

Dan Schwartz
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

January 20, 2017

Members of the Legislative Commission's Budget Subcommittee
79th Legislative Session
Legislative Building, Room 4100
401 South Carson Street
Carson City, Nevada 89701

Dear Chairwoman Woodhouse and Chairwoman Carlton:

As State Treasurer, it is my pleasure to submit the General Obligation Debt Capacity and Affordability Report for the 2017-2019 biennium. The report will assist in making informed decisions concerning the State's multiple bonding programs and financing proposals contained in the Executive Budget.

Last biennium, the State's future debt capacity and affordability showed signs of improvement. In fact, the results of the 2015-2017 affordability analysis reflected the State's ability to issue General Obligation (GO) debt paid with ad valorem taxes of \$105 million for the 2015-2017 biennium and additionally, an estimated \$50 million for the 2017-2019 biennium.

I am pleased to report for this upcoming 2017-2019 biennium, not only is the State able to afford the \$50 million previously estimated but in actuality the affordability analysis reflects the State's ability to issue GO debt paid with ad valorem taxes of \$145 million for the 2015-2017 biennium (inclusive of just over \$14.3 million required to complete the 2015CIP).

Additionally, the affordability analysis projects \$125 million in issuance for the 2019-2021 biennium and a minimum of \$100 million for each of the subsequent bienniums. The projection of future affordability should prove helpful in reestablishing long term planning of the State's Capital Improvement Program.

Increased affordability was accomplished in part due to tax revenues exceeding projections, increased growth projections, and continued low financing costs. Additionally, throughout 2015 to present, our Debt Management Division took advantage of the decline in interest rates to execute 15 debt refundings which produced more than \$78.6 million in gross savings to State bonding programs of which approximately \$59.8 million in gross savings was applicable to debt paid with ad valorem taxes.

My staff and I will continue to regularly assess refunding and restructuring opportunities as well as evaluate possible efficiencies in regards to the State's debt obligations.

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Nevada Prepaid Tuition Program
Unclaimed Property
College Savings Plans of Nevada
Nevada College Kick Start Program

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Should you have any questions, please do not hesitate to contact my Deputy Treasurer of Debt Management Lori Chatwood (775.684.5797; lkchatwood@nevadatreasurer.gov).

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Dan Schwartz", with a stylized flourish at the end.

Dan Schwartz
State Treasurer

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STATE OF NEVADA

Prepared by
The Office of the State Treasurer

The Honorable Dan Schwartz
Treasurer

General Obligation Debt Capacity and Affordability Report
2017-2019 Biennium

Debt Capacity and Affordability Report 2017-2019 Biennium

TABLE OF CONTENTS

Introduction	1
Constitutional Debt Limitation-Debt Capacity	2
Security for State General Obligation Bonds	3
Property Tax Revenue Projections	4
Affordability Analysis-Assumptions	5
Affordability Analysis-Future Bonding Affordability	6
Governor Recommended General Obligation Bonding Allocation	7
Appendix A-Affordability Analysis	8
• PROPOSED BONDS - ISSUANCE AND SIZING	
• GENERAL OBLIGATION BONDS - CONSTITUTIONAL DEBT CAPACITY CALCULATION	
• DEBT REPAYMENT CASH FLOW SUMMARY - NON-Q1 PROGRAMS	
• DEBT REPAYMENT CASH FLOW SUMMARY - Q1 PROGRAM	
• CONSOLIDATED BOND INTEREST AND REDEMPTION FUND - ALL PROGRAMS	
• CONSOLIDATED BOND INTEREST AND REDEMPTION FUND - NON-Q1 PROGRAMS	
• CONSOLIDATED BOND INTEREST AND REDEMPTION FUND - Q1 PROGRAM	

General Obligation Debt Capacity and Affordability Report 2017-2019 Biennium

Introduction

The General Obligation Debt Capacity and Affordability Report for the 2017-2019 biennium is submitted to the members of the 79th (2017) Legislative Session, on behalf of the State Treasurer's Office, in order to provide information regarding the State of Nevada's general obligation debt capacity under its Constitutional debt limitation and the affordability of its existing and proposed debt provided by the revenue collected from the \$0.17 ad valorem tax currently levied to repay the State's general obligation debt. The information provided herein will assist the Legislature in making informed decisions regarding the State's various bond programs, spending priorities, and financing proposals contained in the Executive Budget.

The State Legislature convenes biennially in odd-numbered years and 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.

As of January 1, 2017, the remaining bond proceeds needed for bonding programs authorized to issue general obligation bonds paid for with property tax pursuant to prior legislation and included in the affordability analysis are listed below:

- Subject to the Constitutional Debt Limitation
 - Cultural Centers and Historic Preservation Projects: NRS 383.530-\$3,000,000 per fiscal year
 - Open Space, Parks, and Cultural Resources Projects: (Q1)-AB9 of the 17th Special Session (2001)-State Lands Grant Projects-\$12,556,000
 - Capital Improvement Projects: AB491 of the 78th Session (2015)-\$21,900,472
- Exempt from the Constitutional Debt Limitation
 - Water System Grant Projects: NRS 349.986-Aggregate principal amount outstanding of not greater than \$125,000,000. As of January 1, 2017-\$71,281,324
 - Lake Tahoe Basin Project: AB18 of the 75th Session (2009)-\$92,575,068
 - Open Space, Parks, and Natural Resources Projects (Q1): AB9 of the 17th Special Session (2001)-State Parks-\$1,776,531; State Wildlife-\$1,941,187; and State Lands-\$6,090,151

Constitutional Debt Limitation-Debt Capacity

Article 9, Section 3 of the State Constitution 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 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 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 as of June 30, 2016 set forth in Table 1 below is the most current assessed valuation available and is applicable for determining the State's debt limitation, subject to adjustment as described above.

Table 1
Constitutional Debt Limitation ⁽¹⁾

Effective June 30	Assessed Valuation ⁽²⁾	Debt Limitation	Outstanding GO Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2013	\$85,058,177,087	\$1,701,163,542	\$1,178,185,000	\$522,978,542
2014	92,727,490,889	1,854,549,818	1,151,010,000	703,539,818
2015	101,414,649,154	2,028,292,983	1,127,220,000	901,072,983
2016	108,331,564,829 ⁽³⁾	2,166,631,297	1,082,845,000	1,083,786,297
2017	108,331,564,829 ⁽³⁾	2,166,631,297	1,099,210,000 ⁽⁴⁾	1,067,421,297

⁽¹⁾ Does not include revenue bonds and contingent liabilities and does not include lease purchase agreements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds.

⁽²⁾ For purposes of calculating the State's debt limitation on June 30 of each year, the assessed valuation figures include statewide redevelopment agency assessed valuations in the amounts of: 2013-\$1,360,419,727; 2014-\$1,391,049,246; 2015-\$1,681,744,227; 2016-\$2,146,144,306; and 2017-\$2,499,678,505. On June 30 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 27, 2016 and reported by the State Department of Taxation.

⁽⁴⁾ Outstanding GO debt subject to Constitutional limitation as of January 1, 2017

Source: State Controller's Office and State Treasurer's Office

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 is pledged, and 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 the Bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made (NRS 349.256).

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 therefore), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes (NRS 349.238).

- Constitutional Limit- 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.
- Statutory Limit- 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 of the \$0.17 per \$100 of assessed valuation levied by the State for general obligation bonded indebtedness from this statutory limitation.

The tax is required to be levied each fiscal year until all of the State's general obligation bonds and the interest thereon are discharged (NRS 349.240). All such taxes levied by the State are required to be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury (NRS 349.100).

State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest (NRS 349.248).

State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund, to be repaid from future available property taxes (NRS 349.242).

Property Tax Revenue Projections

The Department of Taxation, the Division of Assessment Standards, and the Local Government Finance Section prepare a preliminary revenue projection for local governments which is published by February 15th [NRS 360.690 (10)] and a final report is published by March 15th [NRS 360.690(11)]. The revenue projection reports include a summary of assessed value by county for both the secured and unsecured rolls, and the net proceeds of minerals.

As a result of the partial abatement of property taxes enacted in 2005 (AB489 and SB509), the Department of Taxation produces the Pro Forma Report due on March 25th. This report shows the total pre-abated revenue less the amount of abatement for a final net tax revenue projection.

Since fiscal year 2006, abated property taxes have mitigated large declines in tax revenues. Existing law provides for a partial abatement of property taxes, which has the effect of establishing an annual cap/ceiling on increases of property tax but does not provide a floor. The formula for calculating the partial abatement provides that the property taxes may not increase by more than a percentage that is the lesser of: (1) the average percentage of change in the assessed valuation of property in the county over the last 10 years or twice the average percentage of increase in the Consumer Price Index for the previous year, whichever is greater; or (2) eight percent. Due to the decline in assessed value since 2008, many counties including Clark and Washoe saw property tax increase by only 0.2 percent for fiscal year 2017. This reduced growth rate along with the sun setting of the prepayment of the taxes on net proceeds of minerals results in the negative growth estimated for property tax revenues in fiscal year 2017.

Table 2 below reflects the actual revenue received to pay the State's general obligation debt from the current ad valorem tax levy of \$0.17 per \$100 of assessed valuation for fiscal years 2010-2016 and the estimated revenue to be received for fiscal year 2017.

Table 2
Property Tax Levied and Property Tax Revenues Collected to Repay General Obligation Bonds

Fiscal Year	Tax Rate Per \$100 of Assessed Valuation	Property Tax Revenues ⁽³⁾	Percentage of Change Over Prior Year
2010	0.17	\$186,714,279	-.43%
2011	0.17	158,172,271	-15.29%
2012	0.17	146,097,340	-7.63%
2013	0.17	138,178,568	-5.42%
2014	0.17	134,627,753	-2.57%
2015	0.17	139,599,461	.73%
2016	0.17	146,066,216	3.69%
2017	0.17	141,865,083 ⁽²⁾	-2.57%

⁽³⁾ Represents actual amount of property tax revenue inclusive of net proceeds of minerals deposited to the Consolidated Bond Interest and Redemption Fund.

⁽²⁾ Estimated property tax revenues based on discussions with the Departments of Taxation and Education, the Governor's Finance Office, the State Treasurer's Office, and the Legislative Counsel Bureau in December 2016 without the inclusion of net proceeds of minerals.

Affordability Analysis-Assumptions

The purpose of this analysis is to calculate the amount of additional general obligation debt, if any, that the State can afford in the future based on these property tax projections and the following assumptions:

- Projected Net Property Tax Revenue Growth Rates:

In December 2016, a committee comprised of the Departments of Taxation and Education, the Governor's Finance Office, the State Treasurer's Office, and the Legislative Counsel Bureau met to discuss and prepare a forecast of property tax revenues. They projected revenue for the 2017-2019 biennium and the growth rate for the outlying fiscal years in order to estimate the revenue to be received from the \$0.17 ad valorem tax levy:

- FY 2017 .02% Increase
- FY 2018 4.42% Increase
- FY 2019 4.22% Increase
- FY 2020-25 3.00% Increase

- Projected Net Proceeds of Minerals:

Due to the sun setting of the prepayment of the taxes on net proceeds of minerals (NRS 362.115) in Fiscal Year 2016, and without current projections from the Department of Taxation, net proceeds of minerals revenue projections have not been included in this analysis.

- State's Ad Valorem Tax Levy:

The State continues its current levy of \$0.17 per \$100 of assessed valuation for general obligation debt allocated as follows:

- FY 2017-2021
 - \$0.1545 to Non-Q1 Program
 - \$0.0155 allocated to the Q1 Program
- FY 2022-31
 - Allocation to Q1 Program may increase dependent upon additional Q1 debt issuance.

- Estimated Future Borrowing Cost
 - Future borrowing costs are modeled at a conservative 6% interest rate.
 - The State maintains its current AA+/Aa2/AA bond ratings from Fitch, Moody's, and S&P respectively throughout the amortization of all bonds.
 - Tax-Exempt bonds are issued for capital expenditures.
 - Fixed rate debt.
- Reserves maintained within the Consolidated Bond Interest and Redemption Fund:
 - Reserve balance maintained at June 30th of each fiscal year equal to at least 50% of the next fiscal year's debt service.
- Constitutional Debt Limit:
 - Outstanding and proposed general obligation debt subject to the Constitutional debt limit shall not exceed the Constitutional debt limit.

Affordability Analysis-Future Bonding Affordability

The results of the Affordability Analysis indicate the State's bonding affordability for all capital programs paid with property tax is \$145 million for the upcoming 2017-2019 biennium and additionally, \$125 million for the 2019-2021 biennium and a minimum of \$100 million for each of the subsequent bienniums.

The actual bonding capacity in future bienniums is dependent largely on actual property tax revenue growth as compared to estimates.

Based on current assumptions for property tax revenue growth and bond issuances, a portion of the reserves in the Consolidated Bond Interest and Redemption Fund will be required to support the projected debt service payments through fiscal year 2021. However, in each fiscal year the projected reserve balance within the Consolidated Bond Interest & Redemption Fund is expected to meet or exceed the State's policy of maintaining a reserve balance at June 30th of each fiscal year equal to at least 50% of the next fiscal year's debt service.

The actual amount of reserves required for future debt service is dependent upon future growth rates in property tax revenue, bond interest rates, and amortization periods as compared to estimates.

Governor Recommended General Obligation Bonding Allocation

The Governor's recommended allocation of the \$145 million of general obligation bonding affordability for the 2017-2019 biennium is set forth in Table 3 below.

Table 3
Governor Recommended General Obligation Bonding Affordability Allocation
2017-2019 Biennium

Bonding Program	Authority	Authorized but Unissued	2017-2019 Biennium Allocation
Programs Subject to Constitutional Debt Limit			
Capital Improvement	2015 CIP	\$ 21,900,472	\$ 14,341,220
Capital Improvement	2017 CIP	\$ -	\$ 119,058,780
Cultural Centers and Historic Preservation	NRS 383.530	\$3 million per fiscal year	\$ 1,000,000
*Q1-State Lands	AB9 (2001)	\$ 12,556,000	\$ -
		Total Subject:	\$ 134,400,000
Programs Exempt from Constitutional Debt Limit			
Water Systems Grants	NRS 349.986	\$ 71,281,324	\$ 1,000,000
Lake Tahoe	AB18 (2009)	\$ 92,575,068	\$ 5,000,000
*Q1-State Lands	AB9 (2001)	\$ 6,090,151	\$ 1,000,000
Q1-State Parks	AB9 (2001)	\$ 1,776,531	\$ 1,700,000
Q1-State Wildlife	AB9 (2001)	\$ 1,941,187	\$ 1,900,000
		Total Exempt:	\$ 10,600,000
		Total 2015-2017 Bonding Allocation	\$ 145,000,000
* \$1 million Q1-State Lands allocation may be issued as either Subject or Exempt			

Source: Governor's Finance Office

Affordability Analysis

State of Nevada
Debt Affordability Report
PROPOSED BONDS - ISSUANCE AND SIZING

Proposed Bonds Debt Service Requirements				Proposed Bonds Issuance and Sizing		
Fiscal Year	Principal	Interest ^{1/}	Annual Debt Service	Fiscal Year	Par Amount	Biennium Total
2018	\$ -	\$ 5,800,000.00	\$ 5,800,000.00	2018	\$ 145,000,000	-
2019	4,160,000.00	8,700,000.00	12,860,000.00	2019	-	\$ 145,000,000
2020	4,560,000.00	13,450,400.00	18,010,400.00	2020	\$ 125,000,000	-
2021	8,535,000.00	15,676,800.00	24,211,800.00	2021	-	\$ 125,000,000
2022	9,045,000.00	19,164,700.00	28,209,700.00	2022	\$ 100,000,000	-
2023	12,545,000.00	20,622,000.00	33,167,000.00	2023	-	\$ 100,000,000
2024	13,305,000.00	19,869,300.00	33,174,300.00	2024	-	-
2025	14,105,000.00	19,071,000.00	33,176,000.00	2025	-	-
2026	14,945,000.00	18,224,700.00	33,169,700.00	2026	-	-
2027	15,845,000.00	17,328,000.00	33,173,000.00	2027	-	-
2028	16,790,000.00	16,377,300.00	33,167,300.00		\$ 370,000,000	\$ 370,000,000
2029	17,795,000.00	15,369,900.00	33,164,900.00			
2030	18,870,000.00	14,302,200.00	33,172,200.00			
2031	20,005,000.00	13,170,000.00	33,175,000.00			
2032	21,205,000.00	11,969,700.00	33,174,700.00			
2033	22,475,000.00	10,697,400.00	33,172,400.00			
2034	23,825,000.00	9,348,900.00	33,173,900.00			
2035	25,250,000.00	7,919,400.00	33,169,400.00			
2036	26,775,000.00	6,404,400.00	33,179,400.00			
2037	28,370,000.00	4,797,900.00	33,167,900.00			
2038	17,070,000.00	3,095,700.00	20,165,700.00			
2039	18,095,000.00	2,071,500.00	20,166,500.00			
2040	7,975,000.00	985,800.00	8,960,800.00			
2041	8,455,000.00	507,300.00	8,962,300.00			
2042	-	-	-			
2043	-	-	-			
	\$ 370,000,000	\$ 274,924,300	\$ 644,924,300			

^{1/} Interest estimated at 6.00% for all bonds.

State of Nevada
Debt Affordability Report
GENERAL OBLIGATION BONDS - CONSTITUTIONAL DEBT CAPACITY CALCULATION

Year Ended			Balance of	Balance of	Total Balance	Remaining
6/30	Assessed Value ^{1/}	Debt Limit	Outstanding	Proposed G.O.	G.O. Bonds	Debt Limit
			G.O. Bonds ^{2/}	Bonds		
2017	108,331,564,829	2,166,631,297	1,034,015,000	0	1,034,015,000	1,132,616,297
2018	113,114,403,416	2,262,288,068	948,260,000	145,000,000	1,093,260,000	1,169,028,068
2019	117,883,306,664	2,357,666,133	866,550,000	140,840,000	1,007,390,000	1,350,276,133
2020	121,419,805,864	2,428,396,117	777,500,000	261,280,000	1,038,780,000	1,389,616,117
2021	125,062,400,040	2,501,248,001	677,400,000	252,745,000	930,145,000	1,571,103,001
2022	128,814,272,041	2,576,285,441	580,605,000	343,700,000	924,305,000	1,651,980,441
2023	132,678,700,203	2,653,574,004	490,590,000	331,155,000	821,745,000	1,831,829,004
2024	136,659,061,209	2,733,181,224	408,140,000	317,850,000	725,990,000	2,007,191,224
2025	140,758,833,045	2,815,176,661	321,730,000	303,745,000	625,475,000	2,189,701,661
2026	140,758,833,045	2,815,176,661	231,535,000	288,800,000	520,335,000	2,294,841,661
2027	140,758,833,045	2,815,176,661	137,150,000	272,955,000	410,105,000	2,405,071,661
2028	140,758,833,045	2,815,176,661	112,850,000	256,165,000	369,015,000	2,446,161,661
2029	140,758,833,045	2,815,176,661	87,520,000	238,370,000	325,890,000	2,489,286,661
2030	140,758,833,045	2,815,176,661	71,150,000	219,500,000	290,650,000	2,524,526,661
2031	140,758,833,045	2,815,176,661	52,115,000	199,495,000	251,610,000	2,563,566,661
2032	140,758,833,045	2,815,176,661	35,255,000	178,290,000	213,545,000	2,601,631,661
2033	140,758,833,045	2,815,176,661	17,820,000	155,815,000	173,635,000	2,641,541,661
2034	140,758,833,045	2,815,176,661	9,065,000	131,990,000	141,055,000	2,674,121,661
2035	140,758,833,045	2,815,176,661	-	106,740,000	106,740,000	2,708,436,661
2036	140,758,833,045	2,815,176,661	-	79,965,000	79,965,000	2,735,211,661
2037	140,758,833,045	2,815,176,661	-	51,595,000	51,595,000	2,763,581,661

1/ The State's general obligation debt limit is based on the most recently available assessed valuation. Therefore as of June 30 of each year the assessed valuation for the following year is used to determine the debt limit.

2/ Does not include revenue bonds, lease purchase agreements subject to appropriation and which contain a non-appropriation clause, or any contingent liabilities.

State of Nevada
Debt Affordability Report
DEBT REPAYMENT CASH FLOW SUMMARY - NON-Q1 PROGRAMS

Fiscal Year	Tax Rate	Estimated Net Property Tax Revenues ^{1/}	% Growth	Outstanding Debt Service	Proposed Debt Service	Receipts & Fees ^{2/}	Net Outstanding and Proposed Debt Service	Estimated Net Debt Service Cash Flow
2017	0.1545	128,930,325	0.02%	132,533,792	0	(1,870,113)	130,663,679	(1,733,354)
2018	0.1545	134,623,337	4.42%	134,193,411	5,616,000	(1,807,982)	138,001,429	(3,378,092)
2019	0.1545	140,299,654	4.22%	128,800,759	12,584,000	(1,741,958)	139,642,801	656,853
2020	0.1545	144,508,644	3.00%	131,146,066	17,584,400	(1,671,770)	147,058,696	(2,550,053)
2021	0.1545	148,843,903	3.00%	130,963,093	23,784,800	(1,596,368)	153,151,524	(4,307,621)
2022	0.1638	162,567,361	9.22%	129,714,779	27,787,300	(1,364,852)	156,137,228	6,430,133
2023	0.1624	166,016,075	2.12%	118,029,481	32,744,500	(1,278,042)	149,495,939	16,520,136
2024	0.1639	172,518,376	3.92%	105,895,188	32,747,300	(1,127,425)	137,515,063	35,003,313
2025	0.1642	178,032,689	3.20%	104,627,802	32,750,400	(1,027,567)	136,350,635	41,682,055
2026	0.1657	179,680,077	0.93%	101,243,417	32,746,100	(575,446)	133,414,070	46,266,007
2027	0.1673	181,435,177	0.98%	100,403,652	32,747,000	(460,144)	132,690,508	48,744,669
2028	0.1678	181,910,402	0.26%	26,855,987	32,744,800	(224,227)	59,376,560	122,533,842
2029	0.1687	182,930,633	0.56%	22,775,513	32,741,500	(99,576)	55,417,436	127,513,197
2030	0.1694	183,653,977	0.40%	11,886,869	32,748,800	30,000	44,665,669	138,988,308
2031	0.1695	183,778,527	0.07%	13,964,125	32,747,500	30,000	46,741,625	137,036,902
2032	0.1696	183,905,452	0.07%	11,166,625	32,749,300	30,000	43,945,925	139,959,527
2033	0.1696	183,906,552	0.00%	11,160,250	32,745,000	30,000	43,935,250	139,971,302
2034	0.1696	183,908,702	0.00%	8,505,841	32,750,700	30,000	41,286,541	142,622,161
2035	0.1696	183,906,902	0.00%	8,498,709	32,746,300	30,000	41,275,009	142,631,893
2036	0.1696	183,906,452	0.00%	752,025	32,752,600	30,000	33,534,625	150,371,827
2037	0.1698	184,119,852	0.12%	0	32,743,900	30,000	32,773,900	151,345,952

1/ FY17-FY37 projected revenue and growth assumptions based on discussions with the Departments of Taxation and Education, the Governor's Finance Office, the Treasurer's Office, and the Legislative Counsel Bureau in December 2016.

2/ Includes receipts associated with debt service on Enterprise Services Bonds and the 2009A Build America Bond subsidy payment. Net of bank and compliance fees paid for services.

State of Nevada
Debt Affordability Report
DEBT REPAYMENT CASH FLOW SUMMARY - Q1 PROGRAM

Fiscal Year	Tax Rate	Estimated Net Property Tax Revenues ^{1/}	% Growth	Outstanding Debt Service	Proposed Debt Service	Net Outstanding and Proposed Debt Service	Estimated Net Debt Service Cash Flow
2017	0.0155	12,934,758	-2.10%	13,905,884	0	13,905,884	(971,126)
2018	0.0155	13,505,901	4.42%	12,936,605	184,000	13,120,605	385,296
2019	0.0155	14,075,370	4.22%	13,881,100	276,000	14,157,100	(81,730)
2020	0.0155	14,497,631	3.00%	14,378,675	426,000	14,804,675	(307,044)
2021	0.0155	14,932,560	3.00%	14,380,275	427,000	14,807,275	125,285
2022	0.0062	6,122,396	-59.00%	8,681,763	422,400	9,104,163	(2,981,767)
2023	0.0076	7,734,375	26.33%	8,530,238	422,500	8,952,738	(1,218,363)
2024	0.0061	6,444,588	-16.68%	6,089,013	427,000	6,516,013	(71,425)
2025	0.0058	6,299,163	-2.26%	5,947,563	425,600	6,373,163	(74,000)
2026	0.0043	4,651,775	-26.15%	5,801,563	423,600	6,225,163	(1,573,388)
2027	0.0027	2,896,675	-37.73%	2,652,388	426,000	3,078,388	(181,713)
2028	0.0022	2,421,450	-16.41%	2,292,463	422,500	2,714,963	(293,513)
2029	0.0013	1,401,219	-42.13%	1,704,538	423,400	2,127,938	(726,719)
2030	0.0006	677,875	-51.62%	251,100	423,400	674,500	3,375
2031	0.0005	553,325	-18.37%	253,750	427,500	681,250	(127,925)
2032	0.0004	426,400	-22.94%	0	425,400	425,400	1,000
2033	0.0004	425,300	-0.26%	0	427,400	427,400	(2,100)
2034	0.0004	423,150	-0.51%	0	423,200	423,200	(50)
2035	0.0004	424,950	0.43%	0	423,100	423,100	1,850
2036	0.0004	425,400	0.11%	0	426,800	426,800	(1,400)
2037	0.0002	212,000	-50.16%	0	424,000	424,000	(212,000)

1/ FY17-FY37 projected revenue and growth assumptions based on discussions with the Departments of Taxation and Education, the Governor's Finance Office, the Treasurer's Office, and the Legislative Counsel Bureau in December 2016.

State of Nevada
Debt Affordability Report
CONSOLIDATED BOND INTEREST AND REDEMPTION FUND - ALL PROGRAMS

Fiscal Year	Beginning Balance	Adjustments	Fund Balance Deposit/ (Drawdown)	Ending Balance	Next Year's Net Debt Service	Balance as a % of Next Year's Debt Service	50% of Next Year's Debt Service	Balance as a % of Target Debt Service ^{1/}
2017	122,996,606	0	(2,704,479)	120,292,127	151,122,034	79.60%	75,561,017	159.20%
2018	120,292,127	0	(2,992,796)	117,299,331	153,799,901	76.27%	76,899,951	152.53%
2019	117,299,331	0	575,123	117,874,454	161,863,371	72.82%	80,931,686	145.65%
2020	117,874,454	0	(2,857,097)	115,017,357	167,958,799	68.48%	83,979,400	136.96%
2021	115,017,357	0	(4,182,336)	110,835,021	165,241,390	67.07%	82,620,695	134.15%
2022	110,835,021	0	3,448,367	114,283,388	158,448,677	72.13%	79,224,338	144.25%
2023	114,283,388	0	15,301,773	129,585,161	144,031,075	89.97%	72,015,538	179.94%
2024	129,585,161	0	34,931,888	164,517,048	142,723,797	115.27%	71,361,899	230.54%
2025	164,517,048	0	41,608,055	206,125,103	139,639,233	147.61%	69,819,616	295.23%
2026	206,125,103	0	44,692,619	250,817,722	135,768,895	184.74%	67,884,448	369.48%
2027	250,817,722	0	48,562,957	299,380,679	62,091,522	482.16%	31,045,761	964.32%
2028	299,380,679	0	122,240,330	421,621,009	57,545,374	732.68%	28,772,687	1465.35%
2029	421,621,009	0	126,786,478	548,407,487	45,340,169	1209.54%	22,670,084	2419.08%
2030	548,407,487	0	138,991,683	687,399,170	47,422,875	1449.51%	23,711,438	2899.02%
2031	687,399,170	0	136,908,977	824,308,147	44,371,325	1857.75%	22,185,663	3715.50%
2032	824,308,147	0	139,960,527	964,268,674	44,362,650	2173.60%	22,181,325	4347.21%
2033	964,268,674	0	139,969,202	1,104,237,876	41,709,741	2647.43%	20,854,870	5294.87%
2034	1,104,237,876	0	142,622,111	1,246,859,987	41,698,109	2990.21%	20,849,055	5980.41%
2035	1,246,859,987	0	142,633,743	1,389,493,729	33,961,425	4091.39%	16,980,713	8182.78%
2036	1,389,493,729	0	150,370,427	1,539,864,156	33,197,900	4638.44%	16,598,950	9276.88%
2037	1,539,864,156	0	151,133,952	1,690,998,108	20,165,700	8385.52%	10,082,850	16771.03%

1/ The State's debt management policy has 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) and after deducting amounts within the fund that are set aside for purposes other than the payment of debt service.

State of Nevada
Debt Affordability Report
CONSOLIDATED BOND INTEREST AND REDEMPTION FUND - NON-Q1 PROGRAMS

Fiscal Year	Beginning Balance	Adjustments	Fund Balance Deposit/ (Drawdown)	Ending Balance	Next Year's Net Debt Service	Balance as a % of Next Year's Debt Service	50% of Next Year's Debt Service	Balance as a % of Target Debt Service ^{1/}
2017	114,689,152	0	(1,733,354)	112,955,798	138,001,429	81.85%	69,000,714	163.70%
2018	112,955,798	0	(3,378,092)	109,577,706	139,642,801	78.47%	69,821,401	156.94%
2019	109,577,706	0	656,853	110,234,559	147,058,696	74.96%	73,529,348	149.92%
2020	110,234,559	0	(2,550,053)	107,684,507	153,151,524	70.31%	76,575,762	140.62%
2021	107,684,507	0	(4,307,621)	103,376,886	156,137,228	66.21%	78,068,614	132.42%
2022	103,376,886	0	6,430,133	109,807,019	149,495,939	73.45%	74,747,970	146.90%
2023	109,807,019	0	16,520,136	126,327,154	137,515,063	91.86%	68,757,531	183.73%
2024	126,327,154	0	35,003,313	161,330,467	136,350,635	118.32%	68,175,317	236.64%
2025	161,330,467	0	41,682,055	203,012,522	133,414,070	152.17%	66,707,035	304.33%
2026	203,012,522	0	46,266,007	249,278,528	132,690,508	187.86%	66,345,254	375.73%
2027	249,278,528	0	48,744,669	298,023,197	59,376,560	501.92%	29,688,280	1003.84%
2028	298,023,197	0	122,533,842	420,557,040	55,417,436	758.89%	27,708,718	1517.78%
2029	420,557,040	0	127,513,197	548,070,237	44,665,669	1227.05%	22,332,834	2454.10%
2030	548,070,237	0	138,988,308	687,058,545	46,741,625	1469.91%	23,370,813	2939.81%
2031	687,058,545	0	137,036,902	824,095,447	43,945,925	1875.25%	21,972,963	3750.50%
2032	824,095,447	0	139,959,527	964,054,974	43,935,250	2194.26%	21,967,625	4388.53%
2033	964,054,974	0	139,971,302	1,104,026,276	41,286,541	2674.06%	20,643,270	5348.12%
2034	1,104,026,276	0	142,622,161	1,246,648,437	41,275,009	3020.35%	20,637,505	6040.69%
2035	1,246,648,437	0	142,631,893	1,389,280,329	33,534,625	4142.82%	16,767,313	8285.65%
2036	1,389,280,329	0	150,371,827	1,539,652,156	32,773,900	4697.80%	16,386,950	9395.60%
2037	1,539,652,156	0	151,345,952	1,690,998,108	20,165,700	8385.52%	10,082,850	16771.03%

1/ The State's debt management policy has 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) and after deducting amounts within the fund that are set aside for purposes other than the payment of debt service.

State of Nevada
Debt Affordability Report
CONSOLIDATED BOND INTEREST AND REDEMPTION FUND - Q1 PROGRAM

Fiscal Year	Beginning Balance	Adjustments	Fund Balance Deposit/ (Drawdown)	Ending Balance	Next Year's Net Debt Service	Balance as a % of Next Year's Debt Service	50% of Next Year's Debt Service	Balance as a % of Target Debt Service ^{1/}
2017	8,307,454	0	(971,126)	7,336,329	13,120,605	55.91%	6,560,303	111.83%
2018	7,336,329	0	385,296	7,721,625	14,157,100	54.54%	7,078,550	109.08%
2019	7,721,625	0	(81,730)	7,639,895	14,804,675	51.60%	7,402,338	103.21%
2020	7,639,895	0	(307,044)	7,332,850	14,807,275	49.52%	7,403,638	99.04%
2021	7,332,850	0	125,285	7,458,135	9,104,163	81.92%	4,552,081	163.84%
2022	7,458,135	0	(2,981,767)	4,476,369	8,952,738	50.00%	4,476,369	100.00%
2023	4,476,369	0	(1,218,363)	3,258,006	6,516,013	50.00%	3,258,006	100.00%
2024	3,258,006	0	(71,425)	3,186,581	6,373,163	50.00%	3,186,581	100.00%
2025	3,186,581	0	(74,000)	3,112,581	6,225,163	50.00%	3,112,581	100.00%
2026	3,112,581	0	(1,573,388)	1,539,194	3,078,388	50.00%	1,539,194	100.00%
2027	1,539,194	0	(181,713)	1,357,481	2,714,963	50.00%	1,357,481	100.00%
2028	1,357,481	0	(293,513)	1,063,969	2,127,938	50.00%	1,063,969	100.00%
2029	1,063,969	0	(726,719)	337,250	674,500	50.00%	337,250	100.00%
2030	337,250	0	3,375	340,625	681,250	50.00%	340,625	100.00%
2031	340,625	0	(127,925)	212,700	425,400	50.00%	212,700	100.00%
2032	212,700	0	1,000	213,700	427,400	50.00%	213,700	100.00%
2033	213,700	0	(2,100)	211,600	423,200	50.00%	211,600	100.00%
2034	211,600	0	(50)	211,550	423,100	50.00%	211,550	100.00%
2035	211,550	0	1,850	213,400	426,800	50.00%	213,400	100.00%
2036	213,400	0	(1,400)	212,000	424,000	50.00%	212,000	100.00%
2037	212,000	0	(212,000)	0	0		0	

1/ The State's debt management policy has 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) and after deducting amounts within the fund that are set aside for purposes other than the payment of debt service.