

**SCHEDULE OF EMPLOYER ALLOCATIONS,
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER,
AND RELATED NOTES**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
of NEVADA**



**For the Fiscal Year Ended
June 30, 2016**

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INDEPENDENT AUDITORS' REPORT

Public Employees' Retirement Board
of the State of Nevada
Carson City, Nevada

Report on Schedules

We have audited the accompanying schedule of employer allocations of the Public Employees' Retirement System of Nevada (PERS), a component unit of the State of Nevada, as of and for the year ended June 30, 2016, and the related notes.

We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense as of and for the year ended June 30, 2016 (specified column totals), included in the accompanying schedule of pension amounts by employer of PERS, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the PERS' preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense for the total of all of PERS' participating entities as of and for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of PERS as of and for the year ended June 30, 2016, and our report thereon, dated December 7, 2016, expressed an unmodified opinion on those statements.

Restriction on Use

Our report is intended solely for the information and use of PERS' management, Board of Trustees, and employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2017, on our consideration of the PERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PERS' internal control over financial reporting.



CliftonLarsonAllen LLP

Baltimore, Maryland
July 5, 2017

Schedule of Employer Allocations as of and for the Fiscal Year ended June 30, 2016			
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Agency #	Agency	Employer and Member Contributions	Employer Allocation Percentage
(1)	(2)	(3)	(4)
100	STATE OF NEVADA	\$271,203,080	15.99353%
161	NV BD OF VET MEDICAL EXAM	53,794	0.00317%
162	BD OF EXAM FOR SOC WORKER	\$41,228	0.00243%
163	BD OF CHIROPRACTIC EXAMIN	\$32,887	0.00194%
164	ST BD OF DENTAL EXAMINERS	\$81,574	0.00481%
165	NV BD OF DISPENSING OPT	\$10,916	0.00064%
170	COSMETOLOGY BOARD	\$286,299	0.01688%
171	LIQ PET GAS BD	\$55,381	0.00327%
174	BOARD OF NURSING	\$414,015	0.02442%
175	ACCOUNTANCY BOARD	\$58,856	0.00347%
176	LEGISLATIVE COUNSEL	\$5,234,310	0.30868%
179	NV ST BOARD OF PHARMACY	\$334,477	0.01972%
181	NV ST BOARD ARCHITECTURE	\$97,660	0.00576%
182	ST BD OF MEDICAL EXAMINER	500,770	0.02953%
183	NV BRD MAR, FAM, COU	5,428	0.00032%
187	NV RURAL HOUSING	503,219	0.02968%
188	STATE BOARD OF OPTOMETRY	12,594	0.00074%
189	BOARD OF OSTEOPATHIC MED	70,023	0.00413%
190	UNIVERSITY OF NEVADA-RENO	25,918,448	1.52848%
191	UNLV	23,142,993	1.36480%
201	CHURCHILL CO SCHOOL DIST	5,109,301	0.30131%
202	CLARK CO SCHOOL DISTRICT	417,916,710	24.64560%
203	DOUGLAS CO SCHOOL DIST	9,978,558	0.58846%
204	ELKO CO SCHOOL DISTRICT	15,175,050	0.89491%
206	ESMERALDA CO SCHOOL DIST	238,267	0.01405%
207	EUREKA CO SCHOOL DISTRICT	1,118,042	0.06593%
208	HUMBOLDT CO SCHOOL DIST	5,665,933	0.33413%
209	LANDER CO SCHOOL DISTRICT	1,823,358	0.10753%
210	LINCOLN CO SCHOOL DIST	2,064,800	0.12177%
211	LYON CO SCHOOL DISTRICT	12,845,515	0.75753%
212	MINERAL CO SCHOOL DIST	960,642	0.05665%
213	NYE COUNTY SCHOOL DIST	8,418,189	0.49644%
214	CARSON CITY SCHOOL	11,288,917	0.66574%
215	PERSHING CO SCHOOL DIST	1,666,940	0.09830%
217	STOREY CO SCHOOL DISTRICT	950,788	0.05607%
218	WASHOE CO SCHOOL-CERT	71,435,243	4.21272%
219	WASHOE CO SCHOOL-CLASS	23,004,362	1.35662%
220	WHITE PINE CO SCHOOL DIST	2,066,228	0.12185%
221	ICDA CHARTER HIGH SCHOOL	241,020	0.01421%
223	ODYSSEY CHARTER SCHOOL	1,833,379	0.10812%
225	SIERRA NEVADA ACADEMY	279,235	0.01647%
227	CORAL ACADEMY OF SCIENCE	1,123,970	0.06628%
228	BAILEY CHARTER SCHOOL	326,940	0.01928%
230	ANDRE AGASSI PREP ACDMY	1,774,231	0.10463%
231	EXPLORE KNOWLEDGE CHARTER	714,341	0.04213%
232	MARIPOSA ACADEMY	156,306	0.00922%
233	ACADEMY FOR CAREER ED	228,456	0.01347%

the accompanying notes are an integral part of these schedules

Schedule of Employer Allocations as of and for the Fiscal Year ended June 30, 2016			
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Agency #	Agency	Employer and Member Contributions	Employer Allocation Percentage
(1)	(2)	(3)	(4)
234	HIGH DSRT MONTESSORI SCH	415,065	0.02448%
236	RAINSHADOW COM CHARTER HS	108,656	0.00641%
238	SILVER STATE HIGH SCHOOL	423,987	0.02500%
241	NEVADA STATE HIGH SCHOOL	141,486	0.00834%
242	CARSON MONTESSORI SCHOOL	260,861	0.01538%
243	100 ACADEMY OF EXCELLENCE	401,143	0.02366%
244	INNOVATIONS CHARTER	931,698	0.05494%
245	RAINBOW DREAMS ACADEMY	150,333	0.00887%
246	THE DELTA ACADEMY	176,295	0.01040%
247	CORAL ACADEMY LAS VEGAS	1,489,778	0.08786%
248	NV VIRTUAL ACADEMY	1,532,679	0.09039%
249	NV CONNECTIONS ACADEMY	996,666	0.05878%
250	QUEST ACADEMY CHARTER SCHOOL	1,325,702	0.07818%
252	BEACON ACADEMY OF NV	368,415	0.02173%
253	ELKO INST ACADEMIC ACH	194,319	0.01146%
254	SILVER SANDS MONTESSORI	194,486	0.01147%
255	ALPINE ACADEMY CHARTER	119,086	0.00702%
256	OASIS ACADEMY	454,787	0.02682%
257	SOMERSET ACADEMY OF LV	3,936,769	0.23216%
258	DISCOVERY CHARTER SCHOOL	289,714	0.01709%
259	IMAGINE SCHOOL AT MT VIEW	307,447	0.01813%
261	HONORS ACAD OF LITERATURE	199,231	0.01175%
262	PINECREST ACADEMY OF NV	1,699,437	0.10022%
263	DORAL ACADEMY OF NV	1,826,964	0.10774%
264	LEARNING BRIDGE CHARTER	131,085	0.00773%
265	AMERICAN PREP ACADEMY	473,828	0.02794%
266	FOUNDERS ACADEMY	391,668	0.02310%
267	MATER ACADEMY OF NV	586,827	0.03461%
268	LEADERSHIP ACADEMY OF NV	61,570	0.00363%
269	EQUIPO ACADEMY	273,134	0.01611%
301	CHURCHILL COUNTY	3,136,418	0.18496%
302	CHURCHILL CO VOL FIRE DPT	277,790	0.01638%
303	CLARK COUNTY	145,016,928	8.55201%
304	CLARK CO WATER RECLAM DST	7,252,182	0.42768%
305	SOUTHERN NV HEALTH DIST	8,843,278	0.52151%
306	LV CONV & VISIT AUTH	9,545,749	0.56294%
307	DOUGLAS COUNTY	8,258,570	0.48703%
308	ELKO COUNTY	6,108,696	0.36025%
309	ELKO CO AGRICULTURE	26,069	0.00154%
310	ESMERALDA COUNTY	543,185	0.03203%
311	EUREKA COUNTY	1,397,771	0.08243%
312	HUMBOLDT COUNTY	3,362,713	0.19831%
313	LANDER COUNTY GOVERNMENT	1,793,272	0.10575%
314	LINCOLN COUNTY	1,492,242	0.08800%
315	LYON COUNTY	5,468,465	0.32249%
317	MINERAL COUNTY	1,036,691	0.06114%
318	NYE COUNTY	7,473,653	0.44074%

the accompanying notes are an integral part of these schedules

Schedule of Employer Allocations as of and for the Fiscal Year ended June 30, 2016			
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Agency #	Agency	Employer and Member Contributions	Employer Allocation Percentage
(1)	(2)	(3)	(4)
319	PERSHING COUNTY	1,335,767	0.07877%
320	STOREY COUNTY	1,554,379	0.09167%
321	WASHOE COUNTY	50,934,724	3.00375%
322	RENO/SPARKS CNVNTION AUTH	1,678,144	0.09896%
323	WHITE PINE COUNTY	2,070,873	0.12212%
324	LV METRO POLICE DEPT	145,806,075	8.59855%
325	WHITE PINE CO TOUR & REC	52,655	0.00311%
327	LV-CLARK CO LIBRARY DIST	5,796,639	0.34184%
328	TOWN OF KINGSTON	5,242	0.00031%
402	UNIV MEDICAL CENTER	59,099,074	3.48522%
403	HUMBOLDT GEN HOSPITAL	3,332,769	0.19654%
404	BATTLE MOUNTAIN GEN HOSP	1,786,937	0.10538%
405	GROVER C DILS MED CENTER	740,827	0.04369%
407	MT GRANT GENERAL HOSPITAL	1,080,260	0.06371%
410	PERSHING GENERAL HOSPITAL	1,116,625	0.06585%
412	WM. BEE RIRIE HOSPITAL	3,150,526	0.18579%
416	SLVR SPGS/STGE HSP D	5,780	0.00034%
503	CC COMMUNICATIONS	1,078,414	0.06360%
504	LOVELOCK MEADOWS WTR	75,425	0.00445%
505	LINCOLN CO. POWER DIST.	329,976	0.01946%
507	OVERTON POWER DISTRICT #5	976,684	0.05760%
509	SUN VALLEY GID	234,957	0.01386%
510	MOAPA VALLEY WATER	295,609	0.01743%
511	LANDER CO SEWER AND WATER	5,290	0.00031%
514	VIRGIN VALLEY WATER DIST	324,543	0.01914%
515	ALAMO SEWER & WATER GID	30,700	0.00181%
601	CITY OF BOULDER	3,843,083	0.22664%
602	CITY OF CALIENTE	115,915	0.00684%
603	CITY OF CARLIN	337,761	0.01992%
604	CITY OF CARSON	12,064,398	0.71147%
605	CITY OF ELKO	3,444,508	0.20313%
606	CITY OF ELY	504,869	0.02977%
607	CITY OF FALLON	1,653,703	0.09752%
609	CITY OF HENDERSON	52,052,127	3.06964%
610	CITY OF LAS VEGAS	65,873,823	3.88474%
611	CITY OF NORTH LAS VEGAS	29,390,713	1.73324%
612	CITY OF RENO	30,008,161	1.76966%
613	CITY OF SPARKS	11,839,113	0.69818%
614	CITY OF WELLS	191,125	0.01127%
615	CITY OF WINNEMUCCA	1,005,576	0.05930%
616	CITY OF YERINGTON	272,583	0.01607%
617	CITY OF LOVELOCK	166,581	0.00982%
618	CITY OF MESQUITE	2,759,953	0.16276%
620	CITY OF WEST WENDOVER	1,078,386	0.06360%
621	CITY OF FERNLEY	925,358	0.05457%
703	TRUCKEE-CARSON IRR DIST	450,123	0.02654%
704	WALKER RIVER IRRIG DIST	52,280	0.00308%

the accompanying notes are an integral part of these schedules

Schedule of Employer Allocations as of and for the Fiscal Year ended June 30, 2016			
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Agency #	Agency	Employer and Member Contributions	Employer Allocation Percentage
(1)	(2)	(3)	(4)
705	WASHOE CO WATER CON DIST	18,286	0.00108%
707	TAHOE-DOUGLAS FIRE PROT	1,752,433	0.10335%
708	N LAKE TAHOE FIRE PRO DST	1,855,206	0.10941%
711	WHITE PINE CO 474 FIRE DT	133,299	0.00786%
712	CENTRAL LYON COUNTY FPD	673,980	0.03975%
713	TRUCKEE MEADOWS FIRE PD	3,679,079	0.21696%
714	EAST FORK FIRE PROT DIST	1,907,104	0.11247%
715	STOREY COUNTY FIRE PD	904,219	0.05332%
716	MT CHARLESTON FPD	116,845	0.00689%
717	MASON VALLEY FIRE DI	63,363	0.00374%
718	NORTH LYON CO FIRE D	156,334	0.00922%
902	RENO HOUSING AUTHORITY	825,265	0.04867%
903	BEATTY WATER & SAN DIST	43,090	0.00254%
905	DOUGLAS CO SEWER DISTRICT	355,428	0.02096%
911	TAHOE DOUGLAS DISTRICT	64,852	0.00382%
912	ELKO CONV & VISITORS AUTH	169,507	0.01000%
913	WINNEMUCCA VOL FIRE DEPT	173,280	0.01022%
914	ROUND HILL GID	91,563	0.00540%
916	MINDEN-GVILLE SAN DST	196,659	0.01160%
917	LOVELOCK VOL FIRE DEPT	28,583	0.00169%
919	RENO-TAHOE AIRPORT AUTH	4,764,581	0.28098%
920	ELKO VOL FIRE DEPT	157	0.00001%
921	PERSHING CO WATER CONS	89,713	0.00529%
923	NV ASSOC OF COUNTIES	80,553	0.00475%
924	REGIONAL TRANS COMM	1,464,380	0.08636%
925	STAGECOACH G.I.D.	57,478	0.00339%
926	CHURCHILL CO MOSQ ABATE	88,878	0.00524%
927	MINERAL CO HOUSING AUTH	10,985	0.00065%
928	EAST FORK SWIMMING POOL	165,144	0.00974%
929	PERSHING CO VOL FIRE DPT	10,440	0.00062%
930	CITY OF WELLS VL FIRE DPT	5,916	0.00035%
931	TRUCKEE MDWS REG PLAN AGY	99,415	0.00586%
932	INDIAN HILLS GID	156,437	0.00923%
934	GVILLE RANCHOS IMPRO DIST	155,559	0.00917%
935	BATTLE MT VOL FIRE DEPT	25,404	0.00150%
936	WINNEMUCCA RURAL VOL FIRE	64,815	0.00382%
937	KINGSBURY IMPRV DIST	223,379	0.01317%
938	AUSTIN VOL FIRE DEPT	4,176	0.00025%
942	CONSERVATION DST OF SO NV	0	0.00000%
943	PALOMINO GID	32,870	0.00194%
944	MCGILL-RUTH CONS SWR&WTR	47,148	0.00278%
945	CNTRL DISPATCH ADMIN AUTH	182,698	0.01077%
946	EXAM ALCOHOL & DRUG COUN	27,558	0.00163%
947	WORKFORCE CONNECTIONS	742,745	0.04380%
948	TRUCKEE MEADOWS WATER ATH	4,535,069	0.26744%
949	HENDERSON DIST PUB LIBRAR	843,080	0.04972%
950	CANYON G I D	34,844	0.00205%

the accompanying notes are an integral part of these schedules

Schedule of Employer Allocations as of and for the Fiscal Year ended June 30, 2016

Agency #	Agency	Employer and Member Contributions	Employer Allocation Percentage
(1)	(2)	(3)	(4)
951	LANDER CO FAIR AND R	6,699	0.00040%
952	NV TAHOE CONSERV DIST	100,817	0.00595%
953	GRASS VALLEY VOL FIRE DPT	14,862	0.00088%
954	BOARD OF PHYSICAL THERAPY	25,585	0.00151%
955	GERLACH GID	7,608	0.00045%
956	RYE PATCH VOL FIRE DPT	7,955	0.00047%
957	NV STATE BD OF MASSAGE	94,501	0.00557%
958	RTC OF SOUTHERN NV	5,744,106	0.33874%
960	INCLINE VILLAGE VCB	64,658	0.00381%
961	DOUGLAS CO MOSQUITO DIST	25,488	0.00150%
962	LAHONTAN CONSER DIST	5,867	0.00035%
963	CARSON CITY AIRPORT AUTH	29,186	0.00172%
964	SO NV REG HOUSING AUTH	4,134,102	0.24380%
965	FERNLEY SWIMMING POO	33,647	0.00198%
Total Allocation		\$1,695,705,372	100.00000%

Schedule of Pension Amounts by Employer
as of and for the Fiscal Year ended June 30, 2016

		Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense/(Income)			
Agency #	Agency	Net Pension Liability / (Asset)	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense / (Income)	Expensed Portion of Current-Period Changes in Proportion and Contributions of Employer	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
958	RTC OF SOUTHERN NV	45,585,275	-	4,237,719	-	4,066,850	8,304,569	3,052,508	-	-	3,052,508	5,876,721	461,465	346,819	6,685,005
960	INCLINE VILLAGE VCB	513,126	-	47,701	-	20,109	67,810	34,360	-	22,611	56,971	66,151	2,726	(3,711)	65,166
961	DOUGLAS CO MOSQUITO DIST	202,273	-	18,803	-	56,996	75,799	13,545	-	-	13,545	26,076	2,621	9,398	38,095
962	LAHONTAN CONSER DIST	46,561	-	4,328	-	-	4,328	3,118	-	15,317	18,435	6,003	(1,700)	(1,398)	2,905
963	CARSON CITY AIRPORT AUTH	231,620	-	21,532	-	-	21,532	15,510	-	46,878	62,388	29,860	(2,281)	(7,909)	19,670
964	SO NV REG HOUSING AUTH	32,808,270	-	3,049,937	-	1,302,033	4,351,970	2,196,927	-	1,536,512	3,733,439	4,229,547	219,628	(314,423)	4,134,752
965	FERNLEY SWIMMING POO	267,023	-	24,823	-	217,174	241,997	17,881	-	12,114	29,995	34,423	37,420	-	71,843
Total Allocation		\$13,457,132,664	\$0	\$1,251,007,997	\$0	\$410,955,448	\$1,661,963,445	\$901,124,388	\$0	\$413,882,994	\$1,315,007,382	\$1,734,854,671	\$(553,742)	\$24,438	\$1,734,325,367

the accompanying notes are an integral part of these schedules

Notes to Schedules

Note 1: Summary of Significant Accounting and Reporting Policies

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS or System) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

A. Basis of accounting

1. Employers participating in PERS cost-sharing, multiple-employer, defined benefit plans are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer provide employers with the required information for financial reporting.
2. The underlying financial information used to prepare the pension allocation schedules is based on PERS' financial statements. PERS' financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.
3. Contributions for employer pay dates that fall within PERS' fiscal year ending June 30, 2016, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations.
4. The total pension liability is calculated by PERS' actuary. The plan's fiduciary net position is reported in PERS' financial statements and the net pension liability is disclosed in PERS' notes to the financial statements.

B. Reconciliation of employer and member contributions in PERS' Statement of Changes in Fiduciary Net Position to the employer and member contributions used in determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations.

	Plan Member Contributions	Employer Matching Contributions	Employer Only Contributions	Total Employer Contributions	Total Employer And Member Contributions
Contributions Reported in the Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2016	\$ 129,788,195	\$129,788,195	\$1,439,921,401	\$1,569,709,596	\$1,699,497,791
Deduct PERS Contributions Not included in The Allocation	(146,337)	(146,337)	(709,177)	(855,514)	(1,001,851)
Deduct Contributions Not Representative Of Future Effort	(57,835)	(57,835)	(2,674,898)	(2,732,733)	(2,790,568)
Total Contributions Used for Employers' Shares of Collective Pension Amounts	\$ 129,584,023	\$129,584,023	\$1,436,537,326	\$1,566,121,349	\$ 1,695,705,372

Note 2: Plan Description

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered 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.

A. Benefits Provided

1. Benefits, as required by the Nevada Revised Statutes (NRS or 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 the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.
2. 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 factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System 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.
3. Post-retirement increases are provided by authority of NRS 286.575 - .579.

B. Vesting

1. Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 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 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

2. Police/Fire members entering the System prior to January 1, 2010, 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 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.
3. 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.

C. Contributions

1. The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.
2. The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.
3. The System 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.

4. The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.
5. For the fiscal year ended June 30, 2016, the statutory Employer/Employee matching rate was 14.5% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28% for Regular and 40.50% for Police/Fire.

Note 3: Investment Policy

The System’s policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board adopted policy target asset allocation as of June 30, 2016:

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%

*As of June 30, 2016, PERS’ long-term inflation assumption was 3.5%

Note 4: Pension Liability

A. Net Pension Liability

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer’s proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2016.

B. Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of PERS as of June 30, 2016, calculated using the discount rate of 8.00%, as well as what PERS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	\$19,725,527,478	\$13,457,132,664	\$8,241,905,366

C. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in PERS' Comprehensive Annual Financial Report (CAFR), available on the PERS website www.nvpers.org.

D. Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other assumptions	Same as those used in the June 30, 2016 funding actuarial valuation

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2016, was projected to be available to make all projected future benefit payments of current active and inactive employees. 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, 2016.

E. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2016, the total employer pension expense was \$1,734,325,367. At June 30, 2016, the measurement date, PERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$901,124,388
Changes of assumptions	\$0	\$0
Net difference between projected and actual earnings on investments	\$1,251,007,997	\$0
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$410,955,448	\$413,882,994

Average expected remaining service lives 6.48 years

Deferred outflows/(inflows) of resources related to pension will be recognized as follows:

Reporting period ended June 30:	
2018	\$(103,703,589)
2019	(103,703,589)
2020	443,556,984
2021	214,541,283
2022	(82,598,733)
2023	(18,208,748)
Thereafter	0

Note 5: Additional Information

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in PERS' CAFR available on our website:

www.nypers.org under Quick Links – Publications.

**INDEPENDENT AUDITORS' 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**

Public Employees' Retirement Board
of the State of Nevada
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 schedule of employer allocations and the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense as of and for the year ended June 30, 2016 (specified column totals), included in the schedule of pension amounts by employer of the Public Employees' Retirement System of Nevada (PERS) and have issued our report thereon dated July 5, 2017.

Internal Control over Financial Reporting

Management of PERS is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered PERS' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, but not for the purpose of expressing an opinion on the effectiveness of PERS' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of PERS' internal control over financial reporting.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PERS' schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer are free from 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 the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of PERS' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PERS' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
July 5, 2017