

# STATE OF NEVADA

## Comprehensive Annual Financial Report

for the Fiscal Year  
Ended June 30, 2009

**Kim R. Wallin**, CMA, CFM, CPA  
State Controller

# **KIM R. WALLIN, CMA, CFM, CPA**

## **STATE CONTROLLER**

Kim Wallin is a native Nevadan and is the first CPA to be elected to the office of State Controller in 50 years. She is the first CMA (Certified Management Accountant) to hold this office.

Kim is currently a member of the XBRL International Public Sector Work Group, a member of the AGA Partnership for Intergovernmental Management and Accountability Steering Committee and is a Director on the NASC Executive Committee. In addition she is a member of the AICPA, NSCPA, NASACT and AGA.

In September 2003, Accounting Today recognized Wallin as one of the 100 most influential people in accounting in the country. In September 2006 she was named "Woman CPA of the Year" of the entire country by the American Women's Society of CPA's.

Kim is the former Chair of the Institute of Management Accountants (IMA), the world's leading organization dedicated to empowering management accounting and finance professionals to drive business performance.

Kim was nominated from the floor and elected by popular vote as IMA's president-elect for the 2002-03 term. This was the only time in the then 83-year history of IMA that a president-elect was chosen in this manner. Wallin served as Chair of IMA for the 2003-2004 tenure.

She served for two years on the Ethics Committee of the Nevada Society of CPA's (NSCPA).

She is President of her own Las Vegas based accounting firm, D K Wallin, Ltd which she founded in 1984. Previously, she worked for Joseph F. Zerga, Ltd.

Wallin graduated from UNLV with a degree in Business Administration with a major in accounting.

Kim has been active with local service and volunteer organizations. She has been President of Soroptimist International of Creative Las Vegas and has served as the Treasurer for the Opus Dance Ensemble and the Actors Repertory Theatre.

Kim's hobbies include wine tasting and gourmet cooking. She also enjoys working out, golf, skiing, hiking and even has a black belt in Aikido!



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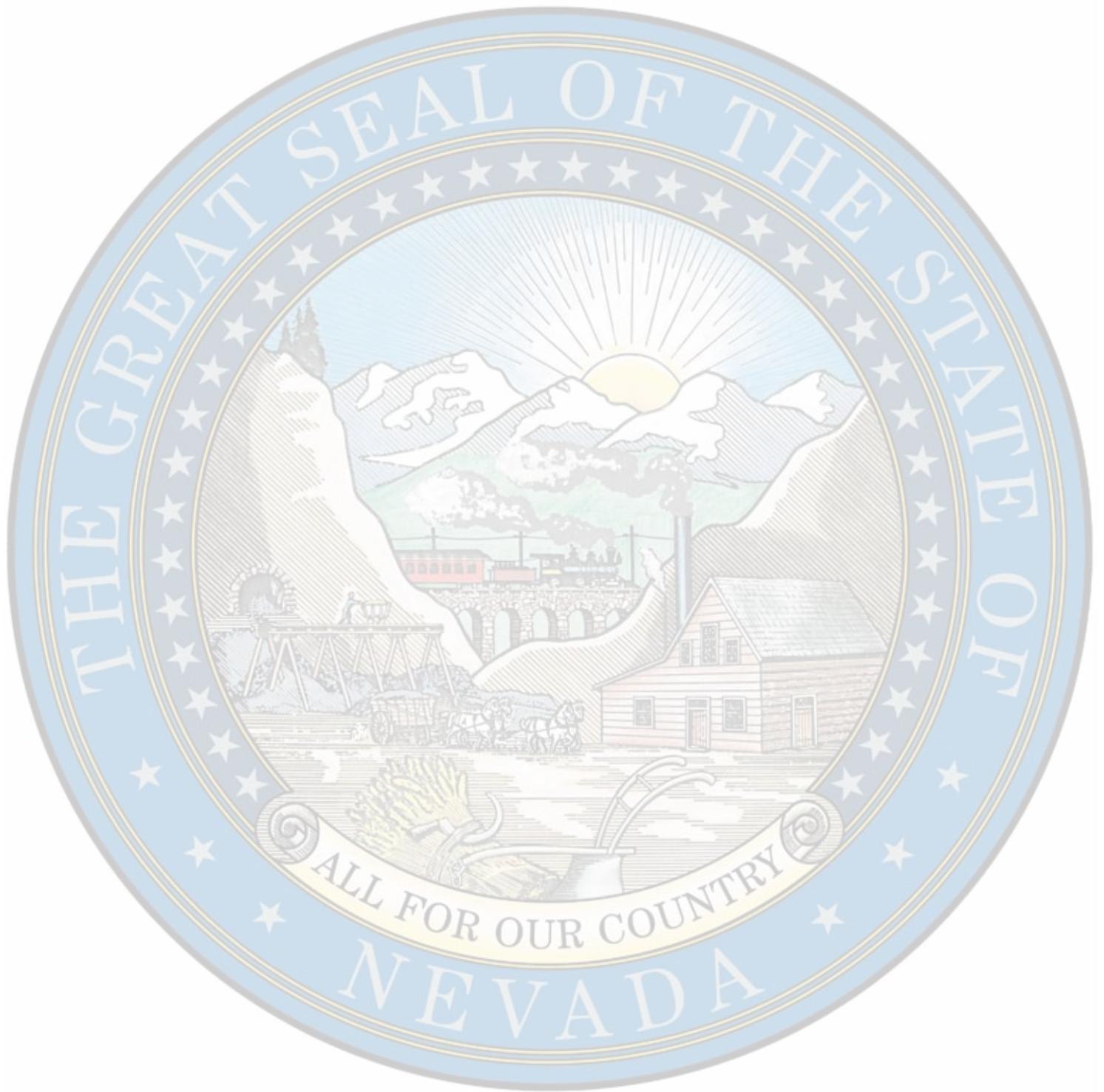
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State of Nevada  
**Office of State Controller**  
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State Controller

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January 27, 2010

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

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This is the eighth CAFR prepared in conformance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. The objective of this Statement is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund-based financial statements.

## **INTRODUCTION TO THE REPORT**

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

**Report Contents:** This report consists of four sections: (1) an Introductory Section, composed of this letter of transmittal, constitutional officers, an organizational chart and the Government Finance Officers Association (GFOA) Certificate of Achievement, (2) the Financial Section which contains the audit opinion, Management's Discussion and Analysis, the basic financial statements, required supplementary information, and the combining statements and schedules, (3) the Statistical Section, and (4) the Compliance Section composed of the Auditor's Report on Internal Control and Compliance on Other Matters.

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

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

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

**Independent Auditors:** The independent accounting firm of Kafoury, Armstrong & Co. has audited the accompanying financial statements in accordance with generally accepted governmental auditing standards. Their opinion appears in the Financial Section of this publication. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State of Nevada are free of material misstatement. We received an unqualified opinion on the basic financial statements for this fiscal year.

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

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

## **PROFILE OF GOVERNMENT**

**Background:** The State of Nevada was admitted to the Union in 1864. Nevada is bordered by five other states and over 80 percent of the 70,264,320 total acres of valleys and north-south mountain ranges are owned and managed by the federal government.

The State of Nevada does not levy a personal income tax. The State's economy and tax base are dependent upon the interrelated gaming and tourism industries as well as upon federal activities, mining, warehousing, manufacturing, and agriculture. Over the past decade, Nevada has had one of the fastest growing populations in the nation. The 2000 census showed a 62 percent increase over 1990. Over 2.7 million residents now call Nevada home.

The State operates under a constitution which provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, public safety, business regulation, and resource development.

**Reporting Entity:** The State of Nevada reporting entity reflected in the State of Nevada CAFR, which is more fully described in Note 1 to the basic financial statements, conforms to the requirements of GASB Statement No. 14. The accounting and reporting principles contained in Statement No. 14 are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and that financial statements should emphasize primary government and permit financial statement users to distinguish between the primary government and its component units.

The primary government includes the Public Employees, Legislators and Judicial Retirement Systems, and the Nevada Real Property Corporation. The State Legislature retains significant governing powers over these entities. The Nevada System of Higher Education and the Colorado River Commission are shown separately as component units to emphasize that they are legally separate from the State.

## FINANCIAL INFORMATION

**Debt Management:** The State Constitution limits the aggregate principal amount of the general obligation debt to two percent of the total reported assessed property value of the State. Additional disclosures regarding the State's long-term obligations are provided in Note 8 to the basic financial statements.

**Long Term Financial Planning and Financial Policies:** The State's statute requires a balanced budget (NRS 353.205) and is designed to limit the growth of spending from the General Fund to the growth of population and inflation (NRS 353.213). The Governor must submit his proposed budget for the Executive Branch to the State Legislature before each regular session, which convenes every odd-numbered year. The Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The Economic Forum, a group of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. During the course of the fiscal year, the Governor may take steps to reduce State appropriations if it appears that revenues have fallen below those originally anticipated. If the reductions exceed the thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

## ECONOMIC OUTLOOK

Nevada state government experienced a \$1 billion revenue shortfall due to the continued economic downturn in the 2008-2009 budget years. Revenues for 2010-2011 budget years are expected to be \$5.503 billion which is \$1.309 billion less than the original amount budgeted two years earlier. These shortfalls have translated into dramatic reductions in government services and programs throughout the state, both in the short term and long term. State employees are being furloughed, DMV offices are consolidating, welfare caseloads are increasing, and unemployment benefits and service demands are increasing. College fees are increasing while demand for college classes is increasing and much needed infrastructure projects are being delayed or cancelled. The demand for services from the state continues to climb, but the economy has made it difficult for the state to provide those needed services due to staff and budget cutbacks.

The gaming industry continues to be in the midst of what is the most severe downturn ever. The gaming win is down by almost 14% from the previous year. Hotel occupancy is down 6.1% and visitor volume has declined 12.3% from 2008. The weak national economy, higher unemployment rates, higher foreclosure rates and increased competition for gaming customers are all seen as contributing to falling revenues for the gaming industry.

Unemployment in Nevada was 12.1% in June, well above the national average of 9.7%. It was almost double from June 2008. The unemployment rate in the fourth quarter of 2010 is projected to be as high as 14.75%. This sharp increase is as a result of the drastic downturn in the construction industry and the service and hospitality industries. Millions of dollars have been distributed from the American Recovery and Reinvestment Act (ARRA) funds for unemployment benefits, but the need is great and there continues to be a lack of jobs for those looking for work. In order to have a more stable future Nevada needs a more educated population and diverse economy.

Nevada continues to have the highest foreclosure rate in the country. Foreclosure activity January – June 2009 was up 61.3% over the same period in 2008. There were over 180,535 foreclosure filings from July 2008 to June of 2009 in Nevada. We will continue to see a significant impact on our economy in 2010 and the foreseeable future because of Nevada having the highest rate of subprime and adjustable rate mortgages in the nation. A large number of adjustable rate home loans are set to readjust to a higher interest rate and homeowners will be unable to refinance due to job loss or being upside down on their mortgages.

## Major Initiatives

**Resource Development:** Our vast natural resources could bring energy independence with solar, geothermal and wind power generation.

Solar - Nevada continues to move forward with solar power projects to take advantage of the vast solar resources that are available. There are five solar projects in Nevada that are currently in operation that generate more than 81 megawatts of power. A 960 megawatt solar thermal power plant project just 55 miles northeast of Las Vegas was recently announced with construction set to begin by the end of 2010. The U.S. Interior Department is also using ARRA money to identify the best solar sites on public land in the west, including Nevada, for large utility-scale development of more than 100 gigawatts of power, which is enough to power 30% of all U.S. homes.

Geothermal - Nevada ranks second in the continental United States in geothermal resources. Currently there are 21 geothermal power plants, up from 15 over last year, producing 448 megawatts of power. Another 3 plants are under construction that will produce 51 megawatts of power. There are also 61 plants in various stages of development, site identification, exploration drilling, and permit acquisition that will be able to produce an incredible 3422 megawatts of power when completed over the next several years.

Wind - A wind powered electrical generation project is underway on the Nevada/Idaho border near Jackpot Nevada. The China Mountain Project which will generate 425 megawatts, is expected to be approved by the federal government in 2010 and will begin operations in 2012. Several additional wind power generation sites are being tested, evaluated and considered in both central and southern Nevada.

The growth of renewable energy industries will not only create high paying and stable jobs, but will also create a new source of revenue that will help to diversify and stabilize Nevada's tax base.

**Education:** Our leaders are committed to providing a first rate education for all Nevadans. The state budget shortfall is pushing the education systems to their limits because there is no additional funding to address critical problems. Administrators, teachers and parents will have to use existing resources or creatively find funding sources to prepare the rising generation of Nevadans. We need to recruit and retain the highest quality teachers. For the first time in 3 years Clark County School District did not achieve Adequate Yearly Progress which is a designation of the federal No Child Left Behind program. Nevada continues to have one of the lowest high school graduation rates in the country with just 68.7% graduating in 2008 after four years of school. We can reverse the trend of such demographics by enabling schools to determine the needs of their students. The Nevada System of Higher Education projects yearly decreases in the percentage of Nevadans who will enroll in higher education: from 6.34% to 6.15% over the next 5 years. This decrease means it will be difficult for Nevada to diversify its business base and attract businesses that require employees with higher education. We will also need to solve the societal problems that accompany a less educated population if we don't act now. A lack of an educated population will have long term effects on all segments of Nevada society and economy.

**Health and Human Services:** The increased demand for health and human services from state agencies has reached a critical point. Budget cuts drastically reduced public health programs as our unemployed population continued to grow. Medicaid enrollment is growing faster in Nevada than in any other state, with over 222,000 receiving care through the program. National health reform proposals, if passed, could easily double these numbers. Medicaid currently accounts for one out of every six dollars in healthcare costs nationally, and Health and Human Services is Nevada's largest expenditure. The Division of Health Care Financing and Policy was forced to cut provider reimbursements this past year and some services had to be eliminated altogether. It is projected that when federal stimulus funding ends in 2010, the state's Medicaid program will be over budget by \$240 million. These deficits would mean the elimination of entire eligibility groups and even more benefit reductions.

An estimated 61,000 residents lost their health insurance during 2007-2008 and 37% of Nevadans under the age of 65 were without health insurance for all or part of that period. Provider cuts forced the closure of University Medical Center, temporarily shutting down critical trauma services and affordable healthcare to the southern Nevada region.

**Transportation:** NDOT's \$201 million ARRA funds will contribute to the estimated \$6 billion needed for transportation infrastructure. Most of the \$140 million of state discretionary funds is being used for preservation projects, resurfacing sections of I-80, US-95, I-15 and US-93. These projects were "shovel-ready" and easily conformed to the first federal deadline of obligating 50% of the funds before June 29, 2009. Other ARRA transportation money is allocated to Clark County (\$39 million) and Washoe County (\$9 million), with the balance going to smaller communities and projects. Nevada will compete for an additional \$1.5 billion of the federal stimulus package that would mitigate congestion in Reno, Carson City and Las Vegas. Construction bids are lower than anticipated and current projects are coming in under budget, so the struggling economy has translated into savings in the state budget. Still, the Department of Transportation estimates that there will be a revenue shortfall on the order of \$5.5 billion through 2016 to fund needed projects.

## **Awards and Acknowledgments**

**GFOA Certificate of Achievement:** The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR.

A Certificate of Achievement is valid for only a one-year period. We believe our current CAFR continues to meet the requirements of the Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,

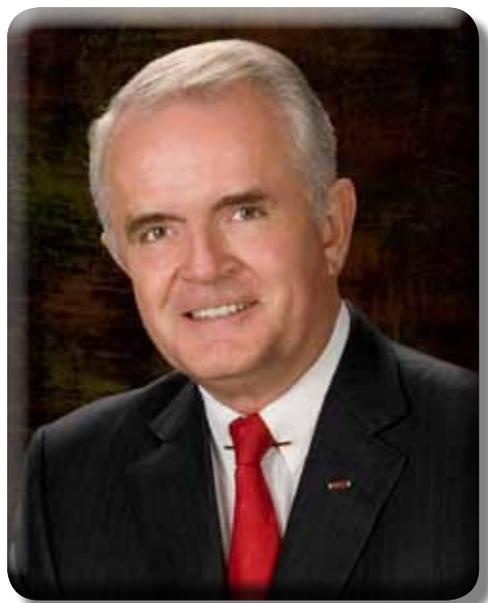


Kim R. Wallin, CMA, CFM, CPA  
Nevada State Controller

# STATE OF NEVADA CONSTITUTIONAL OFFICERS



BRIAN KROLICKI  
LIEUTENANT GOVERNOR



JIM GIBBONS  
GOVERNOR



ROSS MILLER  
SECRETARY OF STATE



KATE MARSHALL  
TREASURER

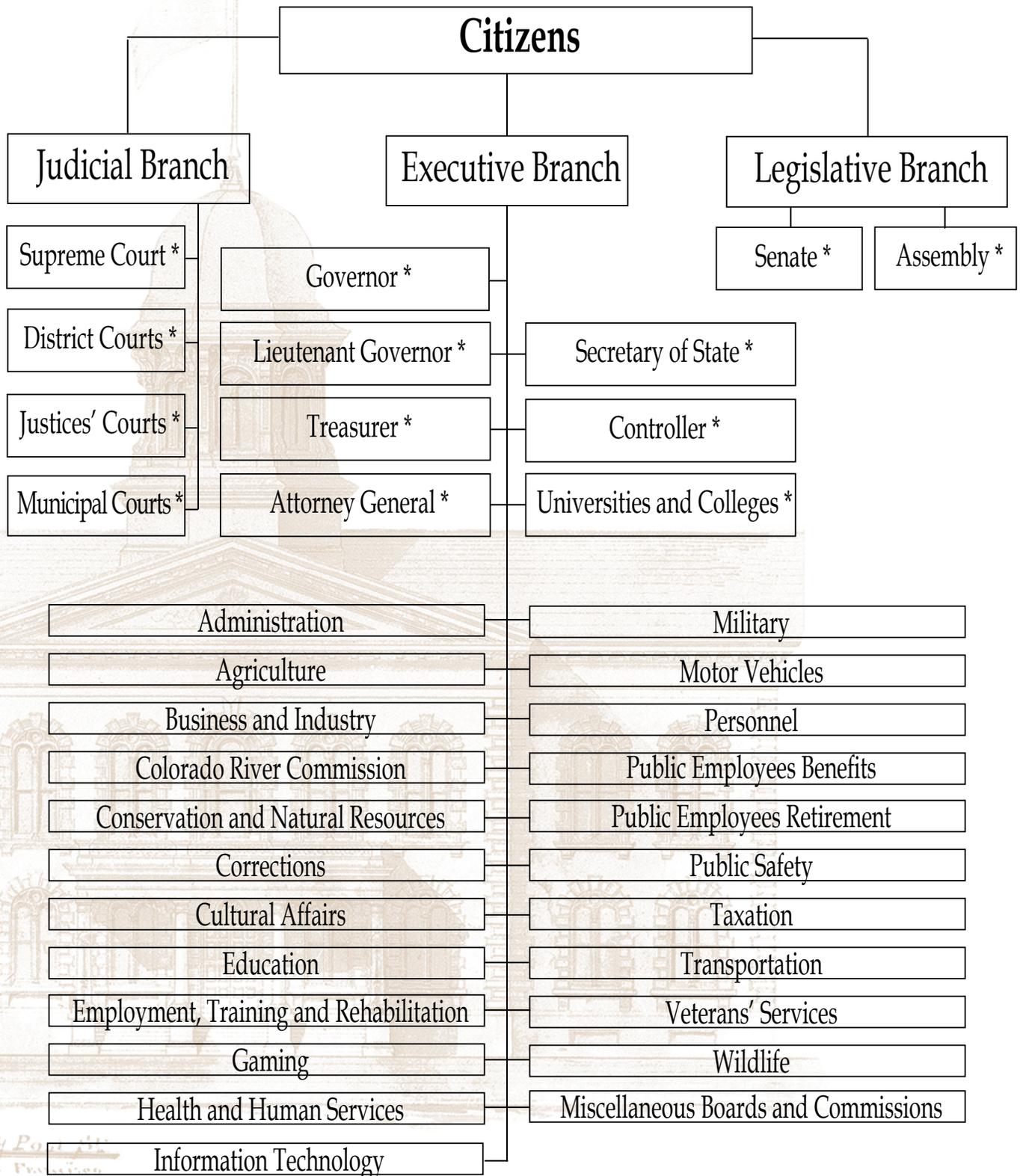


KIM R. WALLIN  
CONTROLLER



CATHERINE CORTEZ MASTO  
ATTORNEY GENERAL

# ORGANIZATIONAL CHART



\* Elected Officials

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President



A handwritten signature in black ink, appearing to read "M. L. R. R.", is written over the printed name.

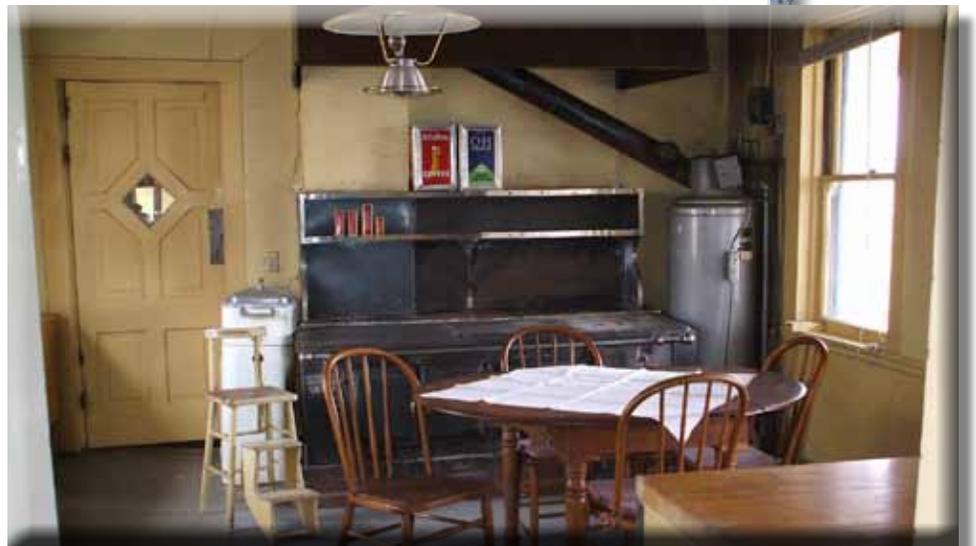
Executive Director

A handwritten signature in black ink, reading "Jeffrey R. Emer", is written below the printed name.

# FINANCIAL SECTION



The **Historic Dangberg Home Ranch** is one of Nevada's first and largest ranches. The ranch was home to German immigrant Heinrich Friedrich Dangberg, who founded the site in 1857. A local businessman, rancher and politician, Dangberg started his ranch with just a log cabin. At the time of his death in 1904, he had created a 20,000-acre ranching empire that his son, H.F. Dangberg, Jr., later grew to 48,000 acres. More than five acres of the ranch are now owned by Douglas County and managed by Nevada State Parks. The county and state are restoring the original buildings, which include a main house, stone cellar, laundry building, carriage house, garage and bunkhouse. Buildings and original artifacts are on display. The ranch is operated as a museum with tours on Wednesdays and Sundays. Call this number to make tour reservations, (775) 687-5678.





**KAFOURY ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

The Honorable Kim Wallin, CMA, CFM, CPA  
State Controller

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, 2009, which collectively comprise the State of Nevada's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Nevada's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit:

### Government-Wide Financial Statements

- the financial statements of the Housing Division, which represent 54.5 percent of the assets, 22.1 percent of the net assets and 5.1 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units.

### **Fund Financial Statements**

- the financial statements of the Housing Division Enterprise Fund;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds, which represent less than one percent of the assets and net assets and fund balances of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 73.6 percent of the assets and 74.9 percent of the net assets and fund balances of the aggregate remaining fund information;
- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represents 15.9 percent of the assets and 18.2 percent of the net assets and fund balance of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund, which represent less than one percent of the assets and net assets and fund balances of the aggregate remaining fund information.

Those financial statements were audited by other auditors whose reports thereon 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 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 Higher Education Tuition Trust 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, and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2010 on our consideration of the State of Nevada’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management’s discussion and analysis, the budgetary comparison schedule, the notes to required supplementary information-budgetary reporting, the schedule of funding progress and the schedule of infrastructure condition and maintenance data are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
January 26, 2010

## 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, 2009. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

### HIGHLIGHTS

#### **Government-wide:**

*Net Assets* – The assets of the State exceeded its liabilities at the close of the fiscal year ended June 30, 2009 by \$4.8 billion (reported as *net assets*). Of the \$4.8 billion in net assets, \$1.5 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is the \$3.5 billion invested in capital assets, net of related debt.

*Changes in Net Assets* – The State's total net assets decreased by \$1 billion in fiscal year 2009. Net assets of governmental activities decreased by \$550 million (a 12.2% decrease) and net assets of the business-type activities decreased by \$494 million (a 37.7% decrease).

#### **Fund-level:**

At the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$1.6 billion, a decrease of \$520.9 million from the prior year. Of this amount, \$649.7 million represents the *unreserved fund balance*.

The State's enterprise funds reported combined ending net assets of \$817.3 million, a decrease of \$493.9 million from the prior year, attributable primarily to a decrease to the Unemployment Compensation fund. Of this amount, \$5.3 million represents a deficit in *unrestricted net assets*.

The State's fiduciary funds reported combined ending net assets of \$24.4 billion, a decrease of \$3.8 billion from the prior year. This decrease is due primarily to the change in the fair value of investments in the Pension Trust Funds.

#### **Long-term Debt (government-wide):**

The net increase in the State's long-term debt obligations was \$156.4 million (a 3.8% increase) during the current fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which is 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 assets* presents *all* of the State's assets and liabilities, with the difference between the two reported as "net assets." 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 assets measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net assets 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 assets 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 and earned but 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 and support services, law, justice and public safety, regulation of business, transportation, recreation and resource development, intergovernmental, 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* – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. The State has two discretely presented component units – the Nevada System of Higher Education and the Colorado River Commission. 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 inflows and outflows 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 generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of funding progress for certain pension trust funds 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 also 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, 2009 and 2008 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

<b>State of Nevada's Net Assets-Primary Government</b> <i>(expressed in thousands)</i>							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Change</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009-2008</b>
<b>Assets</b>							
Current and other assets	\$ 3,390,666	\$ 4,807,537	\$ 2,040,393	\$ 2,502,646	\$ 5,431,059	\$ 7,310,183	\$ (1,879,124)
Net capital assets	<u>5,198,108</u>	<u>5,058,628</u>	<u>10,360</u>	<u>7,699</u>	<u>5,208,468</u>	<u>5,066,327</u>	<u>142,141</u>
<b>Total assets</b>	<u>8,588,774</u>	<u>9,866,165</u>	<u>2,050,753</u>	<u>2,510,345</u>	<u>10,639,527</u>	<u>12,376,510</u>	<u>(1,736,983)</u>
<b>Liabilities</b>							
Current liabilities	1,458,110	2,393,723	79,965	74,712	1,538,075	2,468,435	(930,360)
Long-term liabilities	<u>3,172,628</u>	<u>2,963,974</u>	<u>1,153,620</u>	<u>1,124,421</u>	<u>4,326,248</u>	<u>4,088,395</u>	<u>237,853</u>
<b>Total liabilities</b>	<u>4,630,738</u>	<u>5,357,697</u>	<u>1,233,585</u>	<u>1,199,133</u>	<u>5,864,323</u>	<u>6,556,830</u>	<u>(692,507)</u>
<b>Net Assets</b>							
Invested in capital assets, net							
of related debt	3,492,205	3,522,177	3,286	3,393	3,495,491	3,525,570	(30,079)
Restricted	702,743	697,168	819,348	1,297,613	1,522,091	1,994,781	(472,690)
Unrestricted	<u>(236,912)</u>	<u>289,123</u>	<u>(5,466)</u>	<u>10,206</u>	<u>(242,378)</u>	<u>299,329</u>	<u>(541,707)</u>
<b>Total net assets</b>	<u>\$ 3,958,036</u>	<u>\$ 4,508,468</u>	<u>\$ 817,168</u>	<u>\$ 1,311,212</u>	<u>\$ 4,775,204</u>	<u>\$ 5,819,680</u>	<u>\$ (1,044,476)</u>

**Net Assets:**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The State's combined net assets (governmental and business-type activities) totaled \$4.8 billion at the end of 2009, compared with \$5.8 billion at the end of the previous year.

The largest portion of the State's net assets (\$3.5 billion or 73%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, 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 assets (\$1.5 billion or 32%) 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 assets deficit of \$242.3 million (or -5%), as compared to a \$299.3 million surplus in the prior year. Although there were lower general revenues in the form of gaming taxes, sales and use taxes, motor taxes, and investment earnings, total government-wide revenues increased over the prior year, due primarily to additional federal funds received through the stimulus, Medicaid and unemployment compensation programs. The unrestricted net assets deficit occurred because the increase in government-wide expenses exceeded the higher revenues that were received. The majority of the higher government-wide expenses were due to the \$896 million increase to unemployment insurance benefits paid. Nevada's unemployment rate is significantly higher than the national average,

as the State continues to deal with the effects of lower levels of consumer spending and tourism. Nevertheless, at the end of the current fiscal year, the State is able to report positive balances in two of the three categories of net assets, both for the government as a whole, as well as for its governmental activities and the business-type activities.

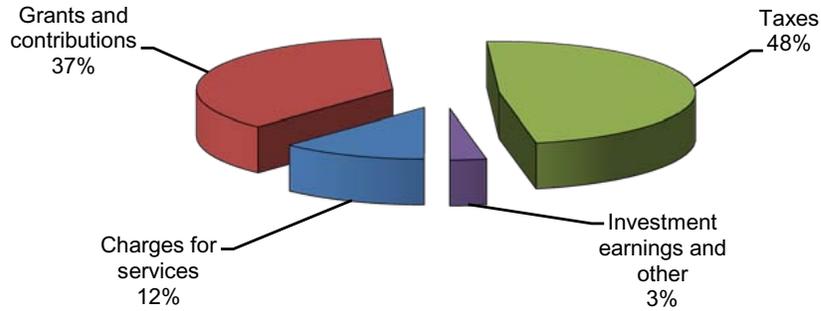
**Changes in State of Nevada's Net Assets-Primary Government**  
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 794,893	\$ 794,372	\$ 105,244	\$ 107,227	\$ 900,137	\$ 901,599
Operating grants and contributions	2,544,032	1,982,315	525,550	88,335	3,069,582	2,070,650
Capital grants and contributions	19,608	21,871	-	-	19,608	21,871
General revenues						
Sales and use taxes	943,787	1,101,741	-	-	943,787	1,101,741
Gaming taxes	883,054	1,011,506	-	-	883,054	1,011,506
Modified business taxes	281,605	297,161	-	-	281,605	297,161
Insurance premium taxes	241,252	256,847	-	-	241,252	256,847
Property and transfer taxes	278,881	280,896	-	-	278,881	280,896
Motor and special fuel taxes	272,614	297,087	-	-	272,614	297,087
Other taxes	374,704	425,250	342,588	374,565	717,292	799,815
Investment earnings	9,026	105,649	-	-	9,026	105,649
Other	181,086	115,508	-	-	181,086	115,508
<b>Total Revenues</b>	<b>6,824,542</b>	<b>6,690,203</b>	<b>973,382</b>	<b>570,127</b>	<b>7,797,924</b>	<b>7,260,330</b>
<b>Expenses</b>						
General government	389,943	439,682	-	-	389,943	439,682
Health and social services	2,667,419	2,454,843	-	-	2,667,419	2,454,843
Education and support services	2,475,416	2,381,731	-	-	2,475,416	2,381,731
Law, justice and public safety	687,410	650,657	-	-	687,410	650,657
Regulation of business	118,086	114,786	-	-	118,086	114,786
Transportation	762,610	576,815	-	-	762,610	576,815
Recreation and resource development	165,741	167,627	-	-	165,741	167,627
Interest on long-term debt	138,304	146,312	-	-	138,304	146,312
Unallocated depreciation	976	992	-	-	976	992
Unemployment insurance	-	-	1,336,043	439,632	1,336,043	439,632
Housing	-	-	44,382	43,953	44,382	43,953
Water loans	-	-	6,218	6,836	6,218	6,836
Workers' compensation and safety	-	-	26,801	26,258	26,801	26,258
Higher education	-	-	13,103	8,109	13,103	8,109
Other	-	-	16,967	20,496	16,967	20,496
<b>Total Expenses</b>	<b>7,405,905</b>	<b>6,933,445</b>	<b>1,443,514</b>	<b>545,284</b>	<b>8,849,419</b>	<b>7,478,729</b>
Excess (deficiency) in net assets before contributions to permanent funds and transfers	(581,363)	(243,242)	(470,132)	24,843	(1,051,495)	(218,399)
Contributions to permanent fund	7,019	8,801	-	-	7,019	8,801
Transfers	23,912	19,592	(23,912)	(19,592)	-	-
<b>Change in net assets</b>	<b>(550,432)</b>	<b>(214,849)</b>	<b>(494,044)</b>	<b>5,251</b>	<b>(1,044,476)</b>	<b>(209,598)</b>
Net assets - beginning of year	4,508,468	4,723,317	1,311,212	1,305,961	5,819,680	6,029,278
<b>Net assets - end of year</b>	<b>\$ 3,958,036</b>	<b>\$ 4,508,468</b>	<b>\$ 817,168</b>	<b>\$ 1,311,212</b>	<b>\$ 4,775,204</b>	<b>\$ 5,819,680</b>

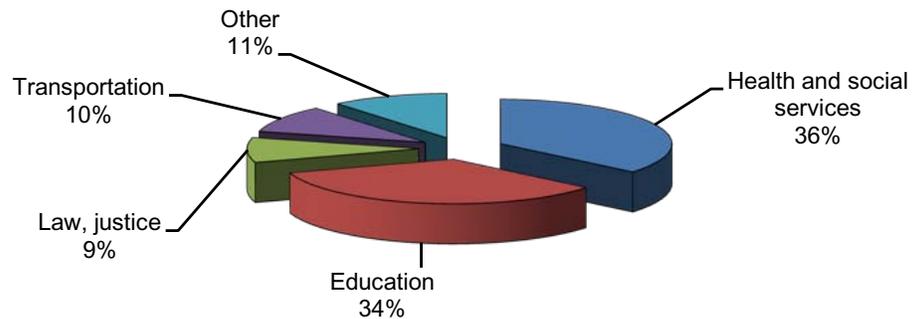
**Changes in Net Assets:**

*Governmental activities* –The net assets decreased by \$550.4 million or 12.2%. Approximately 48% of the total revenue came from taxes, while 37% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 12% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were for health and social services (36%) and education (34%) (see chart below). In 2009, governmental activities expenses exceeded program revenues, resulting in the use of \$4 billion in general revenues, which were generated to support the government.

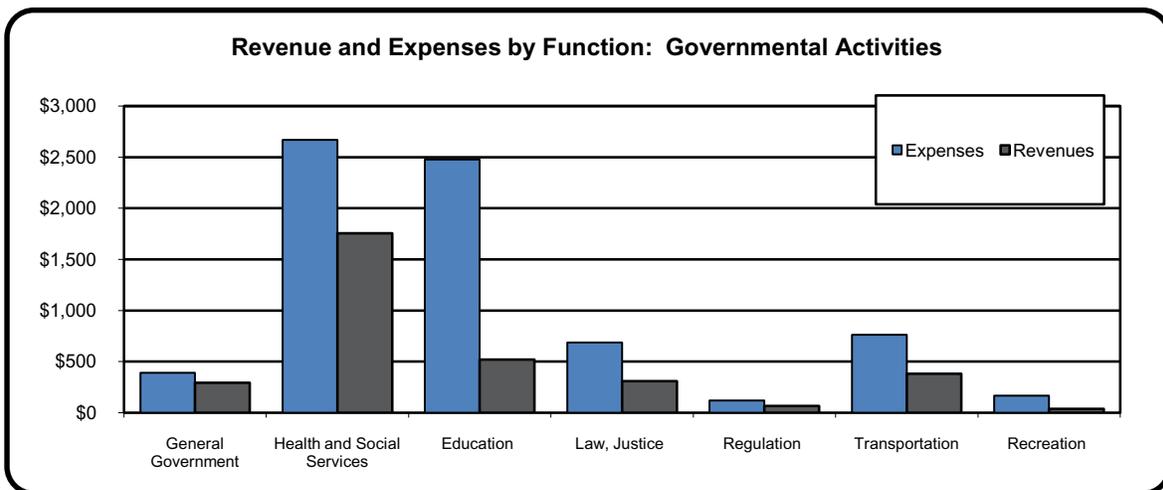
The following chart depicts the governmental activities revenues for the fiscal year:



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

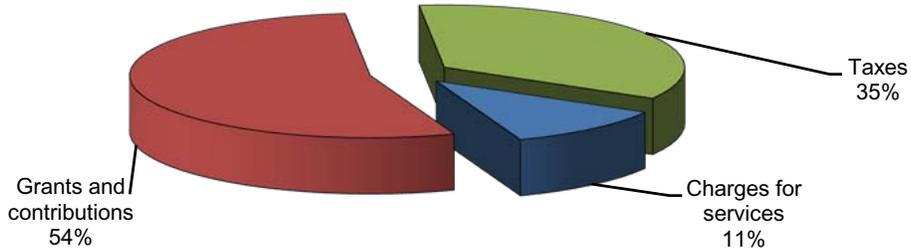


The following chart depicts the total program revenues and expenses for each function of governmental activities (expressed in millions):

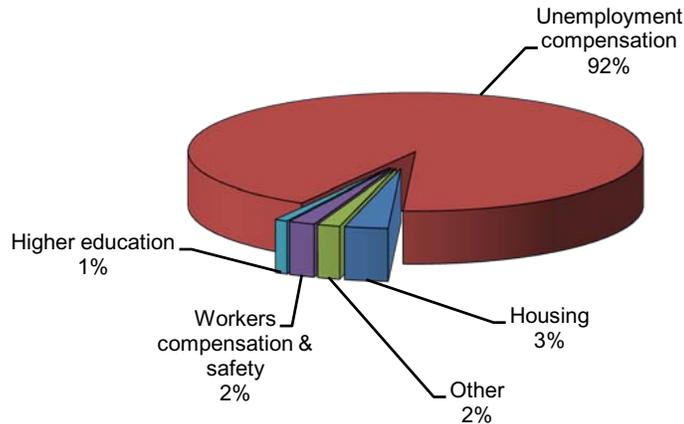


*Business-type activities* –The net assets decreased by \$494 million or 38%. Approximately 35% of the total revenue came from taxes, while 54% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 11% of the total revenues (see chart below). The State’s business-type activities expenses cover a range of services. The largest expenses were for unemployment compensation (92%) and housing (3%) (see chart below). In 2009, business-type activities expenses exceeded program revenues by \$812.7 million. Of this amount, unemployment compensation was the largest, with net expenses of \$838 million, resulting in the use of \$343 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

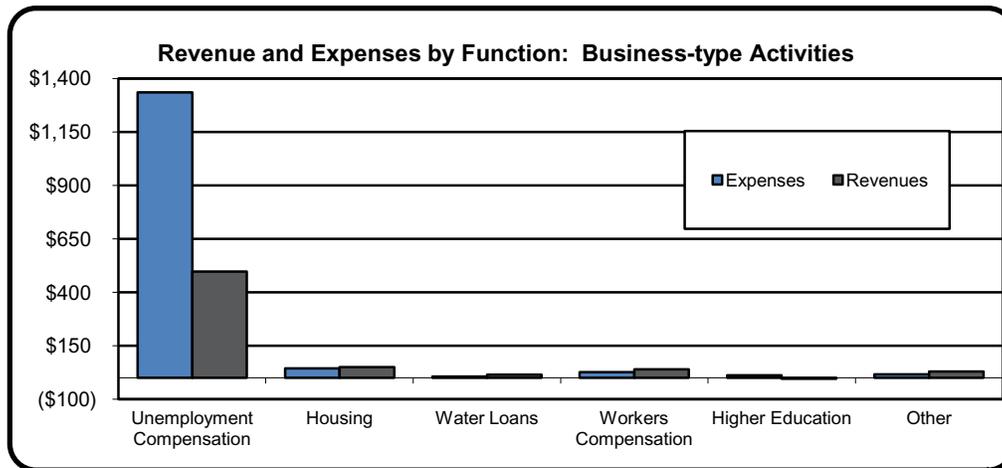
The following chart depicts the business-type activities revenues for the fiscal year:



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



The following chart depicts the total program revenues and expenses for each function for business-type activities (expressed in millions):



In conclusion, the State government’s overall financial position declined over the past fiscal year, with a \$550 million decrease in the net assets of the governmental activities and a \$494 million decrease in the net assets of the business-type activities. The change in net assets for governmental activities continued to decline from a decrease of 4.5% in the prior fiscal year to a decrease of 12.2% in the current year. The business-type activities dropped from a growth of .4% in the prior fiscal year to a 38% decline in the current year. Both Nevada and the U.S. economy continue to suffer from the decline in the housing sector and the collapse of the financial markets. Tax revenues decreased in the current fiscal year by 9.6%, compared to a decrease of 2.8% in the prior fiscal year, mainly caused by the continued slowdown in gaming, sales, property and transfer taxes. An increase in unemployment claims, mostly related to the drop in construction and leisure/hospitality employment, was another reason for the fall in growth of business-type activities.

## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

### Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.6 billion, a decrease of \$520.9 million in comparison with the prior year. Approximately 40.3% of this total amount constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior fiscal year, to pay debt service, to be held in permanent trust funds or for a variety of other purposes. The major governmental funds are discussed individually below:

*The General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund balance was \$192.8 million. The fund balance decreased by \$206.9 million during the current fiscal year, which is a 51.8% decrease from the prior year. The reasons for this decrease are discussed in further detail below.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2009 and 2008 (expressed in thousands). Other financing sources are not included.

<b>General Fund Revenues (expressed in thousands)</b>						
	2009		2008		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 865,609	16.3%	\$ 993,530	19.1%	\$ (127,921)	-12.9%
Sales taxes	953,112	18.0%	1,088,024	20.8%	(134,912)	-12.4%
Modified business taxes	277,516	5.2%	284,601	5.5%	(7,085)	-2.5%
Insurance premium taxes	238,524	4.5%	256,693	4.9%	(18,169)	-7.1%
Property and transfer taxes	65,922	1.2%	85,883	1.6%	(19,961)	-23.2%
Motor and special fuel taxes	3,135	0.1%	3,146	0.1%	(11)	-0.3%
Intergovernmental	2,221,824	41.8%	1,751,697	33.6%	470,127	26.8%
Other taxes	315,726	5.9%	312,888	6.0%	2,838	0.9%
Licenses, fees and permits	209,250	3.9%	214,563	4.1%	(5,313)	-2.5%
Sales and charges for services	54,304	1.0%	60,854	1.2%	(6,550)	-10.8%
Interest and investment income	7,606	0.1%	91,737	1.8%	(84,131)	-91.7%
Other revenues	103,979	2.0%	69,736	1.3%	34,243	49.1%
<b>Total revenues</b>	<b>\$ 5,316,507</b>	<b>100.0%</b>	<b>\$ 5,213,352</b>	<b>100.0%</b>	<b>\$ 103,155</b>	<b>2.0%</b>

The total General Fund revenues increased 2%. The largest increase in revenue sources was \$470.1 million or 26.8% in intergovernmental revenue. These are revenues received from the federal government, and the most significant increases were from the stimulus and Medicaid programs. The stimulus program was implemented as a result of the American Recovery and Reinvestment Act (ARRA), which was signed into law on February 17, 2009 by President Obama. The intent of ARRA was to grant additional monies to all the states to stimulate economic growth. During FY09 the major stimulus funds received were \$125 million for Medicaid and \$139.6 million for stabilization, and the State expects to receive more than \$2 billion in total over the next few years. The largest declines in revenue sources were \$134.9 million or 12.4% in sales tax, \$127.9 million or 12.9% in gaming taxes, fees and licenses, \$84.1 million or 91.7% in interest and investment income, and \$19.9 million or 23.2% in property and transfer taxes. All are due to the continued slow down of the economy and lingering effects from the collapse of the security and real estate markets.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2009 and 2008 (expressed in thousands). Other financing uses are not included.

<b>General Fund Expenditures (expressed in thousands)</b>						
	2009		2008		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 97,675	1.7%	\$ 146,808	2.7%	\$ (49,133)	-33.5%
Health and social services	2,428,459	42.0%	2,229,277	40.4%	199,182	8.9%
Education and support services	57,077	1.0%	44,375	0.8%	12,702	28.6%
Law, justice and public safety	450,076	7.8%	444,584	8.1%	5,492	1.2%
Regulation of business	83,253	1.4%	82,727	1.5%	526	0.6%
Recreation, resource development	111,828	1.9%	137,561	2.5%	(25,733)	-18.7%
Intergovernmental	2,552,842	44.2%	2,427,716	44.0%	125,126	5.2%
Debt service	1,532	0.0%	1,633	0.0%	(101)	-6.2%
<b>Total expenditures</b>	<b>\$ 5,782,742</b>	<b>100.0%</b>	<b>\$ 5,514,681</b>	<b>100.0%</b>	<b>\$ 268,061</b>	<b>4.9%</b>

The total General Fund expenditures increased 4.9%. Intergovernmental expenditures increased \$125.1 million or 5.2% primarily due to intergovernmental expenditures for education, while expenditures for health and social services increased \$199.1 million or 8.9%. The largest portion of this amount was for Medicaid, food stamps, and programs for Women, Infants & Children and Temporary Assistance for Needy Families.

*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 \$126 million during the current fiscal year, which is a 29% decrease from the prior year. This decrease is primarily due to increased construction activity paid for with federal grants and bond proceeds from prior years. The unreserved fund balance is a negative \$104.7 million and the reserved balance is a positive \$414.1 million.

*The Municipal Bond Bank Fund* is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$14.4 million during the current fiscal year, which is a 4.2% decrease from the prior year. This decrease was primarily due to local governments refunding certain bonds and a decrease in interest and investment income.

*The Consolidated Bond Interest and Redemption Fund* is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance increased by \$9.3 million during the current fiscal year, which is a 6% increase from the prior year. The increase was due primarily to the increase in property and transfer taxes used for debt service payments.

*The Stabilize the Operations of State Government Fund* (also known as the “Rainy Day” fund) is a special revenue fund used to account for funds set aside according to Nevada Revised Statutes (NRS) 353.288 to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and the Governor declare a fiscal emergency. The fund balance decreased by \$76.4 million during the current fiscal year, which is a 90.6% decrease from the prior year balance of \$84 million. This decrease was primarily due to a transfer of \$72 million, bringing the fund balance to \$8 million. The \$72 million transfer was an appropriation to the General Fund as authorized by Senate Bill 1 of the 24<sup>th</sup> Special Session (2008). This special session of the Legislature was convened due to a shortfall and continuing decline in general fund revenues. Under NRS 353.288, there was no annual deposit transferred from the General Fund due to a low unrestricted fund balance.

#### **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 three *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund and Water Projects Loans Fund. The combined net assets of the three major funds comprise 96% of the total combined net assets of all enterprise funds. The combined net assets of the enterprise funds decreased by \$493.9 million in 2009. The major enterprise funds are discussed below:

*The Housing Division Fund* provides low interest loans to first-time homebuyers with low or moderate household incomes. The net assets increased by \$5.5 million or 3.2% during the current fiscal year and the results of operations were down 29% from last year, due to the downturn of the housing market.

*The Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets decreased by \$497 million during the current fiscal year, which is a 57% decrease from the prior year. An increase in unemployment due to the slowdown in the economy and the drop in construction and hospitality/leisure employment resulted in a 204% increase in operating expenses compared to the previous year.

*The Water Projects Loans Fund* issues loans to governmental, as well as 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. Total revenues exceeded expenses and transfers by \$8.3 million during the current fiscal year, for final net assets of \$233.3 million, which is a 3.7% increase from the prior year.

**Internal Service Funds** – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and motor pool 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 2009, total internal service fund net assets decreased by \$14.5 million, for a final net asset balance of \$48.4 million. The two largest funds are:

*The Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. The fund had a net loss of \$11.9 million for the year as compared to a net loss of \$15.7 million in the prior year, with final net assets of \$51.6 million. This year's loss resulted from a 16% increase in total operating expenses. Operating expenses increased primarily as a result of higher claims and increased insurance premiums.

*The Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit increased by \$2.6 million or 10% during fiscal year 2009, to a total deficit of \$28.3 million. This year's decrease from operations was caused primarily by a 115% increase in claims expense, and a 29% increase in operating expense. 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.

## **ANALYSIS OF GENERAL FUND BUDGET VARIATIONS**

The General Fund total sources were \$370 million or 4.7% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount.

The increase in the General Fund expenditures and other uses budget from original to final was \$1.45 billion. Some of the differences originate because the original budget consists only of budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. 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.

Some of the budget revisions included: \$323.8 million for the State Distributive School Account, \$217.4 million from the federal American Recovery and Reinvestment Act (ARRA) for education stabilization, \$48.4 million in ARRA for government services stabilization, \$17.6 million from the federal HUD for neighborhood stabilization, \$238.6 million in federal Title XIX and Title IV grants for Nevada Medicaid, TANF/CHAP and Child Welfare Services, and \$51.9 million in federal grants for emergency management assistance and justice assistance.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets:**

The State's capital assets for its governmental and business-type activities as of June 30, 2009, amount to \$6 billion, net of accumulated depreciation of \$829.2 million, leaving a net book value of \$5.2 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. The Department of Transportation conducts a biennial condition assessment of roadways and bridges in odd numbered calendar years. However, the calendar year 2009 assessment is not available as of the date of this report. Based on the 2007 assessments, the State has met the requirement of the modified approach, as follows:

**Condition Level of the Roadways**  
**Percentage of roadways with an IRI of less than 80**

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%
Actual results of 2003 condition assessment	83%	72%	90%	65%	38%

**Condition Level of the Bridges**  
**Percentage of substandard bridges**

	2007	2005	2003
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	3%	5%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2009 by \$3.1 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimated, condition levels are expected to continue to meet or exceed the target condition levels, as the most recent condition assessment indicates that the State already exceeds the established benchmarks in all categories. 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 a growing population and economy, the State also has a substantial capital projects program. The following is a summary of major projects in progress during 2009 (expressed in millions):

	<b>Expended by June 30, 2009</b>	<b>Total Budget</b>
High Desert State Prison Phase 5	\$ 48.8	\$ 53.1
SNWCC 400 Bed Expansion	40.5	44.3
Indian Springs Conservation Camp	32.6	43.5
High Desert State Prison Phase 4, Indian Springs	40.1	40.7
Unified Tax System	33.8	40.5
GSF/Campos Office Building	27.0	39.7
Readiness Center North Las Vegas	-	35.8
Housing Units - Pre-Engineered	29.1	29.3
SDCC Housing Unit & Planning	3.5	27.8
Las Vegas Readiness Center	24.2	27.4

The total increase in the State's capital assets for the primary government for the current fiscal year was \$404.8 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$89 million.

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

**Debt Administration:**

As of year-end, the State had \$4.2 billion in long-term debt outstanding, compared to \$4.1 billion last year, an increase of \$156.4 million or 3.8% during the current fiscal year. This increase was due primarily to the issuance of general obligation bonds.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA, Aa2 and AA+, respectively. Although the State has experienced financial challenges this year, Nevada retained its high 'AA' credit ratings. 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 2009 fiscal year were (expressed in thousands):

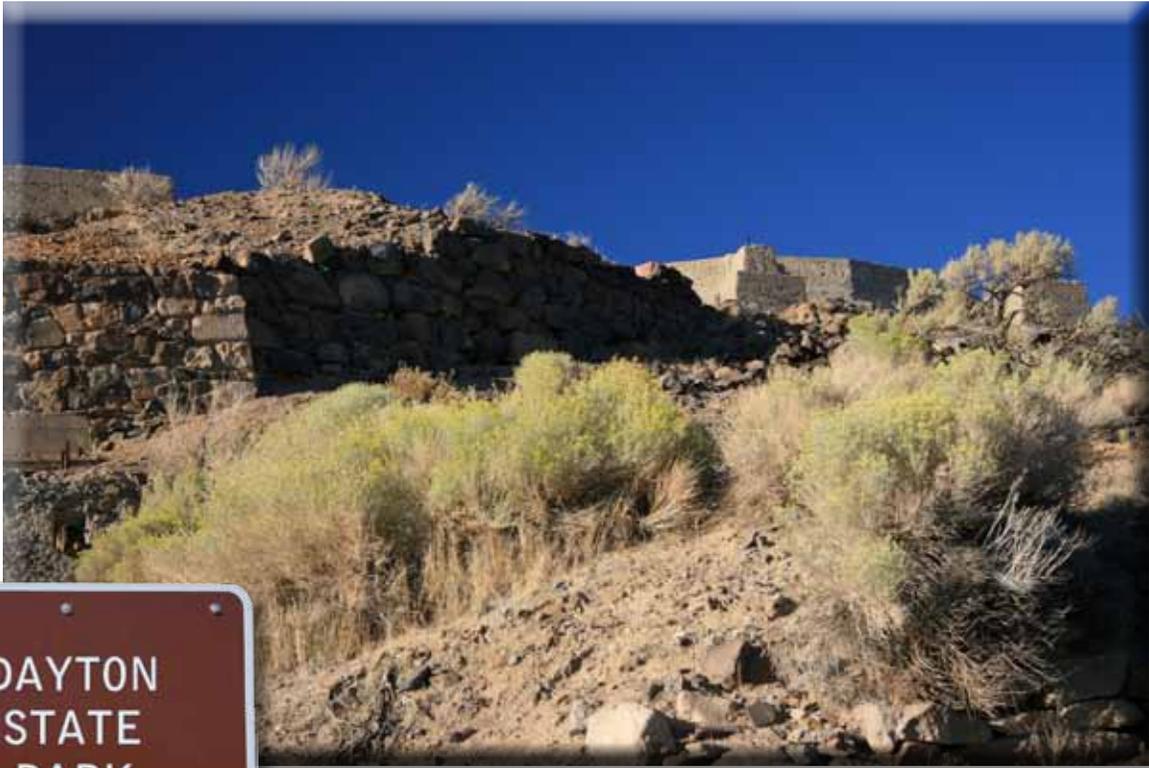
General Obligation Capital Improvements and Cultural Affairs	7/31/08C	\$	279,825
General Obligation Natural Resources	7/31/08D		13,000
General Obligation Open Space, Parks and Natural Resources	7/31/08E		7,500
Safe Drinking Water Act Revolving Fund Matching	7/31/08F		3,330
Water Pollution Control Revolving Fund Matching	7/31/08G		1,000
Housing Single-Family 2008 Issue B	9/25/2008		17,500
Housing Single-Family 2008 Issue B Variable	9/25/2008		7,500
Housing Multi-Unit Sierra Manor	12/18/2008		11,000
Housing Single-Family 2009 Issue A	6/2/2009		23,180

This list of new bonds does not agree completely with the schedule of additions to bonds payable as seen in Note 8 to the financial statements, due to the inclusion of accreted interest, deferred items and bonds redeemed prior to year-end.

Additional information on the State's long-term debt obligations can be found in Note 8 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 for all those with an interest in the government'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 89701-4786 or visit our website at: [www.controller.nv.gov](http://www.controller.nv.gov).



**Dayton State Park** is located in the town of Dayton, one of Nevada's earliest Comstock settlements. The Carson River flows through the park and offers fishing and bird watching. The Rock Point Mill, built in 1861, was once used to process rich silver ore from nearby Virginia City. Remnants of the mill are still visible within the park. Picnicking, camping, hiking and group use facilities are available.





**Lake Tahoe Nevada State Park** offers a number of different areas for visitors to enjoy. Sand Harbor is one of Lake Tahoe's most striking sandy beaches and features a boat launch, restrooms, picnicking, group use areas and a Lake Tahoe informational center, not to mention the new Harbor House Bistro and Beach Goods concessionaire, which offers quality dining and beachwear. Sand Harbor is also home to the Lake Tahoe Shakespeare Festival, where for years people have relaxed on Lake Tahoe's pristine beaches with wine and cheese and enjoyed the Bard at his best.



# BASIC FINANCIAL STATEMENTS

**Mormon Station** is the site of Nevada's first permanent non-native settlement. A replica of the original trading post, built in 1851, houses a museum with pioneer-era artifacts. Picnic and group use facilities are available.



# Statement of Net Assets



NEVADA

June 30, 2009 (Expressed in Thousands)

	Primary Government		Component Units	
	Governmental Activities	Business-Type Activities	Colorado River Commission	Nevada System of Higher Education
<b>Assets</b>				
Cash and pooled investments	\$ 1,527,807	\$ 405,190	\$ 4,902	\$ 81,582
Investments	638,447	725,299	-	762,449
Collateral on loaned securities	185	-	-	-
Internal balances	1,319	(1,319)	-	-
Due from the state	-	-	121	103,325
Accounts receivable	63,795	4,195	13,637	36,502
Taxes/assessments receivable	672,981	123,174	-	-
Intergovernmental receivables	443,731	1,373	-	36,664
Accrued interest and dividends	12,617	16,122	65	-
Contracts receivable	-	17,811	-	-
Mortgages receivable	-	586,716	-	-
Notes/loans receivable	632	9,641	-	11,864
Other receivables	16	211	-	63,875
Inventory	13,226	1,708	-	6,073
Prepaid expenses	3,210	9	37,806	-
Deferred charges	12,700	4,251	-	-
<i>Restricted assets:</i>				
Cash	-	-	10,498	10,056
Investments	-	142,539	-	-
Other assets	-	3,473	-	41,797
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	4,054,292	8,255	370	218,376
Other capital assets, net	1,143,816	2,105	58,547	1,697,036
<b>Total assets</b>	<b>8,588,774</b>	<b>2,050,753</b>	<b>125,946</b>	<b>3,069,599</b>
<b>Liabilities</b>				
Accounts payable	661,146	54,693	9,418	48,348
Accrued payroll and related liabilities	59,688	897	-	28,750
Intergovernmental payables	162,871	11	-	7,545
Interest payable	27,553	9,904	1,440	11,188
Due to component units	103,382	64	-	-
Contracts/retentions payable	62,387	-	-	-
Obligations under securities lending	185	-	-	-
Unearned revenues	330,068	9,070	565	38,295
Other liabilities	50,830	5,326	3,814	23,867

Long-term liabilities:					
<i>Portion due or payable within one year:</i>					
Reserve for losses	53,536	-	53,536	-	-
Obligations under capital leases	2,107	-	2,107	-	3,557
Compensated absences	69,549	1,150	70,699	193	29,041
Benefits payable	-	8,700	8,700	-	-
Bonds payable	190,190	18,684	208,874	5,387	19,087
Certificates of participation payable	1,370	-	1,370	-	-
<i>Portion due or payable after one year:</i>					
Reserve for losses	27,933	-	27,933	-	-
Obligations under capital leases	15,809	-	15,809	-	6,908
Compensated absences	32,997	642	33,639	80	14,045
Benefits payable	-	116,231	116,231	-	-
Bonds payable	2,721,902	1,008,141	3,730,043	96,779	510,481
Certificates of participation payable	56,660	-	56,660	-	-
Arbitrage rebate liability	575	72	647	-	-
<b>Total liabilities</b>	<b>4,630,738</b>	<b>1,233,585</b>	<b>5,864,323</b>	<b>117,676</b>	<b>741,112</b>

<b>Net Assets</b>					
Invested in capital assets, net of related debt	3,492,205	3,286	3,495,491	(3,934)	1,384,584
Restricted for:					
Unemployment compensation	-	370,277	370,277	-	-
Security of outstanding obligations	-	177,319	177,319	-	-
Workers' compensation	-	36,560	36,560	-	-
Capital projects	6,448	-	6,448	-	116,145
Debt service	34,459	-	34,459	-	11,538
Education and support services	3,921	-	3,921	-	-
Transportation	265,680	-	265,680	-	-
Recreation and resource development	39,655	233,282	272,937	-	-
Law, justice and public safety	7,606	-	7,606	-	-
Health and social services	39,918	-	39,918	-	-
Regulation of business	12,034	1,910	13,944	-	-
Municipal securities	1,278	-	1,278	-	-
Scholarships	-	-	-	-	229,259
Loans	-	-	-	-	5,488
Operations and maintenance	-	-	-	713	-
Funds held as permanent investments:					
Nonexpendable	291,724	-	291,724	-	231,240
Expendable	20	-	20	-	-
Unrestricted (deficit)	(236,912)	(5,466)	(242,378)	11,491	350,233
<b>Total net assets</b>	<b>\$ 3,958,036</b>	<b>\$ 817,168</b>	<b>\$ 4,775,204</b>	<b>\$ 8,270</b>	<b>\$ 2,328,487</b>

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

# Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2009 (Expressed in Thousands)

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Nevada System of Higher Education
					Governmental Activities	Business-type Activities	Total	
<b>Functions/Programs</b>								
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 389,943	\$ 281,997	\$ 10,320	\$ -	\$ (97,626)	\$ -	\$ -	\$ -
Health and social services	2,667,419	141,473	1,613,918	-	(912,028)	-	-	-
Education and support services	2,475,416	3,963	515,454	-	(1,955,999)	-	-	-
Law, justice and public safety	687,410	252,755	52,402	3,675	(378,578)	-	-	-
Regulation of business	118,086	60,655	5,819	-	(51,612)	-	-	-
Transportation	762,610	18,742	345,044	15,698	(383,126)	-	-	-
Recreation and resource development	165,741	35,308	1,075	235	(129,123)	-	-	-
Interest on long-term debt	138,304	-	-	-	(138,304)	-	-	-
Unallocated depreciation	976	-	-	-	(976)	-	-	-
<b>Total governmental activities</b>	<b>7,405,905</b>	<b>794,893</b>	<b>2,544,032</b>	<b>19,608</b>	<b>(4,047,372)</b>	<b>-</b>	<b>(4,047,372)</b>	<b>-</b>
Business-type activities:								
Unemployment insurance	1,336,043	1,460	496,543	-	-	(838,040)	-	-
Housing	44,382	26,604	23,329	-	-	5,551	-	-
Water loans	6,218	8,648	7,405	-	-	9,835	-	-
Workers' compensation and safety	26,801	38,955	2,293	-	-	14,447	-	-
Higher education	13,103	73	(4,032)	-	-	(17,062)	-	-
Other	16,967	29,504	12	-	-	12,549	-	-
<b>Total business-type activities</b>	<b>1,443,514</b>	<b>105,244</b>	<b>525,550</b>	<b>-</b>	<b>-</b>	<b>(812,720)</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 8,849,419</b>	<b>\$ 900,137</b>	<b>\$ 3,069,582</b>	<b>\$ 19,608</b>	<b>(4,047,372)</b>	<b>(812,720)</b>	<b>(4,860,092)</b>	<b>-</b>
<b>Component Units</b>								
Colorado River Commission	\$ 86,867	\$ 85,957	\$ -	\$ -	-	-	(910)	-
Nevada System of Higher Education	1,518,088	514,447	383,257	2,366	-	-	-	(618,018)
<b>Total component units</b>	<b>\$ 1,604,955</b>	<b>\$ 600,404</b>	<b>\$ 383,257</b>	<b>\$ 2,366</b>	<b>-</b>	<b>-</b>	<b>(910)</b>	<b>(618,018)</b>

General revenues:					
Taxes:					
Gaming	848,437	-	848,437	-	-
Sales and use	850,211	-	850,211	-	-
Modified business	281,605	-	281,605	-	-
Insurance premium	241,252	-	241,252	-	-
Property and transfer	65,922	-	65,922	-	-
Motor and special fuel	3,135	-	3,135	-	-
Other	280,841	-	280,841	-	-
Restricted for unemployment compensation:					
Other taxes	-	342,588	342,588	-	-
Restricted for educational purposes:					
Sales and use taxes	93,576	-	93,576	-	-
Gaming taxes	34,617	-	34,617	-	-
Restricted for debt service purposes:					
Property and transfer taxes	185,920	-	185,920	-	-
Motor and special fuel taxes	88,996	-	88,996	-	-
Other	32,765	-	32,765	-	-
Restricted for recreation and resource development					
Other taxes	28,774	-	28,774	-	-
Land Sales	13,903	-	13,903	-	-
Restricted for health and social services purposes:					
Property and transfer taxes	27,039	-	27,039	-	-
Other taxes	33,796	-	33,796	-	-
Restricted for transportation purposes:					
Motor and special fuel taxes	180,483	-	180,483	-	-
Other taxes	27,106	-	27,106	-	-
Restricted for regulation purposes:					
Other taxes	4,187	-	4,187	-	-
Tobacco settlement income	50,959	-	50,959	-	-
Unrestricted investment earnings	9,026	-	9,026	271	(121,365)
Other general revenues	83,459	-	83,459	583	14,634
Contributions to permanent funds	7,019	-	7,019	-	16,698
Payments from State of Nevada	-	-	-	-	592,725
Transfers	23,912	(23,912)	-	-	-
Total general revenues and transfers	3,496,940	318,676	3,815,616	854	502,692
Change in net assets	(550,432)	(494,044)	(1,044,476)	(56)	(115,326)
Net assets - beginning	4,508,468	1,311,212	5,819,680	8,326	2,443,813
<b>Net assets - ending</b>	<b>\$ 3,958,036</b>	<b>\$ 817,168</b>	<b>\$ 4,775,204</b>	<b>\$ 8,270</b>	<b>\$ 2,328,487</b>

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

# Balance Sheet Governmental Funds

June 30, 2009

	General Fund	State Highway	Municipal Bond Bank
<b>Assets</b>			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 446,950,720	\$ 310,735,506	\$ 220,305
Cash in custody of other officials	3,495,303	191,353	-
Investments	21,002,185	-	326,335,000
Collateral on loaned securities	184,807	-	-
<i>Receivables:</i>			
Accounts receivable	29,888,277	5,751,540	-
Taxes receivable	630,594,879	36,062,235	-
Intergovernmental receivables	262,869,832	29,244,739	-
Accrued interest and dividends	8,431,916	-	1,488,539
Notes/loans receivable	489,015	-	-
Other receivables	15,830	-	-
Due from other funds	48,443,934	12,230,978	13,229
Due from fiduciary funds	525,187	-	-
Due from component units	148,472	-	-
Inventory	-	11,742,694	-
Advances to other funds	3,453,441	-	-
Prepaid items	2,917,206	7,077	-
<b>Total assets</b>	<b>\$ 1,459,411,004</b>	<b>\$ 405,966,122</b>	<b>\$ 328,057,073</b>
<b>Liabilities and Fund Balances</b>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 268,272,538	\$ 18,218,576	\$ -
Accrued payroll and related liabilities	39,690,065	14,509,159	-
Intergovernmental payables	152,578,721	5,738,769	-
Interest payable	-	-	-
Contracts/retentions payable	1,072,408	28,974,345	-
Obligations under securities lending	184,807	-	-
Due to other funds	41,921,259	6,359,048	444,591
Due to fiduciary funds	348,547,173	1,475,810	-
Due to component units	9,875,254	322,927	-
Deferred revenues	355,723,078	19,407,655	1,490,025
Bonds payable	-	-	-
Other liabilities	48,723,615	1,566,852	-
<b>Total liabilities</b>	<b>1,266,588,918</b>	<b>96,573,141</b>	<b>1,934,616</b>
<b>Fund balances:</b>			
<i>Reserved:</i>			
Encumbrances and contracts	6,651,966	402,334,080	-
Inventories	-	11,742,694	-
Advances	3,453,441	-	-
Funds held as permanent investments	-	-	-
Fiscal emergency	-	-	-
Debt service	-	-	-
Other	3,406,221	7,077	-
Unreserved, designated for balances forward	178,611,297	-	-
Unreserved, designated for approved capital projects	699,161	-	-
<i>Unreserved, designated, reported in nonmajor:</i>			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Unreserved, undesignated	-	(104,690,870)	326,122,457
<i>Unreserved, undesignated, reported in nonmajor:</i>			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Permanent funds	-	-	-
<b>Total fund balances</b>	<b>192,822,086</b>	<b>309,392,981</b>	<b>326,122,457</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,459,411,004</b>	<b>\$ 405,966,122</b>	<b>\$ 328,057,073</b>

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



NEVADA

Consolidated Bond Interest and Redemption		Stabilize the Operations of State Government		Other Governmental Funds		Total Governmental Funds	
\$	168,736,531	\$	7,760,635	\$	468,676,889	\$	1,403,080,586
	-		-		3,303,745		6,990,401
	-		-		291,109,477		638,446,662
	-		-		-		184,807
	-		-		25,278,650		60,918,467
	-		-		6,324,042		672,981,156
	132,007,078		-		8,797,045		432,918,694
	-		-		2,696,549		12,617,004
	-		-		28,069		517,084
	-		-		-		15,830
	7,062,011		176,575		30,366,424		98,293,151
	-		-		479,720		1,004,907
	6,175,000		-		55,364		6,378,836
	-		-		1,291,003		13,033,697
	1,657,001		-		-		5,110,442
	-		-		18,759		2,943,042
<b>\$</b>	<b>315,637,621</b>	<b>\$</b>	<b>7,937,210</b>	<b>\$</b>	<b>838,425,736</b>	<b>\$</b>	<b>3,355,434,766</b>
\$	102,353	\$	295	\$	8,083,797	\$	294,677,559
	-		-		4,013,350		58,212,574
	-		-		4,521,256		162,838,746
	3,495,840		-		-		3,495,840
	-		-		32,340,666		62,387,419
	-		-		-		184,807
	4,526,312		-		48,680,371		101,931,581
	-		-		198,158		350,221,141
	-		-		100,700,176		110,898,357
	137,535,143		6,303		25,416,872		539,579,076
	9,205,000		-		-		9,205,000
	-		-		539,273		50,829,740
	154,864,648		6,598		224,493,919		1,744,461,840
	-		-		34,891,142		443,877,188
	-		-		1,291,003		13,033,697
	1,657,001		-		-		5,110,442
	-		-		291,724,318		291,724,318
	-		632,516		-		632,516
	159,115,972		-		34,458,904		193,574,876
	-		-		9,864,379		13,277,677
	-		-		-		178,611,297
	-		-		-		699,161
	-		-		277,101		277,101
	-		-		73,898,437		73,898,437
	-		7,298,096		-		228,729,683
	-		-		167,512,205		167,512,205
	-		-		(6,146)		(6,146)
	-		-		20,474		20,474
	160,772,973		7,930,612		613,931,817		1,610,972,926
<b>\$</b>	<b>315,637,621</b>	<b>\$</b>	<b>7,937,210</b>	<b>\$</b>	<b>838,425,736</b>	<b>\$</b>	<b>3,355,434,766</b>

**Washoe and Little Washoe Lakes** are located in the heart of scenic Washoe Valley, between Carson City and Reno. Here, visitors will find spectacular views of the majestic Carson portion of the Sierra Nevada mountain range. Popular activities include nature study, bird watching, hiking, horseback riding, picnicking, windsurfing, waterskiing, jet skiing, swimming, camping and fishing. Two campgrounds, boat launches, a group use area, day use picnic sites, restrooms with showers, an RV dump station and equestrian trailhead are available. A wetlands area with a viewing tower and interpretive displays is located south of the main entrance. Here, visitors can view more than 100 different bird species during bird-watching season.



# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets



NEVADA

June 30, 2009

**Total fund balances - governmental funds** \$ 1,610,972,926

Amounts reported for governmental activities in the statement of net assets 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	\$ 136,968,954	
Construction in progress	269,146,762	
Infrastructure assets	3,125,559,258	
Rights-of-way	522,486,390	
Buildings	1,303,289,567	
Improvements other than buildings	112,904,825	
Furniture and equipment	326,316,601	
Software costs	136,238,926	
Accumulated depreciation/amortization	<u>(765,850,428)</u>	
Total capital assets		5,167,060,855

Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 209,530,156

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 48,615,820

The deferred loss on early retirement of debt is reported as a deferred charge on the statement of net assets and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less. 19,859

Certain bond costs are reported as a deferred charge on the statement of net assets and are amortized over the life of the debt. 12,680,005

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(2,894,560,403)	
Accrued interest on bonds	(24,057,276)	
Arbitrage rebate liability	(574,566)	
Certificates of participation	(58,030,000)	
Capital leases	(14,106,351)	
Compensated absences	<u>(99,515,296)</u>	
Total long-term liabilities		<u>(3,090,843,892)</u>

**Net assets of governmental activities** \$ 3,958,035,729

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, 2009*

	General Fund	State Highway	Municipal Bond Bank
<b>Revenues</b>			
Gaming taxes, fees, licenses	\$ 865,609,151	\$ -	\$ -
Sales taxes	953,111,699	-	-
Modified business taxes	277,516,292	-	-
Insurance premium taxes	238,524,098	-	-
Property and transfer taxes	65,922,452	-	-
Motor and special fuel taxes	3,135,150	180,483,018	-
Other taxes	315,725,692	27,106,185	-
Intergovernmental	2,221,823,760	370,381,051	-
Licenses, fees and permits	209,250,029	177,966,155	-
Sales and charges for services	54,303,594	14,418,271	-
Interest and investment income	7,606,250	2,743,127	16,259,110
Tobacco settlement income	-	-	-
Land sales	-	-	-
Other	103,978,915	25,448,811	-
<b>Total revenues</b>	<b>5,316,507,082</b>	<b>798,546,618</b>	<b>16,259,110</b>
<b>Expenditures</b>			
<i>Current:</i>			
General government	97,674,477	1,427,553	3,470
Health and social services	2,428,459,486	-	-
Education and support services	57,076,784	-	-
Law, justice and public safety	450,076,360	161,826,775	-
Regulation of business	83,253,060	-	-
Transportation	-	747,424,741	-
Recreation and resource development	111,827,586	-	-
Intergovernmental	2,552,842,165	29,782,612	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	842,114	95,983	-
Interest, fiscal charges	626,500	14,037	-
Debt issuance costs	62,968	96,145	-
<b>Total expenditures</b>	<b>5,782,741,500</b>	<b>940,667,846</b>	<b>3,470</b>
Excess (deficiency) of revenues over expenditures	(466,234,418)	(142,121,228)	16,255,640
<b>Other Financing Sources (Uses)</b>			
Capital leases	20,271	-	-
Sale of general obligation bonds	10,312,613	18,861,583	-
Premium on general obligation bonds	258,253	1,234,562	-
Sale of capital assets	94,231	584,542	-
Transfers in	337,785,103	17,288,802	-
Transfers out	(89,165,056)	(21,729,770)	(30,659,915)
<b>Total other financing sources (uses)</b>	<b>259,305,415</b>	<b>16,239,719</b>	<b>(30,659,915)</b>
Net change in fund balances	(206,929,003)	(125,881,509)	(14,404,275)
Fund balances, July 1	399,751,089	435,274,490	340,526,732
<b>Fund balances, June 30</b>	<b>\$ 192,822,086</b>	<b>\$ 309,392,981</b>	<b>\$ 326,122,457</b>



<u>Consolidated Bond Interest and Redemption</u>	<u>Stabilize the Operations of State Government</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 14,963,890	\$ 880,573,041
-	-	-	953,111,699
-	-	-	277,516,292
-	-	-	238,524,098
185,920,012	-	27,038,631	278,881,095
-	-	88,995,881	272,614,049
-	-	44,617,282	387,449,159
17,648,698	-	62,896,880	2,672,750,389
-	-	32,297,555	419,513,739
-	-	16,679,073	85,400,938
1,485,196	(12,781)	16,750,229	44,831,131
-	-	50,061,832	50,061,832
-	-	663,222	663,222
-	-	12,380,379	141,808,105
<u>205,053,906</u>	<u>(12,781)</u>	<u>367,344,854</u>	<u>6,703,698,789</u>
648,571	20,191	67,135,035	166,909,297
-	-	82,070,030	2,510,529,516
-	-	738,462	57,815,246
-	13,191	16,583,655	628,499,981
-	-	22,378,158	105,631,218
-	-	-	747,424,741
-	-	23,444,636	135,272,222
278,238	121,565	123,000,230	2,706,024,810
-	-	176,598,594	176,598,594
131,535,000	-	51,502,509	183,975,606
107,237,163	-	37,290,880	145,168,580
483,390	-	1,437,938	2,080,441
<u>240,182,362</u>	<u>154,947</u>	<u>602,180,127</u>	<u>7,565,930,252</u>
<u>(35,128,456)</u>	<u>(167,728)</u>	<u>(234,835,273)</u>	<u>(862,231,463)</u>
-	-	-	20,271
483,390	-	270,726,063	300,383,649
-	-	17,001,477	18,494,292
-	-	5,305	684,078
43,902,332	310,223	76,116,896	475,403,356
-	(76,500,000)	(235,640,990)	(453,695,731)
<u>44,385,722</u>	<u>(76,189,777)</u>	<u>128,208,751</u>	<u>341,289,915</u>
9,257,266	(76,357,505)	(106,626,522)	(520,941,548)
151,515,707	84,288,117	720,558,339	2,131,914,474
<u>\$ 160,772,973</u>	<u>\$ 7,930,612</u>	<u>\$ 613,931,817</u>	<u>\$ 1,610,972,926</u>



Built in 1876, the **Belmont Courthouse** was the seat of Nye County's government until 1905. The building is partially restored and offers a glimpse into Nevada's colorful past. A short self-guided trail highlights the historic features of the site. Camping and picnic accommodations are available nearby on public lands or at the Pine Creek Campground (Humboldt-Toiyabe National Forest) in Monitor Valley, 20 miles to the north. Tours of the historic Belmont Courthouse are given during summer months. Call the Fallon Region Headquarters for dates and times.



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



NEVADA

For the Fiscal Year Ended June 30, 2009

<b>Net change in fund balances - total governmental funds</b>		<b>\$ (520,941,548)</b>
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	\$227,811,614	
Depreciation expense	<u>(81,414,672)</u>	
Excess of capital outlay over depreciation expense		146,396,942
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	(300,325,000)	
Premiums on debt issued	<u>(18,494,292)</u>	
Total bond proceeds		(318,819,292)
Some capital additions were financed through capital leases. In the governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		
		(20,271)
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 assets. In the current year, these amounts consist of:		
Bond principal retirement	180,176,677	
Certificates of participation retirement	1,290,000	
Capital lease payments	<u>1,041,653</u>	
Total long-term debt repayment		182,508,330
Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.		
		(14,363,977)
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues decreased by this amount this year.		
		(30,045,288)
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		
		(2,303,693)
In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.		
		2,021,791
Amortization of bond issuance costs is reported as an expense for the statement of activities.		
		(949,556)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		
		(555,315)
Amortization of bond premiums is reported as a reduction of interest expense for the statement of activities.		
		9,857,991
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:		
Net decrease in accrued interest	(5,154)	
Increase in compensated absences	(3,213,272)	
Decrease in arbitrage liability	579	
Total additional expenditures		<u>(3,217,847)</u>
<b>Change in net assets of governmental activities</b>		<b><u>\$ (550,431,733)</u></b>

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

# Statement of Net Assets

## Proprietary Funds

June 30, 2009

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
<b>Assets</b>						
<b>Current assets:</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 110,894	\$ -	\$ 64,928,849	\$54,843,212	\$ 119,882,955	\$117,735,704
Cash in custody of other officials	96,795	282,417,051	-	2,793,220	285,307,066	100
Investments	47,877,276	-	-	-	47,877,276	-
<i>Receivables:</i>						
Accounts receivable	-	-	-	4,185,554	4,185,554	1,849,097
Assessments receivable	-	123,173,662	-	-	123,173,662	-
Intergovernmental receivables	-	-	862,714	510,596	1,373,310	7,723,775
Contracts receivable	-	-	-	4,400,000	4,400,000	-
Mortgages receivable	10,017,215	-	-	-	10,017,215	-
Accrued interest and dividends	8,705,085	3,639,753	2,867,524	507,293	15,719,655	-
Notes/loans receivable	-	-	-	-	-	10,000
Trades pending settlement	-	-	-	210,832	210,832	-
Due from other funds	149,970	-	536,831	1,933,834	2,620,635	7,286,036
Due from fiduciary funds	-	-	-	9,329	9,329	22,841
Due from component units	-	-	-	580	580	1,161,359
Inventory	-	-	-	1,708,492	1,708,492	192,657
Prepaid expenses	-	-	-	8,692	8,692	266,870
Deferred outflow of resources	3,458,201	-	-	-	3,458,201	-
<i>Restricted assets:</i>						
Investments	122,060,539	-	-	-	122,060,539	-
<b>Total current assets</b>	<b>192,475,975</b>	<b>409,230,466</b>	<b>69,195,918</b>	<b>71,111,634</b>	<b>742,013,993</b>	<b>136,248,439</b>
<b>Noncurrent assets:</b>						
Investments	325,738,802	-	264,928,265	86,754,479	677,421,546	-
<i>Receivables:</i>						
Intergovernmental receivables	-	-	-	-	-	3,088,035
Contracts receivable	-	-	-	13,411,298	13,411,298	-
Mortgages receivable	576,698,838	-	-	-	576,698,838	-
Accrued interest and dividends	-	-	-	402,711	402,711	-
Notes/loans receivable	-	-	8,092,330	1,548,311	9,640,641	105,000
Deferred charges	2,789,935	-	1,362,792	97,921	4,250,648	-
<i>Restricted assets:</i>						
Investments	20,478,619	-	-	-	20,478,619	-
Other assets	-	-	-	15,000	15,000	-
<i>Capital assets:</i>						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	22,078,621
Improvements other than buildings	-	-	-	630,647	630,647	713,667
Furniture and equipment	382,518	-	35,280	4,985,882	5,403,680	48,810,825
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	7,687,196	7,687,196	-
Less accumulated depreciation/ amortization	(348,533)	-	(32,659)	(6,937,383)	(7,318,575)	(56,010,308)
<b>Total noncurrent assets</b>	<b>925,740,179</b>	<b>-</b>	<b>274,386,008</b>	<b>112,552,714</b>	<b>1,312,678,901</b>	<b>34,240,604</b>
<b>Total assets</b>	<b>1,118,216,154</b>	<b>409,230,466</b>	<b>343,581,926</b>	<b>183,664,348</b>	<b>2,054,692,894</b>	<b>170,489,043</b>

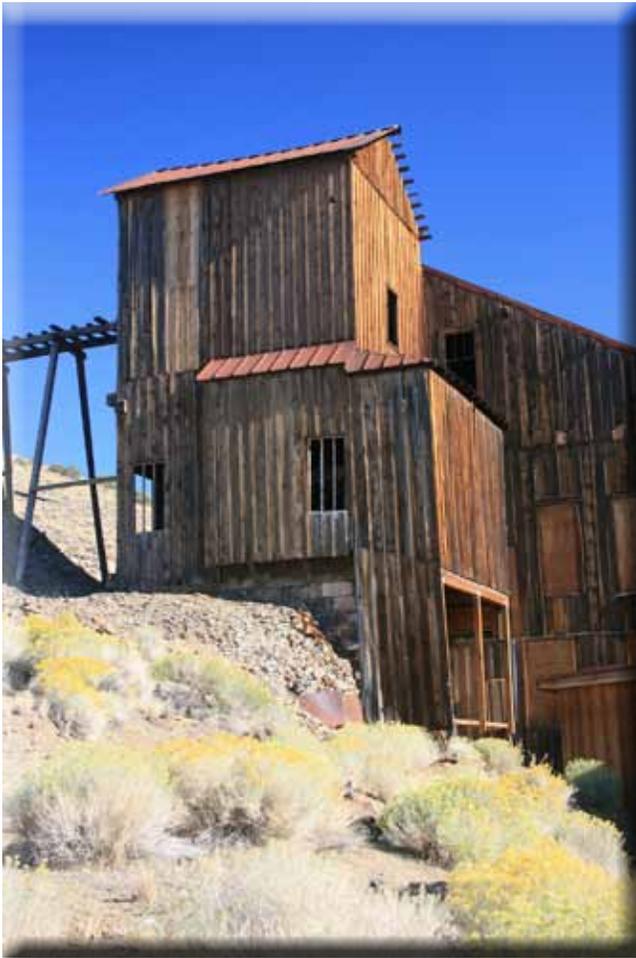
## Enterprise Funds

	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
<b>Liabilities</b>						
<b>Current liabilities:</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 14,307,553	\$ 38,807,013	\$ 75,681	\$ 1,444,849	\$ 54,635,096	\$ 8,560,229
Accrued payroll and related liabilities	95,687	-	20,951	780,656	897,294	1,475,442
Interest payable	7,888,491	-	1,986,159	29,457	9,904,107	-
Intergovernmental payables	-	-	-	11,485	11,485	32,077
Trades pending settlement	-	-	-	1,858,913	1,858,913	-
Bank overdraft	-	-	-	-	-	6,956,243
Due to other funds	3,241	146,518	550,276	2,659,337	3,359,372	2,908,867
Due to fiduciary funds	-	-	-	56,417	56,417	730,914
Due to component units	-	-	-	65,013	65,013	23,437
Unearned revenues	-	-	-	9,069,558	9,069,558	19,350
Derivative instrument - interest rate swap	3,458,201	-	-	-	3,458,201	-
Other liabilities	-	-	-	8,762	8,762	-
<i>Short-term portion of long-term liabilities:</i>						
Reserve for losses	-	-	-	-	-	53,536,327
Compensated absences	154,883	-	34,392	960,309	1,149,584	1,984,383
Benefits payable	-	-	-	8,700,000	8,700,000	-
Bonds payable	10,523,000	-	8,024,097	136,710	18,683,807	513,323
Obligations under capital leases	-	-	-	-	-	1,242,483
<b>Total current liabilities</b>	<b>36,431,056</b>	<b>38,953,531</b>	<b>10,691,556</b>	<b>25,781,466</b>	<b>111,857,609</b>	<b>77,983,075</b>
<b>Noncurrent liabilities:</b>						
Advances from funds	-	-	-	403,108	403,108	4,707,334
Reserve for losses	-	-	-	-	-	27,932,821
Compensated absences	124,109	-	23,794	494,549	642,452	1,045,957
Benefits payable	-	-	-	116,231,000	116,231,000	-
Bonds payable	901,260,000	-	99,510,138	7,370,946	1,008,141,084	7,813,768
Obligations under capital leases	-	-	-	-	-	2,567,440
Arbitrage rebate liability	-	-	72,162	-	72,162	-
<b>Total noncurrent liabilities</b>	<b>901,384,109</b>	<b>-</b>	<b>99,606,094</b>	<b>124,499,603</b>	<b>1,125,489,806</b>	<b>44,067,320</b>
<b>Total liabilities</b>	<b>937,815,165</b>	<b>38,953,531</b>	<b>110,297,650</b>	<b>150,281,069</b>	<b>1,237,347,415</b>	<b>122,050,395</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	33,985	-	2,621	3,249,779	3,286,385	18,910,555
<i>Restricted for:</i>						
Unemployment compensation	-	370,276,935	-	-	370,276,935	-
Security of outstanding obligations	177,318,930	-	-	-	177,318,930	-
Workers' compensation	-	-	-	36,560,295	36,560,295	-
Revolving loans	-	-	233,281,655	-	233,281,655	-
Regulation of business	-	-	-	1,910,383	1,910,383	-
Unrestricted (deficit)	3,048,074	-	-	(8,337,178)	(5,289,104)	29,528,093
<b>Total net assets</b>	<b>\$ 180,400,989</b>	<b>\$ 370,276,935</b>	<b>\$ 233,284,276</b>	<b>\$33,383,279</b>	<b>817,345,479</b>	<b>\$ 48,438,648</b>

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

Net assets of business-type activities (177,172)  
\$ 817,168,307

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



**Berlin**, a turn-of-the-century mining town, is preserved in a state of arrested decay. A trail through the town site tells the story of Berlin and its mine.



Remains of **Ichthyosaurs** (pronounced "ick-thee-o-sores"), ancient marine reptiles that swam in a warm ocean covering central Nevada 225 million years ago, are on display at the park's Fossil House.

These unique official state fossils attract visitors from across the world. A nature trail connects the Fossil House to a nearby campground. Guided tours of the Fossil House and the Diana Mine are offered from Memorial Day to Labor Day. A short distance from the park, visitors can also explore the historic towns of Lone and Grantsville.



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



NEVADA

For the Fiscal Year Ended June 30, 2009

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
<b>Operating Revenues</b>						
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$346,319,530
Sales	-	-	-	13,106,725	13,106,725	3,458,594
Assessments	-	342,588,330	-	34,478,803	377,067,133	-
Charges for services	-	-	-	14,605,799	14,605,799	47,056,061
Rental income	-	-	-	144,421	144,421	21,324,475
Interest income on loans/notes	23,133,223	-	8,648,314	190,498	31,972,035	-
Federal government	-	463,904,746	6,846,331	-	470,751,077	-
Licenses, fees and permits	-	-	-	6,927,541	6,927,541	-
Fines	-	-	-	1,861,073	1,861,073	-
Other	3,470,747	1,460,035	-	3,344,907	8,275,689	3,721,880
<b>Total operating revenues</b>	<b>26,603,970</b>	<b>807,953,111</b>	<b>15,494,645</b>	<b>74,659,767</b>	<b>924,711,493</b>	<b>421,880,540</b>
<b>Operating Expenses</b>						
Salaries and benefits	2,040,262	-	467,195	18,758,968	21,266,425	34,268,604
Operating	2,956,898	-	714,938	15,804,424	19,476,260	38,990,957
Claims and benefits expense	-	1,335,519,585	-	18,906,986	1,354,426,571	257,690,181
Interest on bonds payable	36,353,983	-	-	-	36,353,983	-
Materials or supplies used	-	-	-	2,538,439	2,538,439	1,105,868
Servicers' fees	141,910	-	-	-	141,910	-
Depreciation	23,277	-	1,477	418,730	443,484	5,650,966
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	137,933	-	169,256	-	307,189	-
Insurance premiums	-	-	-	-	-	98,654,774
<b>Total operating expenses</b>	<b>41,654,263</b>	<b>1,335,519,585</b>	<b>1,352,866</b>	<b>56,427,547</b>	<b>1,434,954,261</b>	<b>437,893,731</b>
Operating income (loss)	(15,050,293)	(527,566,474)	14,141,779	18,232,220	(510,242,768)	(16,013,191)
<b>Nonoperating Revenues (Expenses)</b>						
Interest and investment income	20,378,829	27,142,493	558,341	(10,064,968)	38,014,695	(82,400)
Interest expense	-	-	(4,826,671)	(344,662)	(5,171,333)	(384,106)
Bond issuance costs amortization	-	-	-	(3,446)	(3,446)	-
Federal grant revenue	2,950,500	5,495,529	-	2,189,478	10,635,507	-
Federal grant expense	(2,725,935)	-	-	-	(2,725,935)	-
Reed Act expenses	-	(523,264)	-	-	(523,264)	-
Gain (loss) on disposal of assets	-	-	-	21,115	21,115	(187,076)
Arbitrage rebate	-	-	(38,157)	-	(38,157)	-
<b>Total nonoperating revenues (expenses)</b>	<b>20,603,394</b>	<b>32,114,758</b>	<b>(4,306,487)</b>	<b>(8,202,483)</b>	<b>40,209,182</b>	<b>(653,582)</b>
Income (loss) before transfers	5,553,101	(495,451,716)	9,835,292	10,029,737	(470,033,586)	(16,666,773)
<b>Transfers</b>						
Transfers in	-	-	-	2,013,446	2,013,446	2,304,667
Transfers out	-	(1,515,048)	(1,535,394)	(22,875,296)	(25,925,738)	(100,000)
Change in net assets	5,553,101	(496,966,764)	8,299,898	(10,832,113)	(493,945,878)	(14,462,106)
Net assets, July 1	174,847,888	867,243,699	224,984,378	44,215,392		62,900,754
<b>Net assets, June 30</b>	<b>\$180,400,989</b>	<b>\$ 370,276,935</b>	<b>\$233,284,276</b>	<b>\$33,383,279</b>		<b>\$ 48,438,648</b>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

(98,129)

Change in net assets of business-type activities

\$(494,044,007)

# Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2009

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 9,258,197	\$ 340,305,366	\$ -	\$ 70,058,461	\$ 419,622,024	\$ 90,098,485
Receipts for interfund services provided	3,650	2,086,736	-	3,487,560	5,577,946	252,584,127
Receipts from component units	-	-	-	-	-	76,935,755
Receipts of principal on loans/notes	41,573,881	-	19,150,860	318,814	61,043,555	-
Receipts of interest on loans/notes	25,265,353	-	9,907,143	120,587	35,293,083	-
Receipts from federal government	-	463,904,746	6,521,291	-	470,426,037	-
Payments to suppliers, other governments and beneficiaries	(6,882,771)	(1,305,670,475)	(621,399)	(22,366,092)	(1,335,540,737)	(369,017,494)
Payments to employees	(1,928,915)	-	(453,266)	(17,936,210)	(20,318,391)	(33,447,065)
Payments for interfund services	(313,580)	-	(109,862)	(6,297,424)	(6,720,866)	(19,356,574)
Payments to component units	-	-	-	(3,084,513)	(3,084,513)	(146,692)
Purchase of loans and notes	(53,727,067)	-	(7,755,729)	(351,328)	(61,834,124)	-
Net cash provided by (used for) operating activities	<u>13,248,748</u>	<u>(499,373,627)</u>	<u>26,639,038</u>	<u>23,949,855</u>	<u>(435,535,986)</u>	<u>(2,349,458)</u>
<b>Cash flows from noncapital financing activities</b>						
Grant receipts	-	5,495,529	-	2,321,526	7,817,055	-
Proceeds from sale of bonds	59,180,000	-	4,308,243	-	63,488,243	-
Transfers and advances from other funds	2,950,500	-	-	2,032,005	4,982,505	166,363
Principal paid on noncapital debt	(33,592,000)	-	(6,980,000)	-	(40,572,000)	-
Interest paid on noncapital debt	(36,495,807)	-	(4,887,514)	-	(41,383,321)	-
Transfers and advances to other funds	-	(1,368,530)	(1,367,692)	(23,766,871)	(26,503,093)	(100,000)
Other noncapital financing activities	(3,497,597)	(523,264)	-	(589)	(4,021,450)	-
Net cash provided by (used for) noncapital financing activities	<u>(11,454,904)</u>	<u>3,603,735</u>	<u>(8,926,963)</u>	<u>(19,413,929)</u>	<u>(36,192,061)</u>	<u>66,363</u>
<b>Cash flows from capital and related financing activities</b>						
Transfers from (reversions to) other funds	-	-	-	-	-	164,149
Proceeds from sale of capital assets	-	-	-	25,575	25,575	170,419
Purchase of capital assets	-	-	-	(192,665)	(192,665)	(2,619,110)
Principal paid on capital debt	-	-	-	(136,762)	(136,762)	(4,903,067)
Interest paid on capital debt	-	-	-	(385,249)	(385,249)	(170,315)
Payments on construction projects	-	-	-	(2,895,598)	(2,895,598)	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,584,699)</u>	<u>(3,584,699)</u>	<u>(7,357,924)</u>
<b>Cash flows from investing activities</b>						
Proceeds from sale of investments	321,001,573	-	-	129,246,259	450,247,832	-
Purchase of investments	(343,739,550)	-	-	(129,049,016)	(472,788,566)	-
Interest and dividends received	20,453,877	32,632,118	466,330	3,350,162	56,902,487	203,775
Net cash provided by (used for) investing activities	<u>(2,284,100)</u>	<u>32,632,118</u>	<u>466,330</u>	<u>3,547,405</u>	<u>34,361,753</u>	<u>203,775</u>
Net increase (decrease) in cash	(490,256)	(463,137,774)	18,178,405	4,498,632	(440,950,993)	(9,437,244)
Cash and cash equivalents, July 1	697,945	745,554,825	46,750,444	53,137,800	846,141,014	127,173,048
<b>Cash and cash equivalents, June 30</b>	<u>\$ 207,689</u>	<u>\$ 282,417,051</u>	<u>\$ 64,928,849</u>	<u>\$ 57,636,432</u>	<u>\$ 405,190,021</u>	<u>\$ 117,735,804</u>



	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>						
Operating income (loss)	\$ (15,050,293)	\$ (527,566,474)	\$ 14,141,779	\$ 18,232,220	\$ (510,242,768)	\$ (16,013,191)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>						
Depreciation	23,277	-	1,477	418,730	443,484	5,650,966
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	137,933	-	169,256	-	307,189	-
Interest on bonds payable	36,353,983	-	-	-	36,353,983	-
Decrease (increase) in loans and notes receivable	(10,280,004)	-	11,392,297	(32,842)	1,079,451	-
Decrease (increase) in accrued interest and receivables	(49,876)	(1,656,263)	936,622	(506,852)	(1,276,369)	(2,017,942)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	74,559	74,559	(158,707)
Increase (decrease) in accounts payable, accruals, other liabilities	2,113,728	29,849,110	(2,393)	5,764,040	37,724,485	8,657,035
Total adjustments	28,299,041	28,192,847	12,497,259	5,717,635	74,706,782	13,663,733
Net cash provided by (used for) operating activities	\$ 13,248,748	\$ (499,373,627)	\$ 26,639,038	\$ 23,949,855	\$ (435,535,986)	\$ (2,349,458)
<b>Noncash investing, capital and financing activities</b>						
Capital assets leased or acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,179
Gain (loss) on disposal of assets	-	-	-	-	-	(187,076)
Construction completed or in progress	-	-	-	26,177	26,177	-
Increase (decrease) in fair value of investments	(111,061)	-	(918,996)	(14,173,925)	(15,203,982)	(1,690,517)

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

# Statement of Fiduciary Net Assets Fiduciary Funds



NEVADA

June 30, 2009

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 546,814	\$ -	\$ 4,914,669	\$ 109,949,654
Cash in custody of other officials	423,235,146	6,881,214	4,209,944	79,594,184
<i>Investments:</i>				
Investments	21,139,856	1,039,754,017	4,564,095,157	154,842,201
Fixed income securities	5,545,761,044	-	-	-
Marketable equity securities	7,709,766,670	-	-	-
International securities	3,950,469,133	-	-	-
Mortgage loans	6,696	-	-	-
Real estate	907,413,470	-	-	-
Alternative investments	466,149,311	-	-	-
Collateral on loaned securities	1,760,287,271	-	-	-
<i>Receivables:</i>				
Accrued interest and dividends	86,963,472	3,725,818	542,091	-
Taxes receivable	-	-	-	10,444,666
Trades pending settlement	141,747,235	95,312	746,914	-
Intergovernmental receivables	85,027,607	-	56,527	215,958
Contributions receivable	-	-	4,979,083	-
Other receivables	-	-	-	35,834,794
Due from other funds	837,615	-	175,781	349,995,076
Due from fiduciary funds	17,407,597	-	-	11,583,316
Due from component unit	1,031,255	-	-	-
Other assets	1,962,283	-	-	-
Furniture and equipment	34,031,521	-	-	-
Accumulated depreciation	(29,135,098)	-	-	-
<b>Total assets</b>	<b>21,124,648,898</b>	<b>1,050,456,361</b>	<b>4,579,720,166</b>	<b>752,459,849</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	13,404,590	147,776	1,478,593	-
Accrued payroll and related liabilities	-	-	-	7,250
Intergovernmental payables	-	11,243	8,069	428,818,801
Redemptions payable	-	-	1,422,920	-
Trades pending settlement	429,533,891	6,629,423	2,772,154	-
Bank overdraft	-	-	580,000	-
Obligations under securities lending	1,847,667,862	-	-	-
Due to other funds	22,841	400,668	613,568	-
Due to fiduciary funds	-	-	14,044	28,976,869
<i>Other liabilities:</i>				
Deposits	-	-	-	288,069,795
Other liabilities	231,466	-	-	6,587,134
<b>Total liabilities</b>	<b>2,290,860,650</b>	<b>7,189,110</b>	<b>6,889,348</b>	<b>752,459,849</b>
<b>Net Assets</b>				
<i>Held in trust for:</i>				
Employees' pension benefits	18,810,252,294	-	-	-
OPEB benefits	23,535,954	-	-	-
Pool participants	-	1,043,267,251	-	-
Individuals	-	-	4,572,830,818	-
<b>Total net assets</b>	<b>\$ 18,833,788,248</b>	<b>\$ 1,043,267,251</b>	<b>\$ 4,572,830,818</b>	<b>\$ -</b>

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

# Statement of Changes in Fiduciary Net Assets Fiduciary Funds



NEVADA

For the Fiscal Year Ended June 30, 2009

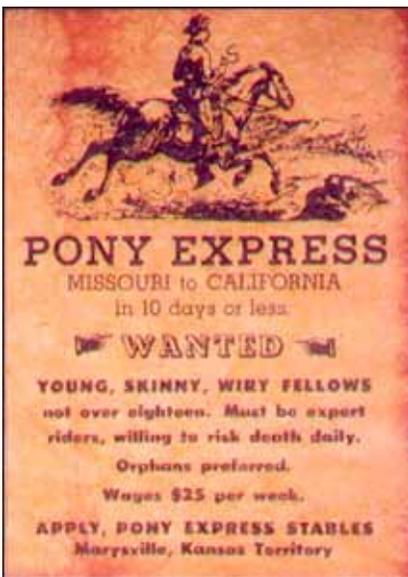
	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Investment Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
<b>Additions</b>			
<i>Contributions:</i>			
Employer	\$ 1,254,116,898	\$ -	\$ -
Plan members	93,678,604	-	-
Participants	-	-	1,418,555,203
Repayment and purchase of service	28,116,522	-	-
<b>Total contributions</b>	<b>1,375,912,024</b>	<b>-</b>	<b>1,418,555,203</b>
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	(4,187,788,436)	1,885,883	(922,670,663)
Interest, dividends	582,745,052	28,056,739	127,177,217
Securities lending income	43,686,340	-	-
Other	54,285,040	-	-
	(3,507,072,004)	29,942,622	(795,493,446)
<i>Less investment expense:</i>			
Cost of securities lending	(24,420,539)	-	-
Other	(24,069,799)	(6,349)	-
<b>Net investment income</b>	<b>(3,555,562,342)</b>	<b>29,936,273</b>	<b>(795,493,446)</b>
<i>Other:</i>			
Investment from local governments	-	1,021,931,979	-
Reinvestment from interest income	-	12,169,345	-
Other	2,505,070	934	-
<b>Total other</b>	<b>2,505,070</b>	<b>1,034,102,258</b>	<b>-</b>
<b>Total additions</b>	<b>(2,177,145,248)</b>	<b>1,064,038,531</b>	<b>623,061,757</b>
<b>Deductions</b>			
Principal redeemed	-	1,211,919,911	753,090,904
Benefit payments	1,222,759,755	-	20,145,162
Refunds	18,585,067	-	-
Contribution distributions	3,791,831	-	-
Dividends to investors	-	12,625,094	-
Administrative expense	9,860,477	657,232	18,541,727
<b>Total deductions</b>	<b>1,254,997,130</b>	<b>1,225,202,237</b>	<b>791,777,793</b>
Change in net assets	(3,432,142,378)	(161,163,706)	(168,716,036)
Net assets, July 1	22,265,930,626	1,204,430,957	4,741,546,854
<b>Net assets, June 30</b>	<b>\$ 18,833,788,248</b>	<b>\$ 1,043,267,251</b>	<b>\$ 4,572,830,818</b>

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



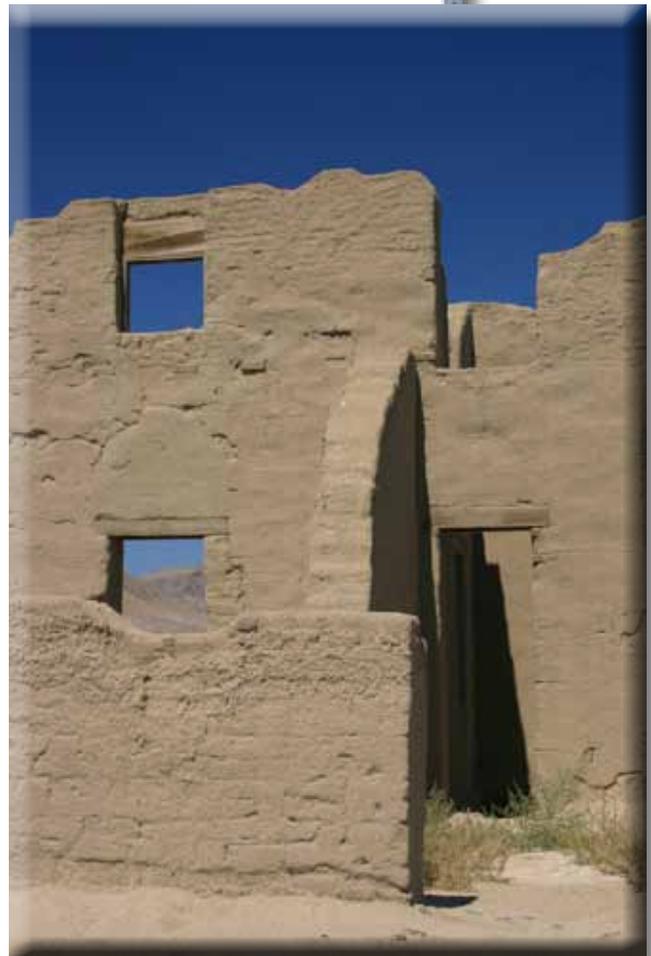
**Buckland Station** was a stage stop, Pony Express station and hotel built in 1870 using materials from the abandoned remains of Fort Churchill.

The station is now operated as a museum and serves as a reminder of the industrious spirit of Nevada's early pioneers.



Northeast of the fort are the Carson River Ranches, once privately owned working ranches that were purchased in 1995 by Nevada State Parks. The Carson River meanders through the ranch areas and provides a woodland/river setting unique to northern Nevada.

Visitors can hike, camp and also enjoy equestrian facilities.



**Fort Churchill**, a U.S. Army fort built in 1860, provided protection for early settlers. The fort was deserted nine years later, and ruins are all that remain today. A visitor center displays information and artifacts of the fort's history. The Pony Express and the Overland Telegraph once passed through this area, and nearby Buckland Station was a Pony Express stop. Facilities at Fort Churchill include trails, a campground, picnic area, group use area and access areas to the Carson River. Visitors can experience outstanding hiking, camping, picnicking, photography, horseback riding, canoeing, and historic Fort Churchill State Historic Park and environmental education.



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## Note 1 - Summary of Significant Accounting Policies

### A. Reporting Entity

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 applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, 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 primary government. Component units are legally separate governmental organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

Financial accountability is defined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The State is financially accountable for those entities in which the State appoints a voting majority of an organization's governing authority, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the State. For those entities in which the State does not appoint a voting majority of the governing authority, GASB Statement No. 14 requires inclusion in the reporting entity if they are fiscally dependent on the State or if it would be misleading to exclude the entity.

**Blended Component Units:** The following blended component units are entities that are legally separate from the State. However, since the State Legislature retains certain significant governing powers over these entities, they are reported as if they are part of the primary government under the provisions of GASB Statement No. 14.

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 by the Nevada Legislature in 1947 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 in 1967 by the Nevada Legislature 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 by the Nevada Legislature

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 by NRS 355.220 (2) 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 of the Public Employees' Retirement Board.

*Nevada Real Property Corporation* is a legally separate entity whose board of directors are exclusively State employees or officials. It was incorporated to finance certain construction projects. Such projects include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the Corporation leases the facilities to the State. The State reports these financial transactions as part of the primary government using the blended method.

**Discretely Presented Component Units:** Per the provisions of GASB Statement No. 14, 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, and the component unit does not provide services entirely or almost entirely to the primary government. The following discretely presented component units are reported in separate columns in the basic financial statements to emphasize they are legally separate from the State.

The *Nevada System of Higher Education* (NSHE) is governed by a Board of Regents elected by the voters. However, NSHE is fiscally dependent upon the State because of appropriations from the State Legislature, the Legislative approval of the budget for those appropriations, the levying of taxes, if necessary, and the issuance of debt to support NSHE. Because NSHE has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

The *Colorado River Commission* (CRC) is a legally separate entity 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 appointed by the board of directors of the Southern Nevada Water Authority. 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



(Note 1 Continued)

services to citizens through the distribution and sale of electric power. As CRC has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

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

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

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

## B. Government-Wide and Fund Financial Statements

**Government-Wide Financial Statements:** The Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Inter-fund receivables and payables between governmental funds and enterprise funds are reported as internal balances in the government-wide statement of net assets. 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 *Statement of Net Assets* presents the reporting entity's non-fiduciary assets and liabilities with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Additional disclosure related to the amount of net assets restricted by enabling legislation is provided in Note 11.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management but can be removed or modified.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Certain centralized costs have been included as part of the program expenses reported for the various functions and 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. In general, internal activity has been eliminated from the Statement of Activities. 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.

**Fund Financial Statements:** 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 funds and major individual proprietary funds are reported as separate columns in the fund financial statements with non-major funds being combined into a single column.

## C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

**Measurement Focus and Basis of Accounting:** The government-wide statements are reported using the economic



(Note 1 Continued)

resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

GASB Statement No. 20 requires business-type activities and enterprise funds to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements, all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989. As permitted by the Statement, the State has elected not to apply FASB pronouncements issued after that date.

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.

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 thereafter. The State considers revenues as 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 12, 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 the related fund liability is incurred. However, expenditures for principal and interest on long-term debt are recorded as fund liabilities only when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Inventories and prepaids are reported using the consumption method.

The State reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim to them, as when grant monies are received before

the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized.

Restricted revenues are those monies that are legally segregated for specific purposes. For example, a portion of a particular property tax levy may be legally pledged to support debt service. The general policy of the State is to expend unrestricted revenues first in a fund, followed by restricted revenues. However, there are exceptions to this policy in the Consolidated Bond Interest and Redemption fund and all the Capital Projects funds.

**Financial Statement Presentation:** The State reports the following major governmental funds:

The *General Fund* 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.

The *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.

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

The *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.

The *Stabilize the Operations of State Government Fund*, commonly referred to as the "Rainy Day Fund", accounts for funds appropriated by the Legislature to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or the Legislature and Governor declare that a fiscal emergency exists.

The State reports the following major enterprise funds:

The *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.

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

The *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.



(Note 1 Continued)

Additionally, the State reports the following fund types:

**Proprietary Fund Types:**

*Enterprise Funds* - report the activities for which fees are charged to external users for goods or services such as workers' compensation, insurance, prison industry and higher education tuition trust.

*Internal Service Funds* - provide goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include communications, purchasing, printing and motor pool. In the government-wide statements, internal service funds are included with governmental activities.

**Fiduciary Fund Types:**

*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 motor vehicle, veterans' custodial and child welfare.

**D. Assets, Liabilities and Net Assets/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 Assets and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

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

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

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are investment trust funds as defined in Governmental Accounting Standards Board Statement No. 31. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitation of section 355.170 of Nevada Revised Statutes. 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. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for the Retirement Benefits Investment Fund.

Derivative securities are priced and accounted for at fair value. For exchange-traded securities, such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives, such as collateralized mortgage obligations (CMO), mortgage backed securities, and asset backed securities, commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets. 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 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.



(Note 1 Continued)

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.

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.

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

*Inventories* - Inventories are stated at cost on the first-in, first-out basis. Inventory in the State Highway Fund, a special revenue fund, consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Inventory items in the funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

*Prepaid Expenses* - Prepaid expenses reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. Prepaid items in the funds are offset by a fund balance reserve to indicate that they are unavailable for appropriation.

*Advances to Other Funds* - Long-term interfund advances are recorded by the advancing fund as a receivable and as a reservation of fund balance to maintain the accountability and to disclose properly the amount available for appropriation (unreserved fund balance). Repayments are credited to the receivable and corresponding reductions are made in the reserve. 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 Assets at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and equipment, or \$100,000 or more for buildings and improvements, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.

In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment.

Additional disclosure related to capital assets is provided in Note 7.

*Compensated Absences* - Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be 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 compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability in the fund financial statements. On the Statement of Net Assets, the total accrued compensated absences for both proprietary and governmental fund types is reported.

*Deferred Revenues* - Deferred revenues in the General Fund consist primarily of refundable gaming taxes and fees and nonexchange transactions for which the revenue is measurable but not available. Deferred revenue in the debt service funds consists primarily of amounts due from other governments to retire long-term debt.

*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, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issu-



*(Note 1 Continued)*

ance costs, 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 8.

*Net Assets/Fund Balance* - The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.

*Fund Balance Reservations and Designations* - In the fund financial statements, governmental funds classify fund balances as either reserved or unreserved. Reserved fund balances are those amounts that are not available for appropriation or are legally restricted by outside parties for a specific use. Unreserved fund balances reflect the balances available for appropriation for the general purposes of the fund. Management may designate a portion of the unreserved fund balance for a specific purpose, but designations are tentative management plans that are subject to change.

The nature of reserved and designated fund balances is explained below:

"Encumbrances and contracts" indicates assets required to meet future payment obligations.

"Inventory" indicates consumable supplies held in stock by governmental fund types.

"Advances" indicates assets, which have been advanced to other funds on a long-term basis.

"Funds held as permanent investments" indicates assets permanently invested for the purpose of the fund.

"Fiscal emergency" indicates assets restricted for use in a State fiscal emergency as declared by the Legislature and the Governor.

"Debt service" indicates assets reserved for the retirement of long-term obligations.

"Other" generally indicates assets that, because of their nature, are unavailable for expenditures.

"Balances forward" indicates unexpended funds brought forward to the next year, which are designated for general government; health and social services; education and support services; law, justice and public safety; regulation of business; transportation or recreation and resource development purposes.

Note 11 provides a disaggregation of governmental fund balances, reserved for other, and governmental fund balances, unreserved, designated.

**E. Intergovernmental Assistance Programs**

The State participates in various federal award programs. Federal awards are received by the State in both cash and noncash forms. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized (as they become susceptible to accrual [measureable and available] under the modified accrual basis of accounting.) The State considers revenues as available if they are collected 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.

**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 \$20,000 which have the affect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$50,000, 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 Fund, a Special Reve-



*(Note 2 Continued)*

nue Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$2,251,682 were made in the 2009 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.

3. Repayments of such advances are considered revenues. Certain prepaid/deferred assets are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain deferred 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 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. The Office of the State Treasurer is responsible for oversight of the deposits and investments for the State of Nevada.

**A. Deposits**

*Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds* - the State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Nevada Revised Statutes direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2009, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$308,990,308, of which \$3,155,125 was uncollateralized and uninsured.

*Component Units* - at June 30, 2009, the bank balance of the component units totaled \$91,638,000 of which \$16,349,000 was uncollateralized and uninsured.

**B. Investments**

Nevada Revised Statute (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, 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 at Note 1 under Assets, Liabilities and Net Assets/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 included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further under Note 1, Assets, Liabilities and Net Assets/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



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(Note 3 Continued)

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 administrated 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, Pension and Other Employee Benefit Trust, and Investment Trust Funds* - The State does not have a written interest rate risk policy. 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 Capital Aggregate Index benchmark. If securities are purchased outside the Barclays Capital Aggregate Index, they must be of investment grade rating by at least two of Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's). The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2009 (expressed in thousands):

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 4,676,581	\$ 950,839	\$ 988,659	\$ 563,425	\$ 2,173,658
U. S. agencies	2,250,517	1,393,175	489,265	27,643	340,434
Mutual funds	13,763	13,763	-	-	-
Repurchase agreements	59,064	59,064	-	-	-
Asset backed corporate securities	123,964	1,192	58,305	18,600	45,867
Corporate bonds and notes	1,368,441	37,778	485,469	490,980	354,214
Fixed income securities	176,330	103,430	900	200	71,800
International investments	1,028,101	14,843	454,471	283,082	275,705
Municipal bonds	591,694	-	13,541	20,099	558,054
Investment agreements	14,047	-	-	-	14,047
Other short-term investments	312,692	312,692	-	-	-
Collateralized mortgage obligations	335,688	2,270	12,611	44,278	276,529
<b>Total</b>	<b>\$ 10,950,882</b>	<b>\$ 2,889,046</b>	<b>\$ 2,503,221</b>	<b>\$ 1,448,307</b>	<b>\$ 4,110,308</b>

*Private Purpose Trust* - Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. Investments having interest rate risk are all invested in mutual funds with various maturities from 13 days to 9.1 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, 2009 (expressed in thousands):

Less than 1 year	\$ 481,014
1 to 5 years	44,084
6 to 10 years	14,861
More than 10 years	17,528

**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. 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.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



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(Note 3 Continued)

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). 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 all invested in unrated mutual funds that are included in the table below.

The State's investments as of June 30, 2009 were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard and Poor's rating scale (expressed in thousands):

	Fair Value	Quality Rating							Unrated
		AAA	AA	A	BBB	BB	B	CCC	
U.S. agencies	\$ 2,211,379	\$ 1,320,166	\$ -	\$ 891,213	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual funds	4,577,661	13,490	-	-	-	-	-	-	4,564,171
Asset backed corporate securities	105,164	91,746	3,500	6,300	3,618	-	-	-	-
Corporate bonds and notes	1,365,179	54,687	167,956	648,442	467,900	18,000	4,500	-	3,694
Fixed income securities	158,749	25,200	-	-	-	-	-	-	133,549
International investments	1,017,301	365,542	428,276	164,439	30,700	-	-	-	28,344
Municipal bonds	591,693	239	591,263	191	-	-	-	-	-
Investment agreements	14,047	671	1,620	10,941	-	619	-	196	-
Other short-term investments	476,507	154,308	-	-	-	-	14,000	-	308,199
Collateralized mortgage obligations	266,885	220,816	5,169	5,600	6,700	1,400	3,700	2,700	20,800
<b>Total</b>	<b>\$ 10,784,565</b>	<b>\$ 2,246,865</b>	<b>\$ 1,197,784</b>	<b>\$ 1,727,126</b>	<b>\$ 508,918</b>	<b>\$ 20,019</b>	<b>\$ 22,200</b>	<b>\$ 2,896</b>	<b>\$ 5,058,757</b>

As of June 30, 2009, the State of Nevada held equity and debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed. However, equity and debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market, and the loss recognized.

*Component Unit* - the Nevada System of Higher Education's (NSHE) 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, 2009 is as follows (expressed in thousands):

	Fair Value	Unrated
Mutual funds publicly traded	\$ 197,003	\$ 197,003
Partnerships	151,991	151,991
Stocks	11,506	11,506
Endowment cash/cash equivalents	277	277
Private commingled funds	196,710	196,710
<b>Total</b>	<b>\$ 557,487</b>	<b>\$ 557,487</b>

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2009, the following investments exceeded 5% of the Primary Government and Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	Percentage
<b>Primary government</b>		
Federal Farm Credit Bank	\$ 529,649	15.85%
Federal Home Loan Bank	927,138	27.75%
So. Nevada Water Authority	242,650	7.26%
United States Agencies	334,816	10.02%
United States Treasury Bills	421,882	12.63%
<b>Investment Trust Funds</b>		
Federal Farm Credit Bank	107,436	10.32%
Federal National Mortgage Assoc.	74,268	7.14%
Federal Home Loan Bank	243,872	23.43%
Federal Home Loan Mortgage Corp	70,351	6.76%
Repurchase Agreement	59,064	5.68%
United States Treasury Bills	324,765	31.21%
United States Treasury Notes	71,799	6.90%

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



NEVADA

(Note 3 Continued)

At June 30, 2009, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corporation	\$ 7,254	8.36%
Federal National Mortgage Association	9,116	10.51%

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 Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative providers. As of June 30, 2009, the Housing Division's investments in Fannie Mae and Ginnie Mae are 23.01% and 39.85% respectively, of 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 Division is less concerned about a concentration risk on these 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 Public Employees' Retirement System of Nevada, the Legislators' Retirement System of Nevada, the Judicial Retirement System of Nevada, and the Retirement Benefits Investment Fund 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. The following table summarizes the pension and other employee benefit trust funds and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2009 (expressed in thousands):

	Currency by Investment and Fair Value			
	Fixed Income	Equity	Derivatives	Cash
Australian Dollar	\$ 3,412	\$ 219,700	\$ 1,001	\$ 1,109
British Pound Sterling	71,314	615,700	(210)	4,304
Canadian Dollar	18,767	-	(100)	1,520
Danish Krone	7,028	26,200	(100)	303
Euro Currency	439,990	987,000	5,225	(7,392)
Hong Kong Dollar	-	76,800	-	400
Japanese Yen	350,592	728,600	(2,901)	2,507
Malaysian Ringgit	2,114	-	-	201
New Zealand Dollar	-	2,700	-	100
Norwegian Krone	1,209	22,800	-	201
Polish Zloty	6,924	-	101	305
Singapore Dollar	1,412	40,200	(100)	903
Swedish Krona	5,419	71,800	(900)	1,504
Swiss Franc	3,120	220,700	700	(596)
<b>Total</b>	<b>\$ 911,301</b>	<b>\$ 3,012,200</b>	<b>\$ 2,716</b>	<b>\$ 5,369</b>

*Component Unit* - the Nevada System of Higher Education does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$63,669,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2009.

### C. Securities Lending

*Primary Government and Investment Trust Funds* - NRS 355.135 authorizes the State Treasurer to participate in securities lending transactions where the State's U.S. Government and agency securities are loaned to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The State's securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102% of the fair value of the loaned securities plus accrued interest as

collateral for securities of the type on loan at year-end. The collateral for the loans is maintained at 102%, and the value of the securities borrowed must be determined on a daily basis.

At year-end, the State has no credit risk exposure to borrowers because the amount the State owes to borrowers exceeds the amounts the borrowers owe to the State. The collateral securities cannot be pledged or sold by the State unless the borrower defaults. The contract with the securities lending agent requires the agent to indemnify the State 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.

There are no restrictions on the amount of securities that can be loaned. Either the State or the borrower can terminate all open securities loans on demand. Either the State or



(Note 3 Continued)

the borrower can terminate all term securities loans with five days notice. Cash collateral is invested in accordance with the investment guidelines approved by the Board of Finance. The maturities of the investments made with cash collateral generally match the maturities of the securities loans.

There are no securities on loan at June 30, 2009 (excluding PERS).

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

At year-end, PERS has no credit risk exposure to borrowers because the amount PERS owes to borrowers exceeds the amounts the borrowers owe to PERS. 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. The securities lending agent is authorized to invest collateral only in high quality, short-term investment vehicles in accordance with PERS' Investment Objectives and Policies. The maturities of the investments made with cash collateral generally match the maturities of the securities loaned.

The fair value of underlying securities on loan at June 30, 2009 is \$1,775,168,823. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2009, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

#### D. Derivatives

*Public Employees' Retirement System (PERS)* - derivatives are instruments (securities or contracts) whose value is dependent on such things as stock or bond prices, interest rate levels or currency exchange rates, and are reported at fair value. The Retirement Board adopted a formal written policy on the use

of derivatives. The types of derivatives and limits on their use are defined in PERS Investment Objectives and Policies. PERS Investment Objectives and Policies restrict the use of certain types of derivatives. The use of exotic, highly structured notes such as inverse floaters, constant maturity treasury (CMT) floaters, range floaters, dual index floaters, and other speculative instruments tied to inappropriate reset provisions is specifically prohibited. PERS derivatives transactions are designed to reduce transaction costs, reduce foreign exchange risk, and manage market risks associated with the underlying securities. They may also reduce PERS exposure to changes in stock prices, interest rates, and currency exchange rates.

The principal categories of derivatives employed and their uses during the year were as follows:

*Foreign exchange forward contracts* – used to hedge currency risk of investments in foreign currencies.

*Exchange traded index futures* - used to equitize cash.

*Mortgage backed and asset backed securities* – used to provide diversification and enhance return (components of the Barclays Capital Aggregate Index).

Generally, derivatives are subject to market risk and counterparty risk. The derivatives utilized by PERS typically have no greater market risk than their physical counterparts, and in many cases are offset by exposures elsewhere in the portfolio. Counterparty risk, the risk that the “other party” to a contract will default, is managed by utilization of exchange traded futures and options where practical (in which case the futures exchange is the counterparty and guarantees performance) and by careful screening of counterparties where use of exchange traded products is impractical or uneconomical.

Derivative securities are priced and accounted for at fair value. For exchange-traded securities such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives such as collateralized mortgage obligations (CMO), mortgage backed securities, and asset backed securities, commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets.

Management believes that it is unlikely that any of the derivatives in PERS portfolio could have a material adverse effect on the financial condition of PERS. In addition, the credit, market, or legal risks are not above and beyond those risks apparent by the nature of the type of investment for any of the securities contained within the portfolio.

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



NEVADA

### 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):

	<u>Governmental Funds</u>	<u>Nevada System of Higher Education</u>
<b>As shown on financial statements:</b>		
Intergovernmental receivables	\$ 432,919	\$ 36,664
Notes/loans receivable	517	11,864
Due from Component Unit	6,379	-
<b>Total</b>	<u>\$ 439,815</u>	<u>\$ 48,528</u>
<b>Classified:</b>		
<b>Current portion</b>	<u>\$ 300,111</u>	<u>\$ 38,734</u>
<b>Noncurrent portion:</b>		
Intergovernmental receivables	133,492	-
Notes/loans receivable	437	9,794
Due from Component Unit	5,775	-
<b>Total noncurrent portion</b>	<u>139,704</u>	<u>9,794</u>
<b>Total</b>	<u>\$ 439,815</u>	<u>\$ 48,528</u>

Not included in the receivable balances are amounts considered to be uncollectible. \$41.2 million of taxes receivable in the governmental funds are estimated to be uncollectible. Uncollectible accounts receivable in the governmental funds total \$38.2 million. The proprietary funds have \$28.2 million in uncollectible accounts receivable of which \$16.8 million are from uninsured employer's fines and penalties, and \$11.1 million are from unemployment contributions and benefit overpayments.

### Note 5 - Interfund Transactions

#### A. Interfund Advances

A summary of interfund advances at June 30, 2009, follows (expressed in thousands):

	<u>Advances From</u>		
	<u>Major Funds</u>		
<u>Advances To</u>	<u>Consolidated</u>		<u>Total</u>
	<u>General</u>	<u>Bond Interest and Redemption</u>	
Nonmajor enterprise	\$ 403	\$ -	\$ 403
Internal service	3,050	1,657	4,707
<b>Total other funds</b>	<u>\$ 3,453</u>	<u>\$ 1,657</u>	<u>\$ 5,110</u>

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

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



(Note 5 Continued)

**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, 2009, is shown below (expressed in thousands):

	Due To						Total Governmental
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Stabilize the Operations of State Gov't	Nonmajor Governmental	
<b>Due From</b>							
Major Governmental Funds:							
General	\$ -	\$ 9,421	\$ 13	\$ 1,368	\$ 177	\$ 24,687	\$ 35,666
State Highway	3,486	-	-	-	-	41	3,527
Municipal Bond Bank	38	-	-	406	-	-	444
Consolidated Bond Interest and Redemption	2,169	2,357	-	-	-	-	4,526
Nonmajor governmental	37,353	387	-	5,137	-	5,367	48,244
<b>Total Governmental</b>	<b>43,046</b>	<b>12,165</b>	<b>13</b>	<b>6,911</b>	<b>177</b>	<b>30,095</b>	<b>92,407</b>
Major Enterprise Funds:							
Housing Division	-	-	-	-	-	-	-
Unemployment Comp	-	-	-	-	-	147	147
Water Projects Loans	550	-	-	-	-	-	550
Nonmajor enterprise	2,597	4	-	-	-	1	2,602
<b>Total Enterprise</b>	<b>3,147</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148</b>	<b>3,299</b>
Internal Service	2,250	62	-	151	-	124	2,587
<b>Total other funds</b>	<b>\$ 48,443</b>	<b>\$ 12,231</b>	<b>\$ 13</b>	<b>\$ 7,062</b>	<b>\$ 177</b>	<b>\$ 30,367</b>	<b>\$ 98,293</b>
<b>Fiduciary</b>	<b>\$ 525</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 480</b>	<b>\$ 1,005</b>
Component Units:							
Nevada System of Higher Education	\$ 148	\$ -	\$ -	\$ 6,175	\$ -	\$ 55	\$ 6,378
Colorado River Commission	-	-	-	-	-	-	-
<b>Total Component Units</b>	<b>\$ 148</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,175</b>	<b>\$ -</b>	<b>\$ 55</b>	<b>\$ 6,378</b>

	Due To						Fiduciary
	Major Enterprise Funds						
	Housing Division	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	
<b>Due From</b>							
Major Governmental Funds:							
General	\$ 150	\$ 537	\$ 1,909	\$ 2,596	\$ 3,660	\$ 41,922	\$ 348,547
State Highway	-	-	7	7	2,825	6,359	1,476
Municipal Bond Bank	-	-	-	-	-	444	-
Consolidated Bond Interest and Redemption	-	-	-	-	-	4,526	-
Nonmajor governmental	-	-	9	9	428	48,681	198
<b>Total Governmental</b>	<b>150</b>	<b>537</b>	<b>1,925</b>	<b>2,612</b>	<b>6,913</b>	<b>101,932</b>	<b>350,221</b>
Major Enterprise Funds:							
Housing Division	-	-	-	-	3	3	-
Unemployment Comp	-	-	-	-	-	147	-
Water Projects Loans	-	-	-	-	-	550	-
Nonmajor enterprise	-	-	-	-	57	2,659	56
<b>Total Enterprise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>3,359</b>	<b>56</b>
Internal Service	-	-	9	9	313	2,909	731
<b>Total other funds</b>	<b>\$ 150</b>	<b>\$ 537</b>	<b>\$ 1,934</b>	<b>\$ 2,621</b>	<b>\$ 7,286</b>	<b>\$ 108,200</b>	<b>\$ 351,008</b>
<b>Fiduciary</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 23</b>	<b>\$ 1,037</b>	<b>\$ 28,991</b>
Component Units:							
Nevada System of Higher Education	\$ -	\$ -	\$ 1	\$ 1	\$ 1,159	\$ 7,538	\$ 1,031
Colorado River Commission	-	-	-	-	2	2	-
<b>Total Component Units</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1,161</b>	<b>\$ 7,540</b>	<b>\$ 1,031</b>



(Note 5 Continued)

	Due To		
	Component Units		
	Nevada System of Higher Education	Colorado River Commission	Total Component Units
<b>Due From</b>			
Major Governmental Funds:			
General	\$ 9,753	\$ 122	\$ 9,875
State Highway	323	-	323
Nonmajor governmental	100,700	-	100,700
<b>Total Governmental</b>	<b>110,776</b>	<b>122</b>	<b>110,898</b>
Nonmajor enterprise	65	-	65
Internal Service	22	1	23
<b>Total other funds</b>	<b>\$ 110,863</b>	<b>\$ 123</b>	<b>\$ 110,986</b>

The balances result 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, 2009, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Stabilize the Operations of State Gov't	Nonmajor Governmental	Total Governmental
<b>Transfers In/From</b>						
Major Governmental Funds:						
General	\$ -	\$ 16,672	\$ 38	\$ 76,500	\$ 220,164	\$ 313,374
State Highway	16,195	-	-	-	1,094	17,289
Consolidated Bond Interest and Redemption	1,522	-	30,622	-	11,758	43,902
Stabilize the Operations of State Government	310	-	-	-	-	310
Nonmajor governmental	69,062	3,057	-	-	2,382	74,501
<b>Total Governmental</b>	<b>87,089</b>	<b>19,729</b>	<b>30,660</b>	<b>76,500</b>	<b>235,398</b>	<b>449,376</b>
Nonmajor enterprise	1,853	-	-	-	161	2,014
Internal Service	222	2,000	-	-	82	2,304
<b>Total other funds</b>	<b>\$ 89,164</b>	<b>\$ 21,729</b>	<b>\$ 30,660</b>	<b>\$ 76,500</b>	<b>\$ 235,641</b>	<b>\$ 453,694</b>



(Note 5 Continued)

	Transfers Out/To					
	Major Enterprise Fund		Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
	Unemployment Compensation	Water Projects Loans				
<b>Transfers In/From</b>						
Major Governmental Funds:						
General	\$ -	\$ 1,535	\$ 22,875	\$ 24,410	\$ -	\$ 337,784
State Highway	-	-	-	-	-	17,289
Consolidated Bond Interest and Redemption	-	-	-	-	-	43,902
Stabilize the Operations of State Government	-	-	-	-	-	310
Nonmajor governmental	1,515	-	-	1,515	100	76,116
Total Governmental	<u>1,515</u>	<u>1,535</u>	<u>22,875</u>	<u>25,925</u>	<u>100</u>	<u>475,401</u>
Nonmajor enterprise	-	-	-	-	-	2,014
Internal Service	-	-	-	-	-	2,304
<b>Total other funds</b>	<u>\$ 1,515</u>	<u>\$ 1,535</u>	<u>\$ 22,875</u>	<u>\$ 25,925</u>	<u>\$ 100</u>	<u>\$ 479,719</u>

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. An exception was a transfer to the General Fund of \$72 million from the Stabilize the Operations of State Government (“Rainy Day”) fund, \$4 million from the Disaster Relief fund and \$0.5 million from the Emergency Assistance Subaccount. The Nevada Legislature approved this transfer during the 24<sup>th</sup> Special Session (2008) to offset a projected deficit in the General Fund.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of \$592.7 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

### Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Assets. The components of restricted assets at June 30, 2009 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
<b>Restricted:</b>			
Cash	\$ -	\$ -	\$ 20,554
Investments	142,539	142,539	-
<b>Total</b>	<u>\$ 142,539</u>	<u>\$ 142,539</u>	<u>\$ 20,554</u>
<b>Restricted for:</b>			
Debt service	\$ 142,539	\$ 142,539	\$ 3,092
Construction	-	-	11,536
Other purposes	-	-	5,926
<b>Total</b>	<u>\$ 142,539</u>	<u>\$ 142,539</u>	<u>\$ 20,554</u>

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



NEVADA

## Note 7- Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2009, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 129,403	\$ 8,321	\$ (624)	\$ 137,100
Construction in progress	240,657	198,952	(170,462)	269,147
Infrastructure	3,119,560	5,999	-	3,125,559
Rights-of-way	512,358	10,241	(113)	522,486
Total capital assets, not being depreciated	<u>4,001,978</u>	<u>223,513</u>	<u>(171,199)</u>	<u>4,054,292</u>
<i>Capital assets, being depreciated/amortized</i>				
Buildings	1,185,227	140,141	-	1,325,368
Improvements other than buildings	105,328	8,290	-	113,618
Furniture and equipment	372,791	26,838	(24,501)	375,128
Software costs	149,446	2,815	(698)	151,563
Total capital assets, being depreciated/amortized	<u>1,812,792</u>	<u>178,084</u>	<u>(25,199)</u>	<u>1,965,677</u>
<i>Less accumulated depreciation/amortization for:</i>				
Buildings	(336,575)	(29,529)	-	(366,104)
Improvements other than buildings	(55,101)	(4,435)	-	(59,536)
Furniture and equipment	(255,095)	(31,109)	22,184	(264,020)
Software costs	(109,371)	(23,525)	695	(132,201)
Total accumulated depreciation/amortization	<u>(756,142)</u>	<u>(88,598)</u>	<u>22,879</u>	<u>(821,861)</u>
Total capital assets, being depreciated/amortized, net	<u>1,056,650</u>	<u>89,486</u>	<u>(2,320)</u>	<u>1,143,816</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 5,058,628</u>	<u>\$ 312,999</u>	<u>\$ (173,519)</u>	<u>\$ 5,198,108</u>
<b>Business-type activities:</b>				
<i>Capital assets, not being depreciated</i>				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	4,771	2,916	-	7,687
Total capital assets, not being depreciated	<u>5,339</u>	<u>2,916</u>	<u>-</u>	<u>8,255</u>
<i>Capital assets, being depreciated</i>				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,424	189	(210)	5,403
Total capital assets, being depreciated	<u>9,444</u>	<u>189</u>	<u>(210)</u>	<u>9,423</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(2,159)	(103)	(50)	(2,312)
Improvements other than buildings	(592)	(9)	50	(551)
Furniture and equipment	(4,333)	(331)	209	(4,455)
Total accumulated depreciation	<u>(7,084)</u>	<u>(443)</u>	<u>209</u>	<u>(7,318)</u>
Total capital assets, being depreciated, net	<u>2,360</u>	<u>(254)</u>	<u>(1)</u>	<u>2,105</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 7,699</u>	<u>\$ 2,662</u>	<u>\$ (1)</u>	<u>\$ 10,360</u>



(Note 7 Continued)

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

<b>Governmental activities:</b>			
General government		\$	19,953
Education, support services			2,560
Health, social services			9,818
Law, justice, public safety			26,318
Recreation, resource development			6,577
Transportation			13,767
Regulation of business			1,446
Unallocated			976
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			7,183
<b>Total depreciation/amortization expense - governmental activities</b>		<u>\$</u>	<u>88,598</u>
<b>Business-type activities:</b>			
Enterprise		\$	443
<b>Total depreciation expense - business-type activities</b>		<u>\$</u>	<u>443</u>

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2009, was as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nevada System of Higher Education:</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 383,603	\$ 128,356	\$ (385,101)	\$ 126,858
Land	65,407	16,414	-	81,821
Collections	9,778	148	(229)	9,697
Total capital assets, not being depreciated	<u>458,788</u>	<u>144,918</u>	<u>(385,330)</u>	<u>218,376</u>
<b>Capital assets, being depreciated</b>				
Buildings	1,638,629	412,226	(1,015)	2,049,840
Land and improvements	89,011	12,932	(1,295)	100,648
Machinery and equipment	293,640	24,113	(16,541)	301,212
Library books and media	108,149	5,876	(907)	113,118
Total capital assets, being depreciated	<u>2,129,429</u>	<u>455,147</u>	<u>(19,758)</u>	<u>2,564,818</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(452,692)	(47,889)	6,350	(494,231)
Land and improvements	(67,299)	(8,986)	1,105	(75,180)
Machinery and equipment	(184,710)	(28,486)	13,926	(199,270)
Library books and media	(93,240)	(6,716)	855	(99,101)
Total accumulated depreciation	<u>(797,941)</u>	<u>(92,077)</u>	<u>22,236</u>	<u>(867,782)</u>
Total capital assets, being depreciated, net	<u>1,331,488</u>	<u>363,070</u>	<u>2,478</u>	<u>1,697,036</u>
<b>Nevada System of Higher Education activity capital assets, net</b>	<u>\$ 1,790,276</u>	<u>\$ 507,988</u>	<u>\$ (382,852)</u>	<u>\$ 1,915,412</u>



**Note 8 - Long-Term Obligations**

**A. Bonds Payable**

The State issues general obligation bonds for the acquisition and construction of major capital facilities; buying local governments' bonds in the municipal bond bank fund; 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 \$5,000,000,000 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, 2009 are comprised of the following (expressed in thousands):

	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Principal Outstanding</u>
<b>Governmental activities:</b>			
<b>General obligation bonds:</b>			
Subject to Constitutional Debt Limitation	2.0-7.0%	\$ 1,838,365	\$ 1,385,990
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,412,190	693,815
<b>Special obligation bonds:</b>			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	3.5-6.0%	<u>963,925</u>	<u>722,880</u>
Subtotal		4,214,480	2,802,685
<b>Issuance premiums</b>		<u>150,022</u>	<u>109,407</u>
<b>Governmental activities bonds payable</b>		<u>4,364,502</u>	<u>2,912,092</u>
<b>Business-type activities:</b>			
<b>General obligation bonds:</b>			
Exempt from Constitutional Debt Limitation	2.0-6.5%	149,610	113,055
<b>Special obligation bonds:</b>			
Housing Bonds	*1.2-8.02%	<u>1,462,485</u>	<u>911,783</u>
Subtotal		1,612,095	1,024,838
<b>Issuance premiums</b>		<u>2,930</u>	<u>1,987</u>
<b>Business-type activities bonds payable</b>		<u>1,615,025</u>	<u>1,026,825</u>
<b>Total bonds payable</b>		<u>\$ 5,979,527</u>	<u>\$ 3,938,917</u>

\*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.

**B. 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, 2009 (expressed in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,909,725	\$ 300,325	\$ (130,245)	\$ 2,079,805	\$ 126,210
Special obligation bonds	774,300	-	(51,420)	722,880	54,040
Subtotal	<u>2,684,025</u>	<u>300,325</u>	<u>(181,665)</u>	<u>2,802,685</u>	<u>180,250</u>
Issuance premiums	100,771	18,494	(9,858)	109,407	9,940
Total bonds payable	<u>2,784,796</u>	<u>318,819</u>	<u>(191,523)</u>	<u>2,912,092</u>	<u>190,190</u>
Obligations under capital leases	19,891	337	(2,312)	17,916	2,107
Compensated absences obligations	99,392	131,957	(128,803)	102,546	69,549
Arbitrage rebate liability	575	397	(397)	575	-
Certificates of participation	59,320	-	(1,290)	58,030	1,370
<b>Governmental activities long-term obligations</b>	<u>\$ 2,963,974</u>	<u>\$ 451,510</u>	<u>\$ (324,325)</u>	<u>\$ 3,091,159</u>	<u>\$ 263,216</u>
<b>Business-type activities:</b>					
Bonds payable					
General obligation bonds	\$ 115,805	\$ 4,330	\$ (7,080)	\$ 113,055	\$ 7,995
Special obligation bonds	886,195	59,180	(33,592)	911,783	10,523
Subtotal	<u>1,002,000</u>	<u>63,510</u>	<u>(40,672)</u>	<u>1,024,838</u>	<u>18,518</u>
Issuance premiums	2,090	64	(167)	1,987	166
Total bonds payable	<u>1,004,090</u>	<u>63,574</u>	<u>(40,839)</u>	<u>1,026,825</u>	<u>18,684</u>
Compensated absences obligations	1,615	2,428	(2,251)	1,792	1,150
Arbitrage rebate liability	49	38	(15)	72	-
Tuition benefits payable	118,667	10,345	(4,081)	124,931	8,700
<b>Business-type activities long-term obligations</b>	<u>\$ 1,124,421</u>	<u>\$ 76,385</u>	<u>\$ (47,186)</u>	<u>\$ 1,153,620</u>	<u>\$ 28,534</u>



(Note 8 Continued)

The General Fund, special revenue funds and internal service funds in which the leases are recorded typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the funds incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations. The Higher Education Tuition Trust Fund typically liquidates tuition benefits payable.

**C. Debt Service Requirements for Bonds**

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2009, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 180,250	\$ 134,629	\$ 18,518	\$ 37,288
2011	189,010	125,684	27,036	36,435
2012	162,195	116,424	20,407	35,038
2013	178,850	108,264	21,251	34,077
2014	183,570	99,416	22,215	33,057
2015-2019	811,925	372,235	136,538	148,426
2020-2024	672,885	185,855	163,462	110,859
2025-2029	418,895	37,754	154,760	71,568
2030-2034	3,465	947	199,506	37,868
2035-2039	1,640	124	209,050	12,828
2040-2044	-	-	50,110	1,886
2045-2049	-	-	1,985	186
<b>Total</b>	<b>\$ 2,802,685</b>	<b>\$ 1,181,332</b>	<b>\$ 1,024,838</b>	<b>\$ 559,516</b>

Debt service requirements for all capital leases and installment purchases are presented in Section I of this note. No debt service requirements are presented for compensated absences obligations since the repayment dates are unknown.

**D. 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, 2009, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 2,482,138
Less: Bonds and leases payable as of June 30, 2009, subject to limitation	(1,405,781)
Remaining debt capacity	<u>\$ 1,076,357</u>

**E. 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. Twenty-three projects were funded through the Nevada Municipal Bond Bank as of June 30, 2009, and total investments in local governments amounted to \$326,335,000.

**F. Refunded Debt and Redemptions**

In 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, 2009 is \$96,503,172.

**G. Amounts Available and Amounts to be Provided for Debt Service**

At June 30, 2009, the amount available to service debt in the Consolidated Bond Interest and Redemption debt service fund is \$159,115,972. At June 30, 2009, the amount available to service debt in the Highway Revenue Bonds debt service fund is \$34,458,904. At June 30, 2009, the amount available to service the debt in the Municipal Bond Bank special revenue fund is \$326,122,457.



(Note 8 Continued)

The amount to be provided by other governments of \$131,225,000 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996 the Colorado River Commission (CRC), a component unit responsible for managing Nevada's interest in the water and power resources available from the Colorado River, operated the Southern Nevada Water System (SNWS). In accordance with Chapter 393 of the 1995 Legislature, certain rights, powers, duties and liabilities of SNWS were transferred from the State and CRC to the SNWA effective January 1, 1996. These rights, powers, duties and liabilities included, but were not limited to, the State of Nevada general obligation bonds, the existing water user contracts, the Service Contract between CRC and the Las Vegas Valley Water District, and all other contracts related to the SNWS including contracts for capital improvement. Accordingly, the State records the general obligation bonds previously reported in CRC and an associated amount to be provided by other governments in the government-wide financial statements.

**H. Bond Indenture Provisions**

There are restrictions and limitations contained in the various bond indentures. The State is in compliance with the requirements of the bond covenants.

**I. Capital Leases**

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2009, include equipment with a historical cost of \$8,481,000 with accumulated depreciation of \$5,559,000 and building improvements of \$11,149,000 with accumulated depreciation of \$557,000.

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, 2009 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2010	\$ 2,824
2011	2,815
2012	2,311
2013	1,500
2014	1,516
2015-2019	7,868
2020-2024	3,625
Total minimum lease payments	22,459
Less: amount representing interest	(4,543)
<b>Obligations under capital leases</b>	<b>\$ 17,916</b>

**J. 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, 2009, and changes for the fiscal year then ended is presented in Section B of this note.

**K. Tuition Benefits Payable**

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section B 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:

APV of the future tuition obligation	\$124,931,000
Net assets available	108,467,156
Net assets as a percentage of tuition benefits obligation	86.82%

The actuarial valuation used an investment yield assumption of 7.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
Fall 2010	4.96%	5.00%
Fall 2011 and later	6.00%	4.00%

**L. Certificates of Participation**

In fiscal year 1999, the Nevada Real Property Corporation, a blended component unit, issued \$15,000,000 of general obligation certificates of participation at 4.1-5.0% interest to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. Under the certificates of participation financing arrangements, 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 2004, the Nevada Real Property Corporation issued \$21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City (near the State capitol build-



(Note 8 Continued)

ings). In fiscal year 2005, the Nevada Real Property Corporation issued \$22,435,000 of Lease Revenue Certificates of Participation at 3.0-5.0% interest to finance the acquisition of a site for and the construction of a new correctional facility in Las Vegas. In fiscal year 2007, the Nevada Real Property Corporation issued \$5,760,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. However, the payment of principal and interest on both issues of certificates is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2009 (expressed in thousands):

Year Ending June 30	Principal	Interest
2010	\$ 1,370	\$ 2,647
2011	1,500	2,591
2012	1,630	2,526
2013	1,780	2,456
2014	1,940	2,379
2015-2019	11,100	10,490
2020-2024	10,630	8,325
2025-2029	16,300	5,412
2030-2034	11,780	1,183
<b>Total</b>	<b>\$ 58,030</b>	<b>\$ 38,009</b>

**M. 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. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. 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, 2009, there are eighteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$947,846,614.

**N. 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 \$722,880,000 in outstanding Highway Improvement Revenue Bonds that were issued from December 2000 through April 2008 for highway construction projects and property acquisition. Total principal and interest remaining on the bonds is \$976,780,665 payable through December 2026. Upon completion of eligible projects, federal aid of \$240,996,874 is expected to be received in fiscal year 2010. For the current year, principal and interest paid was \$88,576,934, and total motor vehicle fuel and special fuel tax revenues were \$269,478,899.

*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.

Substantially all program fund assets are pledged in trust for the benefit of the bondholders.

**O. Interest Rate Swap Agreements**

*Objective* - The Nevada Housing Division has entered into six pay-fixed, receive-variable interest rate swaps in order to provide lower cost fixed rate financing for its single-family loan production needs. The Nevada Housing Division policy requires hedging of all variable rate debt issuances through synthetic fixed rate structures.

*Terms, Fair Values and Credit Ratings* - The terms, fair values, and credit ratings of the outstanding swaps as of June 30, 2009 were as follows (expressed in thousands):

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



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(Note 8 Continued)

Associated Single-Family Bond Issue	Current Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Counter-Party Rating	Fair Value
2006 Issue A	\$ 4,500	09/23/08	4.720%	68% of USD-LIBOR-BBA	04/01/37	Aaa	\$ (522)
2006 Issue B	4,500	09/23/08	4.230%	68% of USD-LIBOR-BBA	10/10/41	Aaa	(398)
2007 Issue A	4,500	09/23/08	4.246%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(435)
2007 Issue B	8,000	10/09/07	4.340%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(827)
2008 Issue A	14,700	04/03/08	3.736%	68% of USD-LIBOR-BBA	10/01/39	Aaa	(857)
2008 Issue B	7,500	09/25/08	3.670%	68% of USD-LIBOR-BBA	04/01/39	Aaa	(419)
<b>Total Single-Family</b>	<b>\$ 43,700</b>						<b>\$ (3,458)</b>

The notional amounts of the swaps match the principal amounts of the associated debt. Except as discussed under rollover risk, the Housing Division's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category.

**Credit Risk** – All of the Housing Division's swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result the Housing Division is exposed to credit risk. Credit risk is the risk that a swap counterparty fails to perform according to contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps as detailed above. To mitigate this credit risk, the Housing Division maintains strict credit standards for swap counterparties, and requires the counterparties to be rated in the AA or higher category by either Moody's or Standard and Poor's at the time the contract is entered into. The Housing Division has executed its swap transactions with two counterparties. The counterparties are rated Aaa/A1. The swap agreements contain a collateral agreement with the counterparty, and require full collateralization of the fair value of the swap should the counterparty's credit rating fall below the requirement. Eligible collateral on the swaps can include cash or U.S. government securities held by a third-party custodian.

**Basis Risk** – The Housing Division is exposed to basis risk when the relationship between LIBOR and BMA converges, changing the synthetic rate on the bonds. When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated. As of June 30, 2009, the BMA rate was .35% and 68% of the LIBOR was .20995%.

**Termination Risk** – The Housing Division's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the Housing Division or the coun-

terparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. The Housing Division views the likelihood of such events to be remote at this time. If at the termination a swap has a negative value, the Housing Division would be liable to the counterparty for a payment equal to the fair value of such swap.

**Rollover Risk** – The Housing Division is exposed to rollover risk on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated debt. As of June 30, 2009, the Division is not exposed to any rollover risk.

**Swap Payments and Associated Debt** - Using interest rates as of June 30, 2009, debt service requirements of the Housing Division's outstanding variable-rate debt and net swap payments are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Swaps, Net	Total
2010	\$ -	\$ 153	\$ 1,674	\$ 1,827
2011	-	153	1,674	1,827
2012	-	153	1,674	1,827
2013	-	153	1,674	1,827
2014	-	153	1,674	1,827
2015-2019	-	765	8,368	9,133
2020-2024	-	765	8,368	9,133
2025-2029	1,075	761	8,331	10,167
2030-2034	10,095	657	7,283	18,035
2035-2039	26,850	294	3,256	30,400
2040-2044	5,680	17	195	5,892
<b>Total</b>	<b>\$ 43,700</b>	<b>\$ 4,024</b>	<b>\$ 44,171</b>	<b>\$ 91,895</b>

As rates vary, variable-rate interest rate payments on the bonds and net sweep payments will change.

## P. Component Unit Obligations

**Nevada System of Higher Education (NSHE)** – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2009, and the changes for the year then ended, consist of the following (expressed in thousands):



(Note 8 Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and notes payable	\$ 454,791	\$ 80,375	\$ (17,731)	\$ 517,435	\$ 18,527
Issuance premiums	11,586	98	(474)	11,210	474
Total bonds payable	<u>466,377</u>	<u>80,473</u>	<u>(18,205)</u>	<u>528,645</u>	<u>19,001</u>
Obligations under capital leases	10,600	2,033	(3,931)	8,702	2,220
Compensated absences obligations	45,340	28,129	(30,397)	43,072	29,027
<b>Total</b>	<u>\$ 522,317</u>	<u>\$ 110,635</u>	<u>\$ (52,533)</u>	<u>580,419</u>	<u>50,248</u>
Discretely presented component units of the NSHE:					
Capital leases				1,763	1,337
Compensated absences obligations				14	14
Long-term debt				923	86
<b>Total</b>				<u>\$ 583,119</u>	<u>\$ 51,685</u>

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, 2009 (expressed in thousands):

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):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 19,001	\$ 23,232
2011	20,909	22,511
2012	19,689	21,728
2013	20,154	20,935
2014	20,979	20,080
2015-2019	103,081	87,331
2020-2024	93,489	65,049
2025-2029	90,846	43,806
2030-2034	97,284	21,787
2035-2039	43,213	3,551
<b>Total</b>	<u>\$ 528,645</u>	<u>\$ 330,010</u>

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 2,564
2011	2,520
2012	1,386
2013	1,359
2014	1,025
2015-2019	896
Total minimum lease payments	9,750
Less: amount representing interest	(1,048)
<b>Obligations under capital leases</b>	<u>\$ 8,702</u>

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2009, and the changes for the year then ended, consist of the following (expressed in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 109,260	\$ -	\$ (5,200)	\$ 104,060	\$ 5,490
Issuance premiums	3,151	-	(247)	2,904	247
Issuance discounts	(10)	-	8	(2)	(2)
Unamortized refunding charges	(5,143)	-	347	(4,796)	(348)
Total bonds payable	<u>107,258</u>	<u>-</u>	<u>(5,092)</u>	<u>102,166</u>	<u>5,387</u>
Compensated absences obligations	224	199	(150)	273	193
<b>Total</b>	<u>\$ 107,482</u>	<u>\$ 199</u>	<u>\$ (5,242)</u>	<u>\$ 102,439</u>	<u>\$ 5,580</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 5,490	\$ 5,091
2011	5,770	4,792
2012	6,065	4,482
2013	6,400	4,156
2014	6,735	3,812
2015-2019	34,990	13,298
2020-2024	18,290	7,073
2025-2029	19,585	2,278
2030	735	17
<b>Total</b>	<u>\$ 104,060</u>	<u>\$ 44,999</u>

**Note 9 - Pensions and Other Employee Benefits**

The Nevada Legislature created various plans to provide benefits to qualified employees and certain elected officials of the State as well as employees of other public employers. The Public Employees' Retirement Board administers the Public Employees' Retirement System of Nevada (PERS), the Legislators' Retirement System of Nevada (LRS) and the Judicial Retirement System of Nevada (JRS). A summary description of the plans follows.

**A. PERS**

*Plan Description* - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides 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. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2009, there were 178 participating employers and other contributing entities.

PERS' issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports PERS as a pension trust fund. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

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. 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 regular members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during

his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

*Summary of Significant Accounting Policies* - PERS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on estimated current values and Member Appraisal Institute independent appraisals. For private equity partnership investments, estimated fair value is determined in good faith by the general partner of the respective investment partnership. In addition, each partnership undergoes an independent audit on an annual basis.

*Contributions* - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is provided by statute. New hires of the State of Nevada and public employers, who did not elect the employer-pay contribution plan prior to July 1, 1983, have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. One plan provides for matching employee and employer contributions while the other plan provides for employer-pay contributions only.

*Funding Policy* - PERS' 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. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Legislature. These statutory rates are increased or decreased pursuant to NRS 286.421 and 286.450.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2009



NEVADA

(Note 9 Continued)

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2009 were as follows:

	Statutory Rate	
	Employer	Employees
<b>Regular employees:</b>		
Employer-pay plan	20.50%	na
Employee/employer plan (matching rate)	10.50%	10.50%
<b>Police and Fire employees:</b>		
Employer-pay plan	33.50%	na
Employee/employer plan (matching rate)	17.25%	17.25%

The State's contribution requirements for the current fiscal year and each of the two preceding years were (expressed in thousands):

	2009	2008	2007
Primary Government	\$ 153,768	\$ 146,754	\$ 136,270
<b>Component Units:</b>			
Colorado River Commission	443	448	403
Nevada System of Higher Education	28,030	27,269	24,988
<b>Total component units</b>	<u>28,473</u>	<u>27,717</u>	<u>25,391</u>
<b>Total reporting entity</b>	<u>\$ 182,241</u>	<u>\$ 174,471</u>	<u>\$ 161,661</u>
Contributions as %			
of covered payroll	16%	16%	16%
Percentage of pension costs			
contributed	100%	100%	100%

## B. LRS

*Plan Description* - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, 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. Benefit payments to which participants may be entitled under the plan include pension benefits and death benefits. Monthly benefit allowances are \$25 for each year of service up to thirty years.

LRS issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports LRS as a pension trust fund. LRS financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

*Summary of Significant Accounting Policies* - LRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yield currently available on comparable securities of issuers with similar credit ratings.

*Contributions* - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218.2387(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 \$401,732 for fiscal years 2009 and 2010, 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 2009, of which \$200,866 (half) was recognized as employer contributions in the fiscal year ended June 30, 2009, and the other half was recorded as deferred revenue. Employee contributions of \$61,200 were received in fiscal year 2009, of which, \$30,600 (half) was recorded as employee contributions in the fiscal year ended June 30, 2009, and the other half was recorded as deferred revenue.

*Actuarial Information* - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the January 1, 2009, actuarial valuation include the following:



(Note 9 Continued)

<i>Actuarial Cost Method:</i>	Entry age normal cost
<i>Amortization Method:</i>	Year-by-year closed with each amortization period set at 20 years
<i>Asset Valuation Method:</i>	Five year smoothed market
<i>Actuarial Assumptions:</i>	
<i>Investment yield</i>	8%
<i>Projected salary increases</i>	None
<i>Retirement Age for Active Members:</i>	Legislators become fully vested at age 60 with eight years of service with service credit before July 1, 1985, or at age 60 with ten years of service without service credit before July 1, 1985.
<i>Assumed Mortality Rate:</i>	1983 Group Annuity Mortality Table
<i>Cost of Living (Post-Retirement) Increases:</i>	2% after 3 years of receiving benefits 3% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4% after 12 years of receiving benefits 5% after 14 years of receiving benefits Cap based on CPI if benefits outpace inflation

*Trend Information* - Three-year trend information follows (expressed in thousands):

<u>Calendar Year</u>	<u>Annual Pension Cost</u>	<u>State Contribution Made</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation</u>
2007	\$ 185	\$ 185	100%	\$ -
2008	185	185	100%	-
2009	201	201	100%	-

*Funded Status and Funding Progress* – As of January 1, 2009, the most recent actuarial valuation date, the LRS was 71% funded. The actuarial accrued liability for benefits was \$5.9 million, and the actuarial value of assets was \$4.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ .4 million, and the ratio of the UAAL to the covered payroll was 492%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**C. JRS**

*Plan Description* - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature. 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. As of January 1, 2009, the Supreme Court and ten municipalities in Nevada had elected to participate in JRS.

JRS issues a stand-alone financial report that includes financial statements and required supplementary information. The

State reports JRS as a pension trust fund. JRS financial report may be obtained from the Public Employees’ Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement to a maximum of 75% with 22 years, times the member’s highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for the first five years of service and 4.1666% for each additional year of service, up to a total maximum of 22 years, times the member’s compensation for their last year of service.

*Summary of Significant Accounting Policies* – JRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute,



(Note 9 Continued)

contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

Investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. In general, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

*Contributions* – The JRS is an employer-paid plan and there is no contribution from active members. The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Annually, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

*Actuarial Information* – Actuarial valuations of the JRS are prepared annually on a calendar year basis. Significant actuarial assumptions used in the January 1, 2009 valuation include the following:

<i>Actuarial Cost Method:</i>	Entry age normal										
<i>Amortization Method:</i>	Level percent of pay (3% payroll growth assumed) over a declining amortization period of: 30 years for Supreme Court and District Judges 20 years for each non-state agency 5-year smoothed market										
<i>Asset Valuation Method:</i>											
<i>Actuarial Assumptions:</i>											
<i>Investment yield</i>	8%										
<i>Projected salary increases</i>	1 to 4 years of service increase of 3% per year 5 years of service increase of 11% per year 6 to 12 years of service increase of 5% per year 13 or more years of service increase of 3% per year										
<i>Retirement Age for Active Members:</i>	Retirement rates after completion of five years of service and attainment of the following ages: <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: center;"><u>Age</u></td> <td style="text-align: center;"><u>Rate per Age</u></td> </tr> <tr> <td style="text-align: center;">60—64</td> <td style="text-align: center;">35%</td> </tr> <tr> <td style="text-align: center;">65—67</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">68—69</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">70</td> <td style="text-align: center;">100%</td> </tr> </table>	<u>Age</u>	<u>Rate per Age</u>	60—64	35%	65—67	50%	68—69	75%	70	100%
<u>Age</u>	<u>Rate per Age</u>										
60—64	35%										
65—67	50%										
68—69	75%										
70	100%										
<i>Assumed Mortality Rate:</i>	RP-2000 Male Combined Healthy Table RP-2000 Female Combined Healthy Table set forward one year										
<i>Cost of Living (Post-Retirement) Increases:</i>	2% after 3 years of receiving benefits 3% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4% after 12 years of receiving benefits 5% after 14 years of receiving benefits Cap based on CPI if benefits outpace inflation										

*Trend Information* - Three-year trend information follows (expressed in thousands):

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual required contribution	\$ 3,740	\$ 3,453	\$ 3,423
Interest on net pension obligation	(24)	(6)	-
Adjustment to annual required contribution	69	19	(1)
Annual pension cost	3,785	3,466	3,422
State contribution made	(3,992)	(3,680)	(3,509)
Increase (decrease) in net pension obligation	(207)	(214)	(87)
Net pension obligation (asset) at beginning of year	(298)	(84)	3
Net pension obligation (asset) at end of year	<u>\$ (505)</u>	<u>\$ (298)</u>	<u>\$ (84)</u>
Percentage of annual pension costs contributed	105%	106%	103%



(Note 9 Continued)

*Funded Status and Funding Progress* – As of January 1, 2009, the most recent actuarial valuation date, the JRS was 59% funded. The actuarial accrued liability for benefits was \$67.2 million, and the actuarial value of assets was \$39.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$27.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11.4 million, and the ratio of the UAAL to the covered payroll was 241%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **D. Other Postemployment Benefits**

*Plan Description* – The State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program ("PEBP") of the State of Nevada ("Retirees' Fund") was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees' Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees' Fund is a multiple-employer cost sharing defined postemployment benefit plan with three participating employers, and is administered by the Board of the Public Employees' Benefits Program of the State of Nevada. The Retirees' Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees' Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retiree's Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

*Summary of Significant Accounting Policies* - The financial statements of the Retirees' Fund have been prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Retirees' Fund does not receive member contributions.

*Method Used to Value Investments* – Investments are reported at fair value, which is defined as the price at which an asset passes from a willing seller to a willing buyer. Investments are held with the Retirement Benefits Investment Fund (RBIF), which values participants' shares according to the contributions of each entity, and accordingly, earnings and expenses are allocated to each entity in proportion to the participants' share in the RBIF.

*Contributions and Funding Policy* - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2008 through July 31, 2008 the rate assessed was 0.00%, due to a premium holiday. For the period from August 1, 2008 through January 31, 2009 the rate assessed was 2.97%, from February 1, 2009 through June 30, 2009 the rate assessed was 1.57% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2009, the State and its component units contributed \$38,683,119 to the plan, including \$32,256,720, which is 100% of the contractually required contribution, and an additional \$6,426,399 to prefund benefits. For the year ended June 30, 2008, the State and its component units contributed \$59,263,078 to the plan, including \$39,590,702, which is 100% of the contractually required contribution, and an additional \$19,672,376 to prefund benefits. Prior to the establishment of the Retirees' Fund, the State's contributions to the PEBP for the year ended June 30, 2007 were \$28,479,026, which equaled 100% of the required contributions.



**Note 10 - 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):

	<b>Self Insurance Fund</b>	<b>Insurance Premiums Fund</b>
Balance June 30, 2007	\$ 25,082	\$ 47,150
Claims and changes in estimates	206,650	8,822
Claim payments	(199,098)	(12,170)
Balance June 30, 2008	32,634	43,802
Claims and changes in estimates	238,691	18,999
Claim payments	(235,444)	(17,213)
<b>Balance June 30, 2009</b>	<b>\$ 35,881</b>	<b>\$ 45,588</b>
Due Within One Year	\$ 35,881	\$ 17,655

These liabilities are recorded in accordance with GASB Statement No. 10. This statement requires that a liability for claims be 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 Assets.

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, 2009. 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 fourteen 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, one hundred twenty-five public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employ-

ees' Benefit Program Board. The Board is composed of nine members: eight members appointed by the Governor, and the Director of the Department of Administration or his 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. Accidental death and dismemberment, travel accident, 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. 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, 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. For the year ended June 30, 2009, the loss retention for this policy was \$1,500,000. Effective January 1, 2001 NSHE and PERS were excluded from coverage under this policy. Liabilities in the amount of \$38,192,565 as of June 30, 2009 were determined using standard actuarial techniques as estimates for the incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2009.

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007 and \$75,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal



*(Note 10 Continued)*

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, 2009, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability

is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from \$6,595,800 to \$28,704,200 has been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2009 total liabilities exceeded total assets by \$28,282,349. The Fund is liable for approximately \$28,300,000 as of June 30, 2009 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 11 - Fund Balances and Net Assets**

**A. Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$1,522,091 (expressed in thousands) of restricted net assets for the primary government of which \$141,800 (expressed in thousands) is restricted by enabling legislation.

**B. Governmental Fund Balances**

Governmental fund balances, reserved for other at June 30, 2009, are explained as follows (expressed in thousands):

	<u>General</u>	<u>State Highway</u>	<u>Other Governmental</u>	<u>Total</u>
<b><i>Fund balances, reserved for other:</i></b>				
Reserved for prepaid items	\$ 2,917	\$ 7	\$ 19	\$ 2,943
Reserved for noncurrent receivables - notes	489	-	28	517
Reserved for specific purpose private contributions	-	-	169	169
Reserved for legislatively approved allocations	-	-	9,649	9,649
<b>Total fund balances, reserved for other</b>	<b>\$ 3,406</b>	<b>\$ 7</b>	<b>\$ 9,865</b>	<b>\$ 13,278</b>

Governmental fund balances, unreserved, designated, reported in nonmajor funds at June 30, 2009, are explained as follows (expressed in thousands):

	<u>Other Governmental</u>	<u>Total</u>
<b><i>Fund balances, unreserved, designated, reported in nonmajor:</i></b>		
<b><i>Special revenue funds:</i></b>		
Designated for principal preservation	\$ 119	\$ 119
Designated for information technology projects	158	158
Total special revenue funds	277	277
<b><i>Capital project funds:</i></b>		
Designated for approved capital projects	73,898	73,898
<b>Total fund balances, unreserved, designated, reported in nonmajor funds</b>	<b>\$ 74,175</b>	<b>\$ 74,175</b>



(Note 11 Continued)

**C. Individual Fund Deficits**

**Enterprise Funds**

*Nevada Magazine* - The Nevada Magazine Fund accounts for the operation of the publication, *Nevada Magazine*, which is published to promote tourism. The fund shows an increase in net assets of \$52,689 for the fiscal year ended June 30, 2009, resulting in net liabilities (negative net assets) of \$135,645 at June 30, 2009.

*Higher Education Tuition Trust* - The Higher Education Tuition Trust Fund accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be

paid in advance of enrollment at an institution of higher education. The fund shows a decrease in net assets of \$15,899,781 for the fiscal year ended June 30, 2009, resulting in net liabilities (negative net assets) of \$16,463,844 at June 30, 2009.

**Internal Service Fund**

*Insurance Premiums* - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net assets of \$2,557,040 for the year ended June 30, 2009, resulting in net liabilities (negative net assets) of \$28,282,349 at June 30, 2009.

**Note 12 - 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 6.5%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

*Modified Business Tax* is imposed at .63% for businesses other than financial institutions, and 2% for financial institutions, on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

*Insurance Premium Tax* is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due.

*Motor Vehicle Fuel Tax* is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

*Other Sources* of tax revenues include: Cigarette Tax, Controlled Substance Tax, Estate Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees and Tire Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

*Percentage Fees* are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates:

3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

*Live Entertainment Taxes* are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment in facilities with less than occupancy/seating of 7,500. A 5% rate is imposed for facilities with at least 7,500 occupancy/seating.

*Flat Fee Collections* are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

*Other Sources* of gaming tax revenues include: 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 13 - 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, preserves the

rich railroad heritage of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the state and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

**Note 14 - 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 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. Tort claims are handled in accordance with NRS 41. 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 ascer-

tainable 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.

In litigation filed against the Department of Taxation, the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the Department of Taxation as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is \$52.8 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of \$20.5 million in exchange for agreeing to purchase certain specified US treasury securities of various maturities and principal amounts from LBCB at different times between June 30, 2002 and May 15, 2028. The State was required to purchase the securities at their matured values, or par value if discount securities were purchased. LBCB would realize revenue at the time of delivery to the custodian. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgement action and a counterclaim requesting a judgement in favor of LBCB in the declaratory relief claim, and



(Note 14 Continued)

seeking other relief, including an award of damages against the State. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB’s counterclaim, the State cannot at this time predict the outcome of this action.

**PERS** - The Public Employees’ Retirement System (PERS) has entered into investment funding commitments related to alternative investments to fund an additional \$517.8 million at some future date. Alternative investments consist of acquisitions, industry consolidations, subordinated debt instruments, special situations, and venture capital.

**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 Assets. Primary government lease expense for the year ended June 30, 2009 amounted to \$34.8 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, 2009 (expressed in thousands):

<u>For the Year</u> <u>Ending June 30</u>	<u>Amount</u>
2010	\$ 27,295
2011	23,056
2012	16,406
2013	11,856
2014	6,394
2015-2019	8,621
2020-2024	2,595
2025-2029	198
<b>Total</b>	<b>\$ 96,421</b>

**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, 2009, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

**Rebate Arbitrage** - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over

the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. The present value of the rebateable arbitrage is \$647,000 and has been recorded as a liability in the Statement of Net Assets at June 30, 2009. Future calculations might result in different rebateable arbitrage amounts.

**Construction Commitments** – As of June 30, 2009, the Nevada Department of Transportation had total contractual commitments of approximately \$377.7 million for construction of various highway projects. Other major non-highway construction commitments for the primary government’s budgeted capital projects funds total \$40.2 million.

**B. Discretely Presented Component Units**

**Nevada System of Higher Education (NSHE)** – As of June 30, 2009, NSHE had entered into various investment agreements with private equity partnerships. Under the terms of certain of these investment agreements, NSHE is obligated to make additional investments in these private equity partnerships of \$5,042,000.

NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net assets, changes in net assets or cash flows of NSHE.

**Colorado River Commission (CRC)** - The CRC may from time to time be a party in various litigation matters. It is management’s opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC’s future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

The CRC does not accrue for estimated future legal defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by CRC. Under this Act, an amount may be required to be rebated to the United States Treasury for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. The arbitrage rebate calculation as of the most recent such date indicates that no amount is due. Future calculations might result in adjustments to this determination.



## Note 15 - Subsequent Events

### Primary Government

*Bonds* - The following bonds were sold after June 30, 2009:

*General Obligation Bonds* - \$68,000,000 Series 2009A, General Obligation (Limited Tax), Capital Improvement Bonds, due in annual installments ranging from \$4,280,000 to \$29,860,000 due on May 1, 2017 through 2029, plus interest ranging from 4.455% to 6.170% payable semi-annually on May 1<sup>st</sup> and November 1<sup>st</sup>, commencing May 1, 2010. The Series 2009A Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009A Bonds maturing on May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from \$5,515,000 to \$6,445,000 payable annually on May 1, 2025 through 2029. The Series 2009A Bonds are subject to the Constitutional Debt Limit.

\$34,990,000 Series 2009B General Obligation (Limited Tax), Capital Improvement, Cultural Affairs and Refunding Bonds, due in annual installments ranging from \$155,000 to \$5,660,000 due on May 1, 2011 through 2029, plus interest ranging from 4.00% to 5.00% payable semi-annually on May 1<sup>st</sup> and November 1<sup>st</sup>, commencing May 1, 2010. The Series 2009B Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009B Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from \$170,000 to \$260,000 payable annually on May 1, 2020 through 2029. The Series 2009B Bonds are subject to the Constitutional Debt Limit.

\$14,680,000 Series 2009C General Obligation (Limited Tax), Natural Resources and Refunding Bonds, due in annual installments ranging from \$450,000 to \$5,255,000 due on May 1, 2012 through 2029, plus interest ranging from 3.00% to 5.00% payable semi-annually on May 1<sup>st</sup> and November 1<sup>st</sup>, commencing May 1, 2010. The Series 2009C Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009C Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from \$745,000 to \$1,155,000 payable annually on May 1, 2020 through 2029. The Series 2009C Bonds are not subject to the Constitutional Debt Limit.

\$5,000,000 Series 2009D General Obligation (Limited Tax), Open Space, Parks and Cultural Resources Bonds, due in annual installments ranging from \$225,000 to \$1,975,000 due on May 1, 2014 through 2029, plus inter-

est ranging from 3.00% to 5.00% payable semi-annually on May 1<sup>st</sup> and November 1<sup>st</sup>, commencing May 1, 2010. The Series 2009D Bonds maturing on and after May 1, 2020 are subject to optional redemption on and after May 1, 2019. The Series 2009D Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from \$280,000 to \$435,000 payable annually on May 1, 2020 through 2029. The Series 2009D Bonds are subject to the Constitutional Debt Limit.

\$8,240,000 Series 2009E General Obligation (Limited Tax), Open Space, Parks and Natural Resources Bonds, due in annual installments ranging from \$375,000 to \$3,255,000 due on May 1, 2014 through 2029, plus interest ranging from 3.00% to 5.00% payable semi-annually on May 1<sup>st</sup> and November 1<sup>st</sup>, commencing May 1, 2010. The Series 2009E Bonds maturing on and after May 1, 2020 will be subject to optional redemption on and after May 1, 2019. The Series 2009E Bonds maturing on May 1, 2024 and May 1, 2029 are subject to mandatory redemption prior to maturity from sinking fund payments ranging from \$460,000 to \$715,000 payable annually on May 1, 2020 through 2029. The Series 2009E Bonds are not subject to the Constitutional Debt Limit.

*Certificates of Participation* - \$7,900,000, Nevada Real Property Corporation State of Nevada General Obligation (Limited Tax) Certificates of Participation (Secure Juvenile Treatment Facility Project), Series 2009, due in annual installments ranging from \$965,000 to \$1,305,000 due on July 1, 2011 through 2017, plus interest ranging from 5.00% to 5.125% payable semi-annually on January 1<sup>st</sup> and July 1<sup>st</sup>, commencing July 1, 2010. The 2009 Certificates are not subject to prepayment prior to their maturity dates. The 2009 Certificates are being issued to prepay the entire outstanding principal balance of the 1999 Certificates.

*Advances from the Federal Unemployment Account* - As of January 19, 2010, the State has drawn repayable advances of \$182.2 million. The State has applied for and may still draw up to \$164.9 million to meet State unemployment insurance obligations through March 31, 2010. Thereafter loan requests may be submitted every 90 days.

*Pending Litigation* - In September of 2009, the State submitted a proof of claim in the Lehman Brothers Holding, Inc. ("Lehman") bankruptcy proceedings. This proof of claim documented the State's claim in that bankruptcy proceeding under various Lehman notes owned by the State. The bankruptcy court will determine the value of the State's claim.



**Lahontan Reservoir**, with 69 miles of shoreline, covers 12,000 surface acres when full and features fishing, boating and water-skiing, as well as camping, picnicking, boat launches, restrooms with showers and RV dump stations. Horseback riding and wildlife viewing are best in spring. Canoeing from Fort Churchill to the lake makes for a great day trip when conditions allow.



# REQUIRED SUPPLEMENTARY INFORMATION

**Rye Patch Reservoir**, along the Humboldt River, covers 11,000 acres when full. Rye Patch is well-known for its trophy-class walleye fishing. Here, visitors also enjoy swimming, boating, waterskiing, hiking, camping and picnicking. Campgrounds, a boat launch, restrooms with hot showers, RV dump stations and picnic sites are provided.



## Budgetary Comparison Schedule General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2009 (Expressed in Thousands)

	General Fund				Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>								
Fund balances, July 1	\$ 698,548	\$ 698,548	\$ 698,548	\$ -	\$ 415,731	\$ 415,731	\$ 415,731	\$ -
<b>Revenues:</b>								
Sales taxes	1,162,783	873,156	859,536	(13,620)	-	-	-	-
Gaming taxes, fees, licenses	1,122,657	824,865	815,080	(9,785)	-	-	-	-
Intergovernmental	1,484,206	2,304,338	1,849,223	(455,115)	229,922	342,205	357,766	15,561
Other taxes	1,211,735	1,046,257	1,009,192	(37,065)	352,504	298,345	296,585	(1,760)
Sales, charges for services	181,887	191,234	182,702	(8,532)	25,109	28,189	16,375	(11,814)
Licenses, fees and permits	482,733	478,908	436,719	(42,189)	197,771	176,599	176,709	110
Interest	43,020	34,670	25,755	(8,915)	7,693	14,040	10,141	(3,899)
Other	238,367	316,630	252,771	(63,859)	49,532	50,914	42,003	(8,911)
<b>Other financing sources:</b>								
Proceeds from sale of bonds	-	10,500	10,508	8	-	20,000	20,000	-
Transfers	320,439	1,031,744	1,284,770	253,026	20,488	28,007	27,356	(651)
Reversions from other funds	-	-	16,487	16,487	-	-	-	-
<b>Total sources</b>	<b>6,946,375</b>	<b>7,810,850</b>	<b>7,441,291</b>	<b>(369,559)</b>	<b>1,298,750</b>	<b>1,374,030</b>	<b>1,362,666</b>	<b>(11,364)</b>
<b>Uses of Financial Resources</b>								
<b>Expenditures and encumbrances:</b>								
Constitutional agencies	169,014	437,295	274,364	162,931	-	-	-	-
Finance and administration	74,039	77,262	68,693	8,569	-	-	-	-
Education	2,555,467	3,119,553	2,951,859	167,694	-	-	-	-
Human services	2,595,313	2,957,627	2,770,587	187,040	-	-	-	-
Commerce and industry	182,702	228,022	132,307	95,715	-	-	-	-
Public safety	477,320	577,265	450,357	126,908	226,900	229,215	199,314	29,901
Infrastructure	297,477	378,030	197,966	180,064	727,009	891,432	772,626	118,806
Special purpose agencies	38,011	42,192	36,254	5,938	-	-	-	-
<b>Other financing uses:</b>								
Transfers to other funds	50,082	72,407	72,407	-	88,996	95,599	95,599	-
Reversions to other funds	-	-	8,538	(8,538)	-	-	38	(38)
<b>Projected reversions</b>	<b>(95,000)</b>	<b>(95,000)</b>	<b>-</b>	<b>(95,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total uses</b>	<b>6,344,425</b>	<b>7,794,653</b>	<b>6,963,332</b>	<b>831,321</b>	<b>1,042,905</b>	<b>1,216,246</b>	<b>1,067,577</b>	<b>148,669</b>
<b>Fund balances, June 30</b>	<b>\$ 601,950</b>	<b>\$ 16,197</b>	<b>\$ 477,959</b>	<b>\$ 461,762</b>	<b>\$ 255,845</b>	<b>\$ 157,784</b>	<b>\$ 295,089</b>	<b>\$ 137,305</b>



NEVADA

Municipal Bond Bank				Stabilize the Operations of State Government			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 12	\$ 12	\$ 12	\$ -	\$ 84,205	\$ 84,205	\$ 84,205	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
69,569	69,569	30,175	(39,394)	-	-	144	144
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	625	625	-
-	-	-	-	-	-	-	-
<u>69,581</u>	<u>69,581</u>	<u>30,187</u>	<u>(39,394)</u>	<u>84,205</u>	<u>84,830</u>	<u>84,974</u>	<u>144</u>
-	-	-	-	10,535	10,535	4,315	6,220
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,038	1,038	635	403
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
69,581	69,581	30,187	39,394	72,000	72,000	72,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>69,581</u>	<u>69,581</u>	<u>30,187</u>	<u>39,394</u>	<u>83,573</u>	<u>83,573</u>	<u>76,950</u>	<u>6,623</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632</u>	<u>\$ 1,257</u>	<u>\$ 8,024</u>	<u>\$ 6,767</u>

## Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2009

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 September 17 are reported instead of the amounts disclosed in the original budget. The September 17, 2009 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, 2009 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):

	<u>General Fund</u>	<u>State Highway</u>	<u>Municipal Bond Bank</u>	<u>Stabilize the Operations of State Government</u>
<b>Fund balances (budgetary basis) June 30, 2009</b>	\$ 477,959	\$ 295,089	\$ -	\$ 8,024
<b>Adjustments:</b>				
<i>Basis differences:</i>				
Petty cash or outside bank accounts	9,301	191	-	-
Investments not recorded on the budgetary basis	21,002	-	326,335	-
Accrual of certain other receivables	121,457	6,233	6	30
Inventory	-	11,743	-	-
Advances to other funds	4,944	2	-	-
Accrual of certain accounts payable and other liabilities	(221,439)	-	-	-
Deferred revenues	(213,345)	-	-	(6)
Encumbrances	6,647	2,122	-	-
Other	(13,704)	(5,987)	(219)	(117)
<b>Fund balances (GAAP basis) June 30, 2009</b>	<u>\$ 192,822</u>	<u>\$ 309,393</u>	<u>\$ 326,122</u>	<u>\$ 7,931</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2009, 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)	\$ 477,959
Restricted funds	<u>(267,755)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u>\$ 210,204</u>

There were no expenditures in excess of appropriations or authorizations in the individual budget accounts for the year.

## Schedule of Funding Progress Pension Plans



NEVADA

For the Fiscal Year Ended June 30, 2009

### Legislator's Retirement System (LRS)

*Schedule of Funding Progress* - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. A schedule of funding progress as of January 1 follows (expressed in thousands):

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2005	\$ 5,862	\$ 4,102	\$ 1,760	70%	\$ 452	389%
2007	5,884	4,323	1,561	73%	328	476%
2009	5,955	4,229	1,726	71%	351	492%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

Actuarial valuation is performed biennially; plans with biennial valuations need not present duplicate information for the intervening years.

### Judicial Retirement System (JRS)

*Schedule of Funding Progress* - Actuarial valuations of the JRS are prepared annually on a calendar year basis to determine State contributions required to fund the system on an actuarial basis. A schedule of funding progress as of January 1 follows (expressed in thousands):

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends.

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2007	\$ 55,009	\$ 32,431	\$ 22,578	59%	\$ 9,088	248%
2008	62,067	40,076	21,991	65%	11,492	191%
2009	67,192	39,764	27,428	59%	11,368	241%



*For the Fiscal Year Ended June 30, 2009*

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,300 centerline miles of roads and approximately 1,100 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 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. However, the calendar year 2009 assessment is not available as of the date of this report. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show that the State's policy regarding the condition level of the roadways and bridges has been met.

<b>Condition Level of the Roadways</b>					
<b>Percentage of roadways with an IRI of less than 80</b>					
	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%
Actual results of 2003 condition assessment	83%	72%	90%	65%	38%

<b>Condition Level of the Bridges</b>			
<b>Percentage of substandard bridges</b>			
	2007	2005	2003
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	3%	5%

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.

<b>Maintenance and Preservation Costs</b>					
<b>(Expressed in Thousands)</b>					
	2009	2008	2007	2006	2005
Estimated	\$ 124,926	\$ 155,051	\$ 243,191	\$ 207,751	\$ 153,148
Actual	121,798	146,507	218,923	196,080	151,363

Maintenance and preservation costs are primarily funded with the 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.



**South Fork Reservoir** covers 1,650 acres and is surrounded by 2,200 acres of wildlife filled meadowlands and rolling hills. It is popular for hunting, camping, boating, picnicking, swimming, ice fishing, winter sports and wildlife viewing. The park is also known for its trophy-class trout and bass fishing. Facilities include boat launches, a campground, RV dump station, restrooms with showers and a picnic area.



**Wild Horse State Recreation Area** occupies 120 acres on the shore of Wild Horse Reservoir. Visitors to the area enjoy camping, picnicking, hunting, fishing and boating. Wild Horse Reservoir commonly boasts the state's lowest winter temperatures, which are ideal for ice fishing. Facilities include campgrounds, an RV dump station, boat launch, restrooms with showers and a ranger station.



# COMBINING STATEMENTS AND SCHEDULES

**Beaver Dam State Park** is eastern Nevada's most remote park – its primitive and rustic character will impress nature enthusiasts and hikers alike. The immense 5,500-acre park borders Utah and is approximately 34 miles east of Caliente. Its primary features include deep canyons, piñon and juniper forests, a tranquil stream and numerous beaver dams. The park offers fishing, camping, picnicking, hiking, photography and nature study. Facilities include campgrounds, a group use area, a day use picnic area, and hiking and interpretive trails.



# 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).

**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 transportation services (NRS 706.1516), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

**Legislative** Accounts for the necessary expenditures of the Legislature and Legislative Counsel Bureau (NRS 218.085).

**Higher Education Capital Construction** Accounts for the first \$5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

**Cleaning Up Petroleum Discharges** Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 590.830).

**Hospital Care to Indigent Persons** Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

**Tourism Promotion** Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

**Offenders' Store** Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

**Tobacco Settlement** Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of

Higher Education (NRS 396.926); fifty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) and ten percent of which is allocated to the Public Health Trust fund, for the purpose of assisting Nevada residents in obtaining and maintaining good health (NRS 439.605).

**Contingency** Accounts for funds appropriated by the Legislature for contingencies. Funds can be allocated to State agencies and officers by the Interim Finance Committee upon recommendation of the Board of Examiners (NRS 353.266).

**Care of Sites for Radioactive Waste Disposal** Accounts for receipts for the care of sites for the disposal of radioactive waste (NRS 459.231).

**Gift** Accounts for gifts and grants received by the Commission for the Preservation of Wild Horses (NRS 504.450), the Department of Conservation and Natural Resources (NRS 232.070), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Human Resources (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); the office of advocate for customers of public utilities (NRS 228.310); and administration of capital improvement projects (NRS 341.146). It also accounts for appropriations and interest income for support of museums and history (NRS 381.0064); private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031); loans for farm projects (NRS 561.405); fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215); and funding of school improvement programs approved by the Legislature or Interim Finance Committee (NRS 387.032).

## **Nonmajor Debt Service Fund**

**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 Human Resources (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).

**Capital Improvement Program – Assistance to School Districts** Accounts for assistance to school districts in financing capital improvement projects (NRS 387.333).

## **Nonmajor Permanent Funds**

**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. Earnings on the assets are to be used for education (State Constitution, Article 11, Section 3).

**Henry Wood Christmas Fund** Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

# Combining Balance Sheet Nonmajor Governmental Funds



NEVADA

June 30, 2009

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 176,787,187	\$ 34,458,904	\$ 245,294,271	\$ 12,136,527	\$ 468,676,889
Cash in custody of other officials	3,303,745	-	-	-	3,303,745
Investments	5,892,360	-	-	285,217,117	291,109,477
<i>Receivables:</i>					
Accounts receivable	25,278,650	-	-	-	25,278,650
Taxes receivable	6,324,042	-	-	-	6,324,042
Intergovernmental receivables	7,950,556	-	512,416	334,073	8,797,045
Accrued interest and dividends	6,004	-	-	2,690,545	2,696,549
Notes/loans receivable	28,069	-	-	-	28,069
Due from other funds	23,474,353	-	6,770,400	121,671	30,366,424
Due from fiduciary funds	479,720	-	-	-	479,720
Due from component units	2,898	-	52,466	-	55,364
Inventory	1,291,003	-	-	-	1,291,003
Prepaid items	18,759	-	-	-	18,759
<b>Total assets</b>	<b>\$ 250,837,346</b>	<b>\$ 34,458,904</b>	<b>\$ 252,629,553</b>	<b>\$300,499,933</b>	<b>\$ 838,425,736</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 7,960,657	\$ -	\$ 123,140	\$ -	\$ 8,083,797
Accrued payroll and related liabilities	4,013,350	-	-	-	4,013,350
Intergovernmental payables	4,519,148	-	2,108	-	4,521,256
Contracts payable	-	-	18,304,785	-	18,304,785
Retention payable	-	-	14,035,881	-	14,035,881
Due to other funds	28,901,787	-	11,380,784	8,397,800	48,680,371
Due to fiduciary funds	198,158	-	-	-	198,158
Due to component units	361,564	-	100,338,612	-	100,700,176
Deferred revenues	25,350,798	-	52,658	13,416	25,416,872
Other liabilities	-	-	-	539,273	539,273
<b>Total liabilities</b>	<b>71,305,462</b>	<b>-</b>	<b>144,237,968</b>	<b>8,950,489</b>	<b>224,493,919</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	391,848	-	34,499,294	-	34,891,142
Inventories	1,291,003	-	-	-	1,291,003
Funds held as permanent investments	195,348	-	-	291,528,970	291,724,318
Debt service	-	34,458,904	-	-	34,458,904
Other	9,864,379	-	-	-	9,864,379
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	119,464	-	-	-	119,464
Approved capital projects	-	-	73,898,437	-	73,898,437
Other	157,637	-	-	-	157,637
Undesignated	167,512,205	-	(6,146)	20,474	167,526,533
<b>Total fund balances</b>	<b>179,531,884</b>	<b>34,458,904</b>	<b>108,391,585</b>	<b>291,549,444</b>	<b>613,931,817</b>
<b>Total liabilities and fund balances</b>	<b>\$ 250,837,346</b>	<b>\$ 34,458,904</b>	<b>\$ 252,629,553</b>	<b>\$300,499,933</b>	<b>\$ 838,425,736</b>

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



NEVADA

For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ 14,963,890	\$ -	\$ -	\$ -	\$ 14,963,890
Property and transfer taxes	27,038,631	-	-	-	27,038,631
Motor and special fuel taxes	-	88,995,881	-	-	88,995,881
Other taxes	44,617,282	-	-	-	44,617,282
Intergovernmental	58,682,796	-	4,214,084	-	62,896,880
Licenses, fees and permits	32,297,555	-	-	-	32,297,555
Sales and charges for services	16,679,073	-	-	-	16,679,073
Interest and investment income	1,558,580	-	3,311	15,188,338	16,750,229
Tobacco settlement income	50,061,832	-	-	-	50,061,832
Land sales	-	-	-	663,222	663,222
Other	5,895,313	-	39,663	6,445,403	12,380,379
<b>Total revenues</b>	<b>251,794,952</b>	<b>88,995,881</b>	<b>4,257,058</b>	<b>22,296,963</b>	<b>367,344,854</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	67,081,724	-	74	53,237	67,135,035
Health and social services	82,070,030	-	-	-	82,070,030
Education and support services	738,462	-	-	-	738,462
Law, justice and public safety	16,583,655	-	-	-	16,583,655
Regulation of business	22,378,158	-	-	-	22,378,158
Recreation, resource development	23,444,636	-	-	-	23,444,636
Intergovernmental	45,155,115	-	77,845,115	-	123,000,230
Capital outlay	1,598,372	-	175,000,222	-	176,598,594
<i>Debt service:</i>					
Principal	82,509	51,420,000	-	-	51,502,509
Interest, fiscal charges	133,946	37,156,934	-	-	37,290,880
Debt issuance costs	123,955	-	1,313,983	-	1,437,938
<b>Total expenditures</b>	<b>259,390,562</b>	<b>88,576,934</b>	<b>254,159,394</b>	<b>53,237</b>	<b>602,180,127</b>
Excess (deficiency) of revenues over expenditures	(7,595,610)	418,947	(249,902,336)	22,243,726	(234,835,273)
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	12,951,137	-	257,774,926	-	270,726,063
Premium on general obligation bonds	129,125	-	16,872,352	-	17,001,477
Sale of capital assets	5,305	-	-	-	5,305
Transfers in	67,146,541	-	8,970,355	-	76,116,896
Transfers out	(135,489,928)	-	(84,724,834)	(15,426,228)	(235,640,990)
<b>Total other financing sources (uses)</b>	<b>(55,257,820)</b>	<b>-</b>	<b>198,892,799</b>	<b>(15,426,228)</b>	<b>128,208,751</b>
Net change in fund balances	(62,853,430)	418,947	(51,009,537)	6,817,498	(106,626,522)
Fund balances, July 1	242,385,314	34,039,957	159,401,122	284,731,946	720,558,339
<b>Fund balances, June 30</b>	<b>\$ 179,531,884</b>	<b>\$ 34,458,904</b>	<b>\$ 108,391,585</b>	<b>\$291,549,444</b>	<b>\$ 613,931,817</b>

# Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2009

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 9,972,257	\$ 10,749,634	\$ 6,441,807	\$ 5,520,876	\$ 6,776,901
Cash in custody of other officials	125	2,700	3,257,749	-	-
Investments	-	-	-	-	-
<i>Receivables:</i>					
Accounts receivable	174,309	737,828	57,076	-	-
Taxes receivable	3,393,775	-	-	-	-
Intergovernmental receivables	7,237,323	-	-	-	-
Accrued interest and dividends	-	-	-	-	-
Notes/loans receivable	-	-	-	-	-
Due from other funds	306,490	73,264	144,054	10,920,048	45,416
Due from fiduciary funds	-	-	-	-	-
Due from component units	2,898	-	-	-	-
Inventory	-	-	777,563	-	-
Prepaid items	-	169	18,590	-	-
<b>Total assets</b>	<b>\$ 21,087,177</b>	<b>\$ 11,563,595</b>	<b>\$ 10,696,839</b>	<b>\$ 16,440,924</b>	<b>\$ 6,822,317</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 648,352	\$ 147,693	\$ 490,914	\$ 400	\$ -
Accrued payroll and related liabilities	1,568,658	744,023	1,004,864	-	-
Intergovernmental payables	13,998	272	3,078	-	-
Due to other funds	1,395,984	65,862	513,807	10,000,000	40,002
Due to fiduciary funds	71,297	105	94,306	-	-
Due to component units	58,671	-	-	-	-
Deferred revenues	12,901	1,020,373	-	-	4,838
<b>Total liabilities</b>	<b>3,769,861</b>	<b>1,978,328</b>	<b>2,106,969</b>	<b>10,000,400</b>	<b>44,840</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	134,907	48,282	155,518	-	-
Inventories	-	-	777,563	-	-
Funds held as permanent investments	-	-	-	-	-
Other	-	169	187,175	-	-
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	-	-	-	-	-
Other	-	-	157,637	-	-
Undesignated	17,182,409	9,536,816	7,311,977	6,440,524	6,777,477
<b>Total fund balances</b>	<b>17,317,316</b>	<b>9,585,267</b>	<b>8,589,870</b>	<b>6,440,524</b>	<b>6,777,477</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,087,177</b>	<b>\$ 11,563,595</b>	<b>\$ 10,696,839</b>	<b>\$ 16,440,924</b>	<b>\$ 6,822,317</b>



<u>Hospital Care to Indigent Persons</u>	<u>Tourism Promotion</u>	<u>Offenders' Store</u>	<u>Tobacco Settlement</u>	<u>Contingency</u>	<u>Care of Sites for Radioactive Waste Disposal</u>
\$ 2,998,355	\$ 2,881,172	\$ 5,208,317	\$ 52,161,069	\$ 23,590,655	\$ 9,277,016
-	-	-	-	-	-
-	-	-	-	-	-
-	59	738,939	23,510,583	-	36,577
785,388	2,144,879	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,539	345,685	95,006	1,065,757	9,365,945	81,560
-	-	454,287	-	-	-
-	-	-	-	-	-
-	-	309,370	-	-	-
-	-	-	-	-	-
<u>\$ 3,850,282</u>	<u>\$ 5,371,795</u>	<u>\$ 6,805,919</u>	<u>\$ 76,737,409</u>	<u>\$ 32,956,600</u>	<u>\$ 9,395,153</u>
\$ -	\$ 2,485,399	\$ 56,104	\$ 514,076	\$ 174,143	\$ 93,232
-	97,962	184,990	24,154	-	-
3,631,505	36,397	-	13,569	-	-
176,882	9,307	565,507	2,417,003	12,375,577	4,135
-	-	32,263	187	-	-
-	-	-	302,893	-	-
7,475	195	484,380	23,582,783	-	9,162
<u>3,815,862</u>	<u>2,629,260</u>	<u>1,323,244</u>	<u>26,854,665</u>	<u>12,549,720</u>	<u>106,529</u>
-	-	40,826	6,792	-	-
-	-	309,370	-	-	-
-	-	-	-	-	-
-	-	-	-	9,648,966	-
-	-	-	-	-	-
-	-	-	-	-	-
34,420	2,742,535	5,132,479	49,875,952	10,757,914	9,288,624
<u>34,420</u>	<u>2,742,535</u>	<u>5,482,675</u>	<u>49,882,744</u>	<u>20,406,880</u>	<u>9,288,624</u>
<u>\$ 3,850,282</u>	<u>\$ 5,371,795</u>	<u>\$ 6,805,919</u>	<u>\$ 76,737,409</u>	<u>\$ 32,956,600</u>	<u>\$ 9,395,153</u>

# Combining Balance Sheet Nonmajor Special Revenue Funds



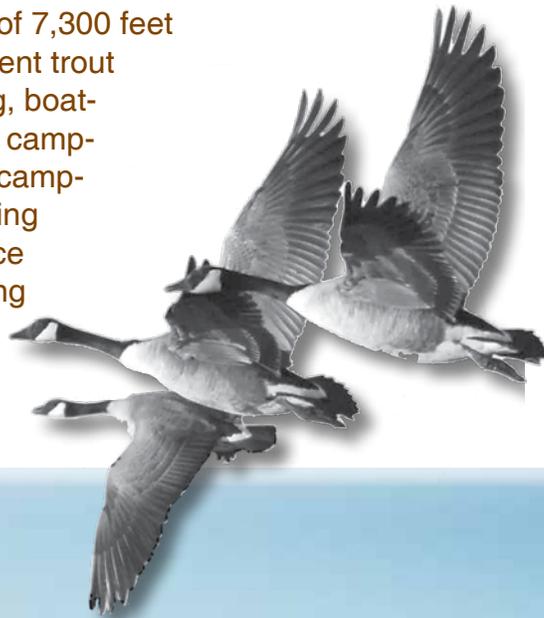
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June 30, 2009

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	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 3,013,361	\$ 30,436,437	\$ -	\$ 7,759,330	\$ 176,787,187
Cash in custody of other officials	13,313	-	-	29,858	3,303,745
Investments	112,512	-	4,779,158	1,000,690	5,892,360
<i>Receivables:</i>					
Accounts receivable	509	-	-	22,770	25,278,650
Taxes receivable	-	-	-	-	6,324,042
Intergovernmental receivables	99,150	140,884	-	473,199	7,950,556
Accrued interest and dividends	960	-	-	5,044	6,004
Notes/loans receivable	-	-	-	28,069	28,069
Due from other funds	26,527	287,170	-	650,892	23,474,353
Due from fiduciary funds	-	-	-	25,433	479,720
Due from component units	-	-	-	-	2,898
Inventory	-	-	-	204,070	1,291,003
Prepaid items	-	-	-	-	18,759
<b>Total assets</b>	<b>\$ 3,266,332</b>	<b>\$ 30,864,491</b>	<b>\$ 4,779,158</b>	<b>\$ 10,199,355</b>	<b>\$ 250,837,346</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 50,834	\$ 134,778	\$ -	\$ 3,164,732	\$ 7,960,657
Accrued payroll and related liabilities	4,390	-	-	384,309	4,013,350
Intergovernmental payables	198,020	616,134	-	6,175	4,519,148
Due to other funds	213	185,588	-	1,151,920	28,901,787
Due to fiduciary funds	-	-	-	-	198,158
Due to component units	-	-	-	-	361,564
Deferred revenues	2,844	30,401	-	195,446	25,350,798
<b>Total liabilities</b>	<b>256,301</b>	<b>966,901</b>	<b>-</b>	<b>4,902,582</b>	<b>71,305,462</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	5,523	-	-	-	391,848
Inventories	-	-	-	204,070	1,291,003
Funds held as permanent investments	-	-	-	195,348	195,348
Other	-	-	-	28,069	9,864,379
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	119,464	-	-	-	119,464
Other	-	-	-	-	157,637
Undesignated	2,885,044	29,897,590	4,779,158	4,869,286	167,512,205
<b>Total fund balances</b>	<b>3,010,031</b>	<b>29,897,590</b>	<b>4,779,158</b>	<b>5,296,773</b>	<b>179,531,884</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,266,332</b>	<b>\$ 30,864,491</b>	<b>\$ 4,779,158</b>	<b>\$ 10,199,355</b>	<b>\$ 250,837,346</b>

The 4,160-acre **Cave Lake State Park** is located in the middle of Nevada's Schell Creek Range, bordering the Humboldt-Toiyabe National Forest. A 32-acre reservoir sits at an elevation of 7,300 feet and is known for its excellent trout fishing, crawdad gathering, boating, hiking, picnicking and camping. Facilities include two campgrounds, picnic areas, hiking trails and a boat launch. Ice fishing, cross-country skiing and ice skating are available in the winter.



# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2009

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 14,963,890	\$ -
Property and transfer taxes	-	-	-	-	-
Other taxes	12,043,209	53,610	-	-	12,564,026
Intergovernmental	56,912,154	408,381	-	-	-
Licenses, fees and permits	351,479	18,768,497	248,599	-	426,100
Sales and charges for services	690,432	7,306	261,958	-	-
Interest and investment income	50,587	24,360	-	-	(46,578)
Tobacco settlement income	-	-	-	-	-
Other	1,313,247	541,546	119,399	-	-
<b>Total revenues</b>	<u>71,361,108</u>	<u>19,803,700</u>	<u>629,956</u>	<u>14,963,890</u>	<u>12,943,548</u>
<b>Expenditures</b>					
<i>Current:</i>					
General government	46,133	12,923	48,246,916	-	11,584
Health and social services	72,937,723	-	-	-	-
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	22,025,491	-	-	-
Recreation, resource development	-	-	-	-	7,592,534
Intergovernmental	-	-	-	2,500,000	930,576
Capital outlay	-	-	1,598,372	-	-
<i>Debt service:</i>					
Principal	-	-	37,196	-	-
Interest	-	-	132,154	650	-
Debt issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<u>72,983,856</u>	<u>22,038,414</u>	<u>50,014,638</u>	<u>2,500,650</u>	<u>8,534,694</u>
Excess (deficiency) of revenues over expenditures	<u>(1,622,748)</u>	<u>(2,234,714)</u>	<u>(49,384,682)</u>	<u>12,463,240</u>	<u>4,408,854</u>
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Sale of capital assets	1,120	4,185	-	-	-
Transfers in	1,515,048	2,656,520	49,944,310	-	-
Transfers out	(882,657)	(1,912,877)	(454,410)	(15,404,732)	(927,606)
<b>Total other financing sources (uses)</b>	<u>633,511</u>	<u>747,828</u>	<u>49,489,900</u>	<u>(15,404,732)</u>	<u>(927,606)</u>
Net change in fund balances	(989,237)	(1,486,886)	105,218	(2,941,492)	3,481,248
Fund balances, July 1	18,306,553	11,072,153	8,484,652	9,382,016	3,296,229
<b>Fund balances, June 30</b>	<u>\$ 17,317,316</u>	<u>\$ 9,585,267</u>	<u>\$ 8,589,870</u>	<u>\$ 6,440,524</u>	<u>\$ 6,777,477</u>



Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal	Gift
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,038,631	-	-	-	-	-	-
-	15,135,857	-	-	-	-	-
-	-	-	-	-	-	-
-	8,706	-	-	-	147,157	1,128,088
-	-	14,911,203	-	-	-	4,276
(13,018)	2,823	20,389	1,024,805	-	14,081	(123,347)
-	-	-	50,061,832	-	-	-
-	11,472	32,358	2,720	82	-	80,650
<u>27,025,613</u>	<u>15,158,858</u>	<u>14,963,950</u>	<u>51,089,357</u>	<u>82</u>	<u>161,238</u>	<u>1,089,667</u>
18,956	664	32,426	738,172	782,686	30,807	9,377
148,566	-	-	8,655,289	-	149,369	179,083
-	-	-	-	-	-	16,849
-	-	12,467,969	-	-	-	-
-	-	-	-	-	-	-
-	13,912,247	-	-	-	-	141,608
3,299,538	-	-	27,712,595	-	-	968,868
-	-	-	-	-	-	-
-	-	45,313	-	-	-	-
-	-	1,142	-	-	-	-
-	-	-	-	-	-	-
<u>3,467,060</u>	<u>13,912,911</u>	<u>12,546,850</u>	<u>37,106,056</u>	<u>782,686</u>	<u>180,176</u>	<u>1,315,785</u>
<u>23,558,553</u>	<u>1,245,947</u>	<u>2,417,100</u>	<u>13,983,301</u>	<u>(782,604)</u>	<u>(18,938)</u>	<u>(226,118)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	308,156	2,415	693,244	10,566,798	-	1,183
(25,276,608)	(4,615,509)	(1,843,084)	(74,499,728)	(2,251,682)	(4,066,339)	-
<u>(25,276,608)</u>	<u>(4,307,353)</u>	<u>(1,840,669)</u>	<u>(73,806,484)</u>	<u>8,315,116</u>	<u>(4,066,339)</u>	<u>1,183</u>
(1,718,055)	(3,061,406)	576,431	(59,823,183)	7,532,512	(4,085,277)	(224,935)
1,752,475	5,803,941	4,906,244	109,705,927	12,874,368	13,373,901	3,234,966
<u>\$ 34,420</u>	<u>\$ 2,742,535</u>	<u>\$ 5,482,675</u>	<u>\$ 49,882,744</u>	<u>\$ 20,406,880</u>	<u>\$ 9,288,624</u>	<u>\$ 3,010,031</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds**



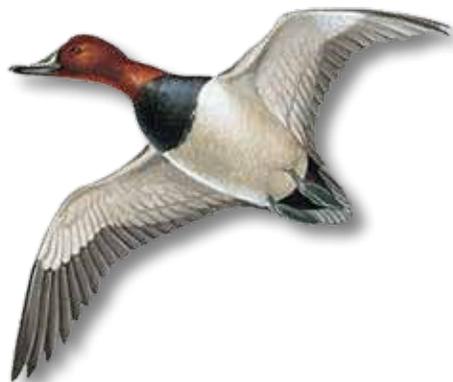
NEVADA

For the Fiscal Year Ended June 30, 2009

Page 2 of 2

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 14,963,890
Property and transfer taxes	-	-	-	27,038,631
Other taxes	-	-	4,820,580	44,617,282
Intergovernmental	140,884	-	1,221,377	58,682,796
Licenses, fees and permits	-	-	11,218,929	32,297,555
Sales and charges for services	-	-	803,898	16,679,073
Interest and investment income	241,724	259,056	103,698	1,558,580
Tobacco settlement income	-	-	-	50,061,832
Other	-	1,356,543	2,437,296	5,895,313
<b>Total revenues</b>	<b>382,608</b>	<b>1,615,599</b>	<b>20,605,778</b>	<b>251,794,952</b>
<b>Expenditures</b>				
<i>Current:</i>				
General government	112,743	1,113	17,037,224	67,081,724
Health and social services	-	-	-	82,070,030
Education and support services	-	-	721,613	738,462
Law, justice and public safety	-	-	4,115,686	16,583,655
Regulation of business	-	-	352,667	22,378,158
Recreation, resource development	1,798,247	-	-	23,444,636
Intergovernmental	9,743,538	-	-	45,155,115
Capital outlay	-	-	-	1,598,372
<i>Debt service:</i>				
Principal	-	-	-	82,509
Interest	-	-	-	133,946
Debt issuance costs	123,955	-	-	123,955
<b>Total expenditures</b>	<b>11,778,483</b>	<b>1,113</b>	<b>22,227,190</b>	<b>259,390,562</b>
Excess (deficiency) of revenues over expenditures	(11,395,875)	1,614,486	(1,621,412)	(7,595,610)
<b>Other Financing Sources (Uses)</b>				
Sale of general obligation bonds	12,951,137	-	-	12,951,137
Premium on general obligation bonds	129,125	-	-	129,125
Sale of capital assets	-	-	-	5,305
Transfers in	-	-	1,458,867	67,146,541
Transfers out	(701,578)	(1,783,219)	(869,899)	(135,489,928)
<b>Total other financing sources (uses)</b>	<b>12,378,684</b>	<b>(1,783,219)</b>	<b>588,968</b>	<b>(55,257,820)</b>
Net change in fund balances	982,809	(168,733)	(1,032,444)	(62,853,430)
Fund balances, July 1	28,914,781	4,947,891	6,329,217	242,385,314
<b>Fund balances, June 30</b>	<b>\$ 29,897,590</b>	<b>\$ 4,779,158</b>	<b>\$ 5,296,773</b>	<b>\$ 179,531,884</b>

**Echo Canyon** encompasses a 35-acre reservoir with a campground, picnic area, group use facilities, restrooms and a boat launch. Visitors will enjoy excellent fishing, hiking and camping while taking in the beautiful eastern Nevada scenery. Abundant wildlife, a wide variety of native plants and unique rock formations make for thrilling exploration.



# Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2009

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
<b>Assets</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 57,394	\$18,177,528	\$17,235,801	\$ 111,074,419	\$ 21,327,901	\$ 66,158,725
Investments	-	-	-	-	-	-
<i>Receivables:</i>						
Intergovernmental receivables	-	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-	-
Due from other funds	182,284	-	2,352,811	3,985,717	88,708	-
Due from component units	-	-	-	-	52,466	-
<b>Total assets</b>	<b>\$ 239,678</b>	<b>\$18,177,528</b>	<b>\$19,588,612</b>	<b>\$ 115,060,136</b>	<b>\$ 21,469,075</b>	<b>\$ 66,158,725</b>
<b>Liabilities and Fund Balances</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 397	\$ 10,766	\$ 2,292	\$ 9,959	\$ 46,403	\$ 27,340
Intergovernmental payables	-	-	-	-	-	-
Contracts payable	100,670	2,765,724	238,362	7,791,284	2,083,440	4,868,049
Retentions payable	6,147	2,461,089	78,775	5,813,256	1,038,865	4,454,306
Due to other funds	124,385	285,755	1,782,533	1,054,390	3,619,107	1,932,770
Due to component units	-	-	-	100,338,612	-	-
Deferred revenues	-	-	-	52,635	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>231,599</b>	<b>5,523,334</b>	<b>2,101,962</b>	<b>115,060,136</b>	<b>6,787,815</b>	<b>11,282,465</b>
<b>Fund balances:</b>						
<i>Reserved:</i>						
Encumbrances and contracts	14,225	5,546,658	1,376,239	-	1,362,724	24,774,665
Funds held as permanent investments	-	-	-	-	-	-
<i>Unreserved:</i>						
Designated for approved capital projects	-	7,107,536	16,110,411	-	13,318,536	30,101,595
Undesignated	(6,146)	-	-	-	-	-
<b>Total fund balances</b>	<b>8,079</b>	<b>12,654,194</b>	<b>17,486,650</b>	<b>-</b>	<b>14,681,260</b>	<b>54,876,260</b>
<b>Total liabilities and fund balances</b>	<b>\$ 239,678</b>	<b>\$18,177,528</b>	<b>\$19,588,612</b>	<b>\$ 115,060,136</b>	<b>\$ 21,469,075</b>	<b>\$ 66,158,725</b>



NEVADA

Capital Projects Funds				Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 10,909,459	\$ 330,137	\$ 22,907	\$ 245,294,271	\$ 12,085,269	\$ 51,258	\$ 12,136,527
-	-	-	-	285,217,117	-	285,217,117
477,624	34,792	-	512,416	334,073	-	334,073
-	-	-	-	2,690,545	-	2,690,545
58,511	102,167	202	6,770,400	121,221	450	121,671
-	-	-	52,466	-	-	-
<u>\$ 11,445,594</u>	<u>\$ 467,096</u>	<u>\$ 23,109</u>	<u>\$ 252,629,553</u>	<u>\$ 300,448,225</u>	<u>\$ 51,708</u>	<u>\$ 300,499,933</u>
\$ 240	\$ 25,743	\$ -	\$ 123,140	\$ -	\$ -	\$ -
2,108	-	-	2,108	-	-	-
457,256	-	-	18,304,785	-	-	-
183,443	-	-	14,035,881	-	-	-
2,542,684	16,074	23,086	11,380,784	8,396,617	1,183	8,397,800
-	-	-	100,338,612	-	-	-
-	-	23	52,658	13,365	51	13,416
-	-	-	-	539,273	-	539,273
<u>3,185,731</u>	<u>41,817</u>	<u>23,109</u>	<u>144,237,968</u>	<u>8,949,255</u>	<u>1,234</u>	<u>8,950,489</u>
999,504	425,279	-	34,499,294	-	-	-
-	-	-	-	291,498,970	30,000	291,528,970
7,260,359	-	-	73,898,437	-	-	-
-	-	-	(6,146)	-	20,474	20,474
<u>8,259,863</u>	<u>425,279</u>	<u>-</u>	<u>108,391,585</u>	<u>291,498,970</u>	<u>50,474</u>	<u>291,549,444</u>
<u>\$ 11,445,594</u>	<u>\$ 467,096</u>	<u>\$ 23,109</u>	<u>\$ 252,629,553</u>	<u>\$ 300,448,225</u>	<u>\$ 51,708</u>	<u>\$ 300,499,933</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Nonmajor Governmental Funds**

For the Fiscal Year Ended June 30, 2009

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	2,913	-	-	-	-	-
Land sales	-	-	-	-	-	-
Other	39,663	-	-	-	-	-
<b>Total revenues</b>	<u>42,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
<i>Current:</i>						
General government	-	-	-	-	-	-
Intergovernmental	-	-	-	77,845,115	-	-
Capital outlay	354,145	23,111,467	6,320,572	-	31,515,169	103,085,693
<i>Debt service:</i>						
Debt issuance costs	-	95,768	81,067	374,278	119,366	624,334
<b>Total expenditures</b>	<u>354,145</u>	<u>23,207,235</u>	<u>6,401,639</u>	<u>78,219,393</u>	<u>31,634,535</u>	<u>103,710,027</u>
Excess (deficiency) of revenues over expenditures	(311,569)	(23,207,235)	(6,401,639)	(78,219,393)	(31,634,535)	(103,710,027)
<b>Other Financing Sources (Uses)</b>						
Sale of general obligation bonds	-	18,787,624	15,903,665	73,413,433	23,391,051	122,518,395
Premium on general obligation bonds	-	1,229,722	1,040,956	4,805,960	1,532,734	8,016,824
Transfers in	327,288	-	2,352,811	-	1,970,494	-
Transfers out	-	(818,206)	(2,095,499)	-	(21,464,126)	(59,615,814)
<b>Total other financing sources (uses)</b>	<u>327,288</u>	<u>19,199,140</u>	<u>17,201,933</u>	<u>78,219,393</u>	<u>5,430,153</u>	<u>70,919,405</u>
Net change in fund balances	15,719	(4,008,095)	10,800,294	-	(26,204,382)	(32,790,622)
Fund balances, July 1	(7,640)	16,662,289	6,686,356	-	40,885,642	87,666,882
<b>Fund balances, June 30</b>	<u>\$ 8,079</u>	<u>\$ 12,654,194</u>	<u>\$ 17,486,650</u>	<u>\$ -</u>	<u>\$ 14,681,260</u>	<u>\$ 54,876,260</u>



Capital Projects Funds				Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 3,371,117	\$ 842,967	\$ -	\$ 4,214,084	\$ -	\$ -	\$ -
-	-	398	3,311	15,188,162	176	15,188,338
-	-	-	-	663,222	-	663,222
-	-	-	39,663	6,445,403	-	6,445,403
<u>3,371,117</u>	<u>842,967</u>	<u>398</u>	<u>4,257,058</u>	<u>22,296,787</u>	<u>176</u>	<u>22,296,963</u>
-	-	74	74	53,068	169	53,237
-	-	-	77,845,115	-	-	-
6,409,671	4,203,505	-	175,000,222	-	-	-
19,170	-	-	1,313,983	-	-	-
<u>6,428,841</u>	<u>4,203,505</u>	<u>74</u>	<u>254,159,394</u>	<u>53,068</u>	<u>169</u>	<u>53,237</u>
<u>(3,057,724)</u>	<u>(3,360,538)</u>	<u>324</u>	<u>(249,902,336)</u>	<u>22,243,719</u>	<u>7</u>	<u>22,243,726</u>
3,760,758	-	-	257,774,926	-	-	-
246,156	-	-	16,872,352	-	-	-
1,124,714	3,195,048	-	8,970,355	-	-	-
(707,789)	-	(23,400)	(84,724,834)	(15,425,045)	(1,183)	(15,426,228)
<u>4,423,839</u>	<u>3,195,048</u>	<u>(23,400)</u>	<u>198,892,799</u>	<u>(15,425,045)</u>	<u>(1,183)</u>	<u>(15,426,228)</u>
1,366,115	(165,490)	(23,076)	(51,009,537)	6,818,674	(1,176)	6,817,498
6,893,748	590,769	23,076	159,401,122	284,680,296	51,650	284,731,946
<u>\$ 8,259,863</u>	<u>\$ 425,279</u>	<u>\$ -</u>	<u>\$ 108,391,585</u>	<u>\$ 291,498,970</u>	<u>\$ 50,474</u>	<u>\$ 291,549,444</u>

## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2009

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	Final Budget	Actual	Variance
<b>General Fund Unbudgeted Activity</b>	\$ -	\$ 1,671,681	\$ (1,671,681)
<b>Constitutional Agencies</b>			
<b>Executive Branch</b>			
Office of the Governor	2,657,570	2,424,462	233,108
State Fiscal Stabilization	265,710,475	139,626,106	126,084,369
Governor's Mansion Maintenance	425,305	331,237	94,068
Governor's Office of Consumer Health Assistance	1,228,748	1,052,204	176,544
Governor's Office Homeland Security	3,403,030	837,934	2,565,096
Governor's Washington Office	267,079	267,078	1
Ethics Commission	698,501	691,799	6,702
High Level Nuclear Waste	5,954,018	5,067,196	886,822
Petroleum Overcharge Rebate	208,573	20,000	188,573
Governor's Office Energy Conservation	1,085,030	698,442	386,588
Lieutenant Governor	658,530	625,520	33,010
Attorney General Administrative Account	26,286,144	24,434,415	1,851,729
Attorney General Extradition Coordinator	785,708	762,949	22,759
Attorney General Special Fund	5,165,630	2,251,648	2,913,982
Attorney General Workers' Compensation Fraud	4,660,523	3,539,185	1,121,338
Attorney General Crime Prevention	292,056	284,946	7,110
Attorney General Medicaid Fraud	4,556,006	1,747,432	2,808,574
Attorney General Violence Against Women Grants	2,693,655	1,462,467	1,231,188
Attorney General Council For Prosecuting Attorneys	306,803	218,823	87,980
Attorney General Victims of Domestic Violence	256,414	148,927	107,487
Private Investigators Licensing Board	1,151,248	698,545	452,703
Attorney General High Tech Crime	901,352	657,098	244,254
Secretary of State	11,036,094	9,926,942	1,109,152
Secretary of State HAVA Election Reform	7,899,094	915,633	6,983,461
Secretary of State Investigations and Enforcements	4,664,968	3,956,791	708,177
Special Services - Secretary of State	5,217,979	3,599,367	1,618,612
Secretary of State Advisory Committee Gift	55	-	55
Notary Training	327,498	145,249	182,249
State Treasurer	2,593,046	2,379,408	213,638
Silicosis and Disabled Pensions	3,936,232	3,566,085	370,147
College Savings Private Entity	200,000	16,752	183,248
Unclaimed Property	1,349,385	1,267,822	81,563
Controller's Office	4,580,836	4,295,601	285,235
<b>Judicial Branch</b>			
Administrative Office of the Courts	4,761,062	3,122,565	1,638,497
Division of Planning and Analysis	1,526,578	1,288,293	238,285
Uniform System of Judicial Records	3,341,364	2,217,790	1,123,574
Judicial Education	2,793,442	1,214,660	1,578,782
District Judges' Salary	14,759,534	14,750,366	9,168
Judicial Travel and Support	669,022	256,133	412,889
District Judge/Surviving Spouse Pension	1,726,900	1,726,900	-
Supreme Court	14,464,922	14,201,594	263,328
Specialty Court	8,043,249	5,852,960	2,190,289
Senior Justice and Senior Judge Program	2,050,452	1,996,108	54,344
Judicial Selection	18,216	16,768	1,448
Legislative Counsel Bureau Disbursement	9,549,145	7,441,784	2,107,361
Law Library Gift Fund	67,405	6,238	61,167
Law Library	1,746,696	1,746,268	428
Judicial Discipline	618,862	607,186	11,676
	437,294,434	274,363,676	162,930,758
<b>Finance and Administration</b>			
<b>Administration</b>			
Construction Education Account	735,037	430,412	304,625
Deferred Compensation Committee	442,437	321,014	121,423
Commission For Women	1,504	-	1,504



	Final Budget	Actual	Variance
Special Appropriations	\$ 74,533	\$ 74,533	\$ -
Judicial College/Juvenile and Family Justice	375,000	375,000	-
Information Technology Division	1,025,841	946,908	78,933
Information Technology Projects	10,822,249	7,346,853	3,475,396
Budget and Planning	4,276,019	4,142,494	133,525
Division of Internal Audits	2,385,812	2,331,650	54,162
Graffiti Reward Fund	9,036	-	9,036
Merit Award Board	5,000	775	4,225
Controlled Substance Grants	8,796	-	8,796
Clear Creek Youth Center	6,007	1,769	4,238
Commodity Food Program	9,253,300	7,219,316	2,033,984
Roof Maintenance Reserve	913,386	48,145	865,241
Public Works Administration	1,091,375	1,081,542	9,833
School Plan Checking	658,586	142,837	515,749
Administration - Hearings Division	4,850,679	4,536,167	314,512
State Claims	1,666,921	1,666,921	-
Emergency Fund	426,356	116,775	309,581
Statutory Contingency	2,173,709	1,649,820	523,889
<b>Taxation</b>			
Department of Taxation	33,451,199	32,561,760	889,439
<b>Personnel</b>			
State Unemployment Compensation	2,609,331	2,026,531	582,800
	<u>77,262,113</u>	<u>67,021,222</u>	<u>10,240,891</u>
<b>Education</b>			
<b>Education</b>			
Drug Abuse Education	1,797,173	1,197,265	599,908
Student Incentive Grants	534,833	526,117	8,716
Distributive School Account	1,590,916,677	1,571,175,611	19,741,066
School Health Education - AIDS	503,318	292,007	211,311
School Remediation	105,688,847	101,880,988	3,807,859
Education State Programs	3,565,299	3,479,163	86,136
Educational Trust Fund	200,000	-	200,000
Career and Technical Education	10,280,152	9,166,632	1,113,520
Gear Up	3,583,919	1,911,797	1,672,122
Gear Up Scholarship Trust	10,573,711	429,280	10,144,431
Continuing Education	5,078,145	4,918,853	159,292
Proficiency Testing	5,375,529	5,191,058	184,471
Other State Education Programs	29,267,358	25,411,296	3,856,062
Education Technology Trust	20,419	-	20,419
Teacher Education and Licensing	2,250,843	1,488,215	762,628
Discretionary Grants - Unrestricted	5,354,620	1,566,250	3,788,370
Discretionary Grants - Restricted	19,933,653	13,907,546	6,026,107
Elementary and Secondary Ed - Title I	116,243,617	99,760,507	16,483,110
Elementary and Secondary Ed Titles II, V & VI	35,808,993	25,681,939	10,127,054
Individuals with Disabilities (IDEA)	83,408,226	62,591,209	20,817,017
Education Staffing Services	573,029	384,118	188,911
Education Support Services	2,992,667	2,608,363	384,304
Incentives for Licensed Educational Personnel	36,384,286	4,976,339	31,407,947
Nutrition Education Programs	94,784,463	80,956,218	13,828,245
Commission on Postsecondary Education	517,359	469,167	48,192
Student Indemnification Account	273,060	-	273,060
<b>Cultural Affairs</b>			
Cultural Affairs Administration	1,078,531	1,058,487	20,044
Lost City Museum	575,058	494,126	80,932
LV Springs Preserve Museum Dev	16,522,021	12,517,937	4,004,084
Nevada Historical Society	1,035,573	945,668	89,905
State Museum, Carson City	2,111,128	2,064,594	46,534
Museums And History	472,786	469,714	3,072

## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2009

Page 3 of 9

	Final Budget	Actual	Variance
Museum and Historical Society - Las Vegas	\$ 1,784,719	\$ 1,582,282	\$ 202,437
State Railroad Museums	2,655,615	1,914,449	741,166
Archives and Records	1,173,703	1,171,784	1,919
Micrographics and Imaging	655,723	453,706	202,017
Nevada State Library	7,445,729	6,967,306	478,423
Nevada State Library-Literacy	267,134	259,216	7,918
Nevada Humanities	100,000	100,000	-
Nevada State Library - CLAN	558,486	301,777	256,709
Nevada Arts Council	3,077,304	2,837,301	240,003
Cultural Resource Program	4,953,546	2,190,018	2,763,528
Historic Preservation	2,040,654	1,438,321	602,333
Comstock Historic District	170,713	168,692	2,021
Comstock Historical District Gifts	130,587	-	130,587
<b>Nevada System of Higher Education</b>			
Special Projects	4,829,142	2,589,173	2,239,969
Education for Dependent Children	35,877	21,402	14,475
University of Nevada - Reno	198,081,278	195,221,737	2,859,541
School of Medical Sciences	47,702,622	47,681,387	21,235
Intercollegiate Athletics UNR	7,048,921	7,048,367	554
Statewide Programs - UNR	8,869,348	8,869,348	-
University System Administration	5,959,839	5,848,485	111,354
University of Nevada Las Vegas	270,635,466	268,039,991	2,595,475
Intercollegiate Athletics UNLV	9,240,670	9,240,670	-
Agricultural Experiment Station	10,928,650	10,928,650	-
Cooperative Extension Service	11,796,361	11,795,094	1,267
System Computing Center	23,162,289	23,154,255	8,034
UNLV Law School	13,248,689	13,203,365	45,324
National Direct Student Loan Program	50,904	50,904	-
University Press	948,657	942,941	5,716
Anatomical Gift	467,714	40,000	427,714
Statewide Programs - UNLV	1,527,440	1,527,440	-
UNLV Dental School	14,108,028	14,045,371	62,657
Business Center North	2,674,088	2,674,088	-
Business Center South	2,279,771	2,279,771	-
Collegiate License Plate Account	300,355	213,033	87,322
Nevada State College at Henderson	21,526,656	20,696,589	830,067
Community College of Southern Nevada	138,188,146	136,809,435	1,378,711
Laboratory and Research	2,128,042	2,128,042	-
Great Basin College	20,397,727	20,357,673	40,054
Desert Research Institute	11,142,712	10,454,956	687,756
Western Nevada Community College	25,525,571	25,412,746	112,825
Truckee Meadows Community College	53,606,931	53,276,526	330,405
<b>WICHE Program</b>			
WICHE Administration	422,146	402,312	19,834
	3,119,553,246	2,951,859,067	167,694,179
<b>Human Resources</b>			
<b>Health and Human Services</b>			
Administration	4,284,527	4,074,731	209,796
Grants Management Unit	44,500,986	35,551,413	8,949,573
Problem Gambling	2,183,099	1,609,600	573,499
State and Community Collaboration	740,878	735,707	5,171
Developmental Disabilities	849,743	606,218	243,525
Community Based Services	13,278,750	11,526,209	1,752,541
Family to Family Connections	5,515,510	4,625,258	890,252
<b>Aging Services</b>			
Senior Services Program	11,602,795	9,227,659	2,375,136
Aging Older Americans Act	20,839,432	15,390,649	5,448,783
Senior Citizens' Property Tax Assistance	5,439,534	5,388,958	50,576



	Final Budget	Actual	Variance
EPS/Homemaker Programs	\$ 3,660,186	\$ 3,616,433	\$ 43,753
<b>Health Care Financing and Policy</b>			
Intergovernmental Transfer Program	91,795,083	91,201,985	593,098
Administration	24,251,777	20,971,541	3,280,236
HIFA Holding Account	681,199	448,581	232,618
Increased Quality of Nursing Care	25,905,385	25,004,971	900,414
Nevada Check-Up Program	43,721,869	37,946,775	5,775,094
Nevada Medicaid, Title XIX	1,502,991,128	1,469,152,865	33,838,263
HIFA Medical	3,029,140	1,260,857	1,768,283
<b>Health</b>			
Radiological Health	4,013,800	2,478,045	1,535,755
Cancer Control Registry	1,058,688	633,413	425,275
Alcoholism and Drug Rehabilitation	36,853,728	30,415,727	6,438,001
Vital Statistics	1,673,792	1,575,712	98,080
Consumer Health Protection	3,380,504	2,285,954	1,094,550
Office of Minority Health	284,787	227,866	56,921
Early Intervention Services	21,503,862	20,428,406	1,075,456
Immunization Program	6,435,593	4,642,894	1,792,699
WIC Food Supplement	55,741,039	55,287,963	453,076
Sexually Transmitted Disease Control	16,221,355	15,376,843	844,512
Health Facilities Hospital Licensing	12,615,229	7,650,795	4,964,434
Health Facilities-Admin Penalty	364,473	46,255	318,218
Public Health Preparedness Program	15,659,742	13,221,287	2,438,455
Communicable Disease Control	6,036,064	5,390,943	645,121
Maternal Child Health Services	8,246,596	7,011,887	1,234,709
Office of Health Administration	5,277,167	4,018,155	1,259,012
Community Health Services	4,589,306	3,746,067	843,239
Emergency Medical Services	1,175,469	947,769	227,700
<b>Welfare</b>			
Welfare Administration	30,408,241	27,696,844	2,711,397
Health Special Appropriations	67,323	46,960	20,363
Temp Assistance for Needy Families	58,204,619	56,403,116	1,801,503
Assistance to Aged and Blind	7,281,468	7,256,000	25,468
Welfare Field Services	68,567,082	65,069,143	3,497,939
Child Support Enforcement Program	15,952,081	11,127,647	4,824,434
Child Support Federal Reimbursement	27,665,607	21,045,868	6,619,739
Child Assistance and Development	54,748,959	44,561,728	10,187,231
Energy Assistance Program	27,495,336	19,631,246	7,864,090
<b>Mental Health and Developmental Services</b>			
Southern Food Service	2,083,320	1,941,483	141,837
So NV Adult Mental Health Services	116,195,839	110,201,296	5,994,543
No NV Adult Mental Health Services	43,707,814	39,634,046	4,073,768
Mental Health Information System	2,171,028	1,965,355	205,673
Family Preservation Program	2,319,305	2,214,828	104,477
Rural Regional Center	18,425,656	16,899,713	1,525,943
MHDS Administration	8,918,270	7,961,645	956,625
Desert Regional Center	90,063,091	84,679,889	5,383,202
Sierra Regional Center	39,010,770	35,958,486	3,052,284
Facility for the Mental Offender	10,942,530	10,153,259	789,271
Alcohol Tax Program	1,292,023	1,045,616	246,407
Rural Clinics	18,029,410	15,988,660	2,040,750
<b>Child and Family Services</b>			
Community Juvenile Justice Programs	3,949,025	2,764,777	1,184,248
Washoe County Integration	28,898,704	27,015,306	1,883,398
Clark County Integration	78,657,099	73,001,471	5,655,628
UNITY/SACWIS	6,306,132	5,957,005	349,127
Children, Youth and Family Administration	24,603,204	19,563,288	5,039,916
Youth Alternative Placement	3,702,597	3,702,597	-
Juvenile Correctional Facility	7,892,031	6,650,509	1,241,522

## Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2009

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	Final Budget	Actual	Variance
Child Care Services	\$ 1,138,140	\$ 874,799	\$ 263,341
Caliente Youth Center	8,290,852	8,198,242	92,610
Victims of Domestic Violence	3,866,705	2,808,520	1,058,185
Childrens Trust Account	1,560,146	1,022,555	537,591
Rural Child Welfare	21,769,649	19,139,276	2,630,373
Review of Death of Children	277,773	123,458	154,315
Nevada Youth Training Center	10,939,601	10,441,671	497,930
Youth Parole Services	6,379,699	5,285,038	1,094,661
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	8,165,017	7,154,347	1,010,670
So NV Child and Adolescent Services	24,748,384	23,557,279	1,191,105
<b>Employment, Training and Rehabilitation</b>			
Blind Business Enterprise Program	5,316,994	1,940,234	3,376,760
Services to the Blind	5,523,207	5,055,927	467,280
Client Assistance Program	214,238	180,556	33,682
Vocational Rehabilitation	19,082,509	17,707,889	1,374,620
Rehabilitation Administration	1,098,238	862,052	236,186
Disability Adjudication	13,924,589	12,602,932	1,321,657
Equal Rights Commission	1,843,828	1,771,220	72,608
Administration	4,516,632	4,288,400	228,232
Research and Analysis	3,951,058	3,494,501	456,557
Information Development and Processing	8,197,487	7,630,940	566,547
<b>Other Human Services</b>			
Public Defender	2,641,187	2,376,209	264,978
Indian Affairs Commission	208,205	206,490	1,715
	2,957,626,567	2,770,586,707	187,039,860
<b>Commerce and Industry</b>			
<b>Economic Development and Tourism</b>			
Economic Development and Diversification	2,286,313	2,261,418	24,895
Commission on Economic Development	6,530,477	6,128,060	402,417
Nevada Film Office	1,067,308	882,135	185,173
Rural Community Development	4,425,507	3,764,656	660,851
Procurement Outreach Program	571,993	544,227	27,766
<b>Minerals</b>			
Minerals	3,842,208	2,295,700	1,546,508
Bond Reclamation	6,364,974	440,600	5,924,374
<b>Agriculture</b>			
Nevada Beef Council	267,489	250,599	16,890
Gas Pollution Standards	792,634	414,267	378,367
Weed Abatement and Control	234,258	73,146	161,112
Plant Industry	2,355,203	2,058,459	296,744
Grade and Certification of Ag Products	175,449	75,219	100,230
Garlic and Onion Research Promotion	121,743	22,755	98,988
Agricultural Registration/Enforcement	3,164,667	1,423,142	1,741,525
Livestock Inspection	1,796,400	1,125,135	671,265
Marijuana Health Registry	261,712	104,836	156,876
USDA CCC	216,221	66,287	149,934
Agriculture License Plates	20,375	18,100	2,275
Veterinary Medical Services	1,652,290	1,264,470	387,820
Weights and Measures	2,085,681	1,802,091	283,590
Noxious Weed and Insect Control	6,127,818	492,272	5,635,546
Agriculture Administration	1,775,332	1,580,437	194,895
Rangeland Resources Commission	290,252	164,613	125,639
Morman Cricket and Grasshoppers	1,353,117	301,718	1,051,399
Predatory Animal and Rodent Control	1,280,761	1,226,232	54,529
Nevada Jr Livestock Show Board	35,831	34,855	976
<b>Gaming Control</b>			
Gaming Control Board	48,720,873	46,912,822	1,808,051



	Final Budget	Actual	Variance
Gaming Control Federal Forfeiture	\$ 605,407	\$ 14,818	\$ 590,589
Gaming Control - Forfeiture Account	575,644	19,717	555,927
Gaming Control - Other State Forfeiture	505,189	-	505,189
Federal Forfeiture Treasury	918,336	-	918,336
Gaming Commission	426,500	404,240	22,260
<b>Business and Industry</b>			
Business and Industry Administration	1,322,314	1,255,746	66,568
Industrial Development Bonds	1,515,007	961,167	553,840
Insurance Regulation	8,194,296	7,825,480	368,816
Captive Insurers	1,745,380	1,042,562	702,818
Insurance Recovery	664,726	557,680	107,046
Insurance Education and Research	1,643,267	806,519	836,748
Nat. Assoc. of Insurance Commissioners	66,585	36,261	30,324
Insurance Cost Stabilization	412,450	180,173	232,277
Consumer Affairs Restitution	60,507	21,757	38,750
Consumer Affairs Recovery Acct	304,949	273,773	31,176
Consumer Affairs	1,752,068	1,639,449	112,619
Special Housing Assistance	24,346,930	825,783	23,521,147
Low Income Housing Trust Fund	39,016,062	14,712,958	24,303,104
Weatherization	9,744,023	5,012,140	4,731,883
Renewable Energy and Energy Efficiency Authority	250,000	-	250,000
Employee Management Relations Board	230,893	230,799	94
Common Interest Communities	4,528,276	1,628,878	2,899,398
Real Estate Administration	4,081,834	3,272,220	809,614
Athletic Commission	1,044,446	849,379	195,067
Labor Commissioner	1,625,791	1,595,824	29,967
Division of Mortgage Lending	12,656,830	6,846,155	5,810,675
Attorney for Injured Workers	3,538,471	3,246,663	291,808
Financial Institutions Investigations	874,508	539,964	334,544
Financial Institutions	7,065,330	2,719,339	4,345,991
Financial Institutions Audit	489,494	59,044	430,450
	<b>228,022,399</b>	<b>132,306,739</b>	<b>95,715,660</b>
<b>Public Safety</b>			
<b>Corrections</b>			
Prison Medical Care	48,194,247	48,194,012	235
Director's Office	21,665,038	21,415,892	249,146
Correctional Programs	8,109,559	7,587,452	522,107
So Nevada Correctional Center	9,389,755	9,381,743	8,012
Warm Springs Correctional Center	9,143,563	9,127,152	16,411
No Nevada Correctional Center	27,200,116	27,196,002	4,114
Nevada State Prison	19,237,304	18,951,986	285,318
Stewart Conservation Camp	1,988,772	1,977,142	11,630
Pioche Conservation Camp	1,709,072	1,679,021	30,051
Northern Nevada Restitution Center	1,176,176	1,150,931	25,245
Indian Springs Conservation Camp	2,559,775	2,523,448	36,327
Southern Desert Correctional Center	23,451,103	23,020,049	431,054
Wells Conservation Camp	1,270,975	1,264,166	6,809
Humboldt Conservation Camp	1,838,073	1,767,500	70,573
Ely Conservation Camp	1,434,505	1,421,711	12,794
Jean Conservation Camp	1,649,276	1,603,517	45,759
Silver Springs Conservation Camp	1,294,244	1,290,860	3,384
Ely State Prison	30,343,526	30,241,155	102,371
Carlin Conservation Camp	1,397,972	1,297,175	100,797
Tonopah Conservation Camp	1,173,018	1,148,163	24,855
Lovelock Correctional Center	25,504,710	25,464,284	40,426
Southern Nevada Women's Correctional Center	15,130,289	14,816,550	313,739
High Desert State Prison	47,337,096	46,505,597	831,499
Casa Grande Transitional Housing	4,771,891	4,717,771	54,120

**Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis**  
**All General Fund Budgets**

For the Fiscal Year Ended June 30, 2009

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	Final Budget	Actual	Variance
<b>Public Safety</b>			
Emergency Management Division	\$ 8,439,210	\$ 5,972,078	\$ 2,467,132
Emergency Mgmt Assistance Grant	95,684,933	23,813,987	71,870,946
Parole and Probation	51,899,385	48,669,522	3,229,863
Division of Investigations	7,517,523	6,281,313	1,236,210
Narcotics Control	3,574,136	3,364,741	209,395
Parolee Loan Account	765	-	765
Training Division	1,761,193	1,578,643	182,550
Parole Board	2,635,164	2,440,577	194,587
Fire Marshal	3,962,787	3,258,109	704,678
Traffic Safety	14,505,882	4,919,577	9,586,305
Highway Safety Plan and Administration	4,083,523	2,082,381	2,001,142
K-9 Program	557,108	342,995	214,113
Forfeitures	2,681,501	2,302,740	378,761
Justice Assistance Account	5,678,376	1,938,770	3,739,606
Justice Assistance Grant	16,388,517	1,533,770	14,854,747
Criminal History Repository	24,860,233	17,433,774	7,426,459
Child Volunteer Background Checks Trust	25,000	24,492	508
Contingency Account for Haz Mat	961,133	433,069	528,064
Home Disaster Assistance	4,276,938	3,794,948	481,990
Public Safety, One Shots	3,124,398	1,977,442	1,146,956
Justice Grant	493,368	435,960	57,408
Dignitary Protection	1,115,158	1,022,991	92,167
<b>Peace Officers Standards and Training</b>			
Peace Officers Standards and Training	4,364,420	3,029,968	1,334,452
<b>Motor Vehicles</b>			
Motor Vehicle Pollution Control	11,704,142	9,962,336	1,741,806
	577,264,848	450,357,462	126,907,386
<b>Infrastructure</b>			
<b>Wildlife</b>			
Wildlife Administration	32,784,010	26,539,043	6,244,967
Wildlife Trout Stamp Program	5,218,450	1,573,539	3,644,911
Wildlife Boating Program	7,166,416	5,329,059	1,837,357
Wildlife Heritage	6,518,140	546,436	5,971,704
Wildlife Obligated Reserve	5,120,760	2,122,205	2,998,555
Wildlife Habitat Mitigation	622,266	-	622,266
<b>Conservation and Natural Resources</b>			
State Environmental Commission	69,649	27,389	42,260
Administration	1,252,799	1,174,610	78,189
Water Resources Legal Cost	1,274,926	162,356	1,112,570
Tahoe Regional Planning Agency	10,485,176	1,956,652	8,528,524
Division of Conservation Districts	541,538	507,798	33,740
Parks Federal Grant Programs	7,232,404	1,872,993	5,359,411
State Parks	14,818,741	12,506,440	2,312,301
Maintenance of State Parks	1,918,030	506,806	1,411,224
State Parks Facility and Grounds Maintenance	14,930,000	-	14,930,000
Coyote Springs Groundwater Basin	39,656	491	39,165
Flood Control Revenue Fund	252,517	-	252,517
USGS Co-Op	859,920	484,154	375,766
Groundwater Recharge Projects	326,235	17,957	308,278
Water Right Surveyors	54,009	2,169	51,840
Water Rights Support Fund	349,375	146,428	202,947
Well Driller's Licenses	59,216	15,952	43,264
Water Resources	7,104,116	6,621,664	482,452
State Engineer Revenue	242,779	80,547	162,232
Little Humboldt River	211,135	49,400	161,735
Quinn River Distribution	39,998	1,992	38,006
Adjudication Emergency	16,000	2,256	13,744



	Final Budget	Actual	Variance
Steptoe Valley Water Basin	\$ 8,480	\$ 1,744	\$ 6,736
Diamond Valley Ground Water	19,614	2,287	17,327
Dixie Creek/10 Mi Ground Water	18,000	-	18,000
Churchill Valley Ground Water	5,990	410	5,580
Colorado River Valley	23,762	4,999	18,763
Washoe Valley Ground Water	6,270	4,267	2,003
Amargosa Valley Ground Water	5,500	-	5,500
Las Vegas Basin Water District	3,290,471	818,802	2,471,669
Muddy River Surface Water	30,334	8,603	21,731
Flood Repairs and Disaster Relief	50,000	-	50,000
Channel Clearance	297,422	276,237	21,185
Pahranagat Lake	55,791	37,565	18,226
Pahrump Artesian Basin	91,032	13,451	77,581
Boulder Flat Ground Water	92,238	6,144	86,094
Dayton Valley Ground Water	10,991	5,857	5,134
Mason Valley Ground Water	84,991	10,462	74,529
Humboldt Water District	359,919	174,741	185,178
Water District Revenue Fund	30,000	-	30,000
Smith Valley Artesian Basin	40,343	12,535	27,808
Currant Creek	5,252	1	5,251
Duckwater Creek	22,835	10,027	12,808
Paradise Valley Ground Water	35,456	5,339	30,117
Upper White River	14,985	2	14,983
Muddy River Springs	21,728	1,353	20,375
Kingston Creek	6,685	363	6,322
Warm Springs/Winnemucca Creek	20,113	4,540	15,573
Eagle Valley	56,640	21,361	35,279
Carson Valley Ground Water	49,457	15,577	33,880
Fish Lake Valley Artesian	12,774	844	11,930
Carico Creek	443	-	443
Lemmon Valley	74,711	16,354	58,357
Truckee Meadows/Sun Valley	112,284	48,366	63,918
Antelope Middle Reese River	45,367	2,712	42,655
Warm Springs Ground Water	33,960	4,858	29,102
Lower Moapa Valley Groundwater	4,288	-	4,288
Honey Lake Valley	11,807	14	11,793
Whirlwind Valley	14,489	115	14,374
Crescent Water Groundwater	24,925	77	24,848
Pumpnickel Valley	34	-	34
Clovers Area Groundwater	44,009	2,934	41,075
Cold Springs Valley	20,757	1,023	19,734
Imlay Ground Water	27,138	3,470	23,668
Kelly Creek Ground Water	36,817	5,164	31,653
Lower Reese River Valley	52,077	5,038	47,039
Maggie Creek	54,160	5,622	48,538
North Fork Ground Water	19,985	1,923	18,062
Pleasant Valley	5,507	867	4,640
Forestry	15,241,094	10,179,725	5,061,369
Forest Fire Suppression/Emergency Response	7,933,026	2,382,123	5,550,903
Forestry Honor Camps	9,857,597	9,059,995	797,602
Forestry Inter-Gov Agreements	4,099,944	3,588,497	511,447
Tahoe License Plates	2,237,078	674,719	1,562,359
Mt. Charleston License Plates	383,494	5,120	378,374
Nevada Tahoe Regional Planning Agency	1,796	1,179	617
State Lands	2,110,211	1,928,100	182,111
State Lands Revolving Account	67,998	19,526	48,472
Tahoe Bond Sale	795,825	36,571	759,254
Tahoe Mitigation	2,440,827	46,833	2,393,994
Nevada Natural Heritage	1,497,332	802,724	694,608

# Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

## All General Fund Budgets



NEVADA

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For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance
AB9/Q1 Bonds	\$ 55,303,888	\$ 23,612,548	\$ 31,691,340
Storage Tank Management	331,187	14,067	317,120
Environmental Protection Administration	5,100,556	3,376,980	1,723,576
Chemical Hazard Prevention	1,129,013	386,583	742,430
Reclamation Surety Account	2,271,405	-	2,271,405
Air Quality Management Account	8,744,337	2,101,153	6,643,184
Air Quality	10,346,524	5,470,163	4,876,361
Water Pollution Control	6,925,579	3,711,720	3,213,859
Water Quality Planning	8,828,977	4,241,868	4,587,109
Safe Drinking Water Regulatory Program	3,582,701	2,464,385	1,118,316
Waste Management and Federal Facilities	20,100,593	11,244,781	8,855,812
Mining Regulation/Reclamation	5,032,396	2,328,294	2,704,102
Interim Fluid Management Trust	1,301,853	-	1,301,853
Hazardous Waste Management	24,947,435	5,630,663	19,316,772
Hazardous Waste - Beatty Site	11,255,806	-	11,255,806
Water Planning - Capital Improvement	263,799	184,302	79,497
<b>Infrastructure</b>			
AB544 Highway Projects	41,040,050	40,689,129	350,921
	<u>378,030,413</u>	<u>197,966,132</u>	<u>180,064,281</u>
<b>Special Purpose Agencies</b>			
<b>Veterans' Affairs</b>			
Commissioner for Veterans' Affairs	2,799,662	2,710,484	89,178
Veterans' Home Account	17,173,834	16,500,999	672,835
Veterans' Gifts and Donations	264,200	160,553	103,647
Veterans' Home Donation	61,812	56,993	4,819
Gift Account for Veterans	756,206	420,268	335,938
<b>Office of Military</b>			
Military	20,025,994	16,103,733	3,922,261
Adjutant General Construction	35,408	-	35,408
National Guard Benefits	56,250	51,000	5,250
Patriot Relief Account	956,792	219,545	737,247
<b>Civil Air Patrol</b>	61,679	30,312	31,367
	<u>42,191,837</u>	<u>36,253,887</u>	<u>5,937,950</u>
<b>Appropriated Transfers to Other Funds</b>			
Legislative Fund	49,610,669	49,610,669	-
Contingency Fund	19,876,746	19,876,746	-
Attorney General Fund - Consumer Advocate	1,528,250	1,528,250	-
Stabilize the Operations of State Government	253,006	253,006	-
Highway Fund	49,928	49,928	-
Healthy Nevada Fund	388,726	388,726	-
WICHE Loan and Stipend Fund	700,048	700,048	-
	<u>72,407,373</u>	<u>72,407,373</u>	<u>-</u>
<b>Reversions to Other Funds</b>			
Reversion to Highway Fund	-	4,686,435	(4,686,435)
Reversion to Stabilization Fund	-	57,217	(57,217)
Reversion to Workers' Comp and Safety Fund	-	1,315,528	(1,315,528)
Reversion to Consolidated Bond Interest and Redemption Fund	-	40,500	(40,500)
Reversion to Attorney General Special Fund	-	116,555	(116,555)
Reversion to Legislative Fund	-	18,113	(18,113)
Reversion to Contingency Fund	-	2,304,012	(2,304,012)
	<u>-</u>	<u>8,538,360</u>	<u>(8,538,360)</u>
<b>Projected Reversions</b>			
	<u>(95,000,000)</u>	<u>-</u>	<u>(95,000,000)</u>
Total General Fund	<u>\$ 7,794,653,230</u>	<u>\$ 6,963,332,306</u>	<u>\$ 831,320,924</u>

# Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis

## All Special Revenue Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2009

Page 1 of 3

	Final Budget	Actual	Variance
<b>State Highway</b>			
<b>Finance and Administration</b>			
Unbudgeted Activity	\$ -	\$ 248,702	\$ (248,702)
Appropriations to Other Funds	6,602,831	6,602,831	-
<b>Infrastructure</b>			
Transportation Administration	623,884,389	591,973,601	31,910,788
Bond Construction	191,001,665	170,375,935	20,625,730
AB595 Revenue Rental Car Tax	8,083,360	-	8,083,360
Aviation Trust Fund	190,346	112,083	78,263
AB 595 Revenue Clark Co.	66,757,500	8,746,709	58,010,791
AB 595 Revenue Washoe Co.	1,035,000	849,874	185,126
System of Providing Information to the Traveling Public	479,955	324,444	155,511
<b>Public Safety</b>			
Bicycle Safety Program	338,490	109,105	229,385
Motorcycle Safety Program	951,120	466,351	484,769
Director's Office - Public Safety	1,278,475	1,275,657	2,818
Internal Affairs	611,582	526,659	84,923
Records Search	12,025,125	10,010,861	2,014,264
Highway Patrol	73,954,550	68,378,009	5,576,541
Administrative Services	2,055,649	1,877,188	178,461
DMV Motor Vehicle Information Technology	11,168,445	9,321,971	1,846,474
Motor Carrier	4,808,651	4,287,047	521,604
PS Highway Safety Grants Account	1,733,063	1,418,389	314,674
Emergency Response Commission	2,702,047	1,409,260	1,292,787
Verification of Insurance	17,650,744	16,790,184	860,560
Hearings - DMV and PS	1,262,431	1,174,641	87,790
Public Safety Technology Division	6,566,213	5,759,408	806,805
DMV Field Services	48,441,148	42,170,751	6,270,397
Compliance Enforcement	5,250,355	4,853,476	396,879
Central Services	15,415,082	12,051,631	3,363,451
Management Services	1,509,147	1,438,810	70,337
Director's Office - DMV	6,199,544	4,725,506	1,474,038
DMV Real ID	3,595,289	964,357	2,630,932
Administrative Services	11,697,887	10,337,795	1,360,092
<b>Debt Service Transfers</b>			
Debt Service	88,995,881	88,995,881	-
<b>Total</b>	<b>1,216,245,964</b>	<b>1,067,577,116</b>	<b>148,668,848</b>
<b>Municipal Bond Bank</b>			
<b>Constitutional Agencies</b>			
Municipal Bond Bank Revenue	69,581,290	30,187,275	39,394,015
<b>Total</b>	<b>69,581,290</b>	<b>30,187,275</b>	<b>39,394,015</b>
<b>Stabilize the Operations of State Government</b>			
<b>Public Safety</b>			
Emergency Assistance	1,037,750	634,757	402,993
<b>Constitutional Agencies</b>			
Disaster Relief	10,534,678	4,314,892	6,219,786
Stabilization of State Government	72,000,000	72,000,000	-
<b>Total</b>	<b>83,572,428</b>	<b>76,949,649</b>	<b>6,622,779</b>
<b>Employment Security</b>			
<b>Human Services</b>			
Claimant Employment Program	22,884,084	13,408,456	9,475,628
Employment Security	69,499,808	58,357,393	11,142,415
Employment Security Special Fund	12,181,296	3,171,856	9,009,440
<b>Total</b>	<b>104,565,188</b>	<b>74,937,705</b>	<b>29,627,483</b>
<b>Regulatory</b>			
<b>Commerce and Industry</b>			
Manufactured Housing	3,008,510	1,195,350	1,813,160
Real Estate Education and Research	2,435,837	605,694	1,830,143
Real Estate Recovery	1,212,513	430,000	782,513

**Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis  
All Special Revenue Fund Budgets**

For the Fiscal Year Ended June 30, 2009

Page 2 of 3

	Final Budget	Actual	Variance
Mobile Home Parks	\$ 359,638	\$ 187,188	\$ 172,450
Mfg Housing-Education/Recovery	750,710	643,443	107,267
Regulatory Fund	14,262,680	10,783,513	3,479,167
Administrative Fines	100,000	22,050	77,950
Transportation Services Authority	2,897,253	2,766,437	130,816
TSA Administrative Fines	384,233	159,781	224,452
Taxicab Authority	8,969,003	6,268,681	2,700,322
Dairy Commission	1,901,718	1,296,480	605,238
<b>Total</b>	<b>36,282,095</b>	<b>24,358,617</b>	<b>11,923,478</b>
<b>Legislative</b>			
<b>Constitutional Agencies</b>			
Nevada Legislative Interim	651,325	576,135	75,190
Legislative Counsel Bureau	57,547,425	51,795,915	5,751,510
Audit Contingency Account	323,700	323,700	-
<b>Total</b>	<b>58,522,450</b>	<b>52,695,750</b>	<b>5,826,700</b>
<b>Higher Education Capital Construction</b>			
<b>Finance and Administration</b>			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	12,905,381	12,905,381	-
<b>Total</b>	<b>17,905,381</b>	<b>17,905,381</b>	<b>-</b>
<b>Cleaning Up Petroleum Discharges</b>			
<b>Infrastructure</b>			
Petroleum Clean-Up Trust Fund	17,909,409	9,450,717	8,458,692
<b>Total</b>	<b>17,909,409</b>	<b>9,450,717</b>	<b>8,458,692</b>
<b>Hospital Care to Indigent Persons</b>			
<b>Finance and Administration</b>			
Supplemental Fund - Indigents	30,184,011	29,076,220	1,107,791
<b>Total</b>	<b>30,184,011</b>	<b>29,076,220</b>	<b>1,107,791</b>
<b>Tourism Promotion</b>			
<b>Commerce and Industry</b>			
Tourism Development	364,668	300,879	63,789
Commission on Tourism	21,100,774	18,406,648	2,694,126
<b>Total</b>	<b>21,465,442</b>	<b>18,707,527</b>	<b>2,757,915</b>
<b>Offenders' Store</b>			
<b>Public Safety</b>			
Offenders' Store Fund	18,427,434	14,102,548	4,324,886
Inmate Welfare Account	4,888,595	3,774,770	1,113,825
<b>Total</b>	<b>23,316,029</b>	<b>17,877,318</b>	<b>5,438,711</b>
<b>Tobacco Settlement</b>			
<b>Constitutional Agencies</b>			
Millennium Scholarship Fund	55,870,881	31,237,830	24,633,051
Millennium Scholarship Administration	457,797	378,917	78,880
Trust Fund for Healthy Nevada	64,416,565	36,446,274	27,970,291
Trust Fund for Public Health	44,079,191	42,929,139	1,150,052
<b>Human Services</b>			
Healthy Nevada Fund	9,382,979	5,565,074	3,817,905
Public Health Tobacco Fund	1,866,789	1,701,673	165,116
Healthy Nevada Fund Administration	15,879,533	11,965,913	3,913,620
<b>Total</b>	<b>191,953,735</b>	<b>130,224,820</b>	<b>61,728,915</b>
<b>Contingency</b>			
<b>Constitutional Agencies</b>			
Interim Finance Committee	33,013,433	14,824,829	18,188,604
<b>Total</b>	<b>33,013,433</b>	<b>14,824,829</b>	<b>18,188,604</b>
<b>Care of Sites for Radioactive Waste Disposal</b>			
<b>Human Services</b>			
Radioactive Material Disposal	13,818,215	4,191,301	9,626,914
<b>Total</b>	<b>13,818,215</b>	<b>4,191,301</b>	<b>9,626,914</b>



	Final Budget	Actual	Variance
<b>Gift</b>			
<b>Education</b>			
Education Gift Fund	\$ 15,670	\$ -	\$ 15,670
Library and Archives Gift Fund	95,784	22,372	73,412
<b>Human Services</b>			
RRC Gift Fund	13,975	-	13,975
SNAMHS Gift Fund	22,769	6,239	16,530
Settlement Funds	126,093	44,181	81,912
Health Division Gifts	21,089	446	20,643
Transition from Foster Care	2,572,751	1,026,244	1,546,507
Aging Services Gift	330,783	22,966	307,817
Summit View Commissary	20,044	2,743	17,301
Disability Services Gift	2,037	823	1,214
CBS Washoe Gift Fund	14,455	-	14,455
Indian Commission Gift Acct	10,186	5,044	5,142
Hospital Gift Fund	294,958	6,966	287,992
NNMRS Gift Fund	9,650	-	9,650
Blind Gift Fund	147,359	-	147,359
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	5,669	-	5,669
Henry Woods Christmas Fund	8,510	2,510	6,000
Nevada Children's Gift Account	606,937	32,463	574,474
CYC Gift Fund	7,347	1,158	6,189
Youth Training Center Gift Fund	35,446	-	35,446
People with Disabilities	42,910	550	42,360
DRC Gift Fund	14,362	2,228	12,134
<b>Infrastructure</b>			
Heil Wild Horse Bequest	228,126	104,550	123,576
Park Gift and Grants	239,621	37,534	202,087
<b>Total</b>	<b>4,896,418</b>	<b>1,319,017</b>	<b>3,577,401</b>
<b>Natural Resources</b>			
<b>Infrastructure</b>			
Grants To Water Purveyors	24,583,005	9,946,520	14,636,485
Erosion Control Bond Q12	1,000,349	429,950	570,399
Protect Lake Tahoe	17,828,348	1,866,894	15,961,454
<b>Total</b>	<b>43,411,702</b>	<b>12,243,364</b>	<b>31,168,338</b>
<b>Miscellaneous</b>			
<b>Constitutional Agencies</b>			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	6,135,508	4,190,646	1,944,862
Unfair Trade Practices	750,000	36,202	713,798
<b>Commerce and Industry</b>			
Lot Rent Trust Subsidy	488,213	370,735	117,478
Rural Rehabilitation Trust	234,713	-	234,713
<b>Education</b>			
Museums and History Trust Fund	335,931	323,978	11,953
Museums and History Board Trust	17,743	16,743	1,000
Museums Administrator Trust	88,815	42,739	46,076
Nevada Historical Society Trust	310,169	171,538	138,631
Nevada State Museum Trust	805,345	505,744	299,601
Nevada Railroad Museum Trust	392,307	227,415	164,892
Lost City Museum Trust	170,593	98,267	72,326
Las Vegas Museum and Trust	65,941	50,185	15,756
<b>Finance and Administration</b>			
Public Works Inspection	8,955,925	6,975,514	1,980,411
Public Works Retention Payment	924,483	387,207	537,276
Victims of Crime	11,330,091	9,961,777	1,368,314
<b>Special Projects</b>			
School Improvement	100	16	84
<b>Total</b>	<b>31,006,002</b>	<b>23,358,706</b>	<b>7,647,296</b>
<b>Total Special Revenue Funds</b>	<b>\$ 1,997,649,192</b>	<b>\$ 1,605,885,312</b>	<b>\$ 391,763,880</b>

**Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis  
All Nonmajor Special Revenue Fund Budgets**

For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	<b>Employment Security</b>			<b>Regulatory</b>		
Fund balances, July 1	\$ 17,707,707	\$ 17,707,707	\$ -	\$ 10,902,752	\$ 10,902,752	\$ -
<b>Revenues:</b>						
Federal	68,398,290	58,427,202	(9,971,088)	472,580	408,381	(64,199)
Other taxes	-	-	-	11,007,084	11,167,220	160,136
Sales and charges for services	988,412	717,192	(271,220)	5,435,197	4,730,928	(704,269)
Licenses, fees and permits	379,998	351,479	(28,519)	4,061,323	2,930,983	(1,130,340)
Interest	630,179	327,331	(302,848)	119,673	92,088	(27,585)
Other	15,340,018	13,533,036	(1,806,982)	640,579	619,751	(20,828)
<b>Other financing sources:</b>						
Transfer from other funds	1,120,584	973,648	(146,936)	3,529,833	3,087,740	(442,093)
<b>Total sources</b>	<u>\$104,565,188</u>	<u>\$ 92,037,595</u>	<u>\$(12,527,593)</u>	<u>\$ 36,169,021</u>	<u>\$ 33,939,843</u>	<u>\$(2,229,178)</u>
	<b>Legislative</b>			<b>Higher Education Capital Construction</b>		
Fund balances, July 1	\$ 7,686,962	\$ 7,686,962	\$ -	\$ -	\$ -	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-	-	-	14,963,890	14,963,890	-
Sales, charges for services	271,000	288,655	17,655	-	-	-
Licenses, fees and permits	85,000	79,378	(5,622)	-	-	-
Other	297,312	379,296	81,984	-	-	-
<b>Other financing sources:</b>						
Transfer from other funds	50,102,176	50,073,634	(28,542)	-	-	-
<b>Total sources</b>	<u>\$ 58,442,450</u>	<u>\$ 58,507,925</u>	<u>\$ 65,475</u>	<u>\$ 14,963,890</u>	<u>\$ 14,963,890</u>	<u>\$ -</u>
	<b>Cleaning Up Petroleum Discharges</b>			<b>Hospital Care to Indigent Persons</b>		
Fund balances, July 1	\$ 3,259,309	\$ 3,259,309	\$ -	\$ 1,655,059	\$ 1,655,059	\$ -
<b>Revenues:</b>						
Other taxes	13,500,000	12,564,026	(935,974)	28,274,052	27,038,631	(1,235,421)
Sales, charges for services	100	-	(100)	-	-	-
Licenses, fees and permits	550,000	426,100	(123,900)	-	-	-
Interest	500,000	78,885	(421,115)	254,900	131,021	(123,879)
Other	100,000	-	(100,000)	-	351,509	351,509
<b>Total sources</b>	<u>\$ 17,909,409</u>	<u>\$ 16,328,320</u>	<u>\$ (1,581,089)</u>	<u>\$ 30,184,011</u>	<u>\$ 29,176,220</u>	<u>\$(1,007,791)</u>
	<b>Tourism Promotion</b>			<b>Offenders' Store</b>		
Fund balances, July 1	\$ 2,748,319	\$ 2,748,319	\$ -	\$ 4,510,333	\$ 4,510,333	\$ -
<b>Revenues:</b>						
Other taxes	18,163,309	18,163,309	-	-	-	-
Sales, charges for services	-	-	-	15,069,378	14,913,684	(155,694)
Licenses, fees and permits	9,700	8,925	(775)	-	-	-
Interest	17,103	4,626	(12,477)	217,404	208,799	(8,605)
Other	13,427	11,472	(1,955)	450,022	446,954	(3,068)
<b>Other financing sources:</b>						
Transfer from other funds	513,585	508,156	(5,429)	3,068,892	3,068,892	-
<b>Total sources</b>	<u>\$ 21,465,443</u>	<u>\$ 21,444,807</u>	<u>\$ (20,636)</u>	<u>\$ 23,316,029</u>	<u>\$ 23,148,662</u>	<u>\$ (167,367)</u>



NEVADA

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	<b>Tobacco Settlement</b>			<b>Contingency</b>		
Fund balances, July 1	\$108,769,698	\$108,769,698	\$ -	\$ 10,248,783	\$ 10,248,783	\$ -
<b>Revenues:</b>						
Interest	2,131,068	2,182,600	51,532	-	-	-
Other	45,865,871	50,072,293	4,206,422	-	82	82
<b>Other financing sources:</b>						
Transfer from other funds	35,187,098	19,639,748	(15,547,350)	22,764,650	25,082,313	2,317,663
<b>Total sources</b>	<u>\$191,953,735</u>	<u>\$180,664,339</u>	<u>\$(11,289,396)</u>	<u>\$ 33,013,433</u>	<u>\$ 35,331,178</u>	<u>\$ 2,317,745</u>
	<b>Care of Sites for Radioactive Waste Disposal</b>			<b>Gift</b>		
Fund balances, July 1	\$ 13,241,039	\$ 13,241,039	\$ -	\$ 2,944,242	\$ 2,944,242	\$ -
<b>Revenues:</b>						
Sales, charges for services	-	-	-	12,480	4,276	(8,204)
Licenses, fees and permits	134,028	147,157	13,129	1,520,691	1,128,088	(392,603)
Interest	443,148	219,368	(223,780)	158,411	66,390	(92,021)
Other	-	-	-	254,594	93,582	(161,012)
<b>Other financing sources:</b>						
Transfer from other funds	-	-	-	6,000	1,183	(4,817)
<b>Total sources</b>	<u>\$ 13,818,215</u>	<u>\$ 13,607,564</u>	<u>\$ (210,651)</u>	<u>\$ 4,896,418</u>	<u>\$ 4,237,761</u>	<u>\$ (658,657)</u>
	<b>Natural Resources</b>			<b>Miscellaneous</b>		
Fund balances, July 1	\$ 28,662,126	\$ 28,662,126	\$ -	\$ 5,210,006	\$ 5,210,006	\$ -
<b>Revenues:</b>						
Federal	447,480	140,884	(306,596)	2,138,000	1,221,377	(916,623)
Other taxes	-	-	-	2,865,385	2,470,282	(395,103)
Sales, charges for services	-	-	-	1,029,320	855,931	(173,389)
Licenses, fees, permits	-	-	-	14,053,032	13,110,815	(942,217)
Interest	1,345,789	799,137	(546,652)	1,020,368	493,005	(527,363)
Other	-	-	-	3,010,970	2,649,129	(361,841)
<b>Other financing sources:</b>						
Proceeds from sale of bonds	12,956,307	12,956,307	-	-	-	-
Transfers from other funds	-	-	-	1,598,706	1,696,431	97,725
<b>Total sources</b>	<u>\$ 43,411,702</u>	<u>\$ 42,558,454</u>	<u>\$ (853,248)</u>	<u>\$ 30,925,787</u>	<u>\$ 27,706,976</u>	<u>\$(3,218,811)</u>
	<b>Total Nonmajor Special Revenue Funds</b>					
Fund balances, July 1	\$217,546,335	\$217,546,335	\$ -			
<b>Revenues:</b>						
Gaming taxes, fees, licenses	14,963,890	14,963,890	-			
Federal	71,456,350	60,197,844	(11,258,506)			
Other taxes	73,809,830	71,403,468	(2,406,362)			
Sales, charges for services	22,805,887	21,510,666	(1,295,221)			
Licenses, fees and permits	20,793,772	18,182,925	(2,610,847)			
Interest	6,838,043	4,603,250	(2,234,793)			
Other	65,972,793	68,157,104	2,184,311			
<b>Other financing sources:</b>						
Proceeds from sale of bonds	12,956,307	12,956,307	-			
Transfer from other funds	117,891,524	104,131,745	(13,759,779)			
<b>Total sources</b>	<u>\$625,034,731</u>	<u>\$593,653,534</u>	<u>\$(31,381,197)</u>			



The **Elgin Schoolhouse** is a historic, single-room school in rural Nevada's Lincoln County. The schoolhouse was used from 1922 through 1967, when its last student reached eighth grade. In 1998, the building was restored to its original appearance and volunteers opened the building for tours by request. It became a part of Kershaw-Ryan State Park in July 2005. The schoolhouse features half of the school's original furnishings – books, teaching material and other items authentic to the time period.



# 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 Examination** Accounts for activities related to examinations of financial records and assets of authorized insurers (NRS 679B.300).

**Gaming Investigative** Accounts for activities related to investigations of gaming license applicants (NRS 463.331) and cash transactions of gaming licensees (NRS 463.332).

**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).

**WICHE Student Loans** Accounts for loans and stipends to students in professional and graduate programs where such education is not available from an institution within the State (NRS 397.063).

**Higher Education Tuition Trust** Accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be paid in advance of enrollment at an institution of higher education (NRS 353B.140).

**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 Assets Nonmajor Enterprise Funds

June 30, 2009

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
<b>Assets</b>				
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 34,846,875	\$ 1,311,299	\$ 11,790,553	\$ 105,321
Cash in custody of other officials	214	-	137,401	100
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,995,906	887,040	114,091	12,488
Intergovernmental receivables	288,894	-	-	-
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Trades pending settlement	-	-	-	-
Due from other funds	1,663,192	-	254	92,859
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	217,243
Prepaid expenses	-	-	2,480	-
<b>Total current assets</b>	<b>38,795,081</b>	<b>2,198,339</b>	<b>12,044,779</b>	<b>428,011</b>
<b>Noncurrent assets:</b>				
<i>Receivables:</i>				
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Notes/loans receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,195,475	-	116,424	78,561
Construction in progress	-	-	-	413,400
Less accumulated depreciation	(1,547,398)	-	(75,247)	(78,561)
<b>Total noncurrent assets</b>	<b>648,077</b>	<b>-</b>	<b>41,177</b>	<b>413,400</b>
<b>Total assets</b>	<b>39,443,158</b>	<b>2,198,339</b>	<b>12,085,956</b>	<b>841,411</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	398,510	165,328	483,109	39,035
Accrued payroll and related liabilities	663,666	-	-	6,590
Interest payable	-	-	-	-
Intergovernmental payables	10,877	-	408	-
Trades pending settlement	-	-	-	-
Due to other funds	25,860	124,628	2,414,420	15,210
Due to fiduciary funds	18	-	-	725
Due to component units	760	-	-	-
Deferred revenues	-	-	8,720,036	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	775,981	-	-	4,263
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total current liabilities</b>	<b>1,875,672</b>	<b>289,956</b>	<b>11,617,973</b>	<b>65,823</b>
<b>Noncurrent liabilities:</b>				
Advances from general fund	-	-	-	372,060
Compensated absences	359,114	-	-	480
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>359,114</b>	<b>-</b>	<b>-</b>	<b>372,540</b>
<b>Total liabilities</b>	<b>2,234,786</b>	<b>289,956</b>	<b>11,617,973</b>	<b>438,363</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	648,077	-	41,177	413,400
Restricted for workers' compensation	36,560,295	-	-	-
Restricted for regulation of business	-	1,908,383	2,000	-
Unrestricted (deficit)	-	-	424,806	(10,352)
<b>Total net assets</b>	<b>\$ 37,208,372</b>	<b>\$ 1,908,383</b>	<b>\$ 467,983</b>	<b>\$ 403,048</b>



NEVADA

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>WICHE Student Loans</u>	<u>Higher Education Tuition Trust</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 2,158,128	\$ 73,212	\$ 77,540	\$ 2,689,772	\$ 1,790,512	\$ 54,843,212
100	1,178	-	2,654,227	-	2,793,220
-	-	-	86,754,479	-	86,754,479
1,062,145	113,884	-	-	-	4,185,554
55,763	-	-	-	165,939	510,596
-	-	-	4,400,000	-	4,400,000
-	-	72,427	434,866	-	507,293
-	-	-	210,832	-	210,832
152,043	4,721	-	20,673	92	1,933,834
9,329	-	-	-	-	9,329
580	-	-	-	-	580
1,474,767	16,482	-	-	-	1,708,492
-	6,212	-	-	-	8,692
<u>4,912,855</u>	<u>215,689</u>	<u>149,967</u>	<u>97,164,849</u>	<u>1,956,543</u>	<u>157,866,113</u>
-	-	-	13,411,298	-	13,411,298
-	-	402,711	-	-	402,711
-	-	1,548,311	-	-	1,548,311
-	-	-	-	97,921	97,921
15,000	-	-	-	-	15,000
153,140	-	-	-	414,672	567,812
2,890,227	-	-	-	498,613	3,388,840
-	-	-	-	630,647	630,647
984,233	-	-	15,295	1,595,894	4,985,882
-	-	-	-	7,273,796	7,687,196
<u>(2,810,241)</u>	<u>-</u>	<u>-</u>	<u>(11,606)</u>	<u>(2,414,330)</u>	<u>(6,937,383)</u>
<u>1,232,359</u>	<u>-</u>	<u>1,951,022</u>	<u>13,414,987</u>	<u>8,097,213</u>	<u>25,798,235</u>
<u>6,145,214</u>	<u>215,689</u>	<u>2,100,989</u>	<u>110,579,836</u>	<u>10,053,756</u>	<u>183,664,348</u>
87,781	52,747	50,804	166,345	1,190	1,444,849
67,586	23,366	-	5,250	14,198	780,656
-	-	-	-	29,457	29,457
31	-	-	-	169	11,485
-	-	-	1,858,913	-	1,858,913
18,881	1,982	9,787	36,422	12,147	2,659,337
55,674	-	-	-	-	56,417
-	-	30,300	33,953	-	65,013
115,130	234,392	-	-	-	9,069,558
6,712	-	-	-	2,050	8,762
125,072	24,496	-	10,297	20,200	960,309
-	-	-	8,700,000	-	8,700,000
-	-	-	-	136,710	136,710
<u>476,867</u>	<u>336,983</u>	<u>90,891</u>	<u>10,811,180</u>	<u>216,121</u>	<u>25,781,466</u>
-	-	-	-	31,048	403,108
102,947	14,351	-	1,500	16,157	494,549
-	-	-	116,231,000	-	116,231,000
-	-	-	-	7,370,946	7,370,946
<u>102,947</u>	<u>14,351</u>	<u>-</u>	<u>116,232,500</u>	<u>7,418,151</u>	<u>124,499,603</u>
<u>579,814</u>	<u>351,334</u>	<u>90,891</u>	<u>127,043,680</u>	<u>7,634,272</u>	<u>150,281,069</u>
1,217,359	-	-	3,689	926,077	3,249,779
-	-	-	-	-	36,560,295
-	-	-	-	-	1,910,383
<u>4,348,041</u>	<u>(135,645)</u>	<u>2,010,098</u>	<u>(16,467,533)</u>	<u>1,493,407</u>	<u>(8,337,178)</u>
<u>\$ 5,565,400</u>	<u>\$ (135,645)</u>	<u>\$ 2,010,098</u>	<u>\$ (16,463,844)</u>	<u>\$ 2,419,484</u>	<u>\$ 33,383,279</u>

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2009

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
<b>Operating Revenues</b>				
Sales	\$ -	\$ -	\$ -	\$ 388,626
Assessments	34,478,803	-	-	-
Charges for services	425	-	14,135,966	-
Rental income	-	-	-	-
Interest income on loans	-	-	-	-
Licenses, fees and permits	314,509	6,613,032	-	-
Fines	1,861,073	-	-	-
Other	2,280,118	-	-	3,345
<b>Total operating revenues</b>	<b>38,934,928</b>	<b>6,613,032</b>	<b>14,135,966</b>	<b>391,971</b>
<b>Operating Expenses</b>				
Salaries and benefits	15,782,096	-	-	73,297
Operating	4,032,027	5,747,599	1,852,333	77,420
Claims and benefits expense	6,643,842	-	-	-
Materials or supplies used	-	-	-	296,779
Depreciation	194,026	-	25,948	6,641
<b>Total operating expenses</b>	<b>26,651,991</b>	<b>5,747,599</b>	<b>1,878,281</b>	<b>454,137</b>
Operating income (loss)	12,282,937	865,433	12,257,685	(62,166)
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	103,264	-	-	-
Interest expense	(106,057)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,189,478	-	-	-
Gain (loss) on disposal/sale of assets	20,415	-	-	700
<b>Total nonoperating revenues (expenses)</b>	<b>2,207,100</b>	<b>-</b>	<b>-</b>	<b>700</b>
Income (loss) before transfers	14,490,037	865,433	12,257,685	(61,466)
<b>Transfers</b>				
Transfers in	-	-	2,000	-
Transfers out	(10,642,335)	-	(12,110,828)	-
Change in net assets	3,847,702	865,433	148,857	(61,466)
Net assets, July 1	33,360,670	1,042,950	319,126	464,514
<b>Net assets, June 30</b>	<b>\$ 37,208,372</b>	<b>\$ 1,908,383</b>	<b>\$ 467,983</b>	<b>\$ 403,048</b>



NEVADA

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>WICHE Student Loans</u>	<u>Higher Education Tuition Trust</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 3,914,589	\$ 1,688,329	\$ -	\$ 6,148,677	\$ 966,504	\$ 13,106,725
-	-	-	-	-	34,478,803
462,604	-	-	6,804	-	14,605,799
141,221	-	-	-	3,200	144,421
-	-	190,498	-	-	190,498
-	-	-	-	-	6,927,541
-	-	-	-	-	1,861,073
975,137	3,890	1,231	66,300	14,886	3,344,907
<u>5,493,551</u>	<u>1,692,219</u>	<u>191,729</u>	<u>6,221,781</u>	<u>984,590</u>	<u>74,659,767</u>
1,844,214	723,295	-	154,292	181,774	18,758,968
2,358,089	324,344	671,716	680,377	60,519	15,804,424
-	-	-	12,263,144	-	18,906,986
1,489,161	752,499	-	-	-	2,538,439
126,280	-	-	3,821	62,014	418,730
<u>5,817,744</u>	<u>1,800,138</u>	<u>671,716</u>	<u>13,101,634</u>	<u>304,307</u>	<u>56,427,547</u>
<u>(324,193)</u>	<u>(107,919)</u>	<u>(479,987)</u>	<u>(6,879,853)</u>	<u>680,283</u>	<u>18,232,220</u>
12,273	-	-	(10,180,505)	-	(10,064,968)
(8,160)	-	-	-	(230,445)	(344,662)
-	-	-	-	(3,446)	(3,446)
-	-	-	-	-	2,189,478
-	-	-	-	-	21,115
<u>4,113</u>	<u>-</u>	<u>-</u>	<u>(10,180,505)</u>	<u>(233,891)</u>	<u>(8,202,483)</u>
<u>(320,080)</u>	<u>(107,919)</u>	<u>(479,987)</u>	<u>(17,060,358)</u>	<u>446,392</u>	<u>10,029,737</u>
-	160,608	690,261	1,160,577	-	2,013,446
<u>(32,167)</u>	<u>-</u>	<u>(89,966)</u>	<u>-</u>	<u>-</u>	<u>(22,875,296)</u>
<u>(352,247)</u>	<u>52,689</u>	<u>120,308</u>	<u>(15,899,781)</u>	<u>446,392</u>	<u>(10,832,113)</u>
<u>5,917,647</u>	<u>(188,334)</u>	<u>1,889,790</u>	<u>(564,063)</u>	<u>1,973,092</u>	<u>44,215,392</u>
<u>\$ 5,565,400</u>	<u>\$ (135,645)</u>	<u>\$ 2,010,098</u>	<u>\$ (16,463,844)</u>	<u>\$ 2,419,484</u>	<u>\$ 33,383,279</u>

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2009

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 38,600,418	\$ 6,157,939	\$ 13,798,952	\$ 142,354
Receipts for interfund services provided	62,105	343,649	-	181,717
Receipts of principal on loans and notes	-	-	-	-
Receipts of interest on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(8,977,824)	(4,200,754)	(1,472,725)	(96,735)
Payments to employees	(15,005,935)	-	-	(157,812)
Payments for interfund services used	(2,228,320)	(1,739,758)	(81,952)	(141,851)
Payments to component units	(730)	-	-	-
Purchase of loans and notes	-	-	-	-
Net cash provided by (used for) operating activities	<u>12,449,714</u>	<u>561,076</u>	<u>12,244,275</u>	<u>(72,327)</u>
<b>Cash flows from noncapital financing activities</b>				
Grant receipts	2,321,526	-	-	-
Transfers and advances from other funds	-	-	2,102	-
Transfers and advances to other funds	(11,083,917)	-	(11,357,144)	-
Other noncapital financing activities	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(8,762,391)</u>	<u>-</u>	<u>(11,355,042)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	24,875	-	-	700
Purchase of capital assets	(179,665)	-	-	-
Principal paid on capital debt	-	-	-	(26,250)
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(154,790)</u>	<u>-</u>	<u>-</u>	<u>(25,550)</u>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends received	105,756	-	-	-
Net cash provided by (used for) investing activities	<u>105,756</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	3,638,289	561,076	889,233	(97,877)
Cash and cash equivalents, July 1	31,208,800	750,223	11,038,721	203,298
<b>Cash and cash equivalents, June 30</b>	<u>\$ 34,847,089</u>	<u>\$ 1,311,299</u>	<u>\$ 11,927,954</u>	<u>\$ 105,421</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 12,282,937	\$ 865,433	\$ 12,257,685	\$ (62,166)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	194,026	-	25,948	6,641
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(272,405)	(111,444)	83,632	(67,900)
Decrease (increase) in inventory, deferred charges, other assets	-	-	85,680	45,152
Increase (decrease) in accounts payable, accruals, other liabilities	245,156	(192,913)	(208,670)	5,946
Total adjustments	<u>166,777</u>	<u>(304,357)</u>	<u>(13,410)</u>	<u>(10,161)</u>
Net cash provided by (used for) operating activities	<u>\$ 12,449,714</u>	<u>\$ 561,076</u>	<u>\$ 12,244,275</u>	<u>\$ (72,327)</u>
<b>Noncash investing, capital and financing activities</b>				
Construction completed or in progress	\$ -	\$ -	\$ -	\$ 26,177
Increase (decrease) in fair value of investments	(738,437)	-	-	-



NEVADA

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 3,037,764	\$ 1,068,656	\$ 1,254	\$ 6,110,546	\$ 1,140,578	\$ 70,058,461
2,288,488	543,612	-	67,989	-	3,487,560
-	-	318,814	-	-	318,814
-	-	120,587	-	-	120,587
(2,376,778)	(1,037,411)	(719,859)	(3,466,701)	(17,305)	(22,366,092)
(1,723,022)	(723,515)	-	(159,831)	(166,095)	(17,936,210)
(1,754,281)	(93,329)	-	(186,319)	(71,614)	(6,297,424)
(3,056)	-	(73,130)	(3,004,677)	(2,920)	(3,084,513)
-	-	(351,328)	-	-	(351,328)
(530,885)	(241,987)	(703,662)	(638,993)	882,644	23,949,855
-	-	-	-	-	2,321,526
-	170,456	698,870	1,160,577	-	2,032,005
(32,167)	-	(133,066)	(1,160,577)	-	(23,766,871)
(589)	-	-	-	-	(589)
(32,756)	170,456	565,804	-	-	(19,413,929)
-	-	-	-	-	25,575
(13,000)	-	-	-	-	(192,665)
-	-	-	-	(110,512)	(136,762)
-	-	-	-	(385,249)	(385,249)
-	-	-	-	(2,895,598)	(2,895,598)
(13,000)	-	-	-	(3,391,359)	(3,584,699)
-	-	-	129,246,259	-	129,246,259
-	-	-	(129,049,016)	-	(129,049,016)
-	-	-	3,244,406	-	3,350,162
-	-	-	3,441,649	-	3,547,405
(576,641)	(71,531)	(137,858)	2,802,656	(2,508,715)	4,498,632
2,734,869	145,921	215,398	2,541,343	4,299,227	53,137,800
\$ 2,158,228	\$ 74,390	\$ 77,540	\$ 5,343,999	\$ 1,790,512	\$ 57,636,432
\$ (324,193)	\$ (107,919)	\$ (479,987)	\$ (6,879,853)	\$ 680,283	\$ 18,232,220
126,280	-	-	3,821	62,014	418,730
-	-	(32,842)	-	-	(32,842)
(167,299)	(13,997)	(70,181)	(43,246)	155,988	(506,852)
(59,376)	3,103	-	-	-	74,559
(106,297)	(123,174)	(120,652)	6,280,285	(15,641)	5,764,040
(206,692)	(134,068)	(223,675)	6,240,860	202,361	5,717,635
\$ (530,885)	\$ (241,987)	\$ (703,662)	\$ (638,993)	\$ 882,644	\$ 23,949,855
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,177
(49,086)	-	-	(13,386,402)	-	(14,173,925)



**Kershaw-Ryan State Park** is situated in a colorful, scenic canyon at the northern end of Rainbow Canyon. The steep canyon walls tower to 700 feet and overlook a long, narrow valley. Early settlers in the area cultivated a garden of grape vines, fruit trees and a grass lawn surrounding a spring-fed pond, providing a beautiful contrast to the rugged landscape. A picnic area, children's wading pool and playground, group use area and trails offer visitors nature study, photography, picnicking and hiking



# 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).

**Motor Pool** 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 331.103).

**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 Assets Internal Service Funds

June 30, 2009

<b>Assets</b>	<b>Self-Insurance</b>	<b>Buildings and Grounds</b>	<b>Motor Pool</b>	<b>Communications</b>
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 87,441,765	\$ 3,676,745	\$ 672,583	\$ 284,477
Cash in custody of other officials	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,831,217	4,098	100	-
Intergovernmental receivables	7,673,729	-	819	6,281
Notes receivable	-	-	-	-
Due from other funds	603,908	184,897	421,626	1,234,033
Due from fiduciary funds	21,922	-	919	-
Due from component units	1,143,975	-	11,762	3,448
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total current assets</b>	<b>98,716,516</b>	<b>3,865,740</b>	<b>1,107,809</b>	<b>1,528,239</b>
<b>Noncurrent assets:</b>				
Intergovernmental receivables	3,088,035	-	-	-
Notes receivable	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	-	-
Buildings	-	2,268,068	1,037,144	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	433,902	863,915	13,941,114	1,078,160
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(363,351)	(2,107,856)	(10,150,435)	(881,247)
<b>Total noncurrent assets</b>	<b>3,158,586</b>	<b>1,335,743</b>	<b>4,827,823</b>	<b>619,364</b>
<b>Total assets</b>	<b>101,875,102</b>	<b>5,201,483</b>	<b>5,935,632</b>	<b>2,147,603</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	6,514,784	517,297	78,629	4,154
Accrued payroll and related liabilities	92,017	347,759	34,802	45,902
Intergovernmental payables	-	29,727	530	-
Bank overdraft	6,956,243	-	-	-
Due to other funds	14,479	19,140	117,063	26,005
Due to fiduciary funds	710,436	18,083	745	-
Due to component units	-	-	513	-
Deferred revenues	13,610	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	35,881,000	-	-	-
Compensated absences	86,780	365,011	54,577	59,551
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total current liabilities</b>	<b>50,269,349</b>	<b>1,297,017</b>	<b>286,859</b>	<b>135,612</b>
<b>Noncurrent liabilities:</b>				
<i>Advances:</i>				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	38,613	149,865	43,067	33,044
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>38,613</b>	<b>149,865</b>	<b>43,067</b>	<b>33,044</b>
<b>Total liabilities</b>	<b>50,307,962</b>	<b>1,446,882</b>	<b>329,926</b>	<b>168,656</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	70,551	1,335,743	4,827,823	619,364
Unrestricted (deficit)	51,496,589	2,418,858	777,883	1,359,583
<b>Total net assets</b>	<b>\$ 51,567,140</b>	<b>\$ 3,754,601</b>	<b>\$ 5,605,706</b>	<b>\$ 1,978,947</b>



NEVADA

<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 15,596,025	\$ 505,815	\$ 3,399,818	\$ 985,539	\$ 4,506,077	\$ 666,860	\$ 117,735,704
-	-	-	-	100	-	100
9,551	-	172	-	3,959	-	1,849,097
79	-	-	25	42,842	-	7,723,775
10,000	-	-	-	-	-	10,000
2,109,184	430	9,377	889	2,407,526	314,166	7,286,036
-	-	-	-	-	-	22,841
451	-	-	-	1,723	-	1,161,359
-	-	-	-	-	192,657	192,657
266,432	-	398	-	40	-	266,870
<u>17,991,722</u>	<u>506,245</u>	<u>3,409,765</u>	<u>986,453</u>	<u>6,962,267</u>	<u>1,173,683</u>	<u>136,248,439</u>
-	-	-	-	-	-	3,088,035
105,000	-	-	-	-	-	105,000
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	3,870,571	22,078,621
-	-	-	-	-	-	713,667
30,475	59,699	220,220	189,459	27,801,233	4,192,648	48,810,825
-	-	15,323,810	-	-	-	15,323,810
(25,280)	(49,130)	(13,346,231)	(305,405)	(24,936,461)	(3,844,912)	(56,010,308)
<u>110,195</u>	<u>10,569</u>	<u>2,197,799</u>	<u>119,608</u>	<u>17,642,610</u>	<u>4,218,307</u>	<u>34,240,604</u>
<u>18,101,917</u>	<u>516,814</u>	<u>5,607,564</u>	<u>1,106,061</u>	<u>24,604,877</u>	<u>5,391,990</u>	<u>170,489,043</u>
687,425	50,711	203,231	43,138	420,007	40,853	8,560,229
36,156	41,024	271,937	117,417	486,834	1,594	1,475,442
-	-	-	-	1,820	-	32,077
-	-	-	-	-	-	6,956,243
27,331	783	1,129,023	23,114	1,439,254	112,675	2,908,867
-	-	-	-	-	1,650	730,914
17,056	-	4,895	-	973	-	23,437
-	-	-	-	5,740	-	19,350
17,655,327	-	-	-	-	-	53,536,327
24,509	53,990	367,989	139,269	741,173	91,534	1,984,383
-	-	-	-	513,323	-	513,323
-	-	-	-	1,242,483	-	1,242,483
<u>18,447,804</u>	<u>146,508</u>	<u>1,977,075</u>	<u>322,938</u>	<u>4,851,607</u>	<u>248,306</u>	<u>77,983,075</u>
-	-	2,029,560	-	1,020,773	-	3,050,333
-	-	-	-	1,657,001	-	1,657,001
27,932,821	-	-	-	-	-	27,932,821
3,641	10,506	208,736	84,630	388,243	85,612	1,045,957
-	-	-	-	7,813,768	-	7,813,768
-	-	-	-	2,567,440	-	2,567,440
<u>27,936,462</u>	<u>10,506</u>	<u>2,238,296</u>	<u>84,630</u>	<u>13,447,225</u>	<u>85,612</u>	<u>44,067,320</u>
<u>46,384,266</u>	<u>157,014</u>	<u>4,215,371</u>	<u>407,568</u>	<u>18,298,832</u>	<u>333,918</u>	<u>122,050,395</u>
5,195	10,569	2,197,799	119,608	5,505,596	4,218,307	18,910,555
(28,287,544)	349,231	(805,606)	578,885	800,449	839,765	29,528,093
<u>\$ (28,282,349)</u>	<u>\$ 359,800</u>	<u>\$ 1,392,193</u>	<u>\$ 698,493</u>	<u>\$ 6,306,045</u>	<u>\$ 5,058,072</u>	<u>\$ 48,438,648</u>

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds

For the Fiscal Year Ended June 30, 2009

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Operating Revenues</b>				
Net premium income	\$ 322,234,308	\$ -	\$ -	\$ -
Sales	-	-	11,112	-
Charges for services	-	1,433,327	-	7,330,696
Rental income	-	15,847,134	4,896,572	-
Other	3,513,725	40,314	1,057	-
<b>Total operating revenues</b>	<b>325,748,033</b>	<b>17,320,775</b>	<b>4,908,741</b>	<b>7,330,696</b>
<b>Operating Expenses</b>				
Salaries and benefits	2,304,365	6,595,808	880,731	1,041,817
Operating	2,712,582	10,405,690	1,879,091	5,951,337
Claims expense	238,691,260	-	-	-
Materials or supplies used	-	-	363,349	-
Depreciation	30,156	84,950	1,839,824	87,693
Amortization	-	-	-	-
Insurance premiums	93,582,739	-	-	-
<b>Total operating expenses</b>	<b>337,321,102</b>	<b>17,086,448</b>	<b>4,962,995</b>	<b>7,080,847</b>
Operating income (loss)	(11,573,069)	234,327	(54,254)	249,849
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	(95,807)	-	-	-
Interest expense	(213,762)	-	-	-
Gain (loss) on disposal of assets	-	-	134,945	-
<b>Total nonoperating revenues (expenses)</b>	<b>(309,569)</b>	<b>-</b>	<b>134,945</b>	<b>-</b>
Income (loss) before transfers	(11,882,638)	234,327	80,691	249,849
<b>Transfers</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net assets	(11,882,638)	234,327	80,691	249,849
Net assets, July 1	63,449,778	3,520,274	5,525,015	1,729,098
<b>Net assets, June 30</b>	<b>\$ 51,567,140</b>	<b>\$ 3,754,601</b>	<b>\$ 5,605,706</b>	<b>\$ 1,978,947</b>



NEVADA

<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 24,085,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,319,530
-	-	-	4,874	-	3,442,608	3,458,594
-	1,337,536	11,767,278	2,748,180	22,439,044	-	47,056,061
-	-	-	-	580,769	-	21,324,475
116,803	-	37,565	6,360	-	6,056	3,721,880
<u>24,202,025</u>	<u>1,337,536</u>	<u>11,804,843</u>	<u>2,759,414</u>	<u>23,019,813</u>	<u>3,448,664</u>	<u>421,880,540</u>
659,463	1,157,719	6,460,168	2,142,223	11,355,999	1,670,311	34,268,604
3,940,044	187,169	3,968,586	783,429	8,866,621	296,408	38,990,957
18,998,921	-	-	-	-	-	257,690,181
-	-	-	7,740	-	734,779	1,105,868
2,009	2,885	20,461	10,898	3,261,794	310,296	5,650,966
-	-	1,532,381	-	-	-	1,532,381
5,072,035	-	-	-	-	-	98,654,774
<u>28,672,472</u>	<u>1,347,773</u>	<u>11,981,596</u>	<u>2,944,290</u>	<u>23,484,414</u>	<u>3,011,794</u>	<u>437,893,731</u>
<u>(4,470,447)</u>	<u>(10,237)</u>	<u>(176,753)</u>	<u>(184,876)</u>	<u>(464,601)</u>	<u>436,870</u>	<u>(16,013,191)</u>
13,407	-	-	-	-	-	(82,400)
-	-	(29)	(5,969)	(164,157)	(189)	(384,106)
-	-	-	(5,106)	(316,915)	-	(187,076)
<u>13,407</u>	<u>-</u>	<u>(29)</u>	<u>(11,075)</u>	<u>(481,072)</u>	<u>(189)</u>	<u>(653,582)</u>
<u>(4,457,040)</u>	<u>(10,237)</u>	<u>(176,782)</u>	<u>(195,951)</u>	<u>(945,673)</u>	<u>436,681</u>	<u>(16,666,773)</u>
2,000,000	-	-	184,479	37,876	82,312	2,304,667
(100,000)	-	-	-	-	-	(100,000)
<u>(2,557,040)</u>	<u>(10,237)</u>	<u>(176,782)</u>	<u>(11,472)</u>	<u>(907,797)</u>	<u>518,993</u>	<u>(14,462,106)</u>
<u>(25,725,309)</u>	<u>370,037</u>	<u>1,568,975</u>	<u>709,965</u>	<u>7,213,842</u>	<u>4,539,079</u>	<u>62,900,754</u>
<u>\$ (28,282,349)</u>	<u>\$ 359,800</u>	<u>\$ 1,392,193</u>	<u>\$ 698,493</u>	<u>\$ 6,306,045</u>	<u>\$ 5,058,072</u>	<u>\$ 48,438,648</u>

## Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 2009

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 89,172,033	\$ 108,226	\$ 29,324	\$ 36,485
Receipts for interfund services provided	157,689,408	17,230,440	4,820,853	6,836,726
Receipts from component units	76,409,118	-	85,634	8,955
Payments to suppliers, other governments and beneficiaries	(327,286,492)	(8,978,717)	(1,209,059)	(5,801,299)
Payments to employees	(2,347,206)	(6,600,750)	(881,985)	(988,938)
Payments for interfund services used	(681,792)	(1,350,229)	(1,328,840)	(279,220)
Payments to component units	-	(285)	-	-
Net cash provided by (used for) operating activities	<u>(7,044,931)</u>	<u>408,685</u>	<u>1,515,927</u>	<u>(187,291)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers and advances from other funds	-	-	-	-
Transfers and advances to other funds	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers from (reversions to) other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	167,614	-
Purchase of capital assets	(29,470)	(146,886)	(1,560,850)	(125,463)
Principal paid on capital debt	-	(333,622)	(66,470)	(190,102)
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(29,470)</u>	<u>(480,508)</u>	<u>(1,459,706)</u>	<u>(315,565)</u>
<b>Cash flows from investing activities</b>				
Interest and dividends received	190,368	-	-	-
Net cash provided by (used for) investing activities	<u>190,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(6,884,033)	(71,823)	56,221	(502,856)
Cash and cash equivalents, July 1	94,325,798	3,748,568	616,362	787,333
<b>Cash and cash equivalents, June 30</b>	<u>\$ 87,441,765</u>	<u>\$ 3,676,745</u>	<u>\$ 672,583</u>	<u>\$ 284,477</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ (11,573,069)	\$ 234,327	\$ (54,254)	\$ 249,849
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	30,156	84,950	1,839,824	87,693
Amortization	-	-	-	-
Decrease (increase) in accrued interest and receivables	(2,298,092)	17,891	27,070	(448,530)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	-
Increase (decrease) in accounts payable, accruals, other liabilities	6,796,074	71,517	(296,713)	(76,303)
Total adjustments	4,528,138	174,358	1,570,181	(437,140)
Net cash provided by (used for) operating activities	<u>\$ (7,044,931)</u>	<u>\$ 408,685</u>	<u>\$ 1,515,927</u>	<u>\$ (187,291)</u>
<b>Noncash investing, capital and financing activities</b>				
Capital assets leased or acquired	\$ -	\$ -	\$ -	\$ -
Gain (loss) on disposal of assets	-	-	134,945	-
Increase (decrease) in fair value of investments	(1,690,517)	-	-	-

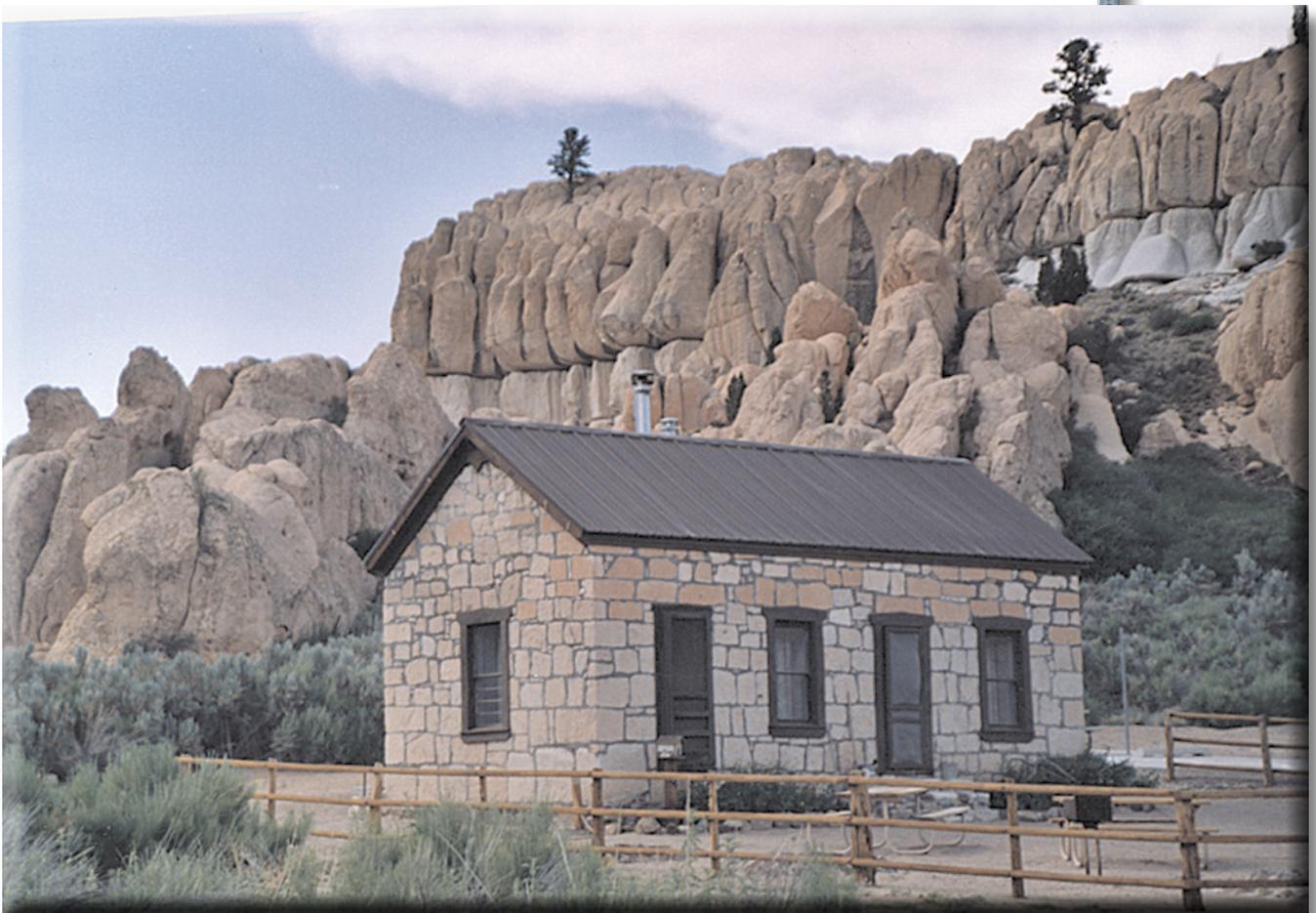


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Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 367,768	\$ -	\$ 8,782	\$ 5,526	\$ 53,690	\$ 316,651	\$ 90,098,485
23,689,588	1,374,921	12,178,472	2,804,739	22,820,291	3,138,689	252,584,127
257,176	-	173,172	1,700	-	-	76,935,755
(14,712,119)	(30,102)	(1,760,740)	(238,712)	(8,251,197)	(749,057)	(369,017,494)
(655,887)	(1,114,428)	(6,210,983)	(2,039,104)	(10,839,798)	(1,767,986)	(33,447,065)
(11,700,153)	(155,118)	(2,403,279)	(659,377)	(730,965)	(67,601)	(19,356,574)
(45,785)	-	(13,519)	-	(87,103)	-	(146,692)
(2,799,412)	75,273	1,971,905	(125,228)	2,964,918	870,696	(2,349,458)
-	-	-	20,330	146,033	-	166,363
(100,000)	-	-	-	-	-	(100,000)
(100,000)	-	-	20,330	146,033	-	66,363
-	-	-	164,149	-	-	164,149
-	-	-	-	2,805	-	170,419
-	-	(35,662)	(5,106)	(268,197)	(447,476)	(2,619,110)
-	-	(1,644,795)	(164,149)	(2,498,461)	(5,468)	(4,903,067)
-	-	-	(5,969)	(164,157)	(189)	(170,315)
-	-	(1,680,457)	(11,075)	(2,928,010)	(453,133)	(7,357,924)
13,407	-	-	-	-	-	203,775
13,407	-	-	-	-	-	203,775
(2,886,005)	75,273	291,448	(115,973)	182,941	417,563	(9,437,244)
18,482,030	430,542	3,108,370	1,101,512	4,323,236	249,297	127,173,048
\$ 15,596,025	\$ 505,815	\$ 3,399,818	\$ 985,539	\$ 4,506,177	\$ 666,860	\$ 117,735,804
\$ (4,470,447)	\$ (10,237)	\$ (176,753)	\$ (184,876)	\$ (464,601)	\$ 436,870	\$ (16,013,191)
2,009	2,885	20,461	10,898	3,261,794	310,296	5,650,966
-	-	1,532,381	-	-	-	1,532,381
112,507	37,385	555,583	52,551	(80,983)	6,676	(2,017,942)
(266,432)	-	6,132	7,740	5,562	88,291	(158,707)
1,822,951	45,240	34,101	(11,541)	243,146	28,563	8,657,035
1,671,035	85,510	2,148,658	59,648	3,429,519	433,826	13,663,733
\$ (2,799,412)	\$ 75,273	\$ 1,971,905	\$ (125,228)	\$ 2,964,918	\$ 870,696	\$ (2,349,458)
\$ -	\$ -	\$ -	\$ -	\$ 548,179	\$ -	\$ 548,179
-	-	-	(5,106)	(316,915)	-	(187,076)
-	-	-	-	-	-	(1,690,517)



**Spring Valley State Park** offers water-oriented recreation at the 65-acre Eagle Valley Reservoir. The park features a boat launch, picnic areas, camping facilities, restrooms with showers and an RV dump station. Visitors can also enjoy hiking, exploring and touring the historic Stone Cabin Museum.



# FIDUCIARY FUNDS

## Pension and Other Employee Benefit Trust

**Public Employees' Retirement** Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

**Legislators' Retirement** Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

**Judicial Retirement** Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court and district judges (NRS 1A.160).

**State Retirees' Fund** Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB). Funding comes from employer contributions and investment earnings (NRS 287.0436).

## Investment Trust

**Local Government Investment Pool** Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

**Nevada Enhanced Savings Term** Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

**Retirement Benefits Investment Fund** Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

## Private Purpose Trust

**Prisoners' Personal Property** Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

**Nevada College Savings Plan** Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

## Agency

**Intergovernmental** Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

**State Agency Fund for Bonds** Accounts for surety bonds and deposits held by the State (NRS 353.251).

**Motor Vehicle** Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

**Child Support Disbursement** Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

**Child Welfare Trust** Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

**Restitution Trust** Accounts for money received from parolees making restitution (NRS 213.126).

**Veterans' Custodial** Accounts for the estates of persons for whom the Nevada Commissioner for Veteran Affairs acts as guardian (NRS 417.113).

**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 Assets  
Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds**

June 30, 2009

	Pension Trust Funds			Other	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Employee Benefit Trust Fund - State Retirees' Fund	
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 546,814	\$ 546,814
Cash in custody of other officials	422,475,446	423,707	335,993	-	423,235,146
<i>Investments:</i>					
Investments	-	-	-	21,139,856	21,139,856
Fixed income securities	5,533,670,903	930,482	11,159,659	-	5,545,761,044
Marketable equity securities	7,691,383,120	1,701,090	16,682,460	-	7,709,766,670
International securities	3,941,468,260	780,007	8,220,866	-	3,950,469,133
Mortgage loans	6,696	-	-	-	6,696
Real estate	907,413,470	-	-	-	907,413,470
Alternative investments	466,149,311	-	-	-	466,149,311
Collateral on loaned securities	1,760,287,271	-	-	-	1,760,287,271
<i>Receivables:</i>					
Accrued interest and dividends	86,899,749	5,742	57,981	-	86,963,472
Trades pending settlement	141,678,033	17,053	52,149	-	141,747,235
Intergovernmental receivables	84,734,292	-	277,888	15,427	85,027,607
Contributions receivable	-	-	-	-	-
Due from other funds	13,091	-	-	824,524	837,615
Due from fiduciary funds	17,407,597	-	-	-	17,407,597
Due from component units	-	-	-	1,031,255	1,031,255
Other assets	1,962,283	-	-	-	1,962,283
Furniture and equipment	34,031,521	-	-	-	34,031,521
Accumulated depreciation	(29,135,098)	-	-	-	(29,135,098)
<b>Total assets</b>	<b>21,060,445,945</b>	<b>3,858,081</b>	<b>36,786,996</b>	<b>23,557,876</b>	<b>21,124,648,898</b>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	13,384,823	2,896	16,871	-	13,404,590
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	429,255,245	182,352	96,294	-	429,533,891
Bank overdraft	-	-	-	-	-
Obligations under securities lending	1,847,667,862	-	-	-	1,847,667,862
Due to other funds	919	-	-	21,922	22,841
Due to fiduciary funds	-	-	-	-	-
Other liabilities	-	231,466	-	-	231,466
<b>Total liabilities</b>	<b>2,290,308,849</b>	<b>416,714</b>	<b>113,165</b>	<b>21,922</b>	<b>2,290,860,650</b>
<b>Net Assets</b>					
<i>Held in trust for:</i>					
Employees' pension benefits	18,770,137,096	3,441,367	36,673,831	-	18,810,252,294
OPEB benefits	-	-	-	23,535,954	23,535,954
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
<b>Total net assets</b>	<b>\$ 18,770,137,096</b>	<b>\$ 3,441,367</b>	<b>\$ 36,673,831</b>	<b>\$ 23,535,954</b>	<b>\$ 18,833,788,248</b>



NEVADA

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
\$ -	\$ -	\$ -	\$ -	\$ 4,914,669	\$ -	\$ 4,914,669
-	-	6,881,214	6,881,214	-	4,209,944	4,209,944
675,841,371	347,085,980	16,826,666	1,036,754,017	-	4,564,095,157	4,564,095,157
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,821,420	1,831,238	73,160	3,725,818	-	542,091	542,091
-	95,312	-	95,312	-	746,914	746,914
-	-	-	-	56,527	-	56,527
-	-	-	-	-	4,979,083	4,979,083
-	-	-	-	175,781	-	175,781
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
677,662,791	349,012,530	23,781,040	1,050,456,361	5,146,977	4,574,573,189	4,579,720,166
-	132,325	15,451	147,776	114,846	1,363,747	1,478,593
11,243	-	-	11,243	8,069	-	8,069
-	-	-	-	-	1,422,920	1,422,920
-	-	6,629,423	6,629,423	-	2,772,154	2,772,154
-	-	-	-	-	580,000	580,000
-	-	-	-	-	-	-
400,668	-	-	400,668	613,568	-	613,568
-	-	-	-	14,044	-	14,044
-	-	-	-	-	-	-
411,911	132,325	6,644,874	7,189,110	750,527	6,138,821	6,889,348
-	-	-	-	-	-	-
-	-	-	-	-	-	-
677,250,880	348,880,205	17,136,166	1,043,267,251	-	-	-
-	-	-	-	4,396,450	4,568,434,368	4,572,830,818
<u>\$ 677,250,880</u>	<u>\$ 348,880,205</u>	<u>\$ 17,136,166</u>	<u>\$1,043,267,251</u>	<u>\$ 4,396,450</u>	<u>\$ 4,568,434,368</u>	<u>\$ 4,572,830,818</u>

# Combining Statement of Changes in Fiduciary Net Assets Pension and Other Employee Benefit Trust, Investment Trust and Private-Purpose Trust Funds

For the Fiscal Year Ended June 30, 2009

	Pension Trust Funds				Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	
<b>Additions</b>					
<i>Contributions:</i>					
Employer	\$ 1,213,067,534	\$ 200,866	\$ 8,591,778	\$ 32,256,720	\$ 1,254,116,898
Plan members	93,648,004	30,600	-	-	93,678,604
Participants	-	-	-	-	-
Repayment and purchase of service	28,116,522	-	-	-	28,116,522
<b>Total contributions</b>	<b>1,334,832,060</b>	<b>231,466</b>	<b>8,591,778</b>	<b>32,256,720</b>	<b>1,375,912,024</b>
<i>Investment income:</i>					
Net increase (decrease) in fair value of investments	(4,175,087,376)	(824,707)	(7,429,261)	(4,447,092)	(4,187,788,436)
Interest, dividends	582,170,491	52,567	485,443	36,551	582,745,052
Securities lending income	43,677,181	-	-	9,159	43,686,340
Other	54,285,040	-	-	-	54,285,040
	(3,494,954,664)	(772,140)	(6,943,818)	(4,401,382)	(3,507,072,004)
Less investment expense:					
Cost of securities lending	(24,412,358)	-	-	(8,181)	(24,420,539)
Other	(24,058,951)	(1,016)	(9,832)	-	(24,069,799)
<b>Net investment income</b>	<b>(3,543,425,973)</b>	<b>(773,156)</b>	<b>(6,953,650)</b>	<b>(4,409,563)</b>	<b>(3,555,562,342)</b>
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,430,401	74,538	131	-	2,505,070
<b>Total other</b>	<b>2,430,401</b>	<b>74,538</b>	<b>131</b>	<b>-</b>	<b>2,505,070</b>
<b>Total additions</b>	<b>(2,206,163,512)</b>	<b>(467,152)</b>	<b>1,638,259</b>	<b>27,847,157</b>	<b>(2,177,145,248)</b>
<b>Deductions</b>					
Principal redeemed	-	-	-	-	-
Benefit payments	1,189,620,073	413,310	2,750,378	29,975,994	1,222,759,755
Refunds	18,581,557	3,510	-	-	18,585,067
Contribution distributions	3,791,831	-	-	-	3,791,831
Dividends to investors	-	-	-	-	-
Administrative expense	9,714,463	73,059	72,955	-	9,860,477
<b>Total deductions</b>	<b>1,221,707,924</b>	<b>489,879</b>	<b>2,823,333</b>	<b>29,975,994</b>	<b>1,254,997,130</b>
Change in net assets	(3,427,871,436)	(957,031)	(1,185,074)	(2,128,837)	(3,432,142,378)
Net assets, July 1	22,198,008,532	4,398,398	37,858,905	25,664,791	22,265,930,626
<b>Net assets, June 30</b>	<b>\$ 18,770,137,096</b>	<b>\$ 3,441,367</b>	<b>\$ 36,673,831</b>	<b>\$ 23,535,954</b>	<b>\$ 18,833,788,248</b>



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	19,934,812	1,398,620,391	1,418,555,203
-	-	-	-	-	-	-
-	-	-	-	19,934,812	1,398,620,391	1,418,555,203
269,143	3,868,474	(2,251,734)	1,885,883	-	(922,670,663)	(922,670,663)
12,676,806	14,395,675	984,258	28,056,739	-	127,177,217	127,177,217
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,945,949	18,264,149	(1,267,476)	29,942,622	-	(795,493,446)	(795,493,446)
-	-	-	-	-	-	-
-	-	(6,349)	(6,349)	-	-	-
12,945,949	18,264,149	(1,273,825)	29,936,273	-	(795,493,446)	(795,493,446)
1,003,451,968	-	18,480,011	1,021,931,979	-	-	-
12,169,345	-	-	12,169,345	-	-	-
-	-	934	934	-	-	-
1,015,621,313	-	18,480,945	1,034,102,258	-	-	-
1,028,567,262	18,264,149	17,207,120	1,064,038,531	19,934,812	603,126,945	623,061,757
1,194,201,783	17,718,128	-	1,211,919,911	-	753,090,904	753,090,904
-	-	-	-	20,145,162	-	20,145,162
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,625,094	-	-	12,625,094	-	-	-
51,712	534,566	70,954	657,232	-	18,541,727	18,541,727
1,206,878,589	18,252,694	70,954	1,225,202,237	20,145,162	771,632,631	791,777,793
(178,311,327)	11,455	17,136,166	(161,163,706)	(210,350)	(168,505,686)	(168,716,036)
855,562,207	348,868,750	-	1,204,430,957	4,606,800	4,736,940,054	4,741,546,854
\$ 677,250,880	\$ 348,880,205	\$ 17,136,166	\$ 1,043,267,251	\$ 4,396,450	\$ 4,568,434,368	\$ 4,572,830,818

# Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2009

	<u>Intergovernmental</u>	<u>State Agency Fund for Bonds</u>	<u>Motor Vehicle</u>	<u>Child Support Disbursement</u>
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 13,981,835	\$ 55,316,829	\$ 20,899,358	\$ -
Cash in custody of other officials	-	72,393,269	3,239,403	3,961,512
Investments	-	154,842,201	-	-
<i>Receivables:</i>				
Taxes receivable	10,444,666	-	-	-
Intergovernmental receivables	-	-	215,958	-
Other receivables	-	-	35,829,200	-
Due from other funds	347,438,143	1,010,931	1,485,451	-
Due from fiduciary funds	11,569,272	-	240	-
<b>Total assets</b>	<u>\$ 383,433,916</u>	<u>\$ 283,563,230</u>	<u>\$ 61,669,610</u>	<u>\$ 3,961,512</u>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	383,433,916	-	45,384,885	-
Due to fiduciary funds	-	-	11,569,272	-
<i>Other liabilities:</i>				
Deposits	-	283,523,238	4,546,557	-
Other liabilities	-	39,992	168,896	3,961,512
<b>Total liabilities</b>	<u>\$ 383,433,916</u>	<u>\$ 283,563,230</u>	<u>\$ 61,669,610</u>	<u>\$ 3,961,512</u>



NEVADA

<u>Child Welfare Trust</u>	<u>Restitution Trust</u>	<u>Veterans' Custodial</u>	<u>State Payroll</u>	<u>Total</u>
\$ 41,871	\$ 1,325,601	\$ 1,019,849	\$ 17,364,311	\$ 109,949,654
-	-	-	-	79,594,184
-	-	-	-	154,842,201
-	-	-	-	10,444,666
-	-	-	-	215,958
5,594	-	-	-	35,834,794
467	657	8,891	50,536	349,995,076
-	13,804	-	-	11,583,316
<u>\$ 47,932</u>	<u>\$ 1,340,062</u>	<u>\$ 1,028,740</u>	<u>\$ 17,414,847</u>	<u>\$ 752,459,849</u>
\$ -	\$ -	\$ -	\$ 7,250	\$ 7,250
-	-	-	-	428,818,801
-	-	-	17,407,597	28,976,869
-	-	-	-	288,069,795
47,932	1,340,062	1,028,740	-	6,587,134
<u>\$ 47,932</u>	<u>\$ 1,340,062</u>	<u>\$ 1,028,740</u>	<u>\$ 17,414,847</u>	<u>\$ 752,459,849</u>

# Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Intergovernmental</b>				
<b>Assets</b>				
Cash with treasurer	\$ 12,888,119	\$ 2,765,192,814	\$ 2,764,099,098	\$ 13,981,835
Collateral on loaned securities	492,118	-	492,118	-
Taxes receivable	12,170,538	23,400,736	25,126,608	10,444,666
Due from other funds	424,894,894	347,438,143	424,894,894	347,438,143
Due from fiduciary funds	12,496,546	11,569,272	12,496,546	11,569,272
<b>Total assets</b>	<b>\$ 462,942,215</b>	<b>\$ 3,147,600,965</b>	<b>\$ 3,227,109,264</b>	<b>\$ 383,433,916</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 462,449,697	\$ 3,100,942,975	\$ 3,179,958,756	\$ 383,433,916
Obligations under securities lending	492,118	-	492,118	-
Other liabilities	400	-	400	-
<b>Total liabilities</b>	<b>\$ 462,942,215</b>	<b>\$ 3,100,942,975</b>	<b>\$ 3,180,451,274</b>	<b>\$ 383,433,916</b>
<b>State Agency Fund for Bonds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 48,548,929	\$ 13,701,504	\$ 6,933,604	\$ 55,316,829
Cash in custody of other officials	81,084,414	11,292,344	19,983,489	72,393,269
Investments	145,908,926	18,421,655	9,488,380	154,842,201
Due from other funds	558,330	1,010,931	558,330	1,010,931
<b>Total assets</b>	<b>\$ 276,100,599</b>	<b>\$ 44,426,434</b>	<b>\$ 36,963,803</b>	<b>\$ 283,563,230</b>
<b>Liabilities</b>				
Deposits	\$ 276,062,671	\$ 42,941,341	\$ 35,480,774	\$ 283,523,238
Other liabilities	37,928	2,920	856	39,992
<b>Total liabilities</b>	<b>\$ 276,100,599</b>	<b>\$ 42,944,261</b>	<b>\$ 35,481,630</b>	<b>\$ 283,563,230</b>
<b>Motor Vehicle</b>				
<b>Assets</b>				
Cash with treasurer	\$ 25,314,845	\$ 1,042,018,551	\$ 1,046,434,038	\$ 20,899,358
Cash in custody of other officials	3,299,095	154,308	214,000	3,239,403
Intergovernmental receivables	-	215,958	-	215,958
Other receivables	34,925,506	70,572,700	69,669,006	35,829,200
Due from other funds	738,411	1,485,451	738,411	1,485,451
Due from fiduciary funds	-	240	-	240
<b>Total assets</b>	<b>\$ 64,277,857</b>	<b>\$ 1,114,447,208</b>	<b>\$ 1,117,055,455</b>	<b>\$ 61,669,610</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 46,905,598	\$ 1,099,240,241	\$ 1,100,760,954	\$ 45,384,885
Due to fiduciary funds	12,496,546	11,569,272	12,496,546	11,569,272
Deposits	4,680,791	349,336	483,570	4,546,557
Other liabilities	194,922	-	26,026	168,896
<b>Total liabilities</b>	<b>\$ 64,277,857</b>	<b>\$ 1,111,158,849</b>	<b>\$ 1,113,767,096</b>	<b>\$ 61,669,610</b>
<b>Child Support Disbursement</b>				
<b>Assets</b>				
Cash in custody of other officials	\$ 5,156,705	\$ 191,664,840	\$ 192,860,033	\$ 3,961,512
<b>Total assets</b>	<b>\$ 5,156,705</b>	<b>\$ 191,664,840</b>	<b>\$ 192,860,033</b>	<b>\$ 3,961,512</b>
<b>Liabilities</b>				
Other liabilities	\$ 5,156,705	\$ 192,010,258	\$ 193,205,451	\$ 3,961,512
<b>Total liabilities</b>	<b>\$ 5,156,705</b>	<b>\$ 192,010,258</b>	<b>\$ 193,205,451</b>	<b>\$ 3,961,512</b>
<b>Child Welfare Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 34,930	\$ 231,152	\$ 224,211	\$ 41,871
Collateral on loaned securities	10,449	-	10,449	-
Other receivables	3,810	5,594	3,810	5,594
Due from other funds	1,052	467	1,052	467
<b>Total assets</b>	<b>\$ 50,241</b>	<b>\$ 237,213</b>	<b>\$ 239,522</b>	<b>\$ 47,932</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 8,522	\$ -	\$ 8,522	\$ -
Obligations under securities lending	10,449	-	10,449	-
Other liabilities	31,270	233,833	217,171	47,932
<b>Total liabilities</b>	<b>\$ 50,241</b>	<b>\$ 233,833</b>	<b>\$ 236,142</b>	<b>\$ 47,932</b>



NEVADA

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Restitution Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,591,936	\$ 3,657,481	\$ 3,923,816	\$ 1,325,601
Due from other funds	1,551	657	1,551	657
Due from fiduciary funds	27,486	13,804	27,486	13,804
<b>Total assets</b>	<b>\$ 1,620,973</b>	<b>\$ 3,671,942</b>	<b>\$ 3,952,853</b>	<b>\$ 1,340,062</b>
<b>Liabilities</b>				
Other liabilities	\$ 1,620,973	\$ 3,643,075	\$ 3,923,986	\$ 1,340,062
<b>Total liabilities</b>	<b>\$ 1,620,973</b>	<b>\$ 3,643,075</b>	<b>\$ 3,923,986</b>	<b>\$ 1,340,062</b>
<b>Veterans Custodial</b>				
<b>Assets</b>				
Cash with treasurer	\$ 911,292	\$ 504,937	\$ 396,380	\$ 1,019,849
Collateral on loaned securities	738,708	-	738,708	-
Due from other funds	33,242	8,891	33,242	8,891
<b>Total assets</b>	<b>\$ 1,683,242</b>	<b>\$ 513,828</b>	<b>\$ 1,168,330</b>	<b>\$ 1,028,740</b>
<b>Liabilities</b>				
Obligations under securities lending	\$ 738,708	\$ -	\$ 738,708	\$ -
Other liabilities	944,534	509,643	425,437	1,028,740
<b>Total liabilities</b>	<b>\$ 1,683,242</b>	<b>\$ 509,643</b>	<b>\$ 1,164,145</b>	<b>\$ 1,028,740</b>
<b>State Payroll</b>				
<b>Assets</b>				
Cash with treasurer	\$ 14,081,921	\$ 616,659,788	\$ 613,377,398	\$ 17,364,311
Due from other funds	856,285	50,536	856,285	50,536
<b>Total assets</b>	<b>\$ 14,938,206</b>	<b>\$ 616,710,324</b>	<b>\$ 614,233,683</b>	<b>\$ 17,414,847</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 47,325	\$ 395,706,803	\$ 395,746,878	\$ 7,250
Due to fiduciary funds	14,890,881	220,880,910	218,364,194	17,407,597
<b>Total liabilities</b>	<b>\$ 14,938,206</b>	<b>\$ 616,587,713</b>	<b>\$ 614,111,072</b>	<b>\$ 17,414,847</b>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 103,371,972	\$ 4,441,966,227	\$ 4,435,388,545	\$ 109,949,654
Cash in custody of other officials	89,540,214	203,111,492	213,057,522	79,594,184
Investments	145,908,926	18,421,655	9,488,380	154,842,201
Collateral on loaned securities	1,241,275	-	1,241,275	-
Taxes receivable	12,170,538	23,400,736	25,126,608	10,444,666
Intergovernmental receivables	-	215,958	-	215,958
Other receivables	34,929,316	70,578,294	69,672,816	35,834,794
Due from other funds	427,083,765	349,995,076	427,083,765	349,995,076
Due from fiduciary funds	12,524,032	11,583,316	12,524,032	11,583,316
<b>Total assets</b>	<b>\$ 826,770,038</b>	<b>\$ 5,119,272,754</b>	<b>\$ 5,193,582,943</b>	<b>\$ 752,459,849</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 47,325	\$ 395,706,803	\$ 395,746,878	\$ 7,250
Intergovernmental payables	509,363,817	4,200,183,216	4,280,728,232	428,818,801
Obligations under securities lending	1,241,275	-	1,241,275	-
Due to fiduciary funds	27,387,427	232,450,182	230,860,740	28,976,869
Deposits	280,743,462	43,290,677	35,964,344	288,069,795
Other liabilities	7,986,732	196,399,729	197,799,327	6,587,134
<b>Total liabilities</b>	<b>\$ 826,770,038</b>	<b>\$ 5,068,030,607</b>	<b>\$ 5,142,340,796</b>	<b>\$ 752,459,849</b>

WARD  
CHARCOAL  
OVENS  
STATE HISTORIC  
PARK

**Ward Charcoal Ovens** features six historic, beehive-shaped ovens that were built by Italian craftsmen and used in the late 19th century to make charcoal for smelting ore from nearby silver mines. Today, the park offers facilities for picnicking, hiking and camping. Other features include forest woodlands, lush riparian areas, access to dedicated off-highway vehicle trails and outstanding views of the Steptoe Valley and surrounding mountains.



# STATISTICAL SECTION

This part of the State of Nevada’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<b><u>TABLES</u></b>	<b><u>PAGES</u></b>
<b>FINANCIAL TRENDS</b>	
These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	<b>150</b>
<b>REVENUE CAPACITY</b>	
These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales.	<b>154</b>
<b>DEBT CAPACITY</b>	
These tables present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	<b>155</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	<b>159</b>
<b>OPERATING INFORMATION</b>	
These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	<b>162</b>

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports of the relevant year.

# Statistical Tables



NEVADA

**Table 1 - Net Assets by Component**

Last Eight Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 3,149,657	\$ 3,222,052	\$ 3,493,458	\$ 3,257,469	\$ 3,445,629	\$ 3,486,155	\$ 3,522,177	\$ 3,492,205
Restricted	402,535	432,125	484,164	663,901	675,966	613,375	697,168	702,743
Unrestricted (deficit) (a)	(31,969)	(161,833)	(153,370)	303,704	504,541	623,787	289,123	(236,912)
<b>Total governmental activities net assets</b>	<b>\$ 3,520,223</b>	<b>\$ 3,492,344</b>	<b>\$3,824,252</b>	<b>\$ 4,225,074</b>	<b>\$ 4,626,136</b>	<b>\$ 4,723,317</b>	<b>\$ 4,508,468</b>	<b>\$ 3,958,036</b>
<b>Business-type Activities</b>								
Invested in capital assets, net of related debt	\$ 2,659	\$ 3,059	\$ 3,047	\$ 2,906	\$ 2,824	\$ 2,783	\$ 3,393	\$ 3,286
Restricted	826,190	801,846	821,829	956,895	1,143,248	1,293,737	1,297,613	819,348
Unrestricted	8,009	8,029	8,475	8,470	6,428	9,441	10,206	(5,466)
<b>Total business-type activities net assets</b>	<b>\$ 836,858</b>	<b>\$ 812,934</b>	<b>\$833,351</b>	<b>\$ 968,271</b>	<b>\$ 1,152,500</b>	<b>\$ 1,305,961</b>	<b>\$ 1,311,212</b>	<b>\$ 817,168</b>
<b>Primary Government</b>								
Invested in capital assets, net of related debt	\$ 3,152,316	\$ 3,225,111	\$ 3,496,505	\$ 3,260,375	\$ 3,448,453	\$ 3,488,938	\$ 3,525,570	\$ 3,495,491
Restricted	1,228,725	1,233,971	1,305,993	1,620,796	1,819,214	1,907,112	1,994,781	1,522,091
Unrestricted (deficit) (a)	(23,960)	(153,804)	(144,895)	312,174	510,969	633,228	299,329	(242,378)
<b>Total primary government net assets</b>	<b>\$ 4,357,081</b>	<b>\$ 4,305,278</b>	<b>\$4,657,603</b>	<b>\$ 5,193,345</b>	<b>\$ 5,778,636</b>	<b>\$ 6,029,278</b>	<b>\$ 5,819,680</b>	<b>\$ 4,775,204</b>

**Notes:** The State did not begin reporting government-wide statements until it implemented GASB Statement 34 in fiscal year 2002.

(a) The 2003 legislative session enacted changes in the State's tax structure, which resulted in increases in general revenues and the unrestricted net assets. These changes went into effect in October 2003, with the first full fiscal year results seen in 2005.

**Table 2 - Changes in Net Assets**

Last Eight Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
<b>Governmental activities:</b>								
General government	\$ 209,074	\$ 226,761	\$ 226,585	\$ 304,926	\$ 349,224	\$ 421,291	\$ 439,682	\$ 389,943
Health and social services (c)	1,604,205	1,817,001	1,888,806	2,082,562	2,198,551	2,340,884	2,454,843	2,667,419
Education and support services	1,363,536	1,439,255	1,663,862	1,717,479	1,830,236	2,254,626	2,381,731	2,475,416
Law, justice and public safety	448,082	444,774	485,480	535,371	578,049	624,149	650,657	687,410
Regulation of business	81,800	81,674	86,318	92,240	101,857	104,385	114,786	118,086
Transportation	356,692	394,489	474,416	665,315	508,569	680,281	576,815	762,610
Recreation and resource development	115,082	124,426	132,106	157,881	156,933	173,037	167,627	165,741
Interest on long-term debt	121,092	112,096	130,902	141,154	132,969	150,486	146,312	138,304
Unallocated depreciation	1,144	1,152	1,315	1,441	1,513	720	992	976
<b>Total governmental activities expenses</b>	<b>4,300,707</b>	<b>4,641,628</b>	<b>5,089,790</b>	<b>5,698,369</b>	<b>5,857,901</b>	<b>6,749,859</b>	<b>6,933,445</b>	<b>7,405,905</b>
<b>Business-type activities:</b>								
Unemployment insurance	407,241	377,395	334,065	238,386	239,232	296,784	439,632	1,336,043
Housing	76,904	71,927	60,250	53,011	45,397	46,152	43,953	44,382
Water loans	4,930	4,715	5,856	7,710	8,226	7,885	6,836	6,218
Workers' compensation and safety	19,581	19,274	20,685	21,004	23,991	25,381	26,258	26,801
Higher education (a)	-	-	-	11,496	18,940	10,504	8,109	13,103
Other	12,695	13,134	13,021	14,706	15,601	16,424	20,496	16,967
<b>Total business-type activities expenses</b>	<b>521,351</b>	<b>486,445</b>	<b>433,877</b>	<b>346,313</b>	<b>351,387</b>	<b>403,130</b>	<b>545,284</b>	<b>1,443,514</b>
<b>Total primary government expenses</b>	<b>\$ 4,822,058</b>	<b>\$ 5,128,073</b>	<b>\$ 5,523,667</b>	<b>\$ 6,044,682</b>	<b>\$ 6,209,288</b>	<b>\$ 7,152,989</b>	<b>\$ 7,478,729</b>	<b>\$ 8,849,419</b>





**Table 3 - Fund Balances of Governmental Funds**

Last Eight Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>								
Reserved	\$ 43,256	\$ 68,540	\$ 66,523	\$ 65,656	\$ 35,336	\$ 17,585	\$ 15,088	\$ 13,512
Unreserved	7,492	40,981	275,586	474,342	486,160	427,506	384,663	179,310
<b>Total General fund</b>	<b>\$ 50,748</b>	<b>\$ 109,521</b>	<b>\$ 342,109</b>	<b>\$ 539,998</b>	<b>\$ 521,496</b>	<b>\$ 445,091</b>	<b>\$ 399,751</b>	<b>\$ 192,822</b>
<b>All Other Governmental Funds</b>								
Reserved	\$ 1,474,192	\$ 1,384,530	\$ 651,738	\$ 798,715	\$ 1,004,407	\$ 1,244,430	\$ 1,311,024	\$ 947,719
Unreserved, reported in:								
Special revenue funds	383,769	260,297	1,156,797	1,225,603	1,038,753	771,887	403,715	396,520
Capital projects funds	51,352	71,137	41,871	46,316	39,365	87,057	17,402	73,892
Permanent funds	21	22	22	21	21	22	22	20
<b>Total all other governmental funds</b>	<b>\$ 1,909,334</b>	<b>\$ 1,715,986</b>	<b>\$ 1,850,428</b>	<b>\$ 2,070,655</b>	<b>\$ 2,082,546</b>	<b>\$ 2,103,396</b>	<b>\$ 1,732,163</b>	<b>\$ 1,418,151</b>

Note: Due to changes in the State's fund structure initiated when GASB Statement 34 was implemented, the fund balance information is available only beginning in 2002.

**Table 4 - Changes in Fund Balances of Governmental Funds**

Last Eight Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>								
Gaming taxes, fees, licenses	\$ 697,482	\$ 735,652	\$ 834,791	\$ 900,261	\$ 1,003,111	\$ 1,028,663	\$ 1,008,516	\$ 880,573
Sales taxes	718,910	756,962	858,866	993,324	1,099,483	1,132,418	1,088,024	953,112
Modified business taxes (a)	-	-	161,649	226,923	255,252	278,953	284,600	277,516
Insurance premium taxes	156,347	173,993	194,218	215,353	238,297	259,275	256,693	238,524
Property and transfer taxes (a)	99,234	95,808	204,866	287,410	318,941	296,498	280,895	278,881
Motor and special fuel taxes	242,670	253,951	269,132	281,726	297,383	300,182	297,088	272,614
Other taxes	263,657	269,762	348,238	352,321	343,292	373,436	372,652	387,449
Intergovernmental	1,347,251	1,662,820	1,825,723	1,943,630	1,972,799	2,108,916	2,058,071	2,672,751
Licenses, fees and permits	270,724	280,851	344,238	377,419	422,934	429,501	432,729	419,514
Sales and charges for services	54,953	58,585	76,173	81,561	80,134	97,408	95,407	85,401
Interest and investment income	124,674	110,011	74,003	120,901	152,801	239,651	185,006	44,831
Tobacco settlement income	44,628	44,753	38,300	39,114	35,685	37,351	45,976	50,062
Fines	3,780	4,202	4,235	-	-	-	-	-
Land sales	4,976	11,654	27,413	39,770	71,231	5,756	2,503	663
Other	49,459	54,232	48,153	71,372	88,006	91,086	105,475	141,808
<b>Total revenues</b>	<b>4,078,745</b>	<b>4,513,236</b>	<b>5,309,998</b>	<b>5,931,085</b>	<b>6,379,349</b>	<b>6,679,094</b>	<b>6,513,635</b>	<b>6,703,699</b>





**Table 5 - Taxable Sales by County**

Last Ten Fiscal Years, (Expressed in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Taxable Sales by County:</b>										
Carson City	\$ 753,186	\$ 824,013	\$ 888,249	\$ 861,278	\$ 913,495	\$ 979,049	\$1,021,210	\$ 991,893	\$ 919,266	\$ 761,379
Churchill	223,954	216,392	220,744	226,398	240,352	280,304	331,338	306,426	294,411	321,713
Clark	21,327,334	22,629,122	22,835,362	24,535,344	28,075,636	32,430,309	35,604,392	36,262,388	35,930,374	31,378,242
Douglas	508,005	573,497	565,974	646,960	750,928	805,334	815,590	765,218	691,609	584,679
Elko	781,708	773,158	714,949	700,491	757,714	857,707	1,029,763	1,193,449	1,148,379	1,101,164
Esmeralda	9,431	5,705	5,349	5,472	7,575	8,707	8,598	16,523	12,645	9,226
Eureka	184,930	142,184	140,199	153,837	162,155	194,943	315,450	501,077	328,505	285,942
Humboldt	330,884	307,041	312,273	306,695	332,605	386,364	483,366	474,811	508,713	498,791
Lander	86,670	71,903	62,927	48,072	55,421	157,114	170,539	280,378	228,213	264,109
Lincoln	25,339	22,086	22,026	35,946	24,131	30,023	31,529	15,398	26,967	25,257
Lyon	213,808	254,695	251,497	274,983	323,078	390,743	441,896	375,523	385,591	340,284
Mineral	40,741	32,621	28,821	30,867	36,424	31,532	33,445	35,679	38,843	37,247
Nye	280,205	296,517	291,330	309,420	366,330	477,921	522,296	540,377	473,291	427,505
Pershing	45,958	61,175	56,962	54,274	54,925	56,847	62,992	68,332	67,279	62,892
Storey	37,618	57,915	40,518	38,504	54,571	85,416	109,411	204,717	121,244	59,578
Washoe	4,966,613	5,194,146	5,280,706	5,475,602	6,003,368	6,660,263	7,245,525	7,202,641	6,823,701	5,707,791
White Pine	75,247	64,994	68,065	70,754	80,819	127,928	175,147	192,877	197,818	220,815
<b>Total</b>	<b>\$ 29,891,631</b>	<b>\$ 31,527,164</b>	<b>\$ 31,785,951</b>	<b>\$ 33,774,897</b>	<b>\$ 38,239,527</b>	<b>\$ 43,960,504</b>	<b>\$ 48,402,487</b>	<b>\$ 49,427,707</b>	<b>\$ 48,196,849</b>	<b>\$ 42,086,614</b>
<b>Direct Sales Tax Rate</b>	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Source: Department of Taxation

## Table 6 - Principal Sales Tax Payers by Business Type

Current Year and Nine Years Ago, (Expressed in Thousands)

	Fiscal Year 2000			Fiscal Year 2009		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
<b>Business Type:</b>						
Food services and drinking places	\$ 5,422,970	18.1%	\$ 108,459	\$ 6,536,724	15.6%	\$ 130,734
General merchandise stores	2,617,001	8.7%	52,340	4,040,207	9.6%	80,804
Motor vehicle and parts dealers	4,059,274	13.6%	81,185	3,647,027	8.7%	72,941
Merchant wholesalers, durable goods	1,913,728	6.4%	38,275	3,355,716	8.0%	67,114
Clothing and clothing accessories stores	1,183,927	4.0%	23,679	2,775,625	6.6%	55,513
Building material, garden equipment, supplies	1,971,390	6.6%	39,428	1,815,904	4.3%	36,318
Accommodation	-	-	-	1,770,277	4.2%	35,406
Health and personal care stores	-	-	-	1,745,862	4.1%	34,917
Food and beverage stores	1,282,219	4.3%	25,644	1,686,561	4.0%	33,731
Rental and leasing services	-	-	-	1,655,590	3.9%	33,112
Miscellaneous retail	3,277,087	11.0%	65,542	-	-	-
Furniture and home furnishings stores	1,648,645	5.5%	32,973	-	-	-
Business services	1,158,852	3.9%	23,177	-	-	-
<b>Total</b>	<b>\$ 24,535,093</b>	<b>82.1%</b>	<b>\$ 490,702</b>	<b>\$ 29,029,493</b>	<b>69.0%</b>	<b>\$ 580,590</b>

**Source:** Department of Taxation

**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the source of the State's revenue.

## Table 7 - Ratios of Outstanding Debt by Type

Last Eight Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2002	2003	2004	2005	2006	2007	2008	2009
	<b>Governmental Activities</b>							
General obligation bonds	\$ 2,185,798	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805
Highway revenue bonds	91,935	83,505	238,265	380,945	541,680	693,285	774,300	722,880
Obligations under capital leases	5,402	7,152	8,236	7,712	9,866	15,955	19,891	17,916
Certificates of participation	14,395	13,765	34,655	56,400	55,680	60,455	59,320	58,030
Total governmental activities	2,297,530	2,282,640	2,567,705	2,738,850	2,682,984	2,734,311	2,763,236	2,878,631
<b>Business-type Activities</b>								
General obligation bonds	57,625	54,410	120,530	120,455	118,540	117,310	115,805	113,055
Special obligation bonds	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783
Total business-type activities	1,370,660	1,238,573	1,090,617	983,421	864,320	899,617	1,002,000	1,024,838
<b>Total primary government</b>	<b>\$ 3,668,190</b>	<b>\$ 2,337,050</b>	<b>\$ 3,658,322</b>	<b>\$ 3,722,271</b>	<b>\$ 3,547,304</b>	<b>\$ 3,633,928</b>	<b>\$ 3,765,236</b>	<b>\$ 3,903,469</b>
<b>Debt as a Percentage of Personal Income</b>	5.70%	5.28%	5.11%	4.72%	4.09%	3.93%	3.63%	3.72%
<b>Amount of Debt per Capita</b>	\$ 1,751	\$ 1,624	\$ 1,632	\$ 1,595	\$ 1,469	\$ 1,456	\$ 1,468	\$ 1,501

**Notes:** Details regarding the State's debt can be found in the notes to the financial statements.

The State did not begin reporting government-wide statements until the implementation of GASB Statement 34 in fiscal year 2002.

See table 11 for personal income and population data.

Debt as a Percentage of Personal Income percentage is based on prior year Personal Income.

Amount of Debt per Capita is based on prior year Population.



**Table 8 - Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Bonded Debt Outstanding</b>										
General obligation bonds	\$ 2,122,631	\$ 2,204,316	\$ 2,185,798	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805
Certificates of participation	15,000	15,000	14,395	13,765	13,105	12,415	11,695	10,940	10,155	9,335
Water projects bonds (a)	-	-	57,625	54,410	120,530	120,455	120,782	117,355	110,286	107,534
Housing bonds	1,153,232	1,276,954	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783
Total	3,290,863	3,496,270	3,570,853	3,430,556	3,390,271	3,289,629	2,954,015	2,875,218	2,916,361	3,108,457
Less: amounts restricted to repaying principal	92,393	100,891	105,685	107,448	110,906	110,467	125,884	129,087	136,309	142,539
<b>Net general bonded debt</b>	<b>\$ 3,198,470</b>	<b>\$ 3,395,379</b>	<b>\$ 3,465,168</b>	<b>\$ 3,323,108</b>	<b>\$ 3,279,365</b>	<b>\$ 3,179,162</b>	<b>\$ 2,828,131</b>	<b>\$ 2,746,131</b>	<b>\$ 2,780,052</b>	<b>\$ 2,965,918</b>

**Actual Taxable Property**

Value	\$ 131,125,648	\$ 142,140,708	\$ 151,267,821	\$ 165,053,522	\$ 179,822,444	\$ 198,569,862	\$ 245,075,283	\$ 327,140,473	\$ 383,571,013	\$ 410,130,698
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**Percentage of Actual Taxable**

Value of Property	2.44%	2.39%	2.29%	2.01%	1.82%	1.60%	1.15%	0.84%	0.72%	0.72%
Debt Per Capita (b)	\$ 1,585	\$ 1,621	\$ 1,598	\$ 1,482	\$ 1,406	\$ 1,316	\$ 1,133	\$ 1,071	\$ 1,069	N/A

**Note:** Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Water project bonds included in general obligation bonds fiscal years 2001 and prior.

(b) See Table 11 for population data.

### Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 1,011,490	\$ 1,075,731	\$ 1,172,317	\$ 1,276,838	\$ 1,408,688	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849	\$ 2,963,124	\$ 2,482,138
Total debt applicable to limit	709,490	777,902	804,860	825,082	925,183	944,732	920,737	1,015,375	1,214,991	1,405,781
<b>Legal debt margin</b>	<b>\$ 302,000</b>	<b>\$ 297,829</b>	<b>\$ 367,457</b>	<b>\$ 451,756</b>	<b>\$ 483,505</b>	<b>\$ 799,004</b>	<b>\$ 1,418,856</b>	<b>\$ 1,741,474</b>	<b>\$ 1,748,133</b>	<b>\$ 1,076,357</b>
<b>Legal debt margin as a percentage of the debt limit</b>	<b>29.86%</b>	<b>27.69%</b>	<b>31.34%</b>	<b>35.38%</b>	<b>34.32%</b>	<b>45.82%</b>	<b>60.65%</b>	<b>63.17%</b>	<b>59.00%</b>	<b>43.36%</b>

#### Computation of Legal Debt Margin at June 30, 2009:

<b>Assessed value of taxable property at June 30, 2009 (a)</b>	<b>\$ 124,106,899</b>
Debt limitation (2% of assessed value)	\$ 2,482,138
General Obligation Bonds subject to limit	\$ 1,378,530
Leases	17,916
Certificates of participation	58,030
<i>Less obligations exempt from debt margin:</i>	
Lease revenue certificates of participation	(48,695)
Debt subject to debt limitation	(1,405,781)
<b>Legal debt margin at June 30, 2009</b>	<b>\$ 1,076,357</b>

**Note:**

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.



**Table 10 - Pledged Revenue Coverage**

Last Ten Fiscal Years, (Expressed in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Highway Improvement Revenue Bonds</b>										
Revenue - fuel taxes	\$ 235,744	\$ 232,974	\$ 239,365	\$ 250,740	\$ 265,964	\$ 278,641	\$ 294,348	\$ 297,142	\$ 293,941	\$ 269,479
Debt service										
Principal	\$ -	\$ -	\$ 8,065	\$ 8,430	\$ 21,675	\$ 30,665	\$ 30,710	\$ 41,125	\$ 48,955	\$ 51,420
Interest	-	2,254	4,806	4,394	11,712	18,719	23,739	30,106	32,727	37,157
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,254</b>	<b>\$ 12,871</b>	<b>\$ 12,824</b>	<b>\$ 33,387</b>	<b>\$ 49,384</b>	<b>\$ 54,449</b>	<b>\$ 71,231</b>	<b>\$ 81,682</b>	<b>\$ 88,577</b>
Coverage (c)	N/A	103.36	18.60	19.55	7.97	5.64	5.41	4.17	3.60	3.04
<b>Mortgage Revenue Bonds</b>										
Revenue (a)	\$ 123,773	\$ 167,700	\$ 206,589	\$ 312,431	\$ 335,062	\$ 251,806	\$ 435,332	\$ 355,328	\$ 129,286	\$ 70,051
Expenses (b)	9,014	9,315	11,835	8,770	10,335	9,512	6,720	4,595	4,368	5,277
<b>Net available revenues</b>	<b>\$ 114,759</b>	<b>\$ 158,385</b>	<b>\$ 194,754</b>	<b>\$ 303,661</b>	<b>\$ 324,727</b>	<b>\$ 242,294</b>	<b>\$ 428,612</b>	<b>\$ 350,733</b>	<b>\$ 124,918</b>	<b>\$ 64,774</b>
Debt service										
Principal	\$ 105,187	\$ 69,511	\$ 187,664	\$ 257,702	\$ 297,681	\$ 155,791	\$ 136,186	\$ 51,003	\$ 37,897	\$ 33,592
Interest	63,406	65,749	67,796	63,235	50,034	42,298	38,644	37,002	38,051	36,354
<b>Total</b>	<b>\$ 168,593</b>	<b>\$ 135,260</b>	<b>\$ 255,460</b>	<b>\$ 320,937</b>	<b>\$ 347,715</b>	<b>\$ 198,089</b>	<b>\$ 174,830</b>	<b>\$ 88,005</b>	<b>\$ 75,948</b>	<b>\$ 69,946</b>
Coverage (c)	0.68	1.17	0.76	0.95	0.93	1.22	2.45	3.99	1.64	0.93

**Notes:** Details regarding the State's outstanding debt can be found in the notes to the financial statements.

(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.

(b) Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.

(c) Coverage equals net available revenues divided by total debt service.

**Table 11 - Demographic and Economic Statistics**

Last Ten Calendar Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Population</b>										
Nevada	1,934,718	2,018,214	2,094,827	2,167,867	2,241,700	2,332,898	2,414,807	2,495,529	2,565,382	2,600,167
Percentage change	4.4%	4.3%	3.8%	3.5%	3.4%	4.1%	3.5%	3.3%	2.8%	1.4%
United States	279,040,168	282,193,477	285,107,923	287,984,799	290,850,005	293,656,842	296,410,404	299,398,484	301,621,157	304,059,724
Percentage change	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	1.0%	0.7%	0.8%
<b>Total Personal Income</b>										
Nevada ( <i>in millions</i> )	56,462	61,428	64,367	66,632	71,606	78,822	86,650	92,557	103,847	104,924
Percentage change	7.8%	8.8%	4.8%	3.5%	7.5%	10.1%	9.9%	6.8%	12.2%	1.0%
United States ( <i>in millions</i> )	7,796,137	8,422,074	8,716,992	8,872,871	9,157,257	9,705,504	10,251,639	10,860,917	11,645,882	12,086,534
Percentage change	5.1%	8.0%	3.5%	1.8%	3.2%	6.0%	5.6%	5.9%	7.2%	3.8%
<b>Per Capita Personal Income</b>										
Nevada	29,184	30,437	30,727	30,736	31,943	33,787	35,883	37,089	40,480	40,353
Percentage change	3.3%	4.3%	1.0%	0.0%	3.9%	5.8%	6.2%	3.4%	9.1%	-0.3%
United States	27,939	29,845	30,574	30,810	31,484	33,050	34,586	36,276	38,611	39,751
Percentage change	3.9%	6.8%	2.4%	0.8%	2.2%	5.0%	4.6%	4.9%	6.4%	3.0%
<b>Labor Force and Employment</b>										
Nevada Labor Force	1,022,584	1,064,015	1,102,370	1,124,629	1,148,519	1,177,558	1,218,525	1,295,085	1,335,852	1,373,462
Unemployed	43,615	47,943	58,459	62,729	58,810	51,212	49,002	54,217	64,380	91,450
Unemployment Rate	4.3%	4.5%	5.3%	5.6%	5.1%	4.3%	4.0%	4.2%	4.8%	6.7%
United States Labor Force	139,368,000	142,583,000	143,734,000	144,863,000	146,510,000	147,401,000	149,320,000	151,428,000	153,124,000	154,287,000
Unemployed	5,880,000	5,692,000	6,801,000	8,378,000	8,774,000	8,149,000	7,591,000	7,001,000	7,078,000	8,924,000
Unemployment Rate	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%

**Sources:** U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation

**Note:** Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.



Table 12 - Principal Employers

Current Year and Nine Years Ago

Employer:	Calendar Year 1999			Calendar Year 2008		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Clark County School District	19,500 - 19,999	1	1.93%	31,500 - 31,999	1	2.31%
Clark County	7,500 - 7,999	4	0.76%	10,000 - 10,499	2	0.75%
Bellagio LLC	9,000 - 9,499	2	0.90%	9,000 - 9,499	3	0.67%
Wynn Las Vegas LLC	-	-	-	8,500 - 8,999	4	0.64%
MGM Grand Hotel-Casino	8,500 - 8,999	3	0.86%	8,500 - 8,999	5	0.64%
Mandalay Bay Resort and Casino	5,000 - 5,499	8	0.51%	7,000 - 7,499	6	0.53%
Washoe County School District	5,500 - 5,999	7	0.56%	7,000 - 7,499	7	0.53%
Caesars Palace	4,500 - 4,999	10	0.46%	5,500 - 5,999	8	0.42%
The Venetian Casino Resort	-	-	-	5,500 - 5,999	9	0.42%
Mirage Casino - Hotel	6,500 - 6,999	5	0.66%	5,500 - 5,999	10	0.42%
Bally's & Paris Casino Hotels	6,500 - 6,999	6	0.66%	-	-	-
Rio Suite Hotel & Casino	4,500 - 4,999	9	0.46%	-	-	-
<b>Total</b>	<b>77,000 - 81,990</b>		<b>7.76%</b>	<b>98,000 - 102,990</b>		<b>7.33%</b>

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Personnel

Note: Percentage of total state employment is based on the midpoints in the ranges given.

**Table 13 - School Enrollment**

Last Ten Fiscal Years

	Fall Enrollment									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Public School Enrollment</b>										
Primary (K - 6)	198,863	207,039	211,260	217,488	223,973	229,419	201,465	239,418	240,453	235,295
Secondary (7 - 12)	141,843	149,775	158,225	167,926	177,245	183,833	189,501	193,822	196,325	196,014
<b>Total</b>	<b>340,706</b>	<b>356,814</b>	<b>369,485</b>	<b>385,414</b>	<b>401,218</b>	<b>413,252</b>	<b>390,966</b>	<b>433,240</b>	<b>436,778</b>	<b>431,309</b>
<b>Public Higher Education Enrollment</b>										
Universities:										
University of Nevada, Reno	9,898	10,804	11,668	11,965	12,451	12,660	12,444	12,429	12,709	12,889
University of Nevada, Las Vegas	15,093	16,232	17,777	18,639	20,077	20,569	20,180	20,007	20,297	20,670
State College:										
Nevada State College at Henderson	-	-	116	330	856	1,017	1,310	1,418	1,340	1,622
Community Colleges:										
College of Southern Nevada	14,410	15,266	16,532	17,716	17,676	18,234	18,320	19,501	20,906	21,751
Great Basin College	1,322	1,208	1,251	1,436	1,356	1,353	1,584	1,613	1,781	2,002
Truckee Meadows Community College	5,032	4,889	5,324	5,559	5,953	6,213	6,210	6,454	6,800	7,312
Western Nevada College	2,037	2,128	2,164	2,180	2,288	2,410	2,463	2,427	2,438	2,908
<b>Total</b>	<b>47,792</b>	<b>50,527</b>	<b>54,832</b>	<b>57,825</b>	<b>60,657</b>	<b>62,456</b>	<b>62,511</b>	<b>63,849</b>	<b>66,271</b>	<b>69,154</b>

**Sources:** Nevada Department of Education and Nevada System of Higher Education**Note:** Public higher education enrollment represents full-time equivalent students at fall enrollment.**Table 14 - Full-time Equivalent State Government Employees by Function**

Last Ten Fiscal Years

Function	2000									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	1,391	1,423	1,449	1,421	1,470	1,513	1,536	1,558	1,570	1,539
Health and social services	4,456	4,425	4,495	4,562	5,044	4,992	5,364	5,773	6,145	5,823
Education and support services	3,063	3,310	6,863	7,240	7,092	7,762	8,118	8,670	9,030	8,930
Law, justice and public safety	4,809	5,148	5,210	4,995	5,244	5,449	5,654	5,946	5,924	5,815
Regulation of business	1,251	1,261	1,259	1,217	1,298	1,315	1,331	1,412	1,390	1,363
Transportation	1,642	1,703	1,720	1,757	1,798	1,783	1,771	1,792	1,829	1,810
Recreation and resource development	1,353	1,369	1,398	1,417	1,425	1,455	1,479	1,403	1,186	1,172
<b>Total</b>	<b>17,965</b>	<b>18,639</b>	<b>22,394</b>	<b>22,609</b>	<b>23,371</b>	<b>24,269</b>	<b>25,253</b>	<b>26,554</b>	<b>27,074</b>	<b>26,452</b>

**Sources:** Nevada Department of Personnel, Nevada System of Higher Education and Legislative Counsel Bureau.**Note:** Education and support services data is revised for 2002 through 2007 with updates from Nevada System of Higher Education.

\* 2008 figure revised



Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
<i>Department of Taxation</i>										
Number of sales and use tax audits	1,768	1,413	1,796	1,825	1,377	1,643	1,668	1,994	1,346	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	28,145	30,196	30,889	31,328	31,042	33,395	35,049	38,936	42,049	44,232
Generic drug utilization (b)	N/A	43%	43%	52%	52%	59%	59%	65%	65%	N/A
<i>Department of Administration</i>										
Square feet of non-state owned space leased (b)	1,305,104	1,391,463	1,391,463	1,376,534	1,376,534	1,377,525	1,377,525	1,547,467	1,547,467	N/A
Job applications processed	37,382	21,641	27,536	39,635	48,089	36,317	54,378	92,353	66,041	68,552
<b>Health and Social Services</b>										
<i>Department of Education, Training &amp; Rehabilitation</i>										
Vocational Rehabilitation clients entering full-time employment with insurance (b)	78%	79%	79%	65%	65%	48%	48%	58%	58%	N/A
Career Enhancement Program clients entering employment (b)	85%	60%	60%	91%	91%	84%	84%	90%	90%	N/A
<i>Health Care Financing &amp; Policy</i>										
Nevada Medicaid - average monthly eligibles	99,412	117,629	141,681	163,784	172,779	176,418	172,685	168,197	180,369	197,313
NV Check-Up Program - average monthly enrollment (b)	N/A	22,414	22,414	25,025	25,025	27,492	27,492	29,075	29,075	N/A
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	454,307	476,920	482,421	520,463	538,857	567,076	602,100	602,784	711,018	793,166
<i>Welfare Division</i>										
Average monthly number of TANF recipients	16,661	18,123	28,809	31,034	24,956	21,748	19,880	17,706	21,022	22,556
Average monthly number of Mental Health clients	N/A	13,187	14,354	16,390	16,616	14,981	14,655	13,249	14,582	15,575
Average monthly number of Mental Health inpatients	N/A	146	155	142	153	182	198	246	265	253
Average monthly number of Food Stamp recipients	61,490	70,016	91,216	106,966	119,750	122,042	118,474	119,596	137,589	179,790
Average monthly number of Developmental Services clients	2,458	2,782	3,054	3,225	3,522	3,888	4,057	4,387	4,672	4,876
Percent of current child support owed that is collected (b)	41%	46%	46%	47%	47%	46%	46%	46%	46%	N/A
TANF recipient children receiving child care (f)	N/A	17,325	17,325	15,843	15,843	17,977	17,977	16,797	24,705	19,119
Non-TANF children receiving child care (f)	N/A	106,779	106,779	44,998	44,998	104,463	104,463	112,452	113,426	84,517
Applications for energy assistance received (b)	9,637	20,076	20,076	19,081	19,081	24,846	24,846	27,515	27,515	N/A
Households served with energy assistance (b)	7,844	15,665	15,665	15,986	15,986	14,552	14,552	16,846	16,846	N/A
<b>Education and Support Services</b>										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (f)	85%	N/A	N/A	89%	89%	88%	88%	N/A	93%	95%
Percent of public schools participating in the Nat'l School Lunch Program (b)	73%	85%	85%	93%	93%	94%	94%	94%	94%	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program (b)	39%	42%	42%	34%	34%	41%	41%	43%	43%	N/A
Number of meals served in the Children & Adult Food Care Program (b)	N/A	3,243,965	3,243,965	4,297,850	4,297,850	4,256,701	4,256,701	3,093,889	3,093,889	N/A
Number of special education students receiving a high school diploma (f)	422	492	492	675	675	503	503	458	437	703
Percent/number of elementary students identified as being at risk receiving supplemental instruction from Title I funds (b)	50%	52%	52%	60%	60%	5,389	5,389	5,993	5,993	N/A
<i>Department of Cultural Affairs</i>										
Volumes (excludes documents and microfilm)	62,790	64,451	66,140	69,361	73,005	76,527	76,527	79,917	82,913	N/A
Government publications (U.S., Nevada and California)	624,408	677,500	683,384	741,573	771,258	779,194	798,013	813,142	827,697	N/A





Table 16 - Capital Asset Statistics by Function

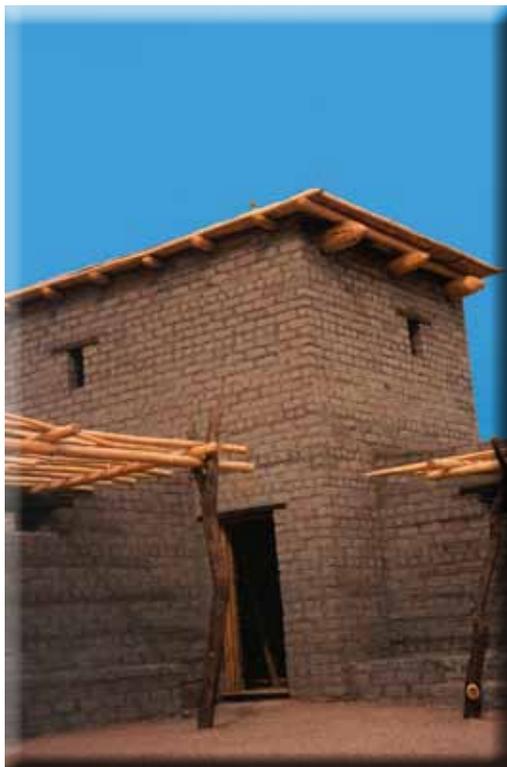
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
State owned office space (square feet)	134,295	132,975	138,011	138,011	146,045	142,733	214,747	215,867	201,688	201,688
Vehicles (motor pool)	743	762	816	756	789	741	824	790	849	851
<b>Health and Social Services</b>										
State owned office space (square feet)	86,712	86,712	77,668	77,668	93,509	93,509	122,415	52,626	33,093	33,344
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	0	0	1	1	1	1	1	1	1	1
Youth correctional centers	2	2	2	2	3	3	3	3	3	3
Vehicles	253	254	272	267	249	251	241	240	225	232
<b>Education and Support Services</b>										
State owned office space (square feet)	19,767	19,767	19,767	19,767	19,767	19,767	28,200	28,200	28,200	27,949
Number of State museums	6	6	6	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
<b>Law, Justice and Public Safety</b>										
State owned office space (square feet)	383,308	383,308	385,428	400,108	459,331	478,724	550,648	540,125	596,564	596,564
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	21	20	20	20	20	21	21	19	20
Vehicles	956	915	1,022	1,049	1,020	1,065	1,091	1,067	1,172	1,217
<b>Regulation of Business</b>										
State owned office space (square feet)	74,470	74,470	77,954	77,954	72,259	71,811	107,547	107,547	107,547	107,547
Vehicles	208	207	240	238	250	283	279	285	292	293
<b>Transportation</b>										
State owned office space (square feet)	179,948	179,948	179,948	179,948	179,948	179,948	184,988	251,658	251,658	251,658
NDOT lane miles	13,199	13,220	13,203	13,196	13,199	13,199	13,087	13,131	13,137	13,055
NDOT bridges	1,008	1,004	994	1,005	997	1,015	1,025	1,045	1,092	1,092
NDOT vehicles	793	791	812	758	803	829	872	864	901	826
NDOT heavy equipment	1,732	1,751	1,751	1,814	1,802	1,826	1,875	1,900	1,913	1,886
NDOT maintenance stations (staffed)	45	45	45	45	45	45	41	51	48	45
<b>Recreation and Resource Development</b>										
State owned office space (square feet)	33,042	33,042	26,965	26,965	36,593	36,593	146,982	137,353	139,874	139,874
Number of State Parks	25	25	25	25	25	25	26	24	25	24
Acres of State Parks	132,590	132,590	132,590	132,590	132,800	132,800	132,800	132,800	132,117	145,750
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	117,959	117,959	117,959	117,959	117,959	117,959	116,888
Vehicles	895	911	913	940	927	1,007	998	803	811	854

**Sources:** Federal Highway Administration; Nevada Attorney General's Office; Nevada Departments of Administration, Conservation and Natural Resources, Corrections, Cultural Affairs, Health & Human Services, Transportation, Wildlife

**Note:** Division of Buildings and Grounds changed the way State-owned office building rent (previously based on useable square footage) is calculated beginning in fiscal year 2006. Rent is now based on gross instead of useable square footage.

**Old Las Vegas Mormon Fort State Historic Park** is dedicated to the first permanent, non-native settlers in the Las Vegas Valley – a group of Mormon missionaries who built an adobe fort along Las Vegas Creek in 1855. They successfully farmed the area by diverting water from the creek. Today, the park includes a remnant of the original adobe fort with 12 informational displays. Other portions of the original walls have been reconstructed in their historic location, and a modern visitor’s center features more extensive history as well as an ongoing focus on historic interpretation.





Dedicated in 1935, **Valley of Fire State Park** is Nevada's largest state park. Striking red sandstone formations and the stark beauty of the Mojave Desert mark the park's renowned landscape. Ancient trees and early humans are represented throughout the park by areas of petrified wood and 3,000-year-old Indian petroglyphs. Popular park activities include camping, hiking, picnicking and photography. A new 22-unit RV campground loop featuring individual site electrical and water hookups complements an additional 49 tent and trailer campsites. The park offers a full-scale visitor center with extensive informational displays. Valley of Fire was voted the "Best Park/Nature Area" and the "Best Scenic Drive" in southern Nevada by the readers of Nevada Magazine.



# COMPLIANCE SECTION

The historic **Spring Mountain Ranch** is located near the Red Rock Canyon National Conservation Area, beneath the colorful cliffs of the magnificent Wilson Range. The many springs in these mountains provided water for Paiute Indians and later brought mountain men and early settlers to the area. Past owners of the ranch included millionaire Howard Hughes, Chester Lauck of the radio comedy team “Lum & Abner” and German actress Vera Krupp. Scheduled, guided tours through the ranch house and other historic ranch buildings are available throughout the week. The ranch visitor center is open daily. Park facilities include a tree-shaded picnic area, scenic hiking trails and a cultural events pavilion. Popular activities include picnicking, living history events, hiking and wildlife viewing.





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 Kim Wallin, CMA, CFM, CPA  
State Controller

We have audited 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 (the State), as of and for the year ended June 30, 2009, which collectively comprise the State's basic financial statements and have issued our report thereon dated January 26, 2010. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, and the Retirement Benefits Investment Fund as described in our report on the State'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 Higher Education Tuition Trust 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, 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, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the State's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State's financial statements that is more than inconsequential will not be prevented or detected by the State's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the State'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*.

This report is intended solely for the information and use of the Nevada Legislature, management of the State, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
January 26, 2010



Joseph Costing, Architect No 4 Bond St.  
San Francisco

PHOTO. 7/24/55