		
Kingsbury GID	2010	$ 1,992,969.63	GO/Revenue		
Kingsbury GID	2012	$ 8,543,779.09	GO/Revenue		
Kingsbury GID	2015	$ 5,063,528.46	GO/Revenue	$ 18,312,964.52	10.96%
Lamoille Water Users, Inc.	2008	$ 462,721.72	Private Company	$ 462,721.72	0.28%
Las Vegas Valley Water District	2015	$ 18,002,622.48	Revenue		
Las Vegas Valley Water District	2016	$ 10,726,839.51	Revenue		
Las Vegas Valley Water District	2017	$ 11,074,794.99	Revenue	$ 39,804,256.98	23.81%
Lovelock Meadows Water District	2017	$ 4,137,735.15	GO/Revenue	$ 4,137,735.15	2.48%
Moapa Valley Water District	2017	$ 2,529,860.91	GO/Revenue		
Moapa Valley Water District	2008	$ 818,857.62	GO/Revenue	$ 3,348,718.53	2.00%
North Las Vegas, City of	2017	$ 693,726.90	GO/Revenue		
North Las Vegas, City of	2018	$ 8,562,903.74	GO/Revenue	$ 9,256,630.64	5.54%
Riverbelle MHP	2019	$ 140,864.00	Private Company	$ 140,864.00	0.08%
Round Hill GID	2006	$ 280,390.15	GO/Revenue		
Round Hill GID	2011	$ 578,435.88	GO/Revenue	$ 858,826.03	0.51%
Sierra Estates GID	2008	$ 124,667.26	GO/Revenue	$ 124,667.26	0.07%
Silver Knolls Mutual Water Co.	2000	$ 16,741.23	Private Company	$ 16,741.23	0.01%
Southern Nevada Water Authority	1999	$ 425,648.35	Revenue		
Southern Nevada Water Authority	2001	$ 1,335,621.42	Revenue		
Southern Nevada Water Authority	2009	$ 1,265,404.00	Revenue	$ 3,026,673.77	1.81%
Steamboat Springs Water Works	2013	$ 28,360.63	Private Company	$ 28,360.63	0.02%
Sun Valley GID	2014	$ 3,785,997.83	GO/Revenue		
Sun Valley GID	2014	$ 1,772,637.37	GO/Revenue	$ 5,558,635.20	3.33%
Topaz Lake Water Co.	2009	$ 443,327.20	Private Company	$ 443,327.20	0.27%
Topaz Ranch Estates	2016	$ 344,598.84	Revenue	$ 344,598.84	0.21%

(table continued on next page)

Local Entity	Year Loan Made	Loan Balance Outstanding	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Truckee Meadows Water Authority	2005	$ 1,685,216.92	Revenue		
Truckee Meadows Water Authority	2009	$ 1,236,687.16	Revenue		
Truckee Meadows Water Authority	2010	$ 2,982,138.80	Revenue		
Truckee Meadows Water Authority	2014	$ 5,103,117.48	Revenue		
Truckee Meadows Water Authority	2015	$ 7,995,589.75	Revenue	$ 19,002,750.11	11.37%
Virgin Valley Water District	2015	$ 10,959,400.00	GO/Revenue	$ 10,959,400.00	6.56%
West Wendover, City of	2019	$ 2,173,728.87	GO/Revenue	$ 2,173,728.87	1.30%
TOTAL*		**$167,151,252.99**			**100.00%**
		$100,649,730.43	GO/Revenue		
		$ 64,328,053.12	Revenue		
		$ 2,173,469.44	Private Company		

*Totals may not add exactly due to rounding.

Source: State of Nevada Department of Conservation and Natural Resources

PART IV

INFORMATION CONCERNING ADDITIONAL SECURITY FOR THE SERIES 2019D BONDS AND 2019E BONDS ONLY

Part IV of this Official Statement contains information concerning the State's Water Pollution Control Revolving Fund Program, and supplements the information contained in the other parts of this Official Statement. **The security described in this Part IV is applicable only to the 2019D Bonds and 2019E Bonds**.

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WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

Under the federal Water Pollution Control Act of 1972 (33 U.S.C. §§ 1251 et seq, as amended) (the "Clean Water Act") and various appropriation bills, federal capitalization grants are made to the various states for deposit in a clean water revolving fund. A clean water revolving fund established by a state is perpetual in nature. Amounts in a clean water revolving fund are restricted in use to those purposes authorized by the Clean Water Act including, among other purposes, making loans at or below market rates to municipalities and interstate agencies to fund costs of facilities needed to achieve or maintain compliance with the Clean Water Act and to protect the public health. As a condition of receiving federal clean water revolving fund grant moneys, states are required to provide state matching funds in an amount equal to 20% of the amount of the federal grant funds (the "Required State Matching Funds").

Nevada Revised Statutes Sections 445A.060 through 445A.160 (the "State Act") establish an Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects (the "Water Pollution Control Revolving Fund Account" or "CWSRF") in connection with the State's program to implement certain provisions of the federal Clean Water Act. Funds in the CWSRF are used to make loans to municipalities and interstate agencies for eligible projects under the Clean Water Act. Payments of principal of and interest on these loans are required to be deposited back in the CWSRF.

Municipalities, including any city, town, county, district, association or other public body created under State law having jurisdiction over wastewater, or Indian tribes or tribal organizations, and certain interstate agencies are eligible to receive financial assistance from the CWSRF.

Eligible projects generally include construction of treatment works (devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power and other related equipment) and implementation of pollution control projects.

Loans are generally made for a term of 20 years, although shorter or longer terms (up to 30 years) may be agreed to in appropriate circumstances if the loan does not exceed the assets' useful life. Interest rates on loans from the CWSRF are currently established at or below market rates, benchmarked to widely distributed indices as outlined in the Debt Management Policy of the Board of Finance, and fixed for the life of the loan.

The State Act authorizes the State to issue bonds if viable to carry out the purposes of the CWSRF. Eligible purposes for which bonds can be issued include generating funds to make loans ("Leveraged Bonds") and providing money for the Required State Matching Funds ("State Match Bonds"). Under the State Act, the State is required to pledge, as primary source of payment for Leveraged Bonds and State Match Bonds, the money in the CWSRF that is available for the payment of the interest and installments of principal on such bonds. The State Board of Finance must also certify that sufficient revenue will be available in the CWSRF to pay the interest and installments of principal on such bonds as they become due. The State Act also permits the full faith and credit of the State to be pledged as additional security for the payment of such bonds. Funds available for the payment of State Match Bonds are limited to interest earnings on funds in the CWSRF and interest payments received by the CWSRF on all loans made from the CWSRF. Funds available for the payment of Leveraged Bonds include the interest earnings as well as the interest and principal payments on all loans made from the CWSRF. The 2019D Bonds are being issued as State Match Bonds. The 2019E Bonds are being issued as Leveraged Bonds.

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The following table sets forth the earnings and loan interest payments that the State considers available for payment of principal of and interest on State Match Bonds and Leveraged Bonds.

Table 1
STATE OF NEVADA WATER POLLUTION CONTROL REVOLVING FUND
Projected Revenues Available for Debt Service
As of October 1, 2019

Fiscal Year	Carryforward Cash Available for State Match Bonds and Leveraged Bonds Debt Service[1]	Fund Earnings and Loan Interest Payments[2]	State Match Bonds Debt Service[3]	State Match Bonds Coverage	Loan Principal Payments[4]	Revenues Available for State Match Bonds and Leveraged Bonds Debt Service[5]	State Leveraged Bonds Debt Service[6]	Combined State Match Bonds and Leveraged Bonds Debt Service	Combined State Match Bonds and Leveraged Bonds Coverage
	(A)	(B)	(C)	(D)=(A+B)/C	(E)	(F)=A+B+E	(G)	(H)=C+G	(I)=F/H
2020	$24,554,890.51	$3,224,720.67	$94,775.00	293.11	$10,848,720.63	$38,628,331.81	$451,142.08	$545,917.08	70.76
2021	27,684,836.18	7,497,176.46	1,822,300.00	19.31	22,294,563.94	57,476,576.58	8,285,825.00	10,108,125.00	5.69
2022	33,359,712.64	8,030,985.25	1,648,625.00	25.11	23,019,156.73	64,409,854.62	5,443,775.00	7,092,400.00	9.08
2023	25,268,098.68	7,757,572.26	873,000.00	37.83	24,589,955.21	57,615,626.15	5,432,125.00	6,305,125.00	9.14
2024	22,466,617.45	7,628,850.62	1,055,000.00	28.53	27,311,706.20	57,407,174.27	1,920,150.00	2,975,150.00	19.30
2025	24,986,132.97	7,683,036.35	1,011,500.00	32.30	23,177,864.45	55,847,033.77	2,665,900.00	3,677,400.00	15.19
2026	25,169,508.77	7,827,987.29	968,000.00	34.09	22,199,264.40	55,196,760.46	3,176,150.00	4,144,150.00	13.32
2027	25,668,110.46	7,959,001.41	924,500.00	36.37	22,240,475.77	55,867,587.64	3,066,025.00	3,990,525.00	14.00
2028	26,183,062.64	8,090,356.94	671,375.00	51.05	23,199,076.21	57,472,495.79	2,760,650.00	3,432,025.00	16.75
2029	26,841,970.79	8,234,964.87	-		24,853,139.92	59,930,075.57	2,660,025.00	2,660,025.00	22.53
2030	27,472,050.57	8,396,031.92	-		25,412,784.36	61,280,866.86	2,559,150.00	2,559,150.00	23.95
2031	28,228,266.86	8,557,449.11	-		25,852,868.45	62,638,584.42	2,458,025.00	2,458,025.00	25.48
2032	29,085,284.42	8,726,576.02	-		24,662,654.27	62,474,514.71	2,352,600.00	2,352,600.00	26.56
2033	30,119,339.71	8,913,527.60	-		25,495,533.31	64,528,400.62	2,253,300.00	2,253,300.00	28.64
2034	31,568,875.62	9,108,671.46	-		26,358,767.17	67,036,314.25	2,155,175.00	2,155,175.00	31.10
2035	31,736,314.25	9,330,331.84	-		26,375,850.19	67,442,496.28	1,659,525.00	1,659,525.00	40.64
		$126,967,240.08	$9,069,075.00		$377,892,381.21		$49,299,542.08	$58,368,617.08	

(1) Consists of accumulated estimated interest payments on loans and accumulated and estimated interest earnings on the fund in excess of the amount required to pay debt service on both State Match Bonds and Leveraged Bonds. To the extent available, carryforward cash is pledged to pay debt service on both State Match Bonds and Leveraged Bonds.
(2) Consists of estimated interest payments on loans and estimated interest earnings on the fund which are pledged to pay debt service on both State Match Bonds and Leveraged Bonds.
(3) Includes estimated debt service on the 2019D Bonds. Preliminary, subject to change.
(4) Consists of estimated principal payments on loans which are pledged to pay debt service on the Leveraged Bonds. Excludes carryforward accumulated estimated principal payments on loans in excess of the amount required to pay debt service on Leveraged Bonds. To the extent available, carryforward principal is pledged to pay debt service on the Leverage Bonds.
(5) Consists of estimated interest payments on loans; estimated interest earnings on the fund; and to the extent available, carryforward cash; all of which are pledged to pay debt service on both State Match Bonds and Leveraged Bonds. Also includes estimated principal payments on loans which are pledged to pay debt service on the Leveraged Bonds.
(6) Includes estimated debt service on the 2019E Bonds. Preliminary, subject to change.

Source: State of Nevada Department of Conservation and Natural Resources

The State has not covenanted in the various Orders of the State Treasurer or related Resolutions of the Board authorizing the issuance of the State Match Bonds or the Leveraged Bonds to maintain a minimum level of coverage or to restrict the use of funds in the CWSRF, except to purposes permitted by the Clean Water Act. State law also permits securities to be issued by the State with a lien on the pledged revenues that is senior to that of the State Match Bonds or the Leveraged Bonds. The State has not issued any obligations with a lien senior to the lien securing the State Match Bonds or the Leveraged Bonds.

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The following table identifies the various borrowers with loans outstanding from the CWSRF, including the principal amount of loans outstanding, the nature of the security for the loan, and the percentage of the principal amount of loans outstanding of each borrower to the total principal amount of loans outstanding.

Table 2
STATE OF NEVADA WATER POLLUTION CONTROL REVOLVING FUND
Schedule of Loans
As of October 1, 2019

Local Entity	Year Loan Made	Loan Balance Outstanding	Security	Total By Entity*	Portion of Total Program Borrowing Outstanding*
Carson City, City of	2010	$ 1,816,640.65	GO/Revenue		
Carson City, City of	2014	21,799,829.47	GO/Revenue		
Carson City, City of	2015	10,891,865.83	GO/Revenue	$ 34,508,335.95	15.16%
Clark Co Water Reclamation District	2009	3,105,286.41	GO/Revenue		
Clark Co Water Reclamation District	2011	28,693,555.27	GO/Revenue		
Clark Co Water Reclamation District	2012	24,060,339.63	GO/Revenue	55,859,181.31	24.68%
Douglas County	2016	3,023,886.90	GO/Revenue	3,023,886.90	1.33%
Douglas County Lake Tahoe Sewer Authority	2006	369,641.72	Revenue		
Douglas County Lake Tahoe Sewer Authority	2006	158,665.82	Revenue		
Douglas County Lake Tahoe Sewer Authority	2007	353,035.01	Revenue	881,342.55	0.39%
Fernley, City of	2015	5,159,070.00	GO/Revenue		
Fernley, City of	2017	1,382,357.76	GO/Revenue	6,541,427.76	2.87%
Hawthorne Utilities	2018	984,448.63	GO/Revenue	984,448.63	0.43%
Henderson, City of	2010	917,034.52	Revenue	917,034.52	0.40%
Incline Village General Improvement District	2002	423,011.08	Revenue		
Incline Village General Improvement District	2006	1,228,635.48	GO/Revenue	1,651,646.56	0.73%
Lyon County	2014	1,655,427.02	GO/Revenue		
Lyon County	2015	8,272,568.89	GO/Revenue	9,927,995.91	4.36%
Mesquite, City of	2009	12,541,846.35	GO/Revenue	12,541,846.35	5.51%
Minden Gardnerville Sanitation District	2009	771,666.31	Revenue	771,666.31	0.34%
North Las Vegas, City of	2017	46,657,784.38	GO/Revenue		
North Las Vegas, City of	2017	416,964.90	GO/Revenue	47,074,749.28	20.68%
Reno, City of	2016	26,452,223.26	GO/Revenue	26,452,223.26	11.62%
Sparks, City of	2016	17,922,300.54	GO/Revenue	17,922,300.54	7.87%
Washoe County	2015	8,528,212.55	GO/Revenue	8,528,212.55	3.75%
TOTAL*		**$ 227,586,298.38**			
		224,593,243.92	GO/Revenue		
		2,993,054.46	Revenue		
		-	Private Company		

*Totals may not add exactly due to rounding.
Source: State of Nevada Department of Conservation and Natural Resources

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