



STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year
Ended June 30, 2011

STATE CONTROLLER
KIM R. WALLIN
CMA, CFM, CPA



*Joseph Costantino Architect No. 9 Post St.
San Francisco*

PHOTO. 7/24/55

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STATE OF NEVADA

Comprehensive Annual Financial Report

for the Fiscal Year
Ended June 30, 2011

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 Nevada State Controller in 50 years. She is the first CMA (Certified Management Accountant) to hold this office.

Kim is currently a member of the AGA Partnership for Intergovernmental Management and Accountability Steering Committee, Treasurer of NASC and is a member of the NASACT Executive Committee. She is also a member of the IMA XBRL Standing Committee. In addition she is a member of the Institute of Management Accountants, AICPA, NSCPA, NASACT and AGA.

Kim has recently been appointed to President Obama's Federal/State Advisory Committee on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments. This committee is dedicated to promoting more effective government by reducing unnecessary regulatory and administrative burdens and redirecting resources to services that are essential to achieve better outcomes at lower costs.

Kim has also served on a workgroup that was formed by an Executive Order to address improper payments. Nevada was one of only three States that were asked to serve on the workgroup.

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. In 2011 she received the "President's Award" from the National Association of State Auditors, Comptrollers and Treasurers (NASACT).

Kim is the former Global Chair of the Institute of Management Accountants (IMA). IMA is the resource for developing, certifying, and connecting the world's best accountants and financial professionals working in business. She served as Chair of IMA in 2003-2004 and she served as Chair of the Board of Regents of the ICMA.

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

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



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NEVADA

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State of Nevada
Office of State Controller
Carson City, Nevada 89701-4786

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

January 31, 2012

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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, 2011. The objective of this Report 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 the 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.

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 Government Finance Officers Association (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 and is bordered by five other states. The Great Basin Desert dominates the landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Over 80 percent of Nevada's 70,264,320 acres are owned and managed by the federal government. Approximately 88 percent of our 2.7 million residents live in two distinct population centers, Washoe County in the northwest and Clark County at the southeast tip, separated by 450 miles.

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.

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 a 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.

In accordance with state statute, The Economic Forum, comprised 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. If revenues fall below those originally anticipated during the course of the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

Economic Outlook

Nevada struggles to recover from its deep recession. Difficult decisions made during the budgeting process have brought spending into line with available revenues in this year of the budget cycle. General Fund revenue in 2011 increased \$170 million over last year to \$6.2 billion. The largest increases over 2010 revenues were: \$57 million in licenses, fees and permits; \$55 million in sales taxes; \$40 million in other taxes and \$36 million in other revenues. The largest decrease in revenue sources for 2011 was \$20 million in intergovernmental revenue. These are funds received from the Federal government.

General Fund spending in 2011 of \$6.3 billion increased \$232 million over 2010 expenditures. The largest increase, \$174 million, represented increased expenditures for Medicaid and Supplemental Nutrition programs. As American Recovery and Reinvestment Act (ARRA) money runs out, money will not be available for expenditure increases of this magnitude until the economy recovers. In fiscal 2011, ARRA expenditures decreased to \$1.2 billion, down from \$1.6 billion in 2010, leaving only \$260 million for fiscal years 2012 through 2014. Unemployment and training benefited most from these emergency moneys, followed by Federal medical and family assistance, education and transportation. The absence of these funds will tax the ability of Nevada to maintain program and infrastructure services.

At the recent non-binding meeting of Nevada's Economic Forum in December, actual tax revenues for 2012 at mid-year exceeded forecasts by \$21 million, with sales tax collections ahead by almost \$10 million and governmental services tax ahead by almost \$9 million. Though revenues are forecast to be higher in 2012, 2011 revenues from these sources were still below pre-recession levels.

Sales tax revenues were \$932 million in 2011, well below the pre-recession level of \$1.2 billion. Gaming tax revenues were stagnant for most of 2011, but finished the year .7% higher than 2010. Total gaming tax revenue for 2011 of \$850 million is below the pre-recession level of \$1 billion. In Las Vegas, there were slight increases in hotel occupancy (up 6.4% in 2011 over 2010), and visitor volume (up 7.0% for June, 2011 over June, 2010).

Unemployment in Nevada was 13.5% in June, compared to the national rate of 9.3%. The unemployment rate improved over the 14.3% rate in June of 2010. Overall, expectations are that Nevada's employment base will grow by 30,000 jobs over the next two years and the unemployment rate is expected to show a modest downturn through 2013. Nevada continues to have the highest foreclosure rate in the country for the 55th straight month, and the average home price in Las Vegas has dropped 64% over the last four years.

As the national recovery begins to take hold and to stimulate a rebound for Nevada, the State is focused on important opportunities to diversify its economy. Unprecedented global and U.S. competition for gaming dollars forces Nevada to look to other sources of income. Nevada is seeking new opportunities to expand and diversify its economy in several areas: tourism, gaming and entertainment; health and medical services; business IT ecosystems; clean energy; mining, materials and manufacturing; logistics and operations; and aerospace and defense.

Major Initiatives

Business Growth: Nevada Commission on Economic Development (NCED) works to remove barriers and help businesses achieve success. NCED provides assistance in relocation and expansion, and site selection, to existing and prospective Nevada businesses. Through procurement outreach, training is provided to Nevada businesses to find and bid on federal, state and local contracts.

NCED's Global Trade and Investment Division helps Nevada businesses expand into international markets, and works to attract foreign investment to the State. The U.S. Chamber of Commerce recently recommended that Nevada's program model be "replicated in other states and ideally on the federal level."

The Rural Community Development Division promotes community development in rural Nevada, and The Nevada Film Office, ranked consistently as one of the top film commissions in the U.S., attracts film industry earnings of more than \$100 million each year to Nevada's economy.

Resource Development: Nevada is 8th among the 50 states in renewable energy production, providing 47,288 billion BTUs annually, or .63% of total U.S. renewable energy production. The number of renewable energy projects in the State continues to grow.

A recent report from the Geothermal Energy Association shows that Nevada leads the nation in geothermal power plants planned or under construction. In the Silver State, 65 geothermal projects, or roughly half of the nation's 123 confirmed geothermal plants, are under development. Most of the geothermal projects under way range from 5 megawatts to 60 megawatts in capacity, but several projects are slated to run more than 100 megawatts each. One project, Gradient Resources' Colado plant north of Fallon, will nearly double the state's existing capacity, with 350 megawatts of output. Gradient's Aurora plant, south of Reno near the California border, will produce 190 megawatts. In all, 15 states are home to emerging geothermal plants, with a total generating capacity of 4,050 megawatts. Nevada currently has 21 operating geothermal plants with a capacity of 441.8 megawatts and contributes 14% of the nation's geothermal power.

As a complement to the State's geothermal development, Truckee Meadows Community College is starting the world's first geothermal plant operators school in Reno early next year. The College and experts in the renewable-energy industry have worked together to create a three-semester course comprising 13 classes and 34 credits. The school will train 4,936 workers needed to staff the 65 geothermal plants under development in Nevada. Another 7,000 workers will need training for geothermal projects in the rest of the country, and the school is generating interest on a global level.

Solar energy is abundant in Nevada. Presently 5 projects produce 131.4 megawatts of power. Four projects are in development near Searchlight, Tonopah, Apex and Primm which are expected to generate another 198 megawatts of power. The largest project, at Tonopah, will create 600 temporary construction jobs and 45 permanent jobs.

The Spring Valley Wind project is under construction in White Pine County, scheduled for completion in 2012. The 150 megawatt project will provide 225 construction jobs and 13 permanent positions. Their power purchase agreement with NV Energy will be able to supply the power needs of 45,000 homes.

Nevada's favorable corporate tax structure and business-friendly policies will aid in the development of our plentiful resources for renewable energy, making Nevada a leading power in the industry.

Education: As part of the "No Child Left Behind" Act of 2001, students are required to meet increasingly difficult standards in order to achieve Adequate Yearly Progress (AYP). Nationally, 52% of all schools met AYP standards. In Nevada, 45% of all schools met AYP standards. Within the State, AYP standards are met by only 33% of elementary schools and 49% of middle schools. Nevada's high schools are on a par with other states at 53%. While 32 of Nevada's 242 schools, or 13%, will be honored as "High Achieving" or "Exemplary," the percentage of schools meeting AYP must improve to attract the industries and young, educated families that Nevada needs to build a strong economy.

For the second year in a row, Washoe County School District has an increased high school graduation rate. The percentage of graduates in 2011 reached 70%, a great improvement over the 56% rate logged in 2009. Parent involvement, flexible learning schedules and close tracking of each student's credit attainments from the first day of school were key contributors to the increase in graduates. Still, Nevada has the worst high school graduation rate in the country and will need many more successes like this throughout the State.

Legislative budget allocations to the Nevada System of Higher Education (NSHE) totaled \$810 million in 2010 and \$833 million in 2011. These reflect 8.5% and 5.9% cuts, respectively, from the 2009 funding level of \$888 million. The 2010 budget included \$92 million in federal ARRA funds. Those moneys have been spent, so unless general fund allocations increase, further program cuts and student fee increases will result. These actions could accelerate declining enrollment and impact Nevada's ability to attract new business. Following 11 years of enrollment growth, NSHE's 2011 enrollment figures show a reduction of 4,000 students, or 6%.

Our leaders have a vision to rebuild Nevada's economy by creating knowledge-based jobs that hold the key to a more diverse economy. As the State emerges from the recent budgetary crisis, emphasis on a strong education system must be given the highest priority if we are to achieve the critical goal of an educated and skilled workforce.

Health and Human Services: Nevada spent \$1.5 billion on Medicaid in 2011, amounting to 24% of all general fund expenditures. The number of recipients grew 17%, and the number of recipients is expected to top 350,000 by 2015. Demand for social programs increased during 2011: Temporary Assistance to Needy Families (TANF) recipients grew by 6%; food stamp recipients grew by 24%; and the number of WIC participants in 2011 grew by 2% to 888,000. ARRA funds helped to pay for increased services in 2010 and 2011, but will not be available in 2012 and thereafter.

The Patient Protection and Affordable Care Act (ACA) is projected to reduce medical services costs to states by increasing Medicaid funding, changing the Children's Health Insurance Program, creating health insurance exchanges, and implementing cost-saving technologies, but these benefits will not begin until 2014. Groundwork has been laid for the implementation of ACA in Nevada, and in June, the Office of the National Coordinator for Health Information Technology (HIT) approved Nevada's HIT Plan, which was developed with ARRA funds. In the near future, total electronic management of health information and its secure exchange is expected to improve health care quality, prevent medical errors and reduce health care costs.

Transportation: The Silverado to Sunset segment of the nine-part, approximately \$36-million widening of I-15 South Las Vegas Boulevard was completed on time and under budget during the fourth quarter. The widening of U.S. 93 in Boulder City was necessitated by increased congestion following the opening of the Hoover Dam Bridge in October 2010. The project received \$16 million in emergency funding and was put on the fast track to be completed in less than one year. It was officially opened on November 22, 2011.

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, 2010. 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 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



BRIAN SANDOVAL
GOVERNOR



ROSS MILLER
SECRETARY OF STATE



KATE MARSHALL
TREASURER

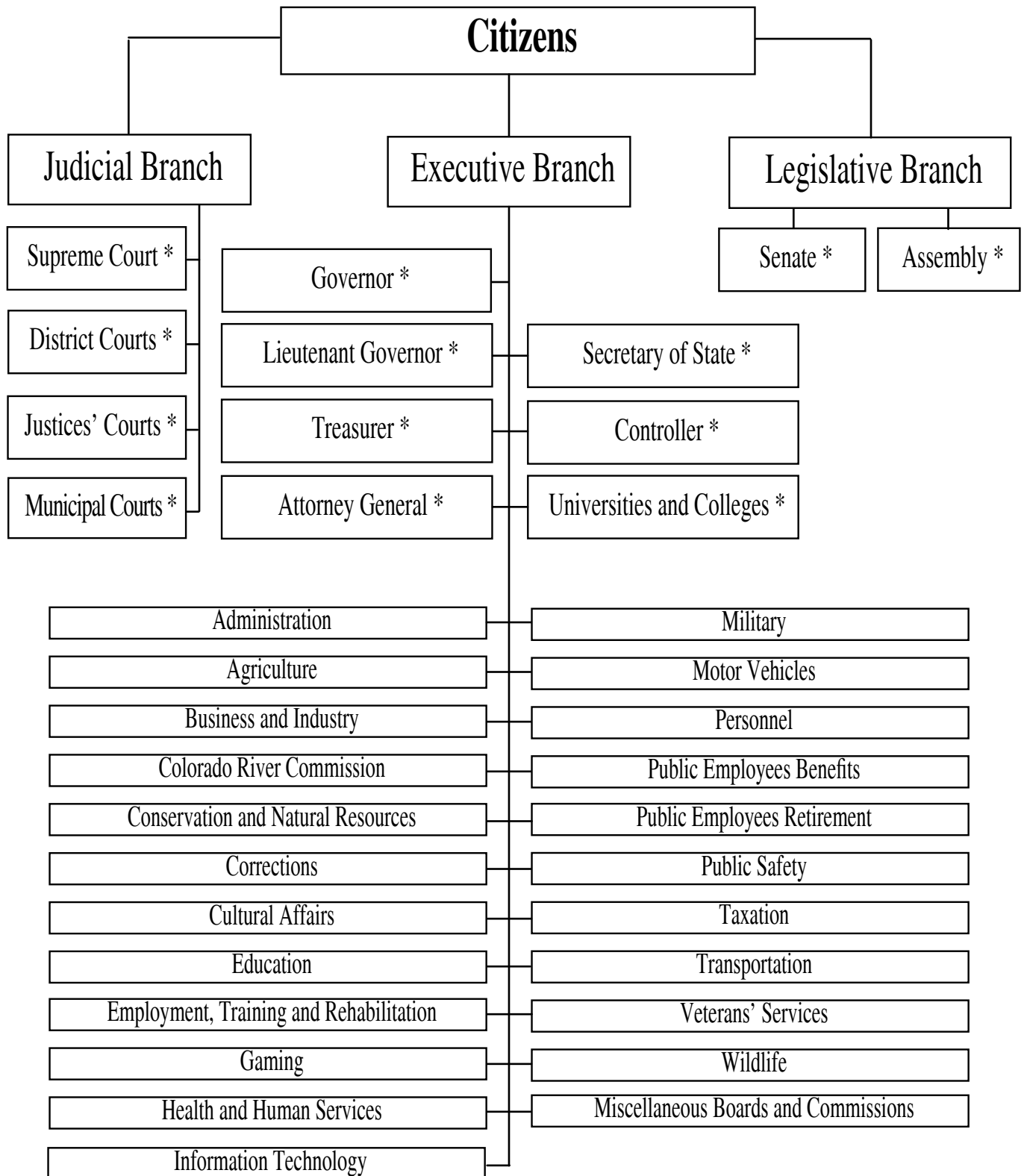


KIM R. WALLIN
CONTROLLER



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, 2010

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.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Enen".

Executive Director

FINANCIAL SECTION

FANCY FEATHER DANCER

Legend has it fancy dancing is the original war dance. It is distinguished by the two-bustle design on their regalia.



Photo: Courtesy of Nevada Folklife Archives/Nevada Arts Council

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, 2011, 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 57.44 percent of the assets and 5.27 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 the net assets, and 3.55 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 72.56 percent of the assets, 71.93 percent of the net assets and 51.75 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represents 20.16 percent of the assets, 23.21 percent of the net assets and 31.21 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund, which represent less than one percent of the assets, net assets and revenues of the aggregate remaining fund information;
- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets, fund balance and revenues 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 Division of the Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*. An audit 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 22 and the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 86 through 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's financial statements as a whole. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Kafoury, Armstrong & Co.

Reno, Nevada
January 27, 2012

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, 2011. 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 liabilities at the close of the fiscal year ended June 30, 2011 by \$4.3 billion (reported as *net assets*). Of the \$4.3 billion in net assets, \$1.3 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is the \$3.9 billion invested in capital assets, net of related debt.

Changes in Net Assets – The State's total net assets increased by \$50.2 million in fiscal year 2011. Net assets of governmental activities increased by \$266.5 million (a 6.5% increase) and net assets of the business-type activities decreased by \$216.3 million (a 131.7% decrease).

Fund-level:

Beginning in fiscal year 2011 the State implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which provides new fund balance classifications for governmental funds and clarifies the existing governmental fund type definitions. The previous reserved and unreserved classifications have been replaced with nonspendable, restricted, committed, assigned and unassigned balances. Also, certain special revenue funds, such as the Legislative fund and Stabilization fund, no longer meet the definition of a special revenue fund and are now reported as activity in the General Fund. Additional information on the State's fund balances can be found in Note 1 to the financial statements.

At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.5 billion, a decrease of \$119.5 million from the prior year. Of the ending fund balance, \$625.6 million is not in spendable form, primarily municipal securities and permanent fund principal, and \$830.9 million is available for spending. The \$830.9 million that is spendable consists of: \$487.7 million restricted to expenditure for specific purposes such as transportation and capital projects; \$459.4 million committed to expenditure for specific purposes such as servicing bonds payable, recreation and resource development, contingencies and fiscal emergencies; and a negative \$116.2 million unassigned, primarily in the General Fund. The reasons for the negative unassigned fund balance are disclosed in the Financial Analysis of the State's Funds section below.

The State's enterprise funds reported combined ending net assets of a negative \$52.0 million, a decrease of \$216.1 million from the prior year, attributable primarily to a decrease of \$265.3 million in net assets of the Unemployment Compensation fund. Of the combined ending net assets, \$558.2 million represents a deficit in *unrestricted net assets* of which \$567.2 million is from the Unemployment Compensation fund.

The State's fiduciary funds reported combined ending net assets of \$34.6 billion, an increase of \$6.8 billion from the prior year. This increase is due primarily to the change in the fair value of investments in the Pension Trust Funds and Private Purpose Trust Funds.

Long-term Debt (Government-wide):

The net decrease in the State's long-term debt obligations was \$239.7 million or 6.0% during the current fiscal year from \$4.0 billion in fiscal year 2010 to \$3.8 billion in fiscal year 2011.

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, 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, 2011 and 2010 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

State of Nevada's Net Assets-Primary Government (expressed in thousands)							
	Governmental Activities		Business-type Activities		Total		Total Change
	2011	2010	2011	2010	2011	2010	2011-2010
Assets							
Current and other assets	\$ 3,301,053	\$ 3,299,428	\$ 1,976,771	\$ 1,904,758	\$ 5,277,824	\$ 5,204,186	\$ 73,638
Net capital assets	5,497,486	5,330,157	10,765	10,986	5,508,251	5,341,143	167,108
Total assets	8,798,539	8,629,585	1,987,536	1,915,744	10,786,075	10,545,329	240,746
Liabilities							
Current liabilities	1,494,432	1,399,495	90,717	78,624	1,585,149	1,478,119	107,030
Long-term liabilities	2,956,072	3,148,576	1,948,874	1,672,864	4,904,946	4,821,440	83,506
Total liabilities	4,450,504	4,548,071	2,039,591	1,751,488	6,490,095	6,299,559	190,536
Net Assets							
Invested in capital assets, net							
of related debt	3,875,141	3,622,787	3,120	3,615	3,878,261	3,626,402	251,859
Restricted	749,818	683,526	503,090	464,346	1,252,908	1,147,872	105,036
Unrestricted (deficit)	(276,924)	(224,799)	(558,265)	(303,705)	(835,189)	(528,504)	(306,685)
Total net assets	\$ 4,348,035	\$ 4,081,514	\$ (52,055)	\$ 164,256	\$ 4,295,980	\$ 4,245,770	\$ 50,210

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) increased to \$4.3 billion at the end of 2011, compared with \$4.2 billion at the end of the previous year.

The largest portion of the State's net assets (\$3.9 billion or 90.3%) 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 (\$1.3 billion or 29.1%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net assets deficit of \$835.2 million or (19.4%), as compared to a \$528.5 million deficit in the prior year. 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 governmental activities and business-type activities.

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

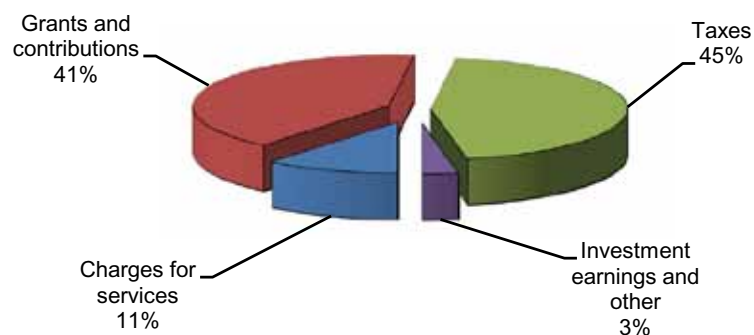
	Governmental Activities		Business-type Activities		Total		Total Change
	2011	2010	2011	2010	2011	2010	2011-2010
Revenues							
Program revenues							
Charges for services	\$ 870,281	\$ 797,028	\$ 97,356	\$ 87,356	\$ 967,637	\$ 884,384	\$ 83,253
Operating grants and contributions	3,050,092	3,141,986	1,251,949	1,335,177	4,302,041	4,477,163	(175,122)
Capital grants and contributions	164,711	56,719	-	-	164,711	56,719	107,992
General revenues							
Sales and use taxes	931,911	870,474	-	-	931,911	870,474	61,437
Gaming taxes	850,021	844,470	-	-	850,021	844,470	5,551
Modified business taxes	378,971	381,300	-	-	378,971	381,300	(2,329)
Insurance premium taxes	233,334	233,280	-	-	233,334	233,280	54
Property and transfer taxes	231,758	266,878	-	-	231,758	266,878	(35,120)
Motor and special fuel taxes	267,649	268,554	-	-	267,649	268,554	(905)
Other taxes	662,120	620,834	403,509	314,657	1,065,629	935,491	130,138
Investment earnings	(4,182)	(1,246)	-	-	(4,182)	(1,246)	(2,936)
Other	240,909	169,024	-	-	240,909	169,024	71,885
Total Revenues	7,877,575	7,649,301	1,752,814	1,737,190	9,630,389	9,386,491	243,898
Expenses							
General government	334,616	375,219	-	-	334,616	375,219	(40,603)
Health and social services	3,209,237	3,017,013	-	-	3,209,237	3,017,013	192,224
Education and support services	2,393,536	2,430,923	-	-	2,393,536	2,430,923	(37,387)
Law, justice and public safety	667,598	690,104	-	-	667,598	690,104	(22,506)
Regulation of business	122,679	100,380	-	-	122,679	100,380	22,299
Transportation	630,657	644,976	-	-	630,657	644,976	(14,319)
Recreation and resource development	153,404	161,048	-	-	153,404	161,048	(7,644)
Interest on long-term debt	128,606	132,238	-	-	128,606	132,238	(3,632)
Unallocated depreciation	1,402	1,448	-	-	1,402	1,448	(46)
Unemployment insurance	-	-	1,767,632	2,233,382	1,767,632	2,233,382	(465,750)
Housing	-	-	83,467	57,342	83,467	57,342	26,125
Water loans	-	-	16,476	14,697	16,476	14,697	1,779
Workers' compensation and safety	-	-	29,642	26,084	29,642	26,084	3,558
Higher education	-	-	18,959	14,051	18,959	14,051	4,908
Other	-	-	28,905	23,175	28,905	23,175	5,730
Total Expenses	7,641,735	7,553,349	1,945,081	2,368,731	9,586,816	9,922,080	(335,264)
Excess (deficiency) in net assets before contributions to permanent funds and transfers	235,840	95,952	(192,267)	(631,541)	43,573	(535,589)	579,162
Contributions to permanent fund	6,637	8,165	-	-	6,637	8,165	(1,528)
Transfers	24,044	19,361	(24,044)	(19,361)	-	-	-
Change in net assets	266,521	123,478	(216,311)	(650,902)	50,210	(527,424)	577,634
Net assets - beginning of year	4,081,514	3,958,036	164,256	817,168	4,245,770	4,775,204	(529,434)
Change in reporting entity	-	-	-	(2,010)	-	(2,010)	2,010
Net assets - beginning of year (restated)	4,081,514	3,958,036	164,256	815,158	4,245,770	4,773,194	(527,424)
Net assets - end of year	\$ 4,348,035	\$ 4,081,514	\$ (52,055)	\$ 164,256	\$ 4,295,980	\$ 4,245,770	\$ 50,210

Changes in Net Assets:

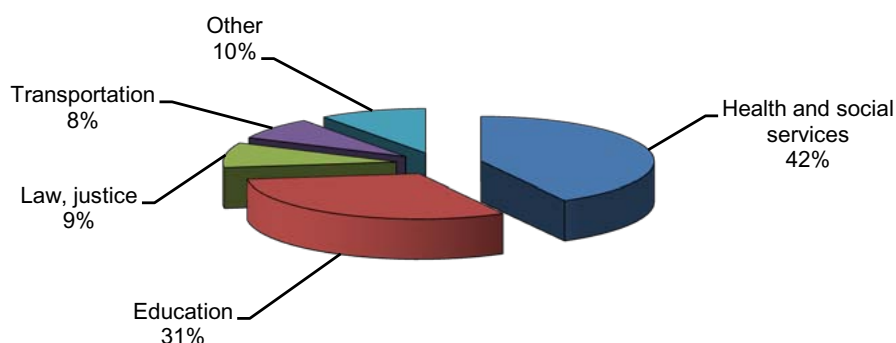
Total government-wide revenues increased over the prior year, due primarily to higher revenues from sales taxes, gaming taxes, mining taxes and fees, unclaimed property receipts, transient lodging taxes (room taxes), and intergovernmental revenue for highway projects. The State's federal funds through the American Recovery and Reinvestment Act (ARRA) decreased to \$1.2 billion in 2011, down from \$1.6 billion in 2010, leaving \$260 million for fiscal years 2012 through 2014. Unemployment and training benefited most from the ARRA moneys in 2011 (\$600 million), followed by medical and family assistance (\$180 million), education (\$112 million) and transportation (\$109 million). The absence of these funds will tax the ability of Nevada to maintain program and infrastructure services. The unrestricted net assets deficit increased: 1) in governmental activities, through health and social services expenditures; and 2) in business-type activities, through unemployment compensation expenditures.

Governmental activities – The net assets increased by \$266.5 million or 6.5%. Approximately 45.1% of the total revenue came from taxes, while 40.8% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 11.1% 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 (42.0%) and education (31.3%) (see chart below). In 2011, governmental activities expenses exceeded program revenues, resulting in the use of \$3.6 billion in general revenues, which were generated to support the government.

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



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

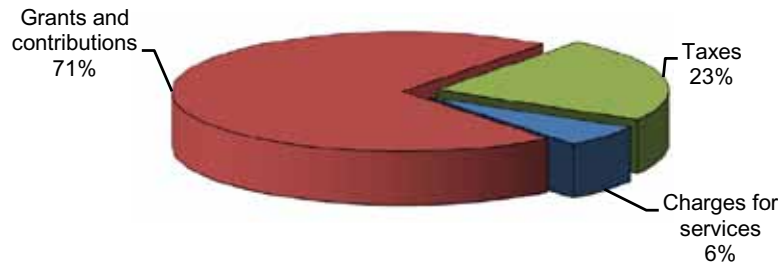


The following table depicts the total program revenues and expenses for each function of governmental activities:

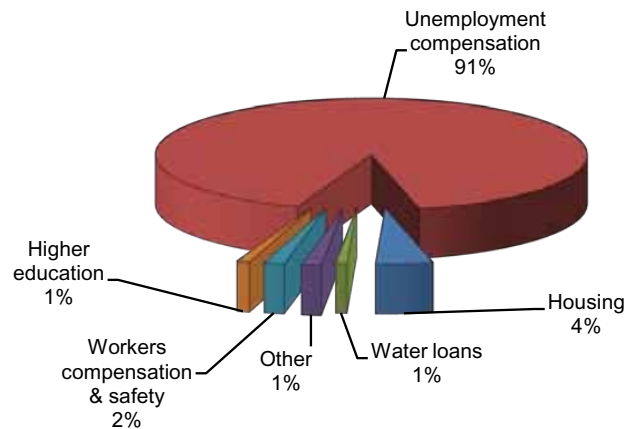
Revenues and Expenses by Function: Governmental Activities		
(expressed in thousands)		
	Expenses	Revenue
General Government	\$ 334,616	\$ 356,560
Health and Social Services	3,209,237	2,206,093
Education	2,393,536	453,920
Law, Justice	667,598	285,200
Regulation	122,679	100,813
Transportation	630,657	599,189
Recreation	153,404	81,983
Total	<u>\$ 7,511,727</u>	<u>\$ 4,083,758</u>

Business-type activities – The net assets decreased by \$216.3 million or 131.7%. Approximately 23.0% of the total revenue came from taxes, while 71.4% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 5.6% 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 (90.9%) and housing (4.3%) (see chart below). In 2011, business-type activities expenses exceeded program revenues by \$595.8 million. Of this amount, unemployment compensation was the largest, with net expenses of \$657.4 million, resulting in the use of \$403.5 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 table depicts the total program revenues and expenses for each function for business-type activities:

Revenues and Expenses by Function: Business-type Activities (expressed in thousands)		
	Expenses	Revenue
Unemployment Compensation	\$ 1,767,632	\$ 1,110,225
Housing	83,467	92,378
Water Loans	16,476	47,005
Workers Compensation	29,642	37,984
Higher Education	18,959	30,839
Other	28,905	30,874
Total	\$ 1,945,081	\$ 1,349,305

The State government's overall financial position improved over the past fiscal year, with a \$266.5 million increase in the net assets of the governmental activities and a \$216.3 million decrease in the net assets of the business-type activities. Net assets of the governmental activities increased 6.5% during 2011, while 2010 increased 3.1%. The net assets of the business-type activities had a 131.7% decline, on top of a 79.8% decline in 2010. Nevada's recovery remains fragile and it appears economic growth will come at a modest and steady pace. Key economic indicators from the State's tourism and retail industries have been running positive for some time. Tax revenues for governmental activities increased in the current fiscal year \$70.0 million or 2.0%, compared to an increase of \$209.9 million or 6.4% in the prior fiscal year. This increase was mainly a result of increased collection of sales taxes, gaming taxes and mining taxes. Part of the sales tax increase amounting to \$15.0 million resulted from the tax amnesty program. Increased revenue of \$155.0 million was received by the Highway Fund under provisions of Assembly Bill 595 from the 74th Legislative Session, which authorizes counties to sell bonds for in-county highway projects. Clark County sold bonds and paid the proceeds to the Highway Fund in 2011 to carry out selected projects. Also, there was a continued slowdown in property and transfer taxes. In addition, mining fees totaling \$18.1 million will be refunded beginning in fiscal year 2012, under Senate Bill 493 of the 74th Legislative Session.

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 \$1.46 billion, a decrease of \$119.5 million in comparison with the prior year. Of these total ending fund balances, \$625.6 million (43.0%) is nonspendable, either due to its form or legal constraints, and \$487.7 million (33.5%) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$459.4 million (31.5%) of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. The remaining (\$116.2) million (8.0%) of fund balance is unassigned. The major funds are discussed more fully below.

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$246.7 million compared to \$234.6 million in the prior fiscal year. This \$12.1 million increase consists of a \$64.9 million increase to the beginning fund balance and a \$52.8 million decrease from operations. The beginning fund balance increase was due to a net restatement from the Nonmajor Governmental Funds to the General Fund as related to the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is more fully described in Note 16. The fund balance decrease from operations of \$52.8 million during the current fiscal year is a 17.6% decrease from the prior year. Reasons for this decrease are discussed in further detail below. The negative unassigned fund balance of \$115.9 million is mostly due to an accrual for Medicaid expenditures and for deferral of gaming taxes and mining taxes already collected and budgeted.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2011 and 2010 (expressed in thousands). Other financing sources are not included.

General Fund Revenues (expressed in thousands)						
	2011		2010		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 835,245	13.5%	\$ 827,681	13.7%	\$ 7,564	0.9%
Sales taxes	925,898	15.0%	870,539	14.5%	55,359	6.4%
Modified business taxes	381,901	6.2%	385,110	6.4%	(3,209)	-0.8%
Insurance premium taxes	234,831	3.8%	233,906	3.9%	925	0.4%
Property and transfer taxes	51,552	0.8%	53,315	0.9%	(1,763)	-3.3%
Motor and special fuel taxes	2,953	0.0%	3,016	0.1%	(63)	-2.1%
Other taxes	583,828	9.4%	543,573	9.0%	40,255	7.4%
Intergovernmental	2,688,280	43.4%	2,708,799	45.0%	(20,519)	-0.8%
Licenses, fees and permits	301,462	4.9%	244,507	4.1%	56,955	23.3%
Sales and charges for services	53,284	0.9%	53,333	0.9%	(49)	-0.1%
Interest and investment income	10,161	0.2%	11,657	0.2%	(1,496)	-12.8%
Other revenues	117,688	1.9%	81,500	1.3%	36,188	44.4%
Total revenues	<u>\$ 6,187,083</u>	<u>100.0%</u>	<u>\$ 6,016,936</u>	<u>100.0%</u>	<u>\$ 170,147</u>	<u>2.8%</u>

The total General Fund revenues increased 2.8%. The largest increases in revenue sources were \$56.9 million or 23.3% in licenses, fees and permits, \$55.3 million or 6.4% in sales taxes, \$40.2 million or 7.4% in other taxes and \$36.1 million or 44.4% in other revenues. The largest increases in other taxes and other revenues include mining taxes, transient lodging taxes (room tax) and unclaimed property collections. The largest decline in revenue source was \$20.5 million or .8% in intergovernmental revenue, due to a net decrease of federal funds primarily through the American Recovery and Reinvestment Act.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2011 and 2010 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures (expressed in thousands)						
	2011		2010		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 140,751	2.2%	\$ 91,485	1.5%	\$ 49,266	53.9%
Health and social services	2,890,268	45.7%	2,716,246	44.6%	174,022	6.4%
Education and support services	53,333	0.8%	56,712	0.9%	(3,379)	-6.0%
Law, justice and public safety	434,004	6.9%	462,314	7.6%	(28,310)	-6.1%
Regulation of business	90,492	1.4%	84,885	1.4%	5,607	6.6%
Recreation, resource development	107,769	1.7%	108,135	1.8%	(366)	-0.3%
Intergovernmental	2,602,499	41.2%	2,568,947	42.2%	33,552	1.3%
Debt service	3,684	0.1%	1,747	0.0%	1,937	110.9%
Total expenditures	<u>\$ 6,322,800</u>	<u>100.0%</u>	<u>\$ 6,090,471</u>	<u>100.0%</u>	<u>\$ 232,329</u>	<u>3.8%</u>

The total General Fund expenditures increased 3.8%. Health and social services expenditures increased \$174.0 million or 6.4%. The largest portion of this amount was for the Medicaid and food stamp programs. General government expenditures increased \$49.3 million or 53.9%. This increase was the result of combining the Legislative Fund into the General Fund, as required by the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Legislative Fund was its own separate special revenue fund in the prior year. Law, justice and public safety expenditures decreased \$28.3 million or (6.1%) primarily due to a reduction in new capital leases.

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 increased \$17.6 million during the current fiscal year, which is a 6.4% increase from the prior year. This increase is primarily due to increased intergovernmental payments authorized by State Assembly Bill 595 from the 74th Legislative Session. The nonspendable fund balance is \$13.0 million and the restricted fund balance is \$275.2 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 \$24.4 million during the current fiscal year, which is a 7.8% decrease from the prior year. This decrease was primarily due to local governments refunding 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 decreased by \$16.8 million during the current fiscal year, which is a 10.5% decrease from the prior year. The largest changes to the fund balance came from smaller property tax collections and the larger pay down of bond principal.

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 is a negative \$94.5 million while total combined net assets of all enterprise funds is a negative \$52.0 million. The combined net assets of the enterprise funds decreased by \$216.1 million in 2011. 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 \$8.9 million or 4.8% during the current fiscal year, and the results of operations were up 51.3% from last year, due to revenue from the federal government and the reduced interest expense on bonds payable. Part of the \$8.9 million increase resulted from \$7.5 million in federal grant revenue through the Nevada Affordable Housing Assistance Corporation, the Housing Division's component unit.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets decreased by \$265.3 million during the current fiscal year, which is an 87.9% decrease from the prior year. The leading causes for the net asset decrease were the reduced revenue from the federal government and the high claims expense. Claims expense exceeded revenues by \$239.1 million for fiscal year 2011. Fiscal year 2011 total claims expense of \$1.7 billion was less than the fiscal year 2010 total claims expense of \$2.2 billion, a \$480.5 million or 21.5% decrease. This decrease in claims expense was the result of the expiration for the extension of the claim period and an increase in employment. As of June 30, 2011, the total amount of federal unemployment advances and interest due to the U.S. Department of Labor in accordance with provisions Title XII, Section 1201 of the Social Security Act totaled \$773.1 million and \$14.7 million, respectively.

The Water Projects Loans Fund issues loans to governmental and private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. Total revenues exceeded expenses and transfers by \$28.9 million during the current fiscal year, for final net assets of \$280.0 million, which is an 11.5% 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 2011, total internal service fund net assets increased by \$4.0 million, for a final net asset balance of \$58.1 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net assets increased by \$21.9 million during the current fiscal year, which is a 40.1% increase from the prior year, leaving final net assets of \$76.6 million. This year's increase was caused primarily by an 8.4% increase in insurance premium income.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit increased by \$15.8 million or 65.4% during fiscal year 2011, to a total deficit of \$39.9 million. This year's decrease from operations was caused primarily by a 133.8% increase in claims expense from court awards and attorney fees. 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 \$546.6 million or 6.9% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent.

The net increase in the General Fund expenditures and other uses budget from original to final was \$960.5 million. 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. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions.

Increases due to the non-executive budgets approved after July 1 and increased estimated receipts were approximately \$755.8 million. Other budget revisions included: \$97.0 million for the State Distributive School Account to cover unanticipated shortfalls in tax revenues; \$23.9 million for interest payments due the federal government for the loan that was made to the State upon depletion of the Nevada Unemployment Compensation Fund; and \$10.0 million for the Millennium Scholarship Program.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2011, amount to \$6.4 billion, net of accumulated depreciation of \$945.4 million, leaving a net book value of \$5.5 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 2011 assessment is not available as of the date of this report. Based on the 2009 assessments, the State has met the requirement of the modified approach for roadways, but not for bridges. The following table shows the State's policy and the condition level of the roadways and bridges:

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

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%

Condition Level of the Bridges
Percentage of substandard bridges

	2009	2007	2005
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	15%	4%	3%

The substandard condition of bridges, for the most current condition assessment, is the result of a change in bridge reporting and inspection methodologies. The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2011 by \$86.0 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to continue to meet or exceed the target condition levels for the roadway category. The State is considering revising its policy for bridges to allow for the changes in reporting and inspection methodologies. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress during 2011 (expressed in millions):

	Expended by June 30, 2011	Total Budget
Indian Springs Conservation Camp	\$ 40.6	\$ 40.9
Readiness Center North Las Vegas	2.5	35.8
Unemployment Insurance Software Development	11.3	35.6
SDCC Housing Unit & Planning	22.5	28.9
Las Vegas Readiness Center	24.2	25.9
Las Vegas Readiness Center - Field Maintenance Shop	0.7	24.3
Department of Corrections Energy Retrofit	15.2	18.0
Elko County Readiness Center	6.7	16.6
Civil Support Team WMD Readiness Center	0.7	13.7
Welfare Web Based Benefit Software Development	8.5	10.1

The total increase in the State's capital assets for the primary government for the current fiscal year was \$325.0 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$76.2 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 \$4.9 billion in long-term liabilities outstanding, compared to \$4.8 billion last year, an increase of \$83.5 million or 1.7% 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. 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 2011 fiscal year were (expressed in thousands):

General Obligation Capital Improvement and Refunding Bonds	12/21/2010C	\$ 121,920
General Obligation Natural Resources and Refunding Bonds	12/21/2010D	20,170
General Obligation Water Pollution Control Revolving Fund Matching Bonds	12/21/2010G	4,535
General Obligation Water Pollution Control Revolving Fund Leveraged Refunding Bonds	12/21/2010H	8,350
General Obligation Safe Drinking Water Revolving Fund Matching and Refunding Bonds	12/21/2010I	6,235
Housing Single-Family 2009 Issue I-A	11/22/2010	15,000
Housing Single-Family 2010 Issue I	11/22/2010	10,000
Housing Single-Family 2011 Issue A	06/30/2011	13,600
Housing Single-Family 2009 Issue I-B	06/30/2011	20,400
Housing Multi-Unit College Villas	01/21/2011	12,000
Housing Multi-Unit Washoe Mills	01/21/2011	8,820

This list of new bonds does not agree completely with the schedule of additions as seen in Note 8 to the financial statements, due to the inclusion of 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. 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.



Photos By: Roger Bowen Weld
Numaga Pow-wow





Photo By: Roger Bowen Weld
Numaga Pow-wow

BASIC FINANCIAL STATEMENTS



Grass Dancer, Snow Mountain Powwow
Courtesy of Nevada Folklife Archives/Nevada
Arts Council

GRASS DANCER

Legend has it a crippled young tribal man yearned to dance so he placed blades of grass in his belt. He moved his legs in such a way the other warrior dancers mimicked his style.



Photo By: Roger Bowen Weld
Numaga Pow-wow

Statement of Net Assets



NEVADA

June 30, 2011 (Expressed in Thousands)

	Primary Government		Component Units	
	Governmental Activities	Business-Type Activities	Colorado River Commission	Nevada System of Higher Education
Assets				
Cash and pooled investments	\$ 1,386,263	\$ 224,660	\$ 7,189	\$ 240,687
Investments	602,516	767,961	-	881,402
Internal balances	7,986	(7,986)	-	-
Due from component unit	6,929	-	-	-
Due from primary government	-	-	20	35,349
Accounts receivable	74,913	3,949	17,262	39,539
Taxes/assessments receivable	748,094	170,176	-	-
Intergovernmental receivables	423,367	2,392	-	38,312
Accrued interest and dividends	4,863	11,935	14	-
Contracts receivable	-	19,750	-	-
Mortgages receivable	-	582,206	-	-
Notes/loans receivable	11,488	40,757	-	12,595
Other receivables	16	1,498	-	53,079
Inventory	14,231	1,435	-	5,948
Prepaid expenses	1,598	334	29,503	-
Deferred charges	18,789	4,190	-	-
Restricted assets:				
Cash	-	-	10,026	36,264
Investments	-	149,715	-	30,897
Other assets	-	3,799	-	48,273
Capital assets:				
Land, infrastructure and construction in progress	4,273,827	9,093	-	170,515
Other capital assets, net	1,223,659	1,672	54,535	1,815,599
Total assets	8,798,539	1,987,536	118,549	3,408,459
Liabilities				
Accounts payable	777,925	46,518	11,084	39,828
Accrued payroll and related liabilities	60,410	964	-	29,756
Intergovernmental payables	85,119	120	-	-
Interest payable	22,768	23,444	1,281	11,995
Due to component units	31,850	48	-	-
Due to primary government	-	-	24	6,905
Contracts/retentions payable	56,317	-	-	-
Unearned revenues	385,980	10,474	702	40,552
Other liabilities	74,063	9,149	4,975	27,633
Long-term liabilities:				
<i>Portion due or payable within one year:</i>				
Reserve for losses	53,430	-	-	-
Obligations under capital leases	2,341	-	-	1,613

Compensated absences	66,982	1,096	66,982	205	31,402
Benefits payable	11,601	11,601	11,601	-	-
Bonds payable	250,201	90,185	250,201	5,964	19,916
Certificates of participation payable	1,758	-	1,758	-	-
Arbitrage rebate liability	864	-	864	-	-
<i>Portion due or payable after one year:</i>					
Federal advances	773,160	773,160	773,160	-	7,815
Reserve for losses	41,048	-	41,048	-	-
Obligations under capital leases	28,629	-	28,629	-	2,907
Compensated absences	33,871	658	34,529	93	16,977
Benefits payable	-	130,374	130,374	-	-
Bonds payable	2,509,835	941,763	3,451,598	85,146	506,060
Certificates of participation payable	54,308	-	54,308	-	-
Due to component unit	3,471	-	3,471	-	-
Arbitrage rebate liability	615	37	652	-	-
Total liabilities	4,450,504	2,039,591	6,490,095	109,474	743,359
Net Assets					
Invested in capital assets, net of related debt	3,875,141	3,120	3,878,261	(4,184)	1,451,814
Restricted for:					
Security of outstanding obligations	-	183,193	183,193	-	-
Workers' compensation	-	30,483	30,483	-	-
Tuition contract benefits	-	3,301	3,301	-	-
Capital projects	5,100	-	5,100	-	82,830
Debt service	32,133	-	32,133	-	14,304
Education and support services	1,564	-	1,564	-	-
Transportation	288,356	-	288,356	-	-
Recreation and resource development	90,671	280,050	370,721	-	-
Law, justice and public safety	7,942	-	7,942	-	-
Health and social services	10,129	-	10,129	-	-
Regulation of business	7,139	6,063	13,202	-	-
Scholarships	-	-	-	-	274,614
Loans	-	-	-	-	8,009
Operations and maintenance	-	-	-	711	-
Research and development	-	-	-	2,139	-
Other purposes	173	-	173	-	-
Funds held as permanent investments:					
Nonexpendable	306,591	-	306,591	-	309,044
Expendable	20	-	20	-	-
Unrestricted (deficit)	(276,924)	(558,265)	(835,189)	10,409	524,485
Total net assets	\$ 4,348,035	\$ (52,055)	\$ 4,295,980	\$ 9,075	\$ 2,665,100

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

Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2011 (Expressed in Thousands)

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Component Units
Primary Government							Nevada System of Higher Education
Governmental activities:							
General government	\$ 334,616	\$ 301,856	\$ 54,606	\$ 98	\$ 21,944	\$ -	\$ -
Health and social services	3,209,237	156,698	2,047,595	1,800	(1,003,144)	-	-
Education and support services	2,393,536	4,730	449,190	-	(1,939,616)	-	-
Law, justice and public safety	667,598	234,385	47,620	3,195	(382,398)	-	-
Regulation of business	122,679	63,506	37,307	-	(21,866)	-	-
Transportation	630,657	66,145	373,643	159,401	(31,468)	-	-
Recreation and resource development	153,404	42,961	38,805	217	(71,421)	-	-
Interest on long-term debt	128,606	-	1,326	-	(127,280)	-	-
Unallocated depreciation	1,402	-	-	-	(1,402)	-	-
Total governmental activities	7,641,735	870,281	3,050,092	164,711	(3,556,651)	-	-
Business-type activities:							
Unemployment insurance	1,767,632	1,587	1,108,638	-	-	(657,407)	-
Housing	83,467	21,385	70,993	-	-	8,911	-
Water loans	16,476	8,370	38,635	-	-	30,529	-
Workers' compensation and safety	29,642	35,071	2,913	-	-	8,342	-
Higher education	18,959	89	30,750	-	-	11,880	-
Other	28,905	30,854	20	-	-	1,969	-
Total business-type activities	1,945,081	97,356	1,251,949	-	-	(595,776)	-
Total primary government	\$ 9,586,816	\$ 967,637	\$ 4,302,041	\$ 164,711	(3,556,651)	(595,776)	-
Component Units							
Colorado River Commission	\$ 89,694	\$ 89,487	\$ -	\$ -	-	-	(207)
Nevada System of Higher Education	1,525,501	555,001	423,598	10,381	-	-	(536,521)
Total component units	\$ 1,615,195	\$ 644,488	\$ 423,598	\$ 10,381	-	-	(207)
							(536,521)

General revenues:					
Taxes:					
Gaming	817,070	-	-	817,070	-
Sales and use	832,293	-	-	832,293	-
Modified business	378,971	-	-	378,971	-
Insurance premium	233,334	-	-	233,334	-
Property and transfer	51,552	-	-	51,552	-
Motor and special fuel	2,953	-	-	2,953	-
Other	551,821	-	-	551,821	-
Restricted for unemployment compensation:					
Other taxes	-	403,509	-	403,509	-
Restricted for educational purposes:					
Sales and use taxes	99,618	-	-	99,618	-
Gaming taxes	32,951	-	-	32,951	-
Restricted for debt service purposes:					
Property and transfer taxes	158,172	-	-	158,172	-
Motor and special fuel taxes	84,222	-	-	84,222	-
Other	26,632	-	-	26,632	-
Restricted for recreation and resource development purposes:					
Other taxes	28,988	-	-	28,988	-
Other	8,827	-	-	8,827	-
Restricted for health and social services purposes:					
Property and transfer taxes	22,034	-	-	22,034	-
Other taxes	40,664	-	-	40,664	-
Restricted for transportation purposes:					
Motor and special fuel taxes	180,474	-	-	180,474	-
Other taxes	36,579	-	-	36,579	-
Restricted for regulation purposes:					
Other taxes	4,068	-	-	4,068	-
Tobacco settlement income	39,127	-	-	39,127	-
Unrestricted investment earnings	(4,182)	-	-	(4,182)	15
Other general revenues	166,323	-	-	166,323	1,492
Contributions to permanent funds	6,637	-	-	6,637	-
Payments from State of Nevada	-	-	-	-	-
Transfers	24,044	(24,044)	-	-	-
Total general revenues and transfers	3,823,172	379,465	4,202,637	1,507	695,125
Change in net assets	286,521	(216,311)	50,210	1,300	158,604
Net assets - beginning	4,081,514	164,256	4,245,770	7,775	2,506,496
Net assets - ending	\$ 4,348,035	\$ (52,055)	\$ 4,295,980	\$ 9,075	\$ 2,665,100

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

Balance Sheet

Governmental Funds

June 30, 2011

	General Fund	State Highway	Municipal Bond Bank
Assets			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 561,410,708	\$ 303,487,116	\$ 111,083
Cash in custody of other officials	2,829,310	195,075	-
Investments	9,222,152	-	287,210,000
<i>Receivables:</i>			
Accounts receivable	26,489,963	24,585,540	-
Taxes receivable	707,112,297	35,197,737	-
Intergovernmental receivables	254,769,145	28,400,591	-
Accrued interest and dividends	2,459,189	-	1,309,524
Notes/loans receivable	11,383,586	-	-
Other receivables	15,830	-	-
Due from other funds	31,568,378	7,537,761	5,322
Due from fiduciary funds	144,325	-	-
Due from component units	192,528	-	-
Inventory	522,699	13,005,618	-
Advances to other funds	6,850,927	-	-
Prepaid items	1,386,189	17,663	-
Total assets	\$ 1,616,357,226	\$ 412,427,101	\$ 288,635,929
Liabilities and Fund Balances			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 300,737,701	\$ 25,415,067	\$ -
Accrued payroll and related liabilities	41,299,865	14,798,639	-
Intergovernmental payables	75,616,266	6,347,737	-
Interest payable	-	-	-
Contracts/retentions payable	692,089	49,330,593	-
Due to other funds	32,230,740	3,661,502	276,851
Due to fiduciary funds	425,211,302	461,361	-
Due to component units	7,472,025	374,212	-
Deferred revenues	414,298,556	22,557,520	1,311,616
Bonds payable	-	-	-
Other liabilities	72,053,483	1,299,599	-
Total liabilities	1,369,612,027	124,246,230	1,588,467
Fund balances:			
Nonspendable	18,455,296	13,023,281	287,047,462
Restricted	73,687,011	275,157,590	-
Committed	270,568,043	-	-
Unassigned	(115,965,151)	-	-
Total fund balances	246,745,199	288,180,871	287,047,462
Total liabilities and fund balances	\$ 1,616,357,226	\$ 412,427,101	\$ 288,635,929

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



NEVADA

Consolidated Bond Interest and Redemption	Other Governmental Funds	Total Governmental Funds
\$ 139,369,316	\$ 235,815,773	\$ 1,240,193,996
-	131,406	3,155,791
-	306,083,723	602,515,875
-	21,504,755	72,580,258
-	5,783,768	748,093,802
127,487,153	6,740,937	417,397,826
-	1,094,137	4,862,850
-	-	11,383,586
-	-	15,830
9,787,919	45,125,367	94,024,747
-	401,681	546,006
5,360,000	-	5,552,528
-	469,896	13,998,213
1,355,729	-	8,206,656
-	2,888	1,406,740
<u>\$ 283,360,117</u>	<u>\$ 623,154,331</u>	<u>\$ 3,223,934,704</u>
\$ 28,653	\$ 13,347,758	\$ 339,529,179
-	2,893,994	58,992,498
-	3,096,138	85,060,141
3,081,740	-	3,081,740
-	6,294,398	56,317,080
13,391	61,135,672	97,318,156
-	5,774	425,678,437
-	23,966,713	31,812,950
131,958,148	20,491,371	590,617,211
5,105,000	-	5,105,000
-	544,249	73,897,331
<u>140,186,932</u>	<u>131,776,067</u>	<u>1,767,409,723</u>
-	307,063,476	625,589,515
-	138,882,858	487,727,459
143,173,185	45,623,111	459,364,339
-	(191,181)	(116,156,332)
<u>143,173,185</u>	<u>491,378,264</u>	<u>1,456,524,981</u>
<u>\$ 283,360,117</u>	<u>\$ 623,154,331</u>	<u>\$ 3,223,934,704</u>



Photos By: Roger Bowen Weld
Spirit of Wovoka Days Pow-wow



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



NEVADA

June 30, 2011

Total fund balances - governmental funds

\$ 1,456,524,981

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	\$ 138,354,239	
Construction in progress	195,698,062	
Infrastructure assets	3,344,626,271	
Rights-of-way	595,017,077	
Buildings	1,494,162,158	
Improvements other than buildings	117,072,805	
Furniture and equipment	327,390,408	
Software costs	139,880,211	
Accumulated depreciation/amortization	(877,771,425)	
Total capital assets		5,474,429,806

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.

204,737,849

Intergovernmental receivable not providing current resources.

221,045

The Judicial Retirement System of Nevada has a net pension obligation not reported as an expenditure in the funds.

(165,219)

Amounts due to component unit for bonds authorized to be issued are not reported in the funds as they are not due and payable.

(3,471,391)

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.

58,145,318

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.

5,299,064

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

13,490,793

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	(2,657,443,471)	
Accrued interest on bonds	(19,686,298)	
Arbitrage rebate liability	(1,479,076)	
Certificates of participation	(56,065,937)	
Capital leases	(29,712,523)	
Compensated absences	(96,790,344)	
Total long-term liabilities		(2,861,177,649)

Net assets of governmental activities

\$ 4,348,034,597

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, 2011

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	\$ 835,245,035	\$ -	\$ -
Sales taxes	925,898,572	-	-
Modified business taxes	381,900,657	-	-
Insurance premium taxes	234,830,927	-	-
Property and transfer taxes	51,552,368	-	-
Motor and special fuel taxes	2,953,258	180,473,336	-
Other taxes	583,827,989	38,422,752	-
Intergovernmental	2,688,280,009	564,571,400	-
Licenses, fees and permits	301,461,573	171,405,977	-
Sales and charges for services	53,284,016	13,184,447	-
Interest and investment income	10,160,639	854,728	14,815,945
Tobacco settlement income	-	-	-
Land sales	-	-	-
Other	117,688,161	13,073,964	-
Total revenues	6,187,083,204	981,986,604	14,815,945
Expenditures			
<i>Current:</i>			
General government	140,750,619	-	-
Health and social services	2,890,267,944	-	-
Education and support services	53,333,296	-	-
Law, justice and public safety	434,003,738	151,334,167	-
Regulation of business	90,492,389	-	-
Transportation	-	751,646,816	-
Recreation and resource development	107,768,628	-	-
Intergovernmental	2,602,499,619	58,720,989	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	2,061,678	103,771	-
Interest, fiscal charges	1,622,562	6,574	-
Debt issuance costs	-	-	-
Total expenditures	6,322,800,473	961,812,317	-
Excess (deficiency) of revenues over expenditures	(135,717,269)	20,174,287	14,815,945
Other Financing Sources (Uses)			
Capital leases	408,023	-	-
Sale of general obligation bonds	-	-	-
Sale of general obligation refunding bonds	-	-	-
Premium on general obligation bonds	-	-	-
Payment to refunded bond agent	-	-	-
Sale of capital assets	70,189	-	-
Transfers in	107,707,271	6,472,948	-
Transfers out	(25,194,930)	(9,065,648)	(39,264,825)
Total other financing sources (uses)	82,990,553	(2,592,700)	(39,264,825)
Net change in fund balances	(52,726,716)	17,581,587	(24,448,880)
Fund balances, July 1 (as restated)	299,471,915	270,599,284	311,496,342
Fund balances, June 30	\$ 246,745,199	\$ 288,180,871	\$ 287,047,462

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



NEVADA

Consolidated Bond Interest and Redemption	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 14,487,717	\$ 849,732,752
-	-	925,898,572
-	-	381,900,657
-	-	234,830,927
158,172,271	22,033,744	231,758,383
-	84,222,330	267,648,924
-	42,176,180	664,426,921
16,275,822	103,437,636	3,372,564,867
-	24,979,254	497,846,804
202,678	15,252,014	81,923,155
834,341	5,187,754	31,853,407
-	39,517,146	39,517,146
-	560,767	560,767
-	12,698,723	143,460,848
175,485,112	364,553,265	7,723,924,130
233,987	381,393	141,365,999
-	119,118,038	3,009,385,982
-	462,387	53,795,683
-	23,891,696	609,229,601
-	19,435,718	109,928,107
-	-	751,646,816
-	22,001,419	129,770,047
393,731	54,542,759	2,716,157,098
-	41,105,339	41,105,339
135,960,000	56,795,000	194,920,449
103,076,905	31,136,036	135,842,077
1,093,615	206,198	1,299,813
240,758,238	369,075,983	7,894,447,011
(65,273,126)	(4,522,718)	(170,522,881)
-	-	408,023
-	22,655,000	22,655,000
117,415,000	-	117,415,000
12,251,952	919,871	13,171,823
(128,529,203)	-	(128,529,203)
-	18,817	89,006
61,288,073	45,699,061	221,167,353
(14,000,000)	(107,836,664)	(195,362,067)
48,425,822	(38,543,915)	51,014,935
(16,847,304)	(43,066,633)	(119,507,946)
160,020,489	534,444,897	1,576,032,927
\$ 143,173,185	\$ 491,378,264	\$ 1,456,524,981

FANCY SHAWL (Butterfly Dance)

Legend has it that after her soulmate of many years was killed the woman went into mourning. She eventually emerged from her cocoon as a beautiful butterfly.



Fancy Shawl Dancer, Snow Mountain Powwow
Courtesy of Nevada Folklife Archives/Nevada Arts Council

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, 2011

Net change in fund balances - total governmental funds

\$ (119,507,946)

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	\$245,790,309	
Depreciation expense	(70,210,545)	
Excess of capital outlay over depreciation expense		175,579,764

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	(140,070,000)	
Premiums on debt issued	(13,171,824)	
Total bond proceeds		(153,241,824)

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.

(408,023)

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	196,381,677	
Certificates of participation retirement	605,000	
Payments to the bond refunding agent	128,529,203	
Capital lease payments	1,974,179	
Total long-term debt repayment		327,490,059

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.

4,204,290

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 unavailable decreased by this amount.

(7,307,764)

In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.

(4,676,127)

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.

1,299,814

Amortization of bond issuance costs is reported as an expense for the statement of activities.

(1,082,852)

Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.

(2,889,665)

Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.

10,542,908

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:

Increase in pension obligation	(175,221)	
Decrease in accrued interest	3,016,270	
Decrease in compensated absences	3,600,552	
Decrease in arbitrage liability	1,739,277	
Decrease in long term due to component unit	28,336,755	
Total additional expenditures		36,517,633

Change in net assets of governmental activities

\$ 266,520,267

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

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
Assets						
Current assets:						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 589,954	\$ -	\$ 84,428,882	\$ 47,883,250	\$ 132,902,086	\$ 142,913,103
Cash in custody of other officials	5,174,137	80,178,629	-	6,405,296	91,758,062	100
Investments	106,209,899	-	-	126,232,291	232,442,190	-
<i>Receivables:</i>						
Accounts receivable	-	-	-	3,942,205	3,942,205	1,787,141
Assessments receivable	-	170,175,984	-	-	170,175,984	-
Intergovernmental receivables	-	-	1,949,103	442,784	2,391,887	5,747,939
Contracts receivable	-	-	-	4,515,830	4,515,830	-
Mortgages receivable	11,423,954	-	-	-	11,423,954	-
Accrued interest and dividends	7,966,094	-	3,482,622	486,222	11,934,938	-
Notes/loans receivable	-	-	-	-	-	5,000
Trades pending settlement	-	-	-	1,497,824	1,497,824	-
Due from other funds	8,868	-	275,412	2,089,756	2,374,036	6,905,271
Due from fiduciary funds	-	-	-	6,970	6,970	106
Due from component units	-	-	-	-	-	1,375,416
Inventory	-	-	-	1,434,763	1,434,763	232,500
Prepaid expenses	294,253	-	-	39,833	334,086	191,096
Deferred outflow of resources	3,699,570	-	-	-	3,699,570	-
<i>Restricted assets:</i>						
Investments	128,463,204	-	-	-	128,463,204	-
Total current assets	263,829,933	250,354,613	90,136,019	194,977,024	799,297,589	159,157,672
Noncurrent assets:						
Investments	282,355,751	-	253,162,931	-	535,518,682	-
<i>Receivables:</i>						
Contracts receivable	-	-	-	15,234,006	15,234,006	-
Mortgages receivable	570,782,034	-	-	-	570,782,034	-
Notes/loans receivable	999,033	-	39,757,630	-	40,756,663	100,000
Deferred charges	2,408,027	-	1,670,706	111,537	4,190,270	-
<i>Restricted assets:</i>						
Investments	21,251,850	-	-	-	21,251,850	-
Other assets	84,836	-	-	15,000	99,836	-
<i>Capital assets:</i>						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	18,789,315
Improvements other than buildings	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	382,517	-	35,280	5,196,995	5,614,792	44,602,644
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	8,525,388	8,525,388	-
Less accumulated depreciation/ amortization	(382,517)	-	(35,280)	(7,544,239)	(7,962,036)	(59,630,149)
Total noncurrent assets	877,881,531	-	294,591,267	26,125,986	1,198,598,784	23,156,195
Total assets	1,141,711,464	250,354,613	384,727,286	221,103,010	1,997,896,373	182,313,867



NEVADA

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current liabilities:						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 17,483,540	\$ 27,470,838	\$ 19,651	\$ 1,342,998	\$ 46,317,027	\$ 10,192,640
Accrued payroll and related liabilities	86,080	-	17,946	859,717	963,743	1,417,235
Interest payable	6,802,971	14,753,067	1,851,240	36,863	23,444,141	-
Intergovernmental payables	-	-	106,634	13,311	119,945	58,497
Trades pending settlement	-	-	-	5,438,067	5,438,067	-
Bank overdraft	-	-	-	-	-	2,516,747
Due to other funds	16,323	2,147,174	422,236	2,372,482	4,958,215	1,027,683
Due to fiduciary funds	-	-	82,808	117,819	200,627	7,669
Due to component units	-	-	17,333	30,171	47,504	37,072
Unearned revenues	-	-	-	10,474,180	10,474,180	101,011
Derivative instrument - interest rate swap	3,699,570	-	-	-	3,699,570	-
Other liabilities	-	-	-	11,509	11,509	-
<i>Short-term portion of long-term liabilities:</i>						
Reserve for losses	-	-	-	-	-	53,430,212
Compensated absences	164,298	-	26,203	905,216	1,095,717	1,843,274
Benefits payable	-	-	-	11,600,744	11,600,744	-
Bonds payable	81,077,000	-	8,967,138	141,243	90,185,381	513,323
Obligations under capital leases	-	-	-	-	-	881,643
Arbitrage rebate liability	-	-	-	-	-	-
Total current liabilities	109,329,782	44,371,079	11,511,189	33,344,320	198,556,370	72,027,006
Noncurrent liabilities:						
Advances from funds	-	-	-	5,310,050	5,310,050	2,896,606
Federal Unemployment Advance	-	773,160,968	-	-	773,160,968	-
Reserve for losses	-	-	-	-	-	41,047,552
Compensated absences	148,668	-	8,876	500,860	658,404	1,123,712
Benefits payable	-	-	-	130,374,551	130,374,551	-
Bonds payable	839,558,030	-	93,121,823	9,082,848	941,762,701	6,789,541
Obligations under capital leases	-	-	-	-	-	376,198
Arbitrage rebate liability	-	-	36,616	-	36,616	-
Total noncurrent liabilities	839,706,698	773,160,968	93,167,315	145,268,309	1,851,303,290	52,233,609
Total liabilities	949,036,480	817,532,047	104,678,504	178,612,629	2,049,859,660	124,260,615
Net Assets						
Invested in capital assets, net of related debt	-	-	-	3,120,443	3,120,443	14,681,508
<i>Restricted for:</i>						
Tuition contract benefits	-	-	-	3,300,734	3,300,734	-
Security of outstanding obligations	183,193,366	-	-	-	183,193,366	-
Workers' compensation	-	-	-	30,483,353	30,483,353	-
Revolving loans	-	-	280,048,782	-	280,048,782	-
Regulation of business	6,060,931	-	-	2,000	6,062,931	-
Unrestricted (deficit)	3,420,687	(567,177,434)	-	5,583,851	(558,172,896)	43,371,744
Total net assets	\$ 192,674,984	\$ (567,177,434)	\$ 280,048,782	\$ 42,490,381	(51,963,287)	\$ 58,053,252

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

(92,066)
\$ (52,055,353)

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

JINGLE DRESS (Medicine Dance)

The first dress was made for a sick girl by a medicine man who saw the dress in a vision. The dress was made and the sick girl was healed by dancing in the dress. This dress is still considered sacred by many people and is often called a "medicine dress".

Jingle Dress Dancer,
Snow Mountain Powwow
Courtesy of Nevada Folklife Archives
Nevada Arts Council



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



NEVADA

For the Fiscal Year Ended June 30, 2011

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
Operating Revenues						
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,542,574
Sales	-	-	-	15,212,354	15,212,354	2,821,902
Assessments	-	403,508,975	-	31,938,407	435,447,382	-
Charges for services	-	-	214,000	18,069,644	18,283,644	41,027,460
Rental income	-	-	-	87,025	87,025	18,464,111
Interest income on loans/notes	17,994,928	-	8,155,786	-	26,150,714	-
Federal government	7,510,500	1,108,637,464	37,312,915	-	1,153,460,879	-
Licenses, fees and permits	-	-	-	6,113,452	6,113,452	-
Fines	-	-	-	1,074,164	1,074,164	-
Other	3,389,560	1,587,329	57	2,709,395	7,686,341	4,226,016
Total operating revenues	28,894,988	1,513,733,768	45,682,758	75,204,441	1,663,515,955	462,082,063
Operating Expenses						
Salaries and benefits	2,496,798	-	394,281	32,463,108	35,354,187	31,374,768
Operating	3,925,634	-	11,957,646	13,508,610	29,391,890	35,108,712
Claims and benefits expense	-	1,752,879,026	-	28,582,556	1,781,461,582	268,210,684
Interest on bonds payable	29,110,900	-	-	-	29,110,900	-
Materials or supplies used	-	-	-	1,979,814	1,979,814	1,141,405
Servicers' fees	107,453	-	-	-	107,453	-
Depreciation	15,996	-	1,145	407,702	424,843	4,736,212
Amortization	-	-	-	-	-	857,853
Bond issuance costs amortization	1,079,967	-	208,080	-	1,288,047	-
Insurance premiums	-	-	-	-	-	114,619,175
Total operating expenses	36,736,748	1,752,879,026	12,561,152	76,941,790	1,879,118,716	456,048,809
Operating income (loss)	(7,841,760)	(239,145,258)	33,121,606	(1,737,349)	(215,602,761)	6,033,254
Nonoperating Revenues (Expenses)						
Interest and investment income	16,548,023	-	1,322,855	21,675,069	39,545,947	(286,677)
Interest expense	-	(14,753,067)	(3,940,486)	(398,897)	(19,092,450)	(72,638)
Bond issuance costs amortization	-	-	-	(3,827)	(3,827)	-
Federal grant revenue	46,934,920	-	-	2,813,482	49,748,402	-
Federal grant expense	(46,726,055)	-	-	-	(46,726,055)	-
Gain (loss) on disposal of assets	-	-	-	4,683	4,683	123,291
Arbitrage rebate	-	-	27,346	-	27,346	-
Total nonoperating revenues (expenses)	16,756,888	(14,753,067)	(2,590,285)	24,090,510	23,504,046	(236,024)
Income (loss) before transfers	8,915,128	(253,898,325)	30,531,321	22,353,161	(192,098,715)	5,797,230
Transfers						
Transfers in	-	-	-	1,128,461	1,128,461	339,148
Transfers out	-	(11,369,769)	(1,642,979)	(12,160,147)	(25,172,895)	(2,100,000)
Change in net assets	8,915,128	(265,268,094)	28,888,342	11,321,475	(216,143,149)	4,036,378
Net assets, July 1	183,759,856	(301,909,340)	251,160,440	31,168,906		54,016,874
Net assets, June 30	\$ 192,674,984	\$ (567,177,434)	\$ 280,048,782	\$ 42,490,381		\$ 58,053,252

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.

Change in net assets of business-type activities

(167,912)
\$ (216,311,061)

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

Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2011

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
Cash flows from operating activities						
Receipts from customers and users	\$ 10,641,567	\$ 363,406,646	\$ 214,057	\$ 72,393,303	\$ 446,655,573	\$ 99,292,875
Receipts for interfund services provided	19,792	3,008,996	-	3,486,716	6,515,504	284,583,289
Receipts from component units	-	-	-	-	-	81,609,585
Receipts of principal on loans/notes	96,512,558	-	18,984,709	-	115,497,267	5,000
Receipts of interest on loans/notes	18,991,441	-	8,230,632	-	27,222,073	-
Receipts from federal government	7,510,500	1,108,637,464	36,856,563	-	1,153,004,527	-
Payments to suppliers, other governments and beneficiaries	(12,767,719)	(1,756,998,583)	(12,246,507)	(24,920,872)	(1,806,933,681)	(385,825,104)
Payments to employees	(2,337,916)	-	(400,912)	(31,357,225)	(34,096,053)	(31,469,651)
Payments for interfund services	(778,054)	-	(101,345)	(5,243,230)	(6,122,629)	(17,562,376)
Payments to component units	-	-	-	(3,979,953)	(3,979,953)	(158,795)
Purchase of loans and notes	(85,050,100)	-	(41,293,811)	-	(126,343,911)	-
Net cash provided by (used for) operating activities	32,742,069	(281,945,477)	10,243,386	10,378,739	(228,581,283)	30,474,823
Cash flows from noncapital financing activities						
Grant receipts	46,934,920	-	-	2,916,599	49,851,519	-
Advances from federal government	-	334,835,498	-	-	334,835,498	-
Proceeds from sale of bonds	59,000,000	-	19,692,146	-	78,692,146	-
Transfers and advances from other funds	-	-	-	1,128,579	1,128,579	195,530
Payment on refunding bonds	-	-	(9,459,321)	-	(9,459,321)	-
Principal paid on noncapital debt	(132,557,585)	-	(8,115,000)	-	(140,672,585)	-
Interest paid on noncapital debt	(29,851,108)	-	(4,161,412)	-	(34,012,520)	-
Transfers and advances to other funds	-	(9,439,436)	(1,591,896)	(12,874,974)	(23,906,306)	(2,000,000)
Other noncapital financing activities	(47,240,956)	-	-	-	(47,240,956)	(52)
Net cash provided by (used for) noncapital financing activities	(103,714,729)	325,396,062	(3,635,483)	(8,829,796)	209,216,054	(1,804,522)
Cash flows from capital and related financing activities						
Transfers from (reversions to) other funds	-	-	-	-	-	117,282
Proceeds from sale of capital assets	-	-	-	1,982,462	1,982,462	139,794
Purchase of capital assets	-	-	-	(159,005)	(159,005)	(2,035,420)
Principal paid on capital debt	-	-	-	(171,182)	(171,182)	(3,083,056)
Interest paid on capital debt	-	-	-	(392,276)	(392,276)	(72,586)
Payments on construction projects	-	-	-	(57,795)	(57,795)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	1,202,204	1,202,204	(4,933,986)
Cash flows from investing activities						
Proceeds from sale of investments	535,465,464	-	-	155,469,376	690,934,840	-
Purchase of investments	(476,350,006)	-	-	(152,777,309)	(629,127,315)	-
Interest, dividends and gains (losses)	16,824,202	-	1,298,984	3,060,846	21,184,032	(435,830)
Net cash provided by (used for) investing activities	75,939,660	-	1,298,984	5,752,913	82,991,557	(435,830)
Net increase (decrease) in cash	4,967,000	43,450,585	7,906,887	8,504,060	64,828,532	23,300,485
Cash and cash equivalents, July 1	797,091	36,728,044	76,521,995	45,784,486	159,831,616	119,612,718
Cash and cash equivalents, June 30	\$ 5,764,091	\$ 80,178,629	\$ 84,428,882	\$ 54,288,546	\$ 224,660,148	\$ 142,913,203



NEVADA

	Enterprise Funds				
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals
					Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ (7,841,760)	\$ (239,145,258)	\$ 33,121,606	\$ (1,737,349)	\$ (215,602,761)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	15,996	-	1,145	407,702	424,843
Amortization	-	-	-	-	857,853
Bond issuance costs amortization	1,079,967	-	208,080	-	1,288,047
Interest on bonds payable	29,110,900	-	-	-	29,110,900
Decrease (increase) in loans and notes receivable	12,550,949	-	(22,309,102)	-	(9,758,153)
Decrease (increase) in accrued interest and receivables	943,473	(38,680,662)	(381,506)	(53,092)	(38,171,787)
Decrease (increase) in inventory, deferred charges, other assets	568,801	-	-	(16,347)	552,454
Increase (decrease) in accounts payable, accruals, other liabilities	(3,686,257)	(4,119,557)	(396,837)	11,777,825	3,575,174
Total adjustments	40,583,829	(42,800,219)	(22,878,220)	12,116,088	(12,978,522)
Net cash provided by (used for) operating activities	\$ 32,742,069	\$ (281,945,477)	\$ 10,243,386	\$ 10,378,739	\$ (228,581,283)
Noncash investing, capital and financing activities					
Gain (loss) on disposal of assets	\$ -	\$ -	\$ -	\$ -	\$ -
Increase (decrease) in fair value of investments	-	-	957,917	18,709,920	19,667,837

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

Statement of Fiduciary Net Assets

Fiduciary Funds



NEVADA

June 30, 2011

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 3,671,497	\$ 208	\$ 4,878,047	\$ 78,113,238
Cash in custody of other officials	554,139,041	13,305,789	5,934,575	41,201,383
<i>Investments:</i>				
Investments	918,432	1,131,874,638	8,166,589,253	174,852,822
Fixed income securities	6,893,649,024	-	-	-
Marketable equity securities	10,096,653,319	-	-	-
International securities	5,925,855,977	-	-	-
Mortgage loans	1,761	-	-	-
Real estate	1,234,533,004	-	-	-
Alternative investments	736,871,821	-	-	-
Collateral on loaned securities	3,550,013,175	-	-	-
<i>Receivables:</i>				
Accrued interest and dividends	100,633,269	2,329,413	226	-
Taxes receivable	-	-	-	46,321,990
Trades pending settlement	233,420,394	363	533,546	-
Intergovernmental receivables	86,513,285	-	65,526	3,907
Contributions receivable	-	-	5,197,516	-
Other receivables	-	-	-	96,690
Due from other funds	138,632	82,808	187,114	425,478,179
Due from fiduciary funds	17,201,234	-	-	10,229,493
Due from component unit	366,680	-	-	-
Other assets	2,120,259	-	-	-
Furniture and equipment	36,187,465	-	-	-
Accumulated depreciation	(32,872,252)	-	-	-
Total assets	29,440,016,017	1,147,593,219	8,183,385,803	776,297,702
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	12,063,958	133,145	1,764,473	-
Accrued payroll and related liabilities	-	-	-	1,903
Intergovernmental payables	-	20,004,788	14,623	472,773,663
Redemptions payable	-	-	2,549,112	-
Trades pending settlement	485,689,534	12,153,484	3,227,483	-
Bank overdraft	-	-	244,000	-
Obligations under securities lending	3,619,398,577	-	-	-
Due to other funds	106	27,790	525,186	-
Due to fiduciary funds	-	-	34,248	27,396,479
Deferred revenues	1,537	-	-	-
<i>Other liabilities:</i>				
Deposits	-	-	-	268,596,452
Other liabilities	207,767	-	-	7,529,205
Total liabilities	4,117,361,479	32,319,207	8,359,125	776,297,702
Net Assets				
<i>Held in trust for:</i>				
Employees' pension benefits	25,317,534,953	-	-	-
OPEB benefits	5,119,585	-	-	-
Pool participants	-	1,115,274,012	-	-
Individuals	-	-	8,175,026,678	-
Total net assets	\$ 25,322,654,538	\$ 1,115,274,012	\$ 8,175,026,678	\$ -

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, 2011

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
<i>Contributions:</i>			
Employer	\$ 1,281,701,672	\$ -	\$ -
Plan members	97,059,498	-	-
Participants	-	-	2,264,524,192
Repayment and purchase of service	31,655,929	-	-
Total contributions	1,410,417,099	-	2,264,524,192
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	3,696,974,959	5,067,698	1,079,083,053
Interest, dividends	652,400,010	13,704,057	187,568,555
Net securities lending income	12,699,994	-	-
Other	77,269,719	-	-
	4,439,344,682	18,771,755	1,266,651,608
Less investment expense:			
Other	(25,834,578)	(13,524)	-
Net investment income	4,413,510,104	18,758,231	1,266,651,608
<i>Other:</i>			
Investment from local governments	-	955,161,137	-
Reinvestment from interest income	-	1,166,663	-
Other	2,275,729	1,236	-
Total other	2,275,729	956,329,036	-
Total additions	5,826,202,932	975,087,267	3,531,175,800
Deductions			
Principal redeemed	-	823,422,087	1,211,314,202
Benefit payments	1,450,970,004	-	16,923,413
Refunds	24,759,478	-	-
Contribution distributions	1,488,115	-	-
Dividends to investors	-	1,256,800	-
Administrative expense	10,738,800	613,070	20,618,753
Total deductions	1,487,956,397	825,291,957	1,248,856,368
Change in net assets	4,338,246,535	149,795,310	2,282,319,432
Net assets, July 1	20,984,408,003	965,478,702	5,892,707,246
Net assets, June 30	\$ 25,322,654,538	\$ 1,115,274,012	\$ 8,175,026,678

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



Photo By: Roger Bowen Weld
Numaga Pow-wow



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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 as 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 are 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 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



(Note 1 Continued)

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 interfund activity has been removed from these statements. Interfund 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 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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State has elected not to follow subsequent private-sector guidance.

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.



(Note 1 Continued)

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 policy of the State is to expend restricted revenues first in a fund, followed by unrestricted revenues.

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 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.

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 accounting, communications, information technology, motor pool, personnel, printing, property management, purchasing and risk management. 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, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated

(Note 1 Continued)

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, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. 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.

Derivatives are generally valued at quoted market value. Under the circumstance where quoted market values are not considered to be readily available, such derivatives are reported at estimated fair value and the methods and significant assumptions used are described in Note 3D.

Investments are discussed further in Note 3.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred 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.

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 nonspendable fund balance 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 nonspendable fund balance 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. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net 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



(Note 1 Continued)

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 issuance 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 Components - In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

- Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as inventories, prepaid amounts and in the General Fund

long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).

- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.
- Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The State's policy is to spend restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

Note 11 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

Minimum Fund Balance Policy - NRS 353.213(3) requires that the proposed budget for each fiscal year of the biennium provide for a reserve of not less than 5% or more than 10% of the total of all proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

Stabilization Arrangement - NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5%



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(Note 1 Continued)

or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2011 is \$39,237,222.

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 effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$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 Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$20,413,014 were made in the 2011 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted

in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain 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 (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

A. Deposits

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2011, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$111,557,432, of which \$4,628,987 was uncollateralized and uninsured.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2011 NSHE's deposits in money market funds totaled \$172,313,000 and cash in bank was \$15,551,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements.

The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed 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 are 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 State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less, effective May 2011. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays Aggregate Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2011 (expressed in thousands):



(Note 3 Continued)

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 330,785	\$ 205,857	\$ 115,124	\$ 2,978	\$ 6,826
Negotiable certificate of deposit	29,999	29,999	-	-	-
U. S. agencies	7,214,961	1,404,434	2,050,891	663,746	3,095,890
Mutual funds	14,205	14,205	-	-	-
Asset backed corporate securities	304,323	147,713	108,516	20,191	27,903
Corporate bonds and notes	1,797,097	37,516	781,608	534,736	443,237
Commercial paper	52,678	52,678	-	-	-
Fixed income securities	20,160	20,160	-	-	-
International investments	1,602,096	28,558	791,363	378,303	403,872
Municipal bonds	540,373	289	15,579	15,772	508,733
Investment agreements	13,205	-	-	608	12,597
Other short-term investments	670,615	670,615	-	-	-
Collateralized mortgage obligations	534,827	238,404	12,182	64,498	219,743
Total	\$ 13,125,324	\$ 2,850,428	\$ 3,875,263	\$ 1,680,832	\$ 4,718,801

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The mutual funds held by Vanguard, USAA, Upromise, and Putnam have various maturities from 17 days to 9.25 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, 2011 (expressed in thousands):

Less than 1 year	\$ 554,348
1 to 5 years	24,474
6 to 10 years	14,618
More than 10 years	23,670
Total	\$ 617,110

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - NRS 355.140, the State Treasurer’s investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers’ Acceptances are rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as “A” or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as “AAA” or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as “AAA” or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets-related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody’s, Standard & Poor’s, or Fitch (BBB- or better by Standard & Poor’s/Fitch, Baa3 or better by Moody’s). The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to credit risk for the investments. Investments having credit risk are included in the table below.

The State’s investments as of June 30, 2011 were rated by Standard & Poor’s and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor’s rating scale (at fair value, expressed in thousands):



(Note 3 Continued)

	Quality Rating						Unrated
	AAA	AA	A	BBB	BB	B	
Negotiable certificate of deposit	\$ -	\$ -	\$ 29,999	\$ -	\$ -	\$ -	\$ -
U.S. agencies	676,072	900	1,113,133	-	-	-	2,998,003
Mutual funds	13,962	-	-	-	-	-	7,964,385
Asset backed corporate securities	144,881	4,577	150,337	370	-	-	2,700
Corporate bonds and notes	62,742	266,484	890,278	523,794	28,416	64	9,800
Commercial paper	-	-	52,678	-	-	-	-
Fixed income securities	-	-	-	-	-	-	20,042
International investments	160,990	91,390	127,231	111,822	-	-	1,110,763
Municipal bonds	-	540,373	-	-	-	-	-
Investment agreements	803	1,480	1,948	7,909	758	-	306
Other short-term investments	145,595	-	-	-	-	-	679,422
Collateralized mortgage obligations	140,519	22,981	256,527	28,315	1,200	-	24,700
Total	\$ 1,345,564	\$ 928,185	\$ 2,622,131	\$ 672,210	\$ 30,374	\$ 64	\$ 12,810,121

As of June 30, 2011, the State of Nevada held 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, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2011.

Component Unit - The NSHE's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2011 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	\$ 279,452
Partnerships	171,493
Equities	4,849
Endowment cash/cash equivalents	2,031
Trust(s)	5,880
Private commingled funds	153,405
Total	\$ 617,110

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, 2011, the following investments exceeded 5% of the Primary Government and

Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	Percentage
Primary government		
Federal Farm Credit Bank	\$ 587,399	16.44%
Federal Home Loan Bank	218,469	6.11%
Federal National Mortgage Assoc	407,314	11.40%
Federal Home Loan Mortgage Corp	236,153	6.61%
So Nevada Water Authority	225,855	6.32%
Investment Trust Funds		
Federal Farm Credit Bank	129,005	10.96%
Federal National Mortgage Assoc	179,287	15.23%
Federal Home Loan Bank	158,538	13.46%
Federal Home Loan Mortgage Corp	172,402	14.64%

At June 30, 2011, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal National Mortgage Association	\$ 18,757	14.86%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2011, the Housing Division's investments in Fannie Mae and Ginnie Mae are 16.15% and 36.65% respectively, of the Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.



(Note 3 Continued)

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. 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, 2011 (expressed in thousands):

Currency by Investment and Fair Value					
	Fixed Income	Equity	Derivatives	Cash	Total
Australian Dollar	\$ 13,995	\$ 287,170	\$ 310	\$ 428	\$ 301,903
British Pound Sterling	90,548	811,687	(1,091)	2,131	903,275
Canadian Dollar	35,179	8,800	(905)	1,026	44,100
Danish Krone	9,071	32,854	207	1,117	43,249
Euro	524,218	1,306,036	3,430	6,759	1,840,443
Hong Kong Dollar	-	99,957	-	504	100,461
Israeli Shekel	-	21,267	-	302	21,569
Japanese Yen	545,175	697,124	(4,453)	7,773	1,245,619
Malaysian Ringgit	3,031	-	-	302	3,333
Mexican New Peso	10,758	-	(505)	1,041	11,294
New Zealand Dollar	-	3,430	-	2	3,432
Norwegian Krone	3,811	54,621	1	622	59,055
Polish Zloty	10,062	-	106	328	10,496
Singapore Dollar	4,224	68,995	103	1,019	74,341
Swedish Krona	8,554	111,460	3	819	120,836
Swiss Franc	3,243	336,795	(506)	3,216	342,748
Total	\$ 1,261,869	\$ 3,840,196	\$ (3,300)	\$ 27,389	\$ 5,126,154

Private Purpose Trust - The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consists of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, and Putnam for America Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments, natural disasters and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the above portfolio in U.S. dollars as of June 30, 2011 (expressed in thousands):

	Currency (Fair Value)
Japanese Yen	\$ 5
Taiwan Dollar	15
Total	\$ 20

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$91,599,000 in mutual

funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2011.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2011 (excluding PERS).

Public Employees' Retirement System (PERS) - The system also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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(Note 3 Continued)

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, 2011 is \$3,515,968,584. 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, 2011, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in

excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Primary Government – The Office of the State Treasurer's investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective May 2011 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2011 with the exception of Housing Division, a major enterprise fund:

Objective - The 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, 2011 were as follows (expressed in thousands):

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	\$ (458)
2006 Issue B	4,500	09/23/08	4.230%	68% of USD-LIBOR-BBA	10/01/41	Aaa	(400)
2007 Issue A	4,500	09/23/08	4.246%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(448)
2007 Issue B	8,000	10/09/07	4.340%	68% of USD-LIBOR-BBA	04/01/42	Aaa	(839)
2008 Issue A	14,700	04/03/08	3.736%	68% of USD-LIBOR-BBA	10/01/39	Aaa	(1,033)
2008 Issue B	7,500	09/25/08	3.670%	68% of USD-LIBOR-BBA	04/01/39	Aaa	(522)
Total Single-Family	\$ 43,700						\$ (3,700)

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

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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(Note 3 Continued)

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, 2011, the BMA rate was .09% and 68% of the LIBOR was .12617%.

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 counterparty 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, 2011, the Housing Division is not exposed to any rollover risk.

Swap Payments and Associated Debt - Using interest rates as of June 30, 2011, 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
2012	\$ -	\$ 39	\$ 1,710	\$ 1,749
2013	-	39	1,710	1,749
2014	-	39	1,710	1,749
2015	-	39	1,710	1,749
2016	-	40	1,711	1,751
2017-2021	-	197	8,552	8,749
2022-2026	-	197	8,552	8,749
2027-2031	4,000	190	8,280	12,470
2032-2036	17,225	141	6,237	23,603
2037-2041	21,030	35	1,541	22,606
2042-2046	1,445	1	35	1,481
Total	\$ 43,700	\$ 957	\$ 41,748	\$ 86,405

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

Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds – The PERS, LRS, JRS, and RBIF have exposure to derivatives as of June 30, 2011. Furthermore, the State Retirees’ Health and Welfare Benefits Fund, an other employee benefit trust fund, has investments held with the RBIF. Foreign exchange forward contracts are periodically employed by PERS, LRS, JRS, and RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject both to market risk and to counterparty risk. The derivatives utilized typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolios. Counterparty risk, the risk that the “other party” to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. The PERS, LRS, JRS, and RBIF’s derivative transactions for fiscal year 2011 are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts					
	Purchases	Realized Gain / Loss	Sells	Realized Gain / Loss	Total Realized Gain / Loss
Australian Dollar	\$ 15,729	\$ 59	\$ (121,624)	\$ (157)	\$ (98)
British Pound Sterling	94,865	(54)	(241,455)	87	33
Canadian Dollar	10,654	46	(13,671)	(58)	(12)
Danish Krone	6,105	64	(16,746)	(7)	57
Euro	257,651	62	(517,084)	(1,940)	(1,878)
Hong Kong Dollar	29,533	24	(34,166)	(2)	22
Israeli Shekel	414	1	(9,495)	(35)	(34)
Japanese Yen	107,847	(348)	(336,682)	(611)	(959)
Malaysian Ringgit	33	-	-	-	-
Mexican New Peso	11,786	52	(571)	3	55
New Zealand Dollar	58	-	(1,172)	(4)	(4)
Norwegian Krone	21,806	159	(10,163)	(72)	87
Polish Zloty	1,077	14	(2,962)	46	60
Singapore Dollar	16,851	15	(18,399)	4	19
Swedish Krona	3,984	16	(43,813)	(249)	(233)
Swiss Franc	35,914	114	(82,415)	(313)	(199)
Total	\$ 614,307	\$ 224	\$ (1,450,418)	\$ (3,308)	\$ (3,084)

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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(Note 3 Continued)

The PERS, LRS, JRS, and RBIF's derivative pending transactions as of June 30, 2011, are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts					
	Purchases	Unrealized Gain / Loss	Sells	Unrealized Gain / Loss	Total Unrealized Gain / Loss
Australian Dollar	\$ 328	\$ -	\$ -	\$ -	\$ -
British Pound Sterling	16	-	(1,131)	-	-
Canadian Dollar	-	-	(963)	-	-
Danish Krone	204	-	-	-	-
Euro	3,821	-	(363)	(1)	(1)
Japanese Yen	156	-	(4,657)	24	24
Mexican New Peso	-	-	(515)	-	-
Norwegian Krone	11	-	-	-	-
Polish Zloty	144	-	-	-	-
Singapore Dollar	91	-	-	-	-
Swedish Krona	39	-	-	-	-
Swiss Franc	-	-	(489)	-	-
Total	\$ 4,810	\$ -	\$ (8,118)	\$ 23	\$ 23

Management of PERS, LRS, JRS, and RBIF believes that it is unlikely that any of the derivatives in the portfolios could have a material adverse effect on their financial condition. 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 portfolios.

Private Purpose Trust Fund – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds, and non-Putnam managed mutual funds. The Portfolios use four types of derivatives: futures contracts, forward currency contracts, total return swap contracts, and credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All four types of derivatives are considered investments. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Assets, and the net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Assets. The Portfolios had the following investment derivative instruments as of June 30, 2011 (expressed in thousands):

	Contracts/ Notional Amounts	Fair Value
Total Return Swap	\$ 2	\$ 68
Credit Default	14,710	(37)
Forward Currency	2,010,884	(115)
Futures	-	148
Total	\$ 2,025,596	\$ 64

There are no changes in fair value from derivatives as this is the first reporting period and all the derivatives in the Portfolios were purchased during fiscal year 2011.

The Portfolios use futures contracts to hedge interest rate risk, gain exposure to interest rates, hedge prepayment risk, equitize

cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

The Portfolios buy and sell forward currency contracts, which are agreements between two parties to buy and sell securities at a set price on a future date. These contracts are used to hedge foreign exchange risk and to gain exposure on currency. The contract is marked to market daily using current forward currency exchange rates supplied by a quotation service. The Portfolios may be exposed to risk if the value of currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the Portfolios are unable to enter into a closing position.

The Portfolios entered into total return swap contracts to hedge sector exposure, manage exposure to specific sectors or industries, manage exposure to credit risk, and gain exposure to specific markets or countries. Total return swap contracts are arrangements to exchange a market linked return for a periodic payment both based on a notional principal amount. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolios will receive a payment from or make a payment to the counterparty. Total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or the price of the underlying

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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(Note 3 Continued)

security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios' maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty.

The Portfolios entered into credit default contracts to hedge credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In a credit default contract, the protection buyer typically makes an up-front payment and periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position

at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting credit default contracts which could mitigate their risk of loss. The maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount of the relevant credit default contract.

Derivative instruments are not individually rated by a ratings agency at period end. The maximum amount of loss due to credit risk is defined as the fair value of the derivative. As of June 30, 2011, over the counter derivative counterparties had ratings that were either greater than or equivalent to long-term ratings of A1/A+ and short-term ratings P-1 /A-1 except for futures contracts. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. The extent of diversification among counterparties is presented below (at fair value, expressed in thousands):

Counterparty	Total Return Swap	Credit Default	Futures	Forward Currency	Total
Bank of America, N.A.	\$ -	\$ -	\$ -	\$ 8	\$ 8
Barclays Bank PLC	-	-	-	(8)	(8)
Citibank, N.A.	68	9	-	(31)	46
Credit Suisse AG	-	(9)	-	24	15
Deutsche Bank AG	-	-	-	(4)	(4)
HSBC Bank USA, National Association	-	-	-	(16)	(16)
JPMorgan Chase Bank, N.A.	-	(37)	-	(7)	(44)
Royal Bank of Scotland PLC (The)	-	-	-	(27)	(27)
State Street Bank and Trust Co.	-	-	-	(36)	(36)
UBS AG	-	-	-	(29)	(29)
Westpac Banking Corp.	-	-	-	11	11
Subtotal	68	(37)	-	(115)	(84)
S&P 500	-	-	140	-	140
U.S. Treasury	-	-	8	-	8
Total	\$ 68	\$ (37)	\$ 148	\$ (115)	\$ 64

All four types of investment derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2011 (expressed in thousands):

	Maturities in Years		
	Less than 1	1-5	Total
Total Return Swap	\$ 68	\$ -	\$ 68
Credit Default	-	(37)	(37)
Forward Currency	(115)	-	(115)
Futures	148	-	148
Total	\$ 101	\$ (37)	\$ 64



(Note 3 Continued)

The forward currency contracts are subject to foreign currency risk (expressed in thousands):

	Fair value
Australian Dollar	\$ 55
Brazilian Real	7
British Pound	(18)
Canadian Dollar	(41)
Chilean Peso	7
Euro	(136)
Hungarian Forint	1
Indian Rupee	(5)
Japanese Yen	(8)
Mexican Peso	3
New Zealand Dollar	(6)
Norwegian Krone	(8)
South African Rand	(7)
South Korean Won	29
Swedish Krona	22
Swiss Franc	(10)
Total	\$ (115)

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):

	Governmental Funds	Nevada System of Higher Education
As shown on financial statements:		
Intergovernmental receivables	\$ 417,398	\$ 38,312
Notes/loans receivable	11,384	12,595
Due from Component Unit	5,553	-
Total	\$ 434,335	\$ 50,907
Classified:		
Current portion	\$ 290,537	\$ 40,326
Noncurrent portion:		
Intergovernmental receivables	129,178	-
Notes/loans receivable	9,695	10,581
Due from Component Unit	4,925	-
Total noncurrent portion	143,798	10,581
Total	\$ 434,335	\$ 50,907

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$30.6 million, and uncollectible accounts receivable are estimated at \$79.2 million. The proprietary funds have \$50.9 million in uncollectible accounts receivable of which \$12.3 million are from uninsured employers' fines and penalties, and \$37.1 million are from unemployment contributions and benefit overpayments.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2011, follows (expressed in thousands):

<u>Advances To</u>	<u>Advances From</u>		
	<u>Major Funds</u>		
	<u>Consolidated</u>		
	<u>General</u>	<u>Bond Interest and Redemption</u>	<u>Total</u>
Nonmajor enterprise	\$ 5,310	\$ -	\$ 5,310
Internal service	1,541	1,356	2,897
Total other funds	\$ 6,851	\$ 1,356	\$ 8,207

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

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

B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2011, is shown below (expressed in thousands):

<u>Due From</u>	<u>Due To</u>					
	<u>Major Governmental Funds</u>					
	<u>General</u>	<u>State Highway</u>	<u>Municipal Bond Bank</u>	<u>Cons Bond Interest and Redemption</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Major Governmental Funds:						
General	\$ -	\$ 3,394	\$ 5	\$ 92	\$ 21,056	\$ 24,547
State Highway	2,470	-	-	-	10	2,480
Municipal Bond Bank	7	-	-	270	-	277
Consolidated Bond Interest and Redemption	13	-	-	-	-	13
Nonmajor governmental	25,880	4,001	-	9,275	21,812	60,968
Total Governmental	28,370	7,395	5	9,637	42,878	88,285
Major Enterprise Funds:						
Housing Division	-	-	-	-	-	-
Unemployment Comp	-	-	-	-	2,147	2,147
Water Projects Loans	420	-	-	-	-	420
Nonmajor enterprise	2,331	5	-	-	-	2,336
Total Enterprise	2,751	5	-	-	2,147	4,903
Internal Service	447	138	-	151	101	837
Total other funds	\$ 31,568	\$ 7,538	\$ 5	\$ 9,788	\$ 45,126	\$ 94,025
Fiduciary	\$ 144	\$ -	\$ -	\$ -	\$ 402	\$ 546
Component Units:						
Nevada System of Higher Education	\$ 193	\$ -	\$ -	\$ 5,360	\$ -	\$ 5,553
Colorado River Commission	-	-	-	-	-	-
Total Component Units	\$ 193	\$ -	\$ -	\$ 5,360	\$ -	\$ 5,553



(Note 5 Continued)

Due From	Due To						
	Major Enterprise Funds			Total Enterprise	Internal Service	Total Other Funds	Fiduciary
	Housing Division	Water Projects Loans	Nonmajor Enterprise				
Major Governmental Funds:							
General	\$ 8	\$ 275	\$ 2,074	\$ 2,357	\$ 5,327	\$ 32,231	\$ 425,211
State Highway	1	-	6	7	1,175	3,662	461
Municipal Bond Bank	-	-	-	-	-	277	-
Consolidated Bond Interest and Redemption	-	-	-	-	-	13	-
Nonmajor governmental	-	-	8	8	159	61,135	6
Total Governmental	9	275	2,088	2,372	6,661	97,318	425,678
Major Enterprise Funds:							
Housing Division	-	-	1	1	15	16	-
Unemployment Comp	-	-	-	-	-	2,147	-
Water Projects Loans	-	-	-	-	2	422	83
Nonmajor enterprise	-	-	-	-	37	2,373	118
Total Enterprise	-	-	1	1	54	4,958	201
Internal Service	-	-	-	-	190	1,027	8
Total other funds	\$ 9	\$ 275	\$ 2,089	\$ 2,373	\$ 6,905	\$ 103,303	\$ 425,887
Fiduciary	\$ -	\$ -	\$ 7	\$ 7	\$ -	\$ 553	\$ 27,431
Component Units:							
Nevada System of Higher Education	\$ -	\$ -	\$ -	\$ -	\$ 1,352	\$ 6,905	\$ 367
Colorado River Commission	-	-	-	-	24	24	-
Total Component Units	\$ -	\$ -	\$ -	\$ -	\$ 1,376	\$ 6,929	\$ 367

Due From	Due To		
	Component Units		
	Nevada System of Higher Education	Colorado River Commission	Total Component Units
Primary Government:			
Governmental Activities for long term receivable	\$ 3,471	\$ -	\$ 3,471
Major Governmental Funds:			
General	7,452	20	7,472
State Highway	374	-	374
Nonmajor governmental	23,967	-	23,967
Total Governmental Funds	31,793	20	31,813
Major Enterprise Funds:			
Water Projects Loans	18	-	18
Nonmajor enterprise	30	-	30
Total Enterprise	48	-	48
Internal Service	37	-	37
Total	\$ 35,349	\$ 20	\$ 35,369

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made. An exception is the long term receivable due to the Nevada System of Higher Education (NSHE) from the Primary Government in the amount of \$3,471,391. This represents the remaining amount of State of Nevada general obligation bonds that may be issued, as authorized during the 2009 Legislative Session, for NSHE capital improvements.



(Note 5 Continued)

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2011, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					Total Governmental
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Nonmajor Governmental	
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 8,339	\$ 7	\$ 14,000	\$ 69,558	\$ 91,904
State Highway	1,706	-	-	-	4,767	6,473
Consolidated Bond Interest and Redemption	4,143	-	39,258	-	17,887	61,288
Nonmajor governmental	17,996	609	-	-	15,624	34,229
Total Governmental	23,845	8,948	39,265	14,000	107,836	193,894
Nonmajor enterprise	1,128	-	-	-	-	1,128
Internal Service	222	118	-	-	-	340
Total other funds	\$ 25,195	\$ 9,066	\$ 39,265	\$ 14,000	\$ 107,836	\$ 195,362

	Transfers Out/To					
	Major Enterprise Fund		Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
	Unemployment Compensation	Water Projects Loans				
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 1,643	\$ 12,160	\$ 13,803	\$ 2,000	\$ 107,707
State Highway	-	-	-	-	-	6,473
Consolidated Bond Interest and Redemption	-	-	-	-	-	61,288
Nonmajor governmental	11,370	-	-	11,370	100	45,699
Total Governmental	11,370	1,643	12,160	25,173	2,100	221,167
Nonmajor enterprise	-	-	-	-	-	1,128
Internal Service	-	-	-	-	-	340
Total other funds	\$ 11,370	\$ 1,643	\$ 12,160	\$ 25,173	\$ 2,100	\$ 222,635

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 \$73 million from certain funds and accounts to offset the difference between projected revenues and collections. The Nevada Legislature approved this transfer during the 26th Special Session (2010).

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 \$546 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.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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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, 2011 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
Restricted:			
Cash	\$ -	\$ -	\$ 46,290
Investments	149,715	149,715	30,897
Total	\$ 149,715	\$ 149,715	\$ 77,187
Restricted for:			
Debt service	\$ 149,715	\$ 149,715	\$ 3,283
Construction	-	-	37,652
Other purposes	-	-	36,252
Total	\$ 149,715	\$ 149,715	\$ 77,187

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2011, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases *	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 138,336	\$ 160	\$ (11)	\$ 138,485
Construction in progress	178,010	86,745	(69,057)	195,698
Infrastructure	3,164,498	180,128	-	3,344,626
Rights-of-way	592,842	2,337	(161)	595,018
Total capital assets, not being depreciated	4,073,686	269,370	(69,229)	4,273,827
Capital assets, being depreciated/amortized				
Buildings	1,499,464	29,388	(15,900)	1,512,952
Improvements other than buildings	114,444	3,343	3,126	120,913
Furniture and equipment	370,913	19,331	(18,251)	371,993
Software costs	151,858	3,391	(46)	155,203
Total capital assets, being depreciated/amortized	2,136,679	55,453	(31,071)	2,161,061
Less accumulated depreciation/amortization for:				
Buildings	(397,671)	(37,382)	4,163	(430,890)
Improvements other than buildings	(64,336)	(4,925)	(275)	(69,536)
Furniture and equipment	(277,816)	(27,566)	14,691	(290,691)
Software costs	(140,385)	(5,932)	32	(146,285)
Total accumulated depreciation/amortization	(880,208)	(75,805)	18,611	(937,402)
Total capital assets, being depreciated/amortized, net	1,256,471	(20,352)	(12,460)	1,223,659
Governmental activities capital assets, net	\$ 5,330,157	\$ 249,018	\$ (81,689)	\$ 5,497,486
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	8,476	49	-	8,525
Total capital assets, not being depreciated	9,044	49	-	9,093
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,603	174	(163)	5,614
Total capital assets, being depreciated	9,623	174	(163)	9,634
Less accumulated depreciation for:				
Buildings	(2,415)	(103)	-	(2,518)
Improvements other than buildings	(560)	(9)	-	(569)
Furniture and equipment	(4,706)	(313)	144	(4,875)
Total accumulated depreciation	(7,681)	(425)	144	(7,962)
Total capital assets, being depreciated, net	1,942	(251)	(19)	1,672
Business-type activities capital assets, net	\$ 10,986	\$ (202)	\$ (19)	\$ 10,765

*The Governmental Activities decreases column for buildings and for improvements other than buildings, displays both decreases and increases. This is the result of reclassifying costs and related accumulated depreciation between these asset types.



(Note 7 Continued)

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

Governmental activities:	
General government	\$ 4,871
Education, support services	2,514
Health, social services	10,609
Law, justice, public safety	30,893
Recreation, resource development	6,454
Transportation	11,564
Regulation of business	1,904
Unallocated	1,402
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets	5,594
Total depreciation/amortization expense - governmental activities	\$ 75,805
Business-type activities:	
Enterprise	\$ 425
Total depreciation expense - business-type activities	\$ 425

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2011, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	\$ 117,996	\$ 66,827	\$ (109,047)	\$ 75,776
Land	81,682	961	(16)	82,627
Intangibles	808	-	-	808
Collections	11,369	80	(145)	11,304
Total capital assets, not being depreciated	211,855	67,868	(109,208)	170,515
Capital assets, being depreciated				
Buildings	2,155,067	87,549	(830)	2,241,786
Land and improvements	104,457	8,816	(545)	112,728
Machinery and equipment	313,523	26,263	(15,203)	324,583
Intangibles	11,630	25,209	-	36,839
Library books and media	117,541	4,662	(834)	121,369
Total capital assets, being depreciated	2,702,218	152,499	(17,412)	2,837,305
Less accumulated depreciation for:				
Buildings	(545,559)	(54,442)	565	(599,436)
Land and improvements	(77,995)	(3,876)	111	(81,760)
Machinery and equipment	(210,491)	(26,300)	13,429	(223,362)
Intangibles	(5,155)	(2,099)	-	(7,254)
Library books and media	(104,881)	(5,840)	827	(109,894)
Total accumulated depreciation	(944,081)	(92,557)	14,932	(1,021,706)
Total capital assets, being depreciated, net	1,758,137	59,942	(2,480)	1,815,599
Nevada System of Higher Education activity capital assets, net	\$ 1,969,992	\$ 127,810	\$ (111,688)	\$ 1,986,114

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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Note 8 - Long-Term Obligations

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2011 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 2,067,615	\$ 140,070	\$ (254,800)	\$ 1,952,885	\$ 98,535
Special obligation bonds	668,840	-	(56,795)	612,045	50,835
Subtotal	2,736,455	140,070	(311,595)	2,564,930	149,370
Issuance premiums on bonds	103,270	13,172	(11,521)	104,921	10,646
Total bonds payable	2,839,725	153,242	(323,116)	2,669,851	160,016
Certificates of participation	56,080	-	(605)	55,475	1,660
Issuance premiums on certificates of participation	690	-	(99)	591	98
Total certificates of participation	56,770	-	(704)	56,066	1,758
Other Governmental long-term activities:					
Obligations under capital leases	33,846	408	(3,284)	30,970	2,341
Compensated absences obligations	103,573	75,837	(79,653)	99,757	65,886
Arbitrage rebate liability	3,218	49	(1,788)	1,479	864
Total other governmental long-term activities	140,637	76,294	(84,725)	132,206	69,091
Governmental activities long-term obligations	\$ 3,037,132	\$ 229,536	\$ (408,545)	\$ 2,858,123	\$ 230,865
Business-type activities:					
Bonds payable					
General obligation bonds	\$ 105,060	\$ 21,140	\$ (17,225)	\$ 108,975	\$ 8,830
Special obligation bonds	994,044	59,000	(132,536)	920,508	81,073
Subtotal	1,099,104	80,140	(149,761)	1,029,483	89,903
Issuance premiums	1,971	817	(323)	2,465	282
Total bonds payable	1,101,075	80,957	(150,084)	1,031,948	90,185
Compensated absences obligations	1,895	1,260	(1,401)	1,754	1,096
Federal unemployment advance	438,325	334,835	-	773,160	-
Tuition benefits payable	131,505	15,872	(5,402)	141,975	11,601
Arbitrage rebate liability	64	-	(27)	37	-
Business-type activities long-term obligations	\$ 1,672,864	\$ 432,924	\$ (156,914)	\$ 1,948,874	\$ 102,882

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.

B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are

direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of \$5,000,000,000 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, 2011 are comprised of the following (expressed in thousands):



(Note 8 Continued)

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	3.0-7.0%	\$ 1,672,365	\$ 1,303,790
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,388,565	649,095
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	3.5-6.0%	963,925	612,045
Subtotal		4,024,855	2,564,930
Issuance premiums		165,493	104,921
Governmental activities bonds payable		<u>4,190,348</u>	<u>2,669,851</u>
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	2.0-6.5%	165,320	108,975
Special obligation bonds:			
Housing Bonds	*.5-7.6%	1,544,750	920,508
Subtotal		1,710,070	1,029,483
Issuance premiums		3,853	2,465
Business-type activities bonds payable		<u>1,713,923</u>	<u>1,031,948</u>
Total bonds payable		<u>\$ 5,904,271</u>	<u>\$ 3,701,799</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.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2011, 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
2012	\$ 149,370	\$ 123,482	\$ 89,908	\$ 31,517
2013	165,240	115,974	20,761	30,743
2014	175,345	107,703	21,850	29,840
2015	161,185	99,329	22,289	28,852
2016	155,775	91,251	22,838	27,881
2017-2021	893,190	328,240	139,833	120,938
2022-2026	680,455	138,515	150,452	83,485
2027-2031	180,550	10,982	193,966	54,711
2032-2036	3,820	592	198,867	24,154
2037-2041	-	-	153,169	7,086
2042-2046	-	-	11,565	1,374
2047-2051	-	-	3,685	99
2052-2056	-	-	300	5
Total	<u>\$ 2,564,930</u>	<u>\$ 1,016,068</u>	<u>\$ 1,029,483</u>	<u>\$ 440,685</u>

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2011, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 1,756,111
Less: Bonds and leases payable as of June 30, 2011, subject to limitation	(1,342,660)
Remaining debt capacity	<u>\$ 413,451</u>


(Note 8 Continued)
D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Eighteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2011, and total investments in local governments amounted to \$287,210,000.

E. Refunded Debt and Redemptions

On December 21, 2010, the State of Nevada refunded

\$128,415,000 in general obligation, limited tax, bonds related to capital improvements, natural resources and water projects loans by issuing refunding bonds with a total par amount of \$126,520,000 at a \$12,746,436 premium in order to restructure certain outstanding State general obligation bonds paid from property taxes to more closely align debt service payments with projected property tax revenue and to realize a debt service savings. The refunding increased the aggregate debt service payments by \$10,819,513 with an economic or present value gain of \$577,613. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$8,599,274. This amount is being reported as a deferred charge and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The impact of the refunding issues is presented in the following table (expressed in thousands):

Issue Description:	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
Capital Improvement and Refunding Bonds Series 2010C	\$ 109,106	\$ 101,340	\$ (9,738)	\$ 79
Natural Resources and Refunding Bonds Series 2010D	19,423	18,105	(1,515)	85
Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2010H, Subseries 1 (Tax Exempt)	4,992	4,760	249	241
Water Pollution Control Revolving Fund Leveraged Refunding Bonds Series 2010H, Subseries 2 (Taxable)	3,673	3,450	144	134
Safe Drinking Water Revolving Fund Matching and Refunding Bonds Series 2010I	794	760	40	39
	<u>\$ 137,988</u>	<u>\$ 128,415</u>	<u>\$ (10,820)</u>	<u>\$ 578</u>

In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2011 is \$144,273,813.

F. Amounts Available and Amounts to be Provided for Debt Service

At June 30, 2011, the amount available to service debt in the Consolidated Bond Interest and Redemption debt service fund is \$143,173,185. At June 30, 2011, the amount available to service debt in the Highway Revenue Bonds debt service fund is \$32,132,616. At June 30, 2011, the amount available to service the debt in the Municipal Bond Bank special revenue fund is \$287,047,462.

The amount to be provided by other governments of \$126,595,000 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.

G. 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.

H. 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, 2011, include equipment with a historical cost of \$5,710,000 with accumulated depreciation of \$4,654,000, building improvements of \$11,149,000 with accumulated depreciation of \$1,671,000, and construction in progress of \$15,205,399.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the

(Note 8 Continued)

net minimum lease payments as of June 30, 2011 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2012	\$ 3,738
2013	2,988
2014	3,035
2015	3,082
2016	3,160
2017-2021	16,437
2022-2026	9,083
Total minimum lease payments	41,523
Less: amount representing interest	(10,553)
Obligations under capital leases	\$ 30,970

I. Certificates of Participation

In fiscal year 2010, the Nevada Real Property Corporation, a blended component unit, issued \$7,900,000 of general obligation certificates of participation at 5.0-5.125% interest to prepay the remaining outstanding balance of the 1999 issue of the Nevada Real Property Corporation. The original 1999 issue of \$15,000,000 was to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. The 2010 issue is a direct general obligation of the State to which the full faith and credit of the State is pledged. The State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 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. 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, 2011 (expressed in thousands):

Year Ending June 30	Principal	Interest
2012	\$ 1,660	\$ 2,563
2013	1,815	2,488
2014	1,975	2,406
2015	2,150	2,314
2016	2,330	2,214
2017-2021	10,500	9,596
2022-2026	12,745	7,329
2027-2031	18,415	3,803
2032-2036	3,885	194
Total	\$ 55,475	\$ 32,907

J. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows:

APV of the future tuition obligation	\$141,975,295
Net assets available	145,276,395
Net assets as a percentage of tuition benefits obligation	102.33%

The actuarial valuation used an investment yield assumption of 6.75% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
Fall 2012	0.00%	0.00%
Fall 2013	13.00%	13.00%
Fall 2014 and later	6.00%	6.00%

K. 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, 2011, and changes for the fiscal year then ended is presented in Section A of this note.



(Note 8 Continued)

L. 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, 2011, there are fourteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$954,336,594. Included in this amount is \$702,316,434 payable from the Las Vegas Monorail Company that filed Chapter 11 bankruptcy protection on January 13, 2010 in order to restructure the company's debt through this process.

M. 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 \$612,045,000 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 \$800,934,370 payable through December 2026. Upon completion of eligible projects, federal aid of \$239,602,355 is expected to be received in fiscal year 2012. For the current year, principal and interest paid was \$87,930,535, and total motor vehicle fuel and special fuel tax revenues were \$264,695,666.

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.

N. Federal Unemployment Advance

As of June 30, 2011, the total amount of advances and interest due to the U.S. Department of Labor in accordance with provisions Title XII, Section 1201 of the Social Security Act totaled \$773,160,968 and \$14,750,764 respectively. Interest began accruing after December 31, 2010 at a rate of 4.09%. Current fiscal year advances totaled \$334,835,499.

O. Component Unit Obligations

Nevada System of Higher Education (NSHE) - Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2011, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 498,852	\$ 36,740	\$ (20,216)	\$ 515,376	\$ 19,350
Issuance premiums	10,735	155	(476)	10,414	479
Total bonds payable	509,587	36,895	(20,692)	525,790	19,829
Obligations under capital leases	7,462	24	(3,816)	3,670	1,208
Compensated absences obligations	46,041	31,056	(28,718)	48,379	31,402
Total	\$ 563,090	\$ 67,975	\$ (53,226)	577,839	52,439
Discretely presented component units of the NSHE:					
Capital leases				850	405
Long-term debt				186	87
Total				\$ 578,875	\$ 52,931

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

(Note 8 Continued)

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2011 (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 19,829	\$ 24,749
2013	21,076	23,856
2014	22,350	22,956
2015	22,236	21,983
2016	21,903	21,043
2017-2021	111,361	89,238
2022-2026	93,607	65,517
2027-2031	96,486	42,286
2032-2036	94,829	17,536
2037-2041	22,113	2,790
Total	\$ 525,790	\$ 331,954

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>Amount</u>
2012	\$ 1,306
2013	1,320
2014	927
2015	210
2016	104
Total minimum lease payments	3,867
Less: amount representing interest	(197)
Obligations under capital leases	\$ 3,670

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2011, 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	\$ 98,570	\$ -	\$ (5,770)	\$ 92,800	\$ 6,065
Issuance premiums	2,657	-	(247)	2,410	247
Unamortized refunding charges	(4,448)	-	348	(4,100)	(348)
Total bonds payable	96,779	-	(5,669)	91,110	5,964
Compensated absences obligations	309	246	(257)	298	205
Total	\$ 97,088	\$ 246	\$ (5,926)	\$ 91,408	\$ 6,169

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>
2012	\$ 6,065	\$ 4,482
2013	6,400	4,156
2014	6,735	3,812
2015	7,100	3,450
2016	7,470	3,069
2017-2021	27,240	10,122
2022-2026	20,035	5,258
2027-2031	11,755	767
Total	\$ 92,800	\$ 35,116



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, 2011, there were 181 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. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

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.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2011 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	21.50%	na
Employee/employer plan (matching rate)	11.25%	11.25%
Police and Fire employees:		
Employer-pay plan	37.00%	na
Employee/employer plan (matching rate)	19.00%	19.00%

(Note 9 Continued)

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

	2011	2010	2009
Primary Government	\$ 160,959	\$ 164,630	\$ 153,768
Component Units:			
Colorado River Commission	462	470	443
Nevada System of Higher Education	26,827	28,274	28,030
Total component units	27,289	28,744	28,473
Total reporting entity	\$ 188,248	\$ 193,374	\$ 182,241
Contributions as % of covered payroll	17%	17%	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 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$364,186 for fiscal years 2011 and 2012, 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 2011, of which \$182,093 (half) was recognized as employer contributions in the fiscal year 2011, and the other half was deferred to fiscal year 2012. Employee contributions of \$51,348 were received in fiscal year 2011, of which, \$25,674 (half) was recorded as employee contributions in the fiscal year 2011, and the remaining \$25,674 was recorded as deferred revenue for fiscal year 2012.

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 July 1, 2010, actuarial valuation include the following:

Actuarial Cost Method:

Entry age normal

Amortization Method:

Year-by-year closed, level dollar amount with each amortization period set at 20 years

Asset Valuation Method:

Five year smoothed market

Actuarial Assumptions:

Investment rate of return

8%

Assumed inflation rate

3.5% per annum

Projected salary increases

None

Retirement Age for Active Members:

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.

(Continued on next page)

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



NEVADA

(Note 9 Continued)

(Continued from previous page)

<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

*Does not apply to retirees who enter the LRS on or after January 1, 2010.

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

Actuarial Valuation Date*	For Fiscal Year Ended June 30	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
1/1/2009	2009	\$ 201	\$ 201	100%	\$ -
1/1/2009	2010	201	201	100%	-
7/1/2010	2011	182	182	100%	-

* Corrected from previous publications.

Funded Status and Funding Progress – As of July 1, 2010, the most recent actuarial valuation date, the LRS was 74% funded. The actuarial accrued liability for benefits was \$5.6 million, and the actuarial value of assets was \$4.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.5 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 411%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year 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 June 30, 2011, the Supreme Court and ten municipalities in Nevada 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, 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.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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(Note 9 Continued)

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 fiscal year basis. Significant actuarial assumptions used in the June 30, 2011 valuation include the following:

Actuarial Cost Method:

Amortization Method:

Asset Valuation Method:

Actuarial Assumptions:

Investment rate of return

Assumed inflation rate

Projected salary increases

Retirement Age for Active Members:

Assumed Mortality Rate:

Cost of Living (Post-Retirement) Increases:

Entry age normal

Year-by-year closed, 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

8%

3.5% per annum

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

Retirement rates after completion of five years of service and attainment of the following ages:

Age	Rate per Age
60—64	35%
65—67	50%
68—69	75%
70	100%

RP-2000 Male Combined Healthy Table

RP-2000 Female Combined Healthy Table set forward one year

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

* Does not apply to retirees who enter the JRS on or after January 1, 2010.

Trend Information - Three-year trend information for the current fiscal year and each of the two preceding fiscal years follows (expressed in thousands):

	2011	2010	2009
Annual required contribution	\$ 5,146	\$ 5,043	\$ 3,740
Interest on net pension obligation	(1)	(40)	(24)
Adjustment to annual required contribution	2	116	69
Annual pension cost	5,147	5,119	3,785
State contribution made	(4,972)	(4,624)	(3,992)
Increase (decrease) in net pension obligation	175	495	(207)
Net pension obligation (asset) at beginning of year	(10)	(505)	(298)
Net pension obligation (asset) at end of year	\$ 165	\$ (10)	\$ (505)
Percentage of annual pension costs contributed	97%	90%	105%



(Note 9 Continued)

Funded Status and Funding Progress – As of June 30, 2011, the most recent actuarial valuation date, the JRS was 64% funded. The actuarial accrued liability for benefits was \$88 million, and the actuarial value of assets was \$56.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$31.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$16.4 million, and the ratio of the UAAL to the covered payroll was 191%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year 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 Retirees' Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Summary of Significant Accounting Policies - The financial statements of the Retirees' Fund have been prepared using the accrual basis of accounting. 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, 2010 through June 30, 2011 the rate assessed was 0.658% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. Due to statewide revenue shortfalls, in February 2010, the 26th Special Session of the Nevada Legislature directed \$24,700,000 be withdrawn from the Retirees' Benefits Investment Fund to be used to pay for retiree healthcare during the year ending June 30, 2011, thereby reducing the amount paid by state agencies to the Retirees' Fund. No additional investments or withdrawals from the Retirees' Benefits Investment Fund occurred during the year ending June 30, 2011. For the year ended June 30, 2011, the State and its component units contributed \$9,649,348 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2010, the State and its component units contributed \$33,406,435 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2009, the State and its component units contributed \$39,272,839 (as restated) to the plan, including \$32,846,440, which is 100% of the contractually required contribution, and an additional \$6,426,399 to prefund benefits.



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):

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 2009	\$ 35,881	\$ 45,588
Claims and changes in estimates	238,725	13,212
Claim payments	(240,133)	(13,637)
Balance June 30, 2010	34,473	45,163
Claims and changes in estimates	237,324	30,887
Claim payments	(237,948)	(15,421)
Balance June 30, 2011	\$ 33,849	\$ 60,629
Due Within One Year	\$ 33,849	\$ 19,581

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, 2011. 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 that in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are eleven public employers whose employees are covered under the plan. Additionally, all retirees of public employers that contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-four public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of 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. 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, 2011, 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 \$50,166,510 as of June 30, 2011 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2011.

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 court. Those claims filed in federal court are not subject to the limit. The State statutory tort recovery limit increased to \$100,000 effective October 1, 2011. 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, 2011, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011



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(Note 10 Continued)

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 \$9,142,700 to \$35,290,500 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, 2011 total liabilities exceeded total assets by \$39,910,551. The Fund is liable for approximately \$40,000,000 as of June 30, 2011 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 \$1,252,908,339 of restricted net assets for the primary government of which \$125,781,438 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2011, is shown below (expressed in thousands):

	Major Governmental Funds					Total Governmental
	General	State Highway	Municipal Bond Bank	Consolidated Bond Interest and Redemption	Nonmajor Governmental Funds	
Fund balances:						
Nonspendable:						
Municipal securities	\$ -	\$ -	\$ 287,048	\$ -	\$ -	\$ 287,048
Long term notes/loans receivable	9,695	-	-	-	-	9,695
Inventory	523	13,006	-	-	470	13,999
Advances	6,851	-	-	-	-	6,851
Prepaid items	1,386	18	-	-	3	1,407
Permanent fund principal	-	-	-	-	306,590	306,590
Restricted for:						
General government	173	-	-	-	-	173
Health and social services	1,998	-	-	-	10,814	12,812
Education and support services	359	-	-	-	1,845	2,204
Law, justice, and public safety	2,050	-	-	-	4,051	6,101
Regulation of business	4,454	-	-	-	3,447	7,901
Transportation	-	275,157	-	-	-	275,157
Recreation and resource development	64,653	-	-	-	37,704	102,357
Debt service	-	-	-	-	32,133	32,133
Capital projects	-	-	-	-	48,889	48,889
Committed to:						
General government	70,362	-	-	-	-	70,362
Health and social services	44,568	-	-	-	18,720	63,288
Education and support services	5,651	-	-	-	10,543	16,194
Law, justice, and public safety	20,599	-	-	-	2,057	22,656
Regulation of business	34,458	-	-	-	4,146	38,604
Recreation and resource development	55,693	-	-	-	-	55,693
Debt service	-	-	-	143,173	9,793	152,966
Capital projects	-	-	-	-	364	364
Fiscal emergency	39,237	-	-	-	-	39,237
Unassigned:	(115,965)	-	-	-	(191)	(116,156)
Total fund balances	\$ 246,745	\$ 288,181	\$ 287,048	\$ 143,173	\$ 491,378	\$ 1,456,525



(Note 11 Continued)

C. Individual Fund Deficits Nonmajor Special Revenue Funds

Hospital Care to Indigent Persons – The Hospital Care to Indigent Persons Fund 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. The fund shows a decrease in net assets of \$255,125 for the fiscal year ended June 30, 2011, resulting in net liabilities (negative net assets) of \$191,181 at June 30, 2011.

Nonmajor Enterprise Funds

Forestry Nurseries - The Forestry Nurseries Fund accounts for the self-supporting operations of State nurseries, which propagate, maintain and distribute plants for conservation purposes. The fund shows a decrease in net assets of \$16,738

for the fiscal year ended June 30, 2011, resulting in net liabilities (negative net assets) of \$6,340 at June 30, 2011.

Nevada Magazine - The Nevada Magazine Fund accounts for the operation of the publication, *Nevada Magazine*, which is published to promote tourism. The fund shows a decrease in net assets of \$32,719 for the fiscal year ended June 30, 2011, resulting in net liabilities (negative net assets) of \$105,803 at June 30, 2011.

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 \$15,779,105 for the year ended June 30, 2011, resulting in net liabilities (negative net assets) of \$39,910,551 at June 30, 2011.

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 6.85%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at a tiered rate for businesses other than financial institutions. If the sum of all taxable wages paid by the employer does not exceed \$62,500 for the calendar quarter, the amount of tax is 0.5% of the sum of the wages. If the sum of all the wages paid by the employer exceeds \$62,500 for the calendar quarter, the tax is \$312.50 plus 1.17% of the amounts the wages exceed \$62,500. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

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

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

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

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

Percentage Fees are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first \$50,000 of gross revenue; 4.5% of the next \$84,000 of gross revenue; and 6.75% of the gross revenue in excess of \$134,000.

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

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

Other Sources of gaming tax revenues include: 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, parimutuel wagering tax and other nominal miscellaneous items.

**NEVADA****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. Effective October 1, 2011 the statutory tort recovery limit increased to \$100,000. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

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 \$75.3 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Transportation filed an eminent domain action to acquire property in Washoe County. The plaintiff filed a counterclaim in inverse condemnation claiming loss of access and damage to water rights. The loss of access claim was settled and the loss of water rights claim is proceeding to arbitration. The plaintiff is seeking damages of \$12 million. In addition, there are several pending condemnation actions for which the potential liability is not ascertainable at the present time.

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



(Note 14 Continued)

known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgment action and a counterclaim requesting a judgment in favor of LBCB in the declaratory relief claim, and 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 private markets to fund an additional \$642.2 million at some future date.

Leases - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Assets. Primary government lease expense for the year ended June 30, 2011 amounted to \$36.5 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2011 (expressed in thousands):

For the Year Ending June 30	Amount
2012	\$ 25,496
2013	19,609
2014	13,764
2015	10,894
2016	5,884
2017-2021	10,153
2022-2025	5,556
Total	\$ 91,356

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, 2011, 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. Rebutable arbitrage is computed as of each installment computation date. The present value of the rebutable arbitrage is \$1,516,000 and has been recorded as a liability in the Statement of Net Assets at June 30, 2011. Future calculations might result in different rebutable arbitrage amounts.

Encumbrances - As of June 30, 2011, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	\$ 3,799
State Highway	2,582
Nonmajor governmental funds	501
Total	\$ 6,882

Construction Commitments - As of June 30, 2011, the Nevada Department of Transportation had total contractual commitments of approximately \$303.4 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$31.1 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) - As of June 30, 2011, NSHE had entered into various investment agreements with private equity partnerships and private commingled funds. Under the terms of certain of these investment agreements, NSHE is obligated to make additional investments in these partnerships of \$4,204,000.

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.

The estimated cost to complete property authorized or under construction at June 30, 2011 is \$76,082,000. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

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

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.



Note 15 - Subsequent Events

A. Primary Government

Bonds – On October 26, 2011 the State executed purchase agreements for the following bonds, which are closed on November 16, 2011: \$65,245,000 Series 2011A General Obligation (Limited Tax), Capital Improvement, Cultural Affairs and Refunding Bonds (subject to the Constitutional Debt Limit); \$5,545,000 Series 2011B Colorado River Commission General Obligation (Limited Tax) (Revenue Supported), Hoover Uprating Refunding Bonds (not subject to the Constitutional Debt Limit); \$28,460,000 Series 2011C, General Obligation (Limited Tax), Water Pollution Control Revolving Fund Leveraged Refunding Bonds (not subject to the Constitutional Debt Limit); \$32,835,000 Series 2011D General Obligation (Limited Tax), Open Space, Parks and Cultural Resources Refunding Bonds (subject to the Constitutional Debt Limit); \$14,530,000 Series 2011E, General Obligation (Limited Tax), Open Space, Parks and Natural Resources Refunding Bonds (not subject to the Constitutional Debt Limit); \$2,820,000 Series 2011F General Obligation (Limited Tax), Safe Drinking Water Revolving Fund Matching Bonds (not subject to the Constitutional Debt Limit).

State Highway Fund – The State was involved in arbitration over two eminent domain lawsuits in Las Vegas. In January 2012, a settlement payment of \$25,000,000 was made from the Highway Fund resulting in the State gaining title to 7.04 acres.

Advances from the Federal Unemployment Account – The State drew repayable advances of \$115.3 million and made voluntary repayments of \$103.4 million between July 1, 2011 and January 5, 2012. The State has applied for and may still draw up to \$184.7 million to meet State unemployment insurance obligations through March 31, 2012. Thereafter loan requests may be submitted every 90 days. On September 27, 2011, the State was approved for a deferral of the interest accrued through and due September 30, 2011 on Title XII advances. The total amount of interest due on June 30, 2012 is \$22,552,947.

Self-Insurance Trust Fund – In anticipation of a reduction of approximately \$85.2 million in funding provided by the State for the 2011 – 2013 biennium, effective July 1, 2011, the Self-Insurance Trust Fund implemented several significant plan design changes. These changes result in a significant decrease to claims expense slightly offset by additional contractual obligations. These plan design changes include but are not limited to:

- All PPO participants were transitioned to a High Deductible Health Plan with a funded Health Savings Account of Health Reimbursement Arrangement.
- Most Medicare retirees were transitioned to an Individual Market Medicare Exchange with a funded Health Reimbursement Arrangement.

The third party administrator that processes claims payments on behalf of the Self Insurance Trust Fund has identified overpayments in the amount of \$1,880,495 as of June 30, 2011. On October 2, 2011, the Fund received \$732,189 in identified overpayments from a provider through a settlement.

Nevada Housing Division – On September 9, 2011, the bank bonds related to 1997 Fremont Meadows (\$2,965,000), 1997 Judith Villas (\$5,650,000) and 1997 Joshua Villas (\$5,395,000) were cancelled, and the regulatory agreements and declarations of restrictive covenants for the subject apartment projects were terminated and released to the letter of credit provider. On September 16, 2011, the \$5,805,000 bonds outstanding in 1996B Mesquite Bluffs were redeemed in full, and the related \$5,805,000 mortgage loan receivable was paid in full. On October 3, 2011, \$17,475,000 in bonds outstanding related to the May 1, 1996 single-family General Bond Certificate (15 issues from 1996E through 2001C) were defeased in full by the Division's General Reserve Trust.

B. Discretely Presented Component Units

Nevada System of Higher Education – At the September 2011 Board of Regents meeting, the Board of Regents approved the issuance of up to \$75,000,000 in long term, fixed rate tax exempt revenue bonds. The purpose of the bond issue would be to refinance various outstanding debts. The transaction is expected to be completed no later than December 31, 2011.

C. Private Purpose Trust Fund

Upromise College Fund 529 Plan – The Board reserves the right, in its sole discretion, to discontinue the Plan or to change any aspect of the Plan. At present, in an effort to increase the diversity of options available to those saving for college and to reduce fees paid by account owners, the Board and the Program Manager are deliberating certain changes to the structure of the Plan. It is reasonably possible that, prior to June 30, 2012, significant changes in Plan structure could be approved by the Board and implemented, which may result in a transfer of all or substantially all of the Plan's assets to a new investment manager, a restructure of portfolio options offered to account owners and a revised fee and expense structure.

Note 16 - Accounting Changes and Restatements

The State implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the classification of fund balances and clarified the definitions of the general fund and other governmental fund types. As a result, certain special revenue funds no longer meet the definition of a special revenue fund and are now reported as activity in the General Fund. Fund balances in the General Fund and nonmajor special revenue funds have been restated by \$64,913,865 to reflect this change.

REQUIRED SUPPLEMENTARY INFORMATION

Photo By: Roger Bowen Weld
Numaga Pow-wow



Budgetary Comparison Schedule

General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources				
Fund balances, July 1	\$ 628,369,448	\$ 628,369,448	\$ 628,369,448	\$ -
Revenues:				
Sales taxes	732,918,400	815,290,100	826,280,592	10,990,492
Gaming taxes, fees, licenses	783,681,103	805,758,003	815,837,222	10,079,219
Intergovernmental	1,914,539,714	2,551,828,963	2,107,350,507	(444,478,456)
Other taxes	1,298,518,914	1,379,249,812	1,381,190,121	1,940,309
Sales, charges for services	222,373,202	215,288,088	186,879,927	(28,408,161)
Licenses, fees and permits	551,934,510	550,180,353	552,594,030	2,413,677
Interest	20,548,280	14,796,712	2,347,237	(12,449,475)
Other	294,600,873	270,793,803	246,022,227	(24,771,576)
Other financing sources:				
Transfers	532,890,685	661,514,305	595,147,397	(66,366,908)
Reversions from other funds	-	-	4,484,793	4,484,793
Total sources	6,980,375,129	7,893,069,587	7,346,503,501	(546,566,086)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officials	126,485,129	244,316,339	152,472,905	91,843,434
Legislative and judicial	72,600,875	69,845,928	56,481,711	13,364,217
Finance and administration	72,491,780	79,982,032	60,652,675	19,329,357
Education	2,484,855,544	2,901,858,939	2,653,816,226	248,042,713
Human services	2,888,636,164	3,126,862,056	2,883,439,182	243,422,874
Commerce and industry	182,117,920	215,222,402	134,293,009	80,929,393
Public safety	513,803,154	504,572,140	397,550,120	107,022,020
Infrastructure	288,708,372	347,380,249	150,822,682	196,557,567
Special purpose agencies	36,216,979	40,218,400	33,684,428	6,533,972
Other financing uses:				
Transfers to other funds	63,271,951	148,916,411	148,916,411	-
Reversions to other funds	-	-	1,346,661	(1,346,661)
Projected reversions	(58,000,000)	(47,500,000)	-	(47,500,000)
Total uses	6,671,187,868	7,631,674,896	6,673,476,010	958,198,886
Fund balances, June 30	\$ 309,187,261	\$ 261,394,691	\$ 673,027,491	\$ 411,632,800



NEVADA

Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 258,396,048	\$ 258,396,048	\$ 258,396,048	\$ -	\$ 1,449	\$ 1,449	\$ 1,449	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
300,079,421	687,340,489	531,618,351	(155,722,138)	-	-	-	-
288,336,800	282,355,447	303,121,519	20,766,072	-	-	-	-
25,529,304	24,251,076	14,415,747	(9,835,329)	-	-	-	-
179,990,687	162,892,374	171,702,397	8,810,023	-	-	-	-
5,551,793	5,540,546	906,022	(4,634,524)	30,832,477	30,832,477	30,268,633	(563,844)
45,833,944	47,444,040	55,668,772	8,224,732	-	-	-	-
15,094,138	21,299,152	15,473,592	(5,825,560)	-	-	-	-
-	-	-	-	-	-	-	-
1,118,812,135	1,489,519,172	1,351,302,448	(138,216,724)	30,833,926	30,833,926	30,270,082	(563,844)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
203,609,804	219,772,597	179,039,357	40,733,240	-	-	-	-
628,993,501	1,056,691,004	807,294,211	249,396,793	-	-	-	-
-	-	-	-	-	-	-	-
88,525,066	89,276,310	89,276,310	-	30,833,926	30,833,926	30,268,804	565,122
-	-	71,383	(71,383)	-	-	1,278	(1,278)
-	-	-	-	-	-	-	-
921,128,371	1,365,739,911	1,075,681,261	290,058,650	30,833,926	30,833,926	30,270,082	563,844
\$ 197,683,764	\$ 123,779,261	\$ 275,621,187	\$ 151,841,926	\$ -	\$ -	\$ -	\$ -

Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2011

The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 31 are reported instead of the amounts disclosed in the original budget. The August 31, 2011 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, 2011 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	General Fund	State Highway	Municipal Bond Bank
Fund balances (budgetary basis) June 30, 2011	\$ 673,027	\$ 275,621	\$ -
Adjustments:			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	2,829	195	-
Investments not recorded on the budgetary basis	9,222	-	287,210
Accrual of certain other receivables	135,018	3,507	-
Inventory	523	13,006	-
Advances to other funds	7,214	-	-
Accrual of certain accounts payable and other liabilities	(299,992)	-	-
Deferred revenues	(279,463)	-	-
Encumbrances	3,799	2,581	-
Other	(16,020)	(6,729)	(163)
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	10,588	-	-
Fund balances (GAAP basis) June 30, 2011	<u>\$ 246,745</u>	<u>\$ 288,181</u>	<u>\$ 287,047</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2011, 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)	\$ 673,027
Restricted funds	<u>(345,897)</u>
Unrestricted fund balance (budgetary basis)	<u><u>\$ 327,130</u></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, 2011

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. During fiscal year 2009, the Plan changed the actuarial valuation date from a calendar year to a fiscal year to be consistent with the financial statements. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	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
01/01/07	\$ 5,884	\$ 4,323	\$ 1,561	73%	\$ 328	476%
01/01/09	5,955	4,229	1,726	71%	351	492%
07/01/10	5,608	4,134	1,474	74%	359	411%

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.

LRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Judicial Retirement System (JRS)

Schedule of Funding Progress - Actuarial valuations of the JRS are prepared annually on a fiscal year basis to determine State contributions required to fund the system on an actuarial basis. During fiscal year 2009, the Plan changed the actuarial valuation date from a calendar year to a fiscal year to be consistent with the financial statements. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	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
01/01/09	\$ 67,192	\$ 39,764	\$ 27,428	59%	\$ 11,368	241%
07/01/10	80,447	47,281	33,166	59%	15,315	217%
06/30/11	88,035	56,614	31,421	64%	16,465	191%

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.

JRS issues a stand-alone financial report which may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Schedule of Infrastructure Condition and Maintenance Data



NEVADA

For the Fiscal Year Ended June 30, 2011

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 expends 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 2011 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. During the fiscal year 2010 reporting period some of the bridge reporting and inspection methodologies changed. In prior years, bridges that were functionally obsolete and not eligible for federal funding were not reported as functionally obsolete. These bridges are now reported as functionally obsolete. In addition, the inspection methodologies have been refined, resulting in an increase of functionally obsolete bridges. These changes caused the State to exceed its 10 percent policy. The State is considering revising its policy to allow for these changes in reporting by using the same percentage of structurally deficient and functionally obsolete bridges that are eligible for federal funding as reported in performance measures to the legislature instead of the percentage as reported in a current periodical. The following tables show the State's policy and the condition level of the roadways and bridges.

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%

Condition Level of the Bridges

Percentage of substandard bridges

	2009	2007	2005
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	15%	4%	3%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs

(Expressed in Thousands)

	2011	2010	2009	2008	2007
Estimated	\$ 490,910	\$ 181,054	\$ 124,926	\$ 155,051	\$ 243,191
Actual	404,871	151,448	121,798	146,507	218,923

Maintenance and preservation costs are primarily funded with highway user revenue, fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

COMBINING STATEMENTS AND SCHEDULES

Powwow Princess Crown Made by Dean Barlese
Photo by: Vance Fox
Courtesy of Nevada Folklife Archives/Nevada Arts Council



Medicine Bottle Made by William Astor
Photo by: Vance Fox
Courtesy of Nevada Folklife Archives/Nevada Arts Council

Beaded Gift Basket Made by Rebecca Eagle
Photo by: Vance Fox
Courtesy of Nevada Folklife Archives/Nevada Arts Council



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 public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

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

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

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 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); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031); and fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215).

NONMAJOR DEBT SERVICE 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).

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, 2011

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 109,378,742	\$ 32,132,616	\$ 86,053,635	\$ 8,250,780	\$ 235,815,773
Cash in custody of other officials	131,406	-	-	-	131,406
Investments	5,961,291	-	-	300,122,432	306,083,723
<i>Receivables:</i>					
Accounts receivable	21,504,755	-	-	-	21,504,755
Taxes receivable	5,783,768	-	-	-	5,783,768
Intergovernmental receivables	6,279,295	-	1,380	460,262	6,740,937
Accrued interest and dividends	1,440	-	-	1,092,697	1,094,137
Due from other funds	23,088,694	-	22,018,110	18,563	45,125,367
Due from fiduciary funds	401,681	-	-	-	401,681
Inventory	469,896	-	-	-	469,896
Prepaid items	2,888	-	-	-	2,888
Total assets	\$ 173,003,856	\$ 32,132,616	\$ 108,073,125	\$ 309,944,734	\$ 623,154,331
Liabilities and Fund Balances					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 13,312,892	\$ -	\$ 34,866	\$ -	\$ 13,347,758
Accrued payroll and related liabilities	2,893,994	-	-	-	2,893,994
Intergovernmental payables	2,915,177	-	180,961	-	3,096,138
Contracts payable	-	-	4,216,021	-	4,216,021
Retention payable	-	-	2,078,377	-	2,078,377
Due to other funds	24,720,049	-	33,432,729	2,982,894	61,135,672
Due to fiduciary funds	5,774	-	-	-	5,774
Due to component units	448,916	-	23,517,797	-	23,966,713
Deferred revenues	20,482,548	-	2,114	6,709	20,491,371
Other liabilities	-	-	-	544,249	544,249
Total liabilities	64,779,350	-	63,462,865	3,533,852	131,776,067
Fund balances:					
Nonspendable	672,784	-	-	306,390,692	307,063,476
Restricted	62,483,594	32,132,616	44,246,458	20,190	138,882,858
Committed	45,259,309	-	363,802	-	45,623,111
Unassigned	(191,181)	-	-	-	(191,181)
Total fund balances	108,224,506	32,132,616	44,610,260	306,410,882	491,378,264
Total liabilities and fund balances	\$ 173,003,856	\$ 32,132,616	\$ 108,073,125	\$ 309,944,734	\$ 623,154,331

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



NEVADA

For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	\$ 14,487,717	\$ -	\$ -	\$ -	\$ 14,487,717
Property and transfer taxes	22,033,744	-	-	-	22,033,744
Motor and special fuel taxes	-	84,222,330	-	-	84,222,330
Other taxes	42,176,180	-	-	-	42,176,180
Intergovernmental	96,441,262	-	6,996,374	-	103,437,636
Licenses, fees and permits	24,979,254	-	-	-	24,979,254
Sales and charges for services	15,252,014	-	-	-	15,252,014
Interest and investment income	711,649	-	481	4,475,624	5,187,754
Tobacco settlement income	39,517,146	-	-	-	39,517,146
Land sales	-	-	-	560,767	560,767
Other	6,552,095	-	59,704	6,086,924	12,698,723
Total revenues	262,151,061	84,222,330	7,056,559	11,123,315	364,553,265
Expenditures					
<i>Current:</i>					
General government	381,393	-	-	-	381,393
Health and social services	119,118,038	-	-	-	119,118,038
Education and support services	462,387	-	-	-	462,387
Law, justice and public safety	23,891,696	-	-	-	23,891,696
Regulation of business	19,435,718	-	-	-	19,435,718
Recreation, resource development	22,001,419	-	-	-	22,001,419
Intergovernmental	31,430,011	-	23,112,748	-	54,542,759
Capital outlay	-	-	41,105,339	-	41,105,339
<i>Debt service:</i>					
Principal	-	56,795,000	-	-	56,795,000
Interest, fiscal charges	501	31,135,535	-	-	31,136,036
Debt issuance costs	2,488	-	203,710	-	206,198
Total expenditures	216,723,651	87,930,535	64,421,797	-	369,075,983
Excess (deficiency) of revenues over expenditures	45,427,410	(3,708,205)	(57,365,238)	11,123,315	(4,522,718)
Other Financing Sources (Uses)					
Sale of general obligation bonds	240,000	-	22,415,000	-	22,655,000
Premium on general obligation bonds	18,413	-	901,458	-	919,871
Sale of capital assets	18,817	-	-	-	18,817
Transfers in	25,735,305	-	19,963,756	-	45,699,061
Transfers out	(80,172,708)	-	(23,212,129)	(4,451,827)	(107,836,664)
Total other financing sources (uses)	(54,160,173)	-	20,068,085	(4,451,827)	(38,543,915)
Net change in fund balances	(8,732,763)	(3,708,205)	(37,297,153)	6,671,488	(43,066,633)
Fund balances, July 1 (as restated)	116,957,269	35,840,821	81,907,413	299,739,394	534,444,897
Fund balances, June 30	\$ 108,224,506	\$ 32,132,616	\$ 44,610,260	\$ 306,410,882	\$ 491,378,264

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2011

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 9,187,502	\$ 8,487,375	\$ 4,506,086	\$ 11,333,900
Cash in custody of other officials	125	2,250	-	-
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	13,992	613,299	-	-
Taxes receivable	1,837,179	-	-	-
Intergovernmental receivables	5,564,918	15,164	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	2,232,326	112,257	10,287,499	39,116
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	2,660	-	-
Total assets	\$ 18,836,042	\$ 9,233,005	\$ 14,793,585	\$ 11,373,016
Liabilities and Fund Balances				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 1,500,456	\$ 103,479	\$ 350	\$ 15,720
Accrued payroll and related liabilities	1,796,109	682,597	-	160
Intergovernmental payables	1,903,345	-	-	-
Due to other funds	1,329,943	305,139	5,000,000	4,024,657
Due to fiduciary funds	643	151	-	-
Due to component units	5,540	2,500	-	-
Deferred revenues	782	651,655	-	14,744
Total liabilities	6,536,818	1,745,521	5,000,350	4,055,281
Fund balances:				
Nonspendable	-	2,660	-	-
Restricted	8,489,091	3,338,834	-	7,317,735
Committed	3,810,133	4,145,990	9,793,235	-
Unassigned	-	-	-	-
Total fund balances	12,299,224	7,487,484	9,793,235	7,317,735
Total liabilities and fund balances	\$ 18,836,042	\$ 9,233,005	\$ 14,793,585	\$ 11,373,016



NEVADA

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Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Care of Sites for Radioactive Waste Disposal	Gift
\$ 9,763,659	\$ 2,833,506	\$ 2,578,245	\$ 16,264,411	\$ 565,140	\$ 3,036,262
-	-	-	-	-	35,333
-	-	-	-	-	135,552
-	158	977,082	19,151,091	42,663	707
1,160,224	2,786,365	-	-	-	-
-	-	-	-	-	80,176
-	-	-	-	-	1,440
27,377	9,313	20,402	10,247,268	-	12,215
-	-	374,415	-	-	-
-	-	301,798	-	-	-
-	-	-	228	-	-
<u>\$ 10,951,260</u>	<u>\$ 5,629,342</u>	<u>\$ 4,251,942</u>	<u>\$ 45,662,998</u>	<u>\$ 607,803</u>	<u>\$ 3,301,685</u>
\$ -	\$ 2,064,221	\$ 228,226	\$ 218,927	\$ 34	\$ 23,041
-	77,824	142,702	27,995	-	-
67,033	256,338	-	104,787	-	185,363
11,064,644	186,255	300,077	921,294	4,771	300
-	-	4,980	-	-	-
-	-	-	417,087	-	-
10,764	-	643,870	19,122,516	-	3,476
<u>11,142,441</u>	<u>2,584,638</u>	<u>1,319,855</u>	<u>20,812,606</u>	<u>4,805</u>	<u>212,180</u>
-	-	301,798	228	-	-
-	3,044,704	2,630,289	-	-	3,089,505
-	-	-	24,850,164	602,998	-
(191,181)	-	-	-	-	-
<u>(191,181)</u>	<u>3,044,704</u>	<u>2,932,087</u>	<u>24,850,392</u>	<u>602,998</u>	<u>3,089,505</u>
<u>\$ 10,951,260</u>	<u>\$ 5,629,342</u>	<u>\$ 4,251,942</u>	<u>\$ 45,662,998</u>	<u>\$ 607,803</u>	<u>\$ 3,301,685</u>

Combining Balance Sheet Nonmajor Special Revenue Funds



NEVADA

June 30, 2011

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	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 27,502,784	\$ -	\$ 13,319,872	\$ 109,378,742
Cash in custody of other officials	-	-	93,698	131,406
Investments	-	4,642,837	1,182,902	5,961,291
<i>Receivables:</i>				
Accounts receivable	-	-	705,763	21,504,755
Taxes receivable	-	-	-	5,783,768
Intergovernmental receivables	28,713	-	590,324	6,279,295
Accrued interest and dividends	-	-	-	1,440
Due from other funds	96,575	-	4,346	23,088,694
Due from fiduciary funds	-	-	27,266	401,681
Inventory	-	-	168,098	469,896
Prepaid items	-	-	-	2,888
Total assets	<u>\$ 27,628,072</u>	<u>\$ 4,642,837</u>	<u>\$ 16,092,269</u>	<u>\$ 173,003,856</u>
Liabilities and Fund Balances				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 75,969	\$ -	\$ 9,082,469	\$ 13,312,892
Accrued payroll and related liabilities	-	-	166,607	2,893,994
Intergovernmental payables	398,311	-	-	2,915,177
Due to other funds	162,606	-	1,420,363	24,720,049
Due to fiduciary funds	-	-	-	5,774
Due to component units	23,789	-	-	448,916
Deferred revenues	33,412	-	1,329	20,482,548
Total liabilities	<u>694,087</u>	<u>-</u>	<u>10,670,768</u>	<u>64,779,350</u>
Fund balances:				
Nonspendable	-	-	368,098	672,784
Restricted	26,933,985	4,642,837	2,996,614	62,483,594
Committed	-	-	2,056,789	45,259,309
Unassigned	-	-	-	(191,181)
Total fund balances	<u>26,933,985</u>	<u>4,642,837</u>	<u>5,421,501</u>	<u>108,224,506</u>
Total liabilities and fund balances	<u>\$ 27,628,072</u>	<u>\$ 4,642,837</u>	<u>\$ 16,092,269</u>	<u>\$ 173,003,856</u>

A woman stands in a desert landscape, wearing a traditional Northern Plains dress. She has a feathered headdress and a long, fringed buckskin garment with colorful beadwork. The background shows a clear blue sky and a fence.

NORTHERN TRADITIONAL
Cloth or Leather with authen-
tic design and materials. Long
buckskin from elbow to ankle.

Womens Northern Traditional Dancer, Snow Mountain Powwow
Courtesy of Nevada Folklife Archives/Nevada Arts Council

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

For the Fiscal Year Ended June 30, 2011

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ 14,487,717	\$ -
Property and transfer taxes	-	-	-	-
Other taxes	10,654,503	57,139	-	12,253,712
Intergovernmental	92,492,040	640,215	-	-
Licenses, fees and permits	300,793	18,607,472	-	413,456
Sales and charges for services	1,130,004	3,451	-	-
Interest and investment income	3,633	7,533	-	(14,857)
Tobacco settlement income	-	-	-	-
Other	-	427,504	-	-
Total revenues	104,580,973	19,743,314	14,487,717	12,652,311
Expenditures				
<i>Current:</i>				
General government	-	-	-	-
Health and social services	112,795,762	-	-	-
Education and support services	-	-	-	-
Law, justice and public safety	-	-	-	-
Regulation of business	-	19,099,439	-	-
Recreation, resource development	-	-	-	7,397,687
Intergovernmental	-	-	-	524,164
<i>Debt service:</i>				
Interest	-	14	487	-
Debt issuance costs	-	-	-	-
Total expenditures	112,795,762	19,099,453	487	7,921,851
Excess (deficiency) of revenues over expenditures	(8,214,789)	643,861	14,487,230	4,730,460
Other Financing Sources (Uses)				
Sale of general obligation bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Sale of capital assets	2,231	16,586	-	-
Transfers in	11,369,769	136,193	-	-
Transfers out	(1,511,110)	(733,643)	(15,407,450)	(5,724,198)
Total other financing sources (uses)	9,860,890	(580,864)	(15,407,450)	(5,724,198)
Net change in fund balances	1,646,101	62,997	(920,220)	(993,738)
Fund balances, July 1 (as restated)	10,653,123	7,424,487	10,713,455	8,311,473
Fund balances, June 30	\$ 12,299,224	\$ 7,487,484	\$ 9,793,235	\$ 7,317,735



NEVADA

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Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Care of Sites for Radioactive Waste Disposal	Gift
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22,033,744	-	-	-	-	-
-	15,636,505	-	-	-	-
-	-	-	-	-	-
-	9,324	-	-	169,000	1,062,915
-	-	13,555,254	100,000	-	-
(129,216)	471	47,940	189,494	(1,084)	4,372
-	-	-	39,517,146	-	-
-	8,834	8,028	131,694	-	628,787
21,904,528	15,655,134	13,611,222	39,938,334	167,916	1,696,074
-	-	-	381,207	-	-
30,591	-	-	6,107,347	12,344	171,994
-	-	-	-	-	10,225
-	-	10,770,171	-	-	-
-	-	-	-	-	-
-	10,963,284	-	-	-	58,698
7,033	-	-	25,016,142	-	1,048,564
-	-	-	-	-	-
-	-	-	-	-	-
37,624	10,963,284	10,770,171	31,504,696	12,344	1,289,481
21,866,904	4,691,850	2,841,051	8,433,638	155,572	406,593
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,996,121	-	161
(22,122,029)	(4,744,328)	(3,807,987)	(21,872,684)	(81,316)	-
(22,122,029)	(4,744,328)	(3,807,987)	(8,876,563)	(81,316)	161
(255,125)	(52,478)	(966,936)	(442,925)	74,256	406,754
63,944	3,097,182	3,899,023	25,293,317	528,742	2,682,751
\$ (191,181)	\$ 3,044,704	\$ 2,932,087	\$ 24,850,392	\$ 602,998	\$ 3,089,505

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



NEVADA

For the Fiscal Year Ended June 30, 2011

Page 2 of 2

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 14,487,717
Property and transfer taxes	-	-	-	22,033,744
Other taxes	-	-	3,574,321	42,176,180
Intergovernmental	149,368	-	3,159,639	96,441,262
Licenses, fees and permits	-	-	4,416,294	24,979,254
Sales and charges for services	-	-	463,305	15,252,014
Interest and investment income	196,061	215,442	191,860	711,649
Tobacco settlement income	-	-	-	39,517,146
Other	-	2,830,163	2,517,085	6,552,095
Total revenues	345,429	3,045,605	14,322,504	262,151,061
Expenditures				
<i>Current:</i>				
General government	-	186	-	381,393
Health and social services	-	-	-	119,118,038
Education and support services	-	-	452,162	462,387
Law, justice and public safety	-	-	13,121,525	23,891,696
Regulation of business	-	-	336,279	19,435,718
Recreation, resource development	3,581,750	-	-	22,001,419
Intergovernmental	4,834,108	-	-	31,430,011
<i>Debt service:</i>				
Interest	-	-	-	501
Debt issuance costs	2,488	-	-	2,488
Total expenditures	8,418,346	186	13,909,966	216,723,651
Excess (deficiency) of revenues over expenditures	(8,072,917)	3,045,419	412,538	45,427,410
Other Financing Sources (Uses)				
Sale of general obligation bonds	240,000	-	-	240,000
Premium on general obligation bonds	18,413	-	-	18,413
Sale of capital assets	-	-	-	18,817
Transfers in	-	-	1,233,061	25,735,305
Transfers out	(566,980)	(3,239,880)	(361,103)	(80,172,708)
Total other financing sources (uses)	(308,567)	(3,239,880)	871,958	(54,160,173)
Net change in fund balances	(8,381,484)	(194,461)	1,284,496	(8,732,763)
Fund balances, July 1 (as restated)	35,315,469	4,837,298	4,137,005	116,957,269
Fund balances, June 30	\$ 26,933,985	\$ 4,642,837	\$ 5,421,501	\$ 108,224,506



Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2011

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
Assets						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 70,014	\$ 217,469	\$ 15,730,601	\$ 33,182,323	\$ 11,252,778	\$ 16,808,183
Investments	-	-	-	-	-	-
<i>Receivables:</i>						
Intergovernmental receivables	-	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-	-
Due from other funds	34,857	-	-	2,382,465	867,346	8,283,292
Total assets	\$ 104,871	\$ 217,469	\$ 15,730,601	\$ 35,564,788	\$ 12,120,124	\$ 25,091,475
Liabilities and Fund Balances						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 55	\$ -	\$ 690	\$ 3,644	\$ 6,416	\$ 12,989
Intergovernmental payables	29,809	-	-	-	-	-
Contracts payable	-	-	68,232	3,448,311	276,966	162,202
Retentions payable	-	7,163	650	1,163,454	452,335	247,742
Due to other funds	75,000	3,351	14,763,933	7,429,468	4,531,851	6,384,350
Due to component units	-	-	-	23,517,797	-	-
Deferred revenues	-	-	-	2,114	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	104,864	10,514	14,833,505	35,564,788	5,267,568	6,807,283
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	111,580	897,096	-	6,584,136	18,284,192
Committed	7	95,375	-	-	268,420	-
Unassigned	-	-	-	-	-	-
Total fund balances	7	206,955	897,096	-	6,852,556	18,284,192
Total liabilities and fund balances	\$ 104,871	\$ 217,469	\$ 15,730,601	\$ 35,564,788	\$ 12,120,124	\$ 25,091,475



NEVADA

Capital Projects Funds			Permanent Funds		
CIP Military	CIP Wildlife	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 8,532,433	\$ 259,834	\$ 86,053,635	\$ 8,200,503	\$ 50,277	\$ 8,250,780
-	-	-	300,122,432	-	300,122,432
1,380	-	1,380	460,262	-	460,262
-	-	-	1,092,697	-	1,092,697
10,387,371	62,779	22,018,110	18,441	122	18,563
<u>\$ 18,921,184</u>	<u>\$ 322,613</u>	<u>\$ 108,073,125</u>	<u>\$ 309,894,335</u>	<u>\$ 50,399</u>	<u>\$ 309,944,734</u>
\$ 1,647	\$ 9,425	\$ 34,866	\$ -	\$ -	\$ -
122,443	28,709	180,961	-	-	-
163,482	96,828	4,216,021	-	-	-
207,033	-	2,078,377	-	-	-
216,635	28,141	33,432,729	2,982,733	161	2,982,894
-	-	23,517,797	-	-	-
-	-	2,114	6,661	48	6,709
-	-	-	544,249	-	544,249
<u>711,240</u>	<u>163,103</u>	<u>63,462,865</u>	<u>3,533,643</u>	<u>209</u>	<u>3,533,852</u>
-	-	-	306,360,692	30,000	306,390,692
18,209,944	159,510	44,246,458	-	20,190	20,190
-	-	363,802	-	-	-
-	-	-	-	-	-
<u>18,209,944</u>	<u>159,510</u>	<u>44,610,260</u>	<u>306,360,692</u>	<u>50,190</u>	<u>306,410,882</u>
<u>\$ 18,921,184</u>	<u>\$ 322,613</u>	<u>\$ 108,073,125</u>	<u>\$ 309,894,335</u>	<u>\$ 50,399</u>	<u>\$ 309,944,734</u>

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

For the Fiscal Year Ended June 30, 2011

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	481	-	-	-	-	-
Land sales	-	-	-	-	-	-
Other	59,704	-	-	-	-	-
Total revenues	<u>60,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
<i>Current:</i>						
Intergovernmental	-	-	-	23,112,748	-	-
Capital outlay	554,057	754,250	4,294,706	-	12,973,348	7,384,313
<i>Debt service:</i>						
Debt issuance costs	-	-	-	203,710	-	-
Total expenditures	<u>554,057</u>	<u>754,250</u>	<u>4,294,706</u>	<u>23,316,458</u>	<u>12,973,348</u>	<u>7,384,313</u>
Excess (deficiency) of revenues over expenditures	<u>(493,872)</u>	<u>(754,250)</u>	<u>(4,294,706)</u>	<u>(23,316,458)</u>	<u>(12,973,348)</u>	<u>(7,384,313)</u>
Other Financing Sources (Uses)						
Sale of general obligation bonds	-	-	-	22,415,000	-	-
Premium on general obligation bonds	-	-	-	901,458	-	-
Transfers in	493,879	369,678	-	-	1,657,375	8,283,292
Transfers out	-	(2,400)	(12,380,945)	-	(4,306,804)	(6,295,305)
Total other financing sources (uses)	<u>493,879</u>	<u>367,278</u>	<u>(12,380,945)</u>	<u>23,316,458</u>	<u>(2,649,429)</u>	<u>1,987,987</u>
Net change in fund balances	<u>7</u>	<u>(386,972)</u>	<u>(16,675,651)</u>	<u>-</u>	<u>(15,622,777)</u>	<u>(5,396,326)</u>
Fund balances, July 1 (as restated)	<u>-</u>	<u>593,927</u>	<u>17,572,747</u>	<u>-</u>	<u>22,475,333</u>	<u>23,680,518</u>
Fund balances, June 30	<u>\$ 7</u>	<u>\$ 206,955</u>	<u>\$ 897,096</u>	<u>\$ -</u>	<u>\$ 6,852,556</u>	<u>\$ 18,284,192</u>



NEVADA

Capital Projects Funds			Permanent Funds		
CIP Military	CIP Wildlife	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 6,982,571	\$ 13,803	\$ 6,996,374	\$ -	\$ -	\$ -
-	-	481	4,475,450	174	4,475,624
-	-	-	560,767	-	560,767
-	-	59,704	6,086,924	-	6,086,924
6,982,571	13,803	7,056,559	11,123,141	174	11,123,315
-	-	23,112,748	-	-	-
13,293,543	1,851,122	41,105,339	-	-	-
-	-	203,710	-	-	-
13,293,543	1,851,122	64,421,797	-	-	-
(6,310,972)	(1,837,319)	(57,365,238)	11,123,141	174	11,123,315
-	-	22,415,000	-	-	-
-	-	901,458	-	-	-
7,347,721	1,811,811	19,963,756	-	-	-
(205,559)	(21,116)	(23,212,129)	(4,451,666)	(161)	(4,451,827)
7,142,162	1,790,695	20,068,085	(4,451,666)	(161)	(4,451,827)
831,190	(46,624)	(37,297,153)	6,671,475	13	6,671,488
17,378,754	206,134	81,907,413	299,689,217	50,177	299,739,394
\$ 18,209,944	\$ 159,510	\$ 44,610,260	\$ 306,360,692	\$ 50,190	\$ 306,410,882

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance
	\$	\$	\$
General Fund Unbudgeted Activity	-	1,599,695	(1,599,695)
Elected Officials			
Office of the Governor	2,286,056	2,199,978	86,078
State Fiscal Stabilization	83,113,178	38,613,427	44,499,751
Governor's Mansion Maintenance	323,331	261,337	61,994
Governor's Office of Consumer Health Assistance	1,208,648	832,550	376,098
Governor's Office Homeland Security	1,063,117	972,661	90,456
Governor's Washington Office	247,079	247,079	-
Ethics Commission	656,028	590,207	65,821
High Level Nuclear Waste	2,311,472	2,195,667	115,805
Petroleum Overcharge Rebate	108,673	104,287	4,386
Governor's Office Energy Conservation	42,962,816	27,429,349	15,533,467
Renewable Energy/Energy Efficiency Loan Program	12,809,651	12,212,458	597,193
Lieutenant Governor	549,714	467,572	82,142
Attorney General Administrative Account	26,380,208	24,476,882	1,903,326
Attorney General Extradition Coordinator	768,247	581,637	186,610
Attorney General Special Fund	7,239,037	1,370,506	5,868,531
Attorney General Workers' Compensation Fraud	4,968,647	3,902,439	1,066,208
Attorney General Crime Prevention	275,556	260,183	15,373
Attorney General Medicaid Fraud	4,611,509	1,755,811	2,855,698
Attorney General Violence Against Women Grants	4,634,609	2,215,886	2,418,723
Attorney General Council For Prosecuting Attorneys	331,238	184,860	146,378
Attorney General Victims of Domestic Violence	969,608	489,727	479,881
Private Investigators Licensing Board	1,160,250	1,143,797	16,453
Secretary of State	22,009,229	16,037,110	5,972,119
Secretary of State HAVA Election Reform	7,185,830	628,550	6,557,280
Secretary of State Advisory Committee Gift	61	-	61
Notary Training	244,953	41,956	202,997
State Treasurer	2,400,505	2,251,769	148,736
Silicosis and Disabled Pensions	289,208	55,076	234,132
Nevada College Savings Trust	1,235,554	874,153	361,401
Endowment Account	4,546,062	3,778,771	767,291
College Savings Private Entity	150,142	66,722	83,420
Unclaimed Property	2,638,567	2,205,480	433,087
Controller's Office	4,107,734	4,025,018	82,716
Debt Recovery	529,822	-	529,822
	244,316,339	152,472,905	91,843,434
Legislative-Judicial			
Judicial Branch			
Administrative Office of the Courts	5,184,120	3,286,893	1,897,227
Division of Planning and Analysis	1,601,260	1,200,432	400,828
Uniform System of Judicial Records	3,865,677	1,494,582	2,371,095
Judicial Education	2,278,576	1,044,802	1,233,774
District Judges' Salary	17,934,766	17,744,393	190,373
Judicial Travel and Support	793,308	278,865	514,443
District Judge/Surviving Spouse Pension	1,851,200	1,851,200	-
Supreme Court	12,581,308	11,815,233	766,075
Specialty Court	7,976,489	6,453,933	1,522,556
Senior Justice and Senior Judge Program	1,542,383	1,404,992	137,391
Judicial Selection	17,978	16,151	1,827
Foreclosure Mediation Program	9,694,385	5,728,079	3,966,306
Law Library Gift Fund	86,104	5,000	81,104
Law Library	1,668,397	1,572,064	96,333
Judicial Discipline	691,286	563,339	127,947
Legislative Branch			
Legislative Counsel Bureau Disbursement	2,011,529	2,006,806	4,723
So Nevada Community Project Fund	67,162	14,947	52,215
	69,845,928	56,481,711	13,364,217



	Final Budget	Actual	Variance
Finance and Administration			
Administration			
Construction Education Account	\$ 203,986	\$ 79,080	\$ 124,906
Deferred Compensation Committee	453,220	421,819	31,401
Commission For Women	1,504	-	1,504
Special Appropriations	186,213	86,213	100,000
Judicial College/Juvenile and Family Justice	289,845	289,845	-
Information Technology Division	628,011	614,490	13,521
Information Technology Projects	6,379,806	5,304,200	1,075,606
Budget and Planning	3,704,243	3,671,312	32,931
Division of Internal Audits	1,485,595	1,239,192	246,403
Graffiti Reward Fund	5,109	-	5,109
Merit Award Board	3,865	23	3,842
Commodity Food Program	16,335,955	10,524,478	5,811,477
Roof Maintenance Reserve	901,234	52,211	849,023
Public Works Administration	257,831	249,356	8,475
Administration - Hearings Division	4,620,929	4,325,127	295,802
State Claims	5,707,050	1,927,958	3,779,092
Emergency Fund	338,229	140,000	198,229
Statutory Contingency	4,317,132	1,631,732	2,685,400
Taxation			
Department of Taxation	26,590,954	25,775,762	815,192
Personnel			
State Unemployment Compensation	7,571,321	2,720,182	4,851,139
	79,982,032	59,052,980	20,929,052
Education			
Education			
Drug Abuse Education	849,412	730,097	119,315
Student Incentive Grants	543,788	534,386	9,402
Distributive School Account	1,346,112,669	1,329,455,760	16,656,909
School Health Education - AIDS	273,182	194,232	78,950
School Remediation	26,752,290	25,470,557	1,281,733
Education State Programs	3,607,511	2,890,287	717,224
Educational Trust Fund	63,972	-	63,972
Career and Technical Education	11,328,219	9,072,895	2,255,324
Gear Up	3,733,690	2,020,472	1,713,218
Gear Up Scholarship Trust	12,771,258	441,268	12,329,990
Continuing Education	6,974,922	6,073,298	901,624
Proficiency Testing	5,732,552	5,312,642	419,910
Other State Education Programs	9,331,378	8,945,451	385,927
Education Technology Trust	20,623	-	20,623
Teacher Education and Licensing	2,015,666	1,278,267	737,399
Discretionary Grants - Unrestricted	1,807,613	985,171	822,442
Discretionary Grants - Restricted	111,562,591	56,272,352	55,290,239
Elementary and Secondary Ed - Title I	204,225,802	137,796,533	66,429,269
Elementary and Secondary Ed Titles II, V & VI	32,610,150	20,971,037	11,639,113
Individuals with Disabilities (IDEA)	135,381,832	95,207,467	40,174,365
Education Staffing Services	1,437,827	1,355,914	81,913
Education Support Services	4,156,915	2,774,377	1,382,538
Incentives for Licensed Educational Personnel	25,355,052	21,183,276	4,171,776
Nutrition Education Programs	119,764,038	104,129,243	15,634,795
Commission on Postsecondary Education	423,894	417,083	6,811
Student Indemnification Account	273,365	-	273,365
Cultural Affairs			
Cultural Affairs Administration	874,668	814,472	60,196
Lost City Museum	425,205	369,041	56,164
LV Springs Preserve Museum Dev	1,511,052	737,153	773,899
Nevada Historical Society	450,609	406,796	43,813

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance
State Museum, Carson City	\$ 1,396,415	\$ 1,378,959	\$ 17,456
Museums and History	376,027	374,133	1,894
Museum and Historical Society - Las Vegas	956,382	890,471	65,911
State Railroad Museums	1,604,292	1,504,955	99,337
Archives and Records	841,830	766,715	75,115
Micrographics and Imaging	521,910	379,086	142,824
Nevada State Library	6,267,501	5,574,509	692,992
Nevada State Library-Literacy	852	852	-
Nevada Humanities	50,000	50,000	-
Nevada State Library - CLAN	720,770	461,814	258,956
Nevada Arts Council	2,257,564	2,007,347	250,217
Cultural Resource Program	2,932,192	2,571,099	361,093
Historic Preservation	1,860,253	1,301,770	558,483
Comstock Historic District	144,218	142,160	2,058
Comstock Historical District Gifts	121,084	9,636	111,448
Nevada System of Higher Education			
Special Projects	3,830,023	2,816,774	1,013,249
Education for Dependent Children	32,108	24,298	7,810
University of Nevada - Reno	180,878,083	179,021,977	1,856,106
School of Medical Sciences	33,194,064	33,050,062	144,002
Intercollegiate Athletics UNR	5,328,304	5,327,469	835
Statewide Programs - UNR	5,229,267	5,229,266	1
University System Administration	4,988,931	4,988,931	-
University of Nevada Las Vegas	247,104,684	243,294,767	3,809,917
Intercollegiate Athletics UNLV	7,465,366	7,465,366	-
Agricultural Experiment Station	7,095,356	6,955,069	140,287
Cooperative Extension Service	9,525,895	9,335,192	190,703
System Computing Center	18,715,545	18,714,770	775
UNLV Law School	12,258,380	12,069,453	188,927
National Direct Student Loan Program	41,132	41,132	-
University Press	614,656	613,746	910
Anatomical Gift	459,296	65,000	394,296
Statewide Programs - UNLV	1,233,971	1,233,971	-
UNLV Dental School	14,356,022	14,092,658	263,364
Business Center North	2,139,664	2,139,664	-
Business Center South	1,839,433	1,839,433	-
Collegiate License Plate Account	284,815	235,171	49,644
Nevada State College at Henderson	17,477,103	17,409,134	67,969
Community College of Southern Nevada	133,331,832	132,058,441	1,273,391
Laboratory and Research	1,702,580	1,702,580	-
Great Basin College	19,841,999	19,734,357	107,642
Desert Research Institute	9,314,677	8,865,840	448,837
Western Nevada Community College	23,339,351	23,312,618	26,733
Truckee Meadows Community College	48,470,685	47,731,960	738,725
WICHE Program			
WICHE Loan and Stipend	1,023,027	875,900	147,127
WICHE Administration	319,655	318,194	1,461
	2,901,858,939	2,653,816,226	248,042,713
Human Services			
Health and Human Services Director's Office			
Administration	5,955,857	3,285,973	2,669,884
Grants Management Unit	34,465,532	29,332,416	5,133,116
Problem Gambling	2,126,362	1,387,260	739,102
Family to Family Connections	4,080,760	3,322,489	758,271
Public Defender	3,559,378	3,288,663	270,715
Indian Affairs Commission	306,602	259,278	47,324
Aging Services			
Senior Services Program	8,258,336	6,261,222	1,997,114
Aging Older Americans Act	22,857,793	17,632,309	5,225,484
Senior Citizens' Property Tax Assistance	4,761,398	4,571,727	189,671
EPS/Homemaker Programs	3,623,222	2,738,663	884,559
State and Community Collaboration	6,350,264	5,635,964	714,300
Developmental Disabilities	952,320	700,243	252,077
Community Based Services	12,596,787	10,523,742	2,073,045



	Final Budget	Actual	Variance
Health Care Financing and Policy			
Intergovernmental Transfer Program	\$ 112,354,054	\$ 87,842,654	\$ 24,511,400
Administration	91,974,416	77,733,657	14,240,759
HIFA Holding Account	665,686	465,787	199,899
Increased Quality of Nursing Care	29,479,075	28,681,543	797,532
Nevada Check-Up Program	36,409,032	33,853,065	2,555,967
Nevada Medicaid, Title XIX	1,592,839,485	1,543,067,177	49,772,308
HIFA Medical	1,906,582	1,343,035	563,547
Health			
Radiological Health	5,545,041	4,171,828	1,373,213
Cancer Control Registry	1,414,446	964,828	449,618
Alcoholism and Drug Rehabilitation	29,512,767	24,669,139	4,843,628
Vital Statistics	1,925,045	1,663,581	261,464
Consumer Health Protection	2,687,416	1,883,015	804,401
Office of Minority Health	216,471	182,624	33,847
Early Intervention Services	25,783,627	25,511,124	272,503
Immunization Program	6,594,216	4,673,209	1,921,007
Marijuana Health Registry	1,144,594	219,226	925,368
WIC Food Supplement	63,592,626	60,135,698	3,456,928
Sexually Transmitted Disease Control	18,651,567	15,604,999	3,046,568
Health Facilities Hospital Licensing	12,070,837	8,696,884	3,373,953
Health Facilities-Admin Penalty	386,802	63,996	322,806
Public Health Preparedness Program	21,633,290	15,967,250	5,666,040
Communicable Disease Control	11,423,862	9,023,569	2,400,293
Maternal Child Health Services	8,101,320	5,995,516	2,105,804
Office of Health Administration	7,265,538	4,918,566	2,346,972
Community Health Services	4,301,128	3,313,817	987,311
Emergency Medical Services	1,190,377	898,364	292,013
Welfare			
Welfare Administration	32,135,329	28,089,043	4,046,286
Temp Assistance for Needy Families	57,598,806	56,239,958	1,358,848
Assistance to Aged and Blind	7,949,442	7,581,000	368,442
Welfare Field Services	76,804,311	71,330,645	5,473,666
Child Support Enforcement Program	19,169,157	14,450,610	4,718,547
Child Support Federal Reimbursement	35,872,361	29,470,403	6,401,958
Child Assistance and Development	56,927,937	50,063,580	6,864,357
Energy Assistance Program	29,396,594	28,920,860	475,734
Mental Health and Developmental Services			
So NV Adult Mental Health Services	94,612,167	84,985,128	9,627,039
No NV Adult Mental Health Services	33,657,154	30,175,132	3,482,022
Mental Health Information System	1,941,107	1,765,290	175,817
Family Preservation Program	2,335,268	2,334,954	314
Rural Regional Center	16,094,922	14,301,679	1,793,243
MHDS Administration	7,776,091	6,906,963	869,128
Desert Regional Center	90,507,916	81,164,729	9,343,187
Sierra Regional Center	34,889,512	31,666,750	3,222,762
Facility for the Mental Offender	9,607,590	9,395,392	212,198
Alcohol Tax Program	1,326,164	845,418	480,746
Rural Clinics	16,166,545	14,953,076	1,213,469
Child and Family Services			
Community Juvenile Justice Programs	4,723,606	3,278,277	1,445,329
Washoe County Integration	31,447,383	28,794,795	2,652,588
Clark County Integration	82,295,989	78,560,727	3,735,262
UNITY/SACWIS	5,211,906	4,764,659	447,247
Children, Youth and Family Administration	20,436,102	19,022,000	1,414,102
Youth Alternative Placement	3,532,099	3,532,099	-
Juvenile Correctional Facility	968,074	705,562	262,512
Child Care Services	1,493,304	1,236,098	257,206
Caliente Youth Center	8,399,270	7,623,393	775,877
Victims of Domestic Violence	4,195,623	3,454,605	741,018
Childrens Trust Account	886,908	707,030	179,878
Rural Child Welfare	19,290,243	16,913,187	2,377,056
Review of Death of Children	264,849	95,331	169,518
Nevada Youth Training Center	10,858,459	8,955,263	1,903,196
Youth Parole Services	6,605,371	5,454,325	1,151,046

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance
Farm Account - Youth Training Center	\$ 11,650	\$ -	\$ 11,650
No NV Child and Adolescent Services	6,320,123	5,734,958	585,165
So NV Child and Adolescent Services	22,859,791	20,496,004	2,363,787
Employment, Training and Rehabilitation			
Blind Business Enterprise Program	5,703,149	1,941,020	3,762,129
Services to the Blind	5,709,298	4,785,220	924,078
Client Assistance Program	208,559	187,673	20,886
Vocational Rehabilitation	21,879,985	17,320,809	4,559,176
Rehabilitation Administration	1,529,502	1,161,703	367,799
Disability Adjudication	17,249,088	15,404,388	1,844,700
Equal Rights Commission	1,434,655	1,126,544	308,111
Administration	5,032,917	4,476,732	556,185
Research and Analysis	4,949,670	4,317,918	631,752
Information Development and Processing	9,632,199	8,264,152	1,368,047
	3,126,862,056	2,883,439,182	243,422,874
Commerce and Industry			
Economic Development and Tourism			
Commission on Economic Development	5,173,651	4,814,877	358,774
Nevada Film Office	1,093,892	796,140	297,752
Rural Community Development	5,500,847	3,404,019	2,096,828
Procurement Outreach Program	535,470	447,439	88,031
Minerals			
Minerals	3,442,300	2,059,388	1,382,912
Bond Reclamation	5,252,691	328,520	4,924,171
Agriculture			
Nevada Beef Council	275,969	274,473	1,496
Gas Pollution Standards	393,069	301,962	91,107
Weed Abatement and Control	172,052	4,687	167,365
Plant Industry	755,745	715,787	39,958
Grade and Certification of Ag Products	251,868	101,982	149,886
Garlic and Onion Research Promotion	110,441	2,273	108,168
Agricultural Registration/Enforcement	2,637,369	1,650,128	987,241
Livestock Inspection	1,614,611	1,014,977	599,634
USDA CCC	568,378	138,490	429,888
Agriculture License Plates	18,845	15,000	3,845
Veterinary Medical Services	930,096	856,616	73,480
Weights and Measures	2,174,939	1,542,638	632,301
Noxious Weed and Insect Control	5,400,270	2,048,740	3,351,530
Agriculture Administration	1,123,104	1,099,457	23,647
Rangeland Resources Commission	187,752	142,672	45,080
Mormon Cricket and Grasshoppers	1,430,942	430,134	1,000,808
Predatory Animal and Rodent Control	1,064,948	987,602	77,346
Nevada Jr Livestock Show Board	25,670	25,665	5
Gaming Control			
Gaming Control Board	44,263,189	40,568,267	3,694,922
Gaming Control Federal Forfeiture	760,478	110,941	649,537
Gaming Control - Forfeiture Account	611,101	45,931	565,170
Gaming Control - Other State Forfeiture	570,083	46,482	523,601
Federal Forfeiture Treasury	1,015,320	77,041	938,279
Gaming Commission	397,533	307,695	89,838
Business and Industry			
Business and Industry Administration	1,452,265	1,389,875	62,390
Industrial Development Bonds	1,045,168	891,912	153,256
Insurance Regulation	10,947,563	8,138,352	2,809,211
Captive Insurers	1,735,177	731,671	1,003,506
Insurance Recovery	696,106	656,106	40,000
Insurance Education and Research	1,235,495	600,959	634,536
Nat. Assoc. of Insurance Commissioners	92,046	16,088	75,958
Insurance Cost Stabilization	414,468	126,869	287,599
Consumer Affairs	88,900	16,162	72,738
Special Housing Assistance	17,792,459	8,629,682	9,162,777
Low Income Housing Trust Fund	25,427,048	6,614,409	18,812,639
Weatherization	39,000,886	25,559,160	13,441,726
Renewable Energy and Energy Efficiency Authority	1,857,227	779,467	1,077,760



	Final Budget	Actual	Variance
Employee Management Relations Board	\$ 660,686	\$ 315,011	\$ 345,675
Common Interest Communities	4,066,004	1,544,041	2,521,963
Real Estate Administration	2,926,944	2,647,369	279,575
Athletic Commission	832,229	638,471	193,758
Labor Commissioner	1,447,441	1,396,049	51,392
Division of Mortgage Lending	4,605,049	2,607,108	1,997,941
Attorney for Injured Workers	3,374,009	3,165,642	208,367
Financial Institutions Investigations	747,172	104,034	643,138
Financial Institutions	6,613,070	3,175,450	3,437,620
Financial Institutions Audit	412,367	189,099	223,268
	215,222,402	134,293,009	80,929,393

Public Safety

Corrections

Prison Medical Care	47,859,883	46,545,277	1,314,606
Director's Office	20,158,918	19,632,433	526,485
Correctional Programs	7,515,598	6,485,131	1,030,467
So Nevada Correctional Center	308,754	241,279	67,475
Warm Springs Correctional Center	8,922,542	8,894,833	27,709
No Nevada Correctional Center	24,832,094	24,793,183	38,911
Nevada State Prison	16,558,991	15,953,179	605,812
Stewart Conservation Camp	1,808,403	1,801,208	7,195
Pioche Conservation Camp	1,586,965	1,561,062	25,903
Northern Nevada Restitution Center	1,111,290	1,108,090	3,200
Indian Springs Conservation Camp	2,452,957	2,411,814	41,143
Southern Desert Correctional Center	22,266,185	22,235,948	30,237
Wells Conservation Camp	1,266,857	1,261,725	5,132
Humboldt Conservation Camp	1,320,736	1,296,864	23,872
Ely Conservation Camp	1,261,799	1,244,240	17,559
Jean Conservation Camp	1,428,788	1,374,962	53,826
Silver Springs Conservation Camp	13,021	10,151	2,870
Ely State Prison	25,373,195	25,087,311	285,884
Carlin Conservation Camp	1,258,092	1,198,656	59,436
Tonopah Conservation Camp	1,261,874	1,247,952	13,922
Lovelock Correctional Center	23,032,898	22,469,909	562,989
Southern Nevada Women's Correctional Center	14,169,875	14,119,611	50,264
High Desert State Prison	41,501,755	40,852,929	648,826
Casa Grande Transitional Housing	4,325,375	4,209,856	115,519

Public Safety

Emergency Management Division	6,772,518	4,173,836	2,598,682
Emergency Mgmt Assistance Grant	75,801,826	29,806,471	45,995,355
Parole and Probation	44,631,008	40,113,932	4,517,076
Fund for Reentry Programs	19,976	-	19,976
Division of Investigations	11,633,402	8,936,043	2,697,359
Parolee Loan Account	740	515	225
Training Division	1,224,602	1,076,441	148,161
Parole Board	2,522,151	2,396,812	125,339
Fire Marshal	3,129,882	2,585,060	544,822
Traffic Safety	11,161,700	4,745,963	6,415,737
Highway Safety Plan and Administration	6,480,519	2,540,606	3,939,913
K-9 Program	110,239	107,126	3,113
Forfeitures	3,426,344	1,889,766	1,536,578
Justice Assistance Account	6,371,022	2,397,133	3,973,889
Justice Assistance Grant	17,595,324	4,466,894	13,128,430
Criminal History Repository	24,245,753	12,518,013	11,727,740
Child Volunteer Background Checks Trust	14,582	14,582	-
Contingency Account for Haz Mat	672,135	403,355	268,780
Home Disaster Assistance	532,020	532,020	-
Cigarette Fire Safety Standard	144,000	34,853	109,147
Justice Grant	549,340	517,830	31,510
Dignitary Protection	1,099,738	1,024,751	74,987

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance
Peace Officers Standards and Training			
Peace Officers Standards and Training	\$ 3,598,398	\$ 2,314,699	\$ 1,283,699
Motor Vehicles			
Motor Vehicle Pollution Control	11,238,076	8,915,816	2,322,260
	504,572,140	397,550,120	107,022,020
Infrastructure			
Wildlife			
Wildlife Administration	33,310,776	19,523,168	13,787,608
Wildlife Director's Office	2,654,330	2,516,946	137,384
Wildlife Operations	5,996,299	5,041,445	954,854
Wildlife Trout Stamp Program	5,124,776	1,644,040	3,480,736
Wildlife Boating Program	6,384,010	5,268,817	1,115,193
Wildlife Heritage	6,703,778	455,541	6,248,237
Wildlife Obligated Reserve	15,000,041	9,919,975	5,080,066
Wildlife Habitat Mitigation	11,204,122	802,294	10,401,828
Conservation and Natural Resources			
State Environmental Commission	50,598	18,295	32,303
Administration	961,959	922,362	39,597
Conservation and Natural Resources Gift	15,000	-	15,000
Water Resources Legal Cost	3,234,324	142,798	3,091,526
Tahoe Regional Planning Agency	10,220,576	1,566,702	8,653,874
Division of Conservation Districts	417,947	301,204	116,743
Parks Federal Grant Programs	5,561,102	1,969,433	3,591,669
State Parks	11,873,389	9,659,195	2,214,194
Maintenance of State Parks	1,788,693	187,738	1,600,955
State Parks Facility and Grounds Maintenance	15,087,695	50,963	15,036,732
Coyote Springs Groundwater Basin	45,277	6,586	38,691
Flood Control Revenue Fund	252,517	-	252,517
USGS Co-Op	596,795	247,736	349,059
Groundwater Recharge Projects	420,618	52,760	367,858
Water Right Surveyors	61,986	5,921	56,065
Water Rights Support Fund	32,149	32,149	-
Well Driller's Licenses	77,440	18,926	58,514
Water Resources	6,733,680	5,878,704	854,976
Water Resources Cooperative Project	1,469,040	315,066	1,153,974
State Engineer Revenue	269,674	92,512	177,162
Little Humboldt River	203,206	34,355	168,851
Quinn River Distribution	42,037	7,550	34,487
Water Studies	275,000	-	275,000
Adjudication Emergency	16,000	1,146	14,854
Steptoe Valley Water Basin	12,487	2,722	9,765
Diamond Valley Ground Water	29,160	4,965	24,195
Lake Valley Ground Water Basin	20,127	-	20,127
Middle Reese River Ground Water Basin	32,480	905	31,575
Dixie Creek/10 Mi Ground Water	19,979	1,425	18,554
Churchill Valley Ground Water	7,607	5,558	2,049
Colorado River Valley	18,235	357	17,878
Washoe Valley Ground Water	9,430	3,970	5,460
Amargosa Valley Ground Water	6,952	1,976	4,976
Las Vegas Basin Water District	4,025,874	935,948	3,089,926
Muddy River Surface Water	32,461	10,223	22,238
Pahrnagat Lake	61,101	39,231	21,870
Pahrump Artesian Basin	144,657	35,473	109,184
Boulder Flat Ground Water	104,217	5,505	98,712
Dayton Valley Ground Water	14,470	2,538	11,932
Mason Valley Ground Water	100,763	20,604	80,159
Humboldt Water District	422,980	176,297	246,683
Water District Revenue Fund	39,750	9,750	30,000
Smith Valley Artesian Basin	35,122	6,055	29,067
Currant Creek	5,251	-	5,251
Duckwater Creek	32,348	10,254	22,094
Paradise Valley Ground Water	38,461	9,873	28,588
Upper White River	14,983	983	14,000
Muddy River Springs	19,575	696	18,879



	Final Budget	Actual	Variance
Kingston Creek	\$ 6,092	\$ 2,872	\$ 3,220
Warm Springs/Winnemucca Creek	11,678	3,545	8,133
Eagle Valley	48,405	11,024	37,381
Carson Valley Ground Water	38,663	19,423	19,240
Fish Lake Valley Artesian	20,949	4,615	16,334
Carico Creek	443	-	443
Lemmon Valley	56,624	22,392	34,232
Truckee Meadows/Sun Valley	85,420	34,128	51,292
Antelope Middle Reese River	17,978	8,428	9,550
Warm Springs Ground Water	35,039	4,529	30,510
Lower Moapa Valley Groundwater	7,199	-	7,199
Honey Lake Valley	15,356	349	15,007
Whirlwind Valley	13,503	448	13,055
Crescent Water Groundwater	28,575	4,851	23,724
Pumpnickel Valley	34	-	34
Clovers Area Groundwater	50,041	6,809	43,232
Cold Springs Valley	21,906	1,523	20,383
Imlay Ground Water	24,566	1,943	22,623
Kelly Creek Ground Water	37,419	5,598	31,821
Lower Reese River Valley	46,450	3,643	42,807
Maggie Creek	54,242	6,293	47,949
North Fork Ground Water	23,835	1,361	22,474
Pleasant Valley	8,169	6,867	1,302
Forestry	23,002,231	9,916,169	13,086,062
Forest Fire Suppression/Emergency Response	8,260,029	3,832,610	4,427,419
Forestry Honor Camps	9,316,828	8,154,010	1,162,818
Forestry Inter-Gov Agreements	3,688,211	3,064,740	623,471
Tahoe License Plates	2,011,311	461,728	1,549,583
Mt. Charleston License Plates	463,808	433,948	29,860
Nevada Tahoe Regional Planning Agency	1,490	715	775
State Lands	2,041,013	1,777,046	263,967
State Lands Revolving Account	133,209	10,433	122,776
Tahoe Bond Sale	1,137,836	136,599	1,001,237
Tahoe Mitigation	3,614,407	1,081,347	2,533,060
Nevada Natural Heritage	1,121,355	783,030	338,325
AB9/Q1 Bonds	31,816,319	9,105,260	22,711,059
Storage Tank Management	299,582	-	299,582
Environmental Protection Administration	5,073,941	3,927,822	1,146,119
Chemical Hazard Prevention	1,350,845	543,584	807,261
Reclamation Surety Account	3,319,770	55,200	3,264,570
Air Quality Management Account	14,680,743	3,235,118	11,445,625
Air Quality	10,255,940	6,752,576	3,503,364
Water Pollution Control	5,728,764	3,475,246	2,253,518
Water Quality Planning	7,041,277	3,561,457	3,479,820
Safe Drinking Water Regulatory Program	3,593,912	2,325,103	1,268,809
Waste Management and Federal Facilities	18,093,484	11,237,147	6,856,337
Mining Regulation/Reclamation	5,231,205	2,217,351	3,013,854
Interim Fluid Management Trust	1,341,716	-	1,341,716
Hazardous Waste Management	19,978,673	5,215,590	14,763,083
Hazardous Waste - Beatty Site	12,441,336	1,275,358	11,165,978
Water Planning - Capital Improvement	355,124	123,219	231,905
	347,380,249	150,822,682	196,557,567
Special Purpose Agencies			
Veterans' Affairs			
Commissioner for Veterans' Affairs	2,744,210	2,461,796	282,414
Veterans' Home Account	16,593,332	15,139,500	1,453,832
Veterans' Gifts and Donations	705,804	73,679	632,125
Veterans' Home Donation	49,514	10,001	39,513
Gift Account for Veterans	967,809	193,560	774,249

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

All General Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance
Office of Military			
Military	\$ 18,017,272	\$ 15,264,450	\$ 2,752,822
Military Emergency Operations Center	377,396	301,394	76,002
Adjutant General Construction	42,775	39,838	2,937
National Guard Benefits	55,100	48,278	6,822
Patriot Relief Account	603,801	127,237	476,564
Civil Air Patrol	61,387	24,695	36,692
	<u>40,218,400</u>	<u>33,684,428</u>	<u>6,533,972</u>
Appropriated Transfers to Other Funds			
Legislative Fund	47,025,310	47,025,310	-
Contingency Fund	48,716,269	48,716,269	-
Attorney General Fund - Consumer Advocate	1,233,061	1,233,061	-
Stabilize the Operations of State Government	41,821,014	41,821,014	-
Highway Fund	17,473	17,473	-
Millennium Scholarship Fund	10,000,000	10,000,000	-
Healthy Nevada Fund	103,284	103,284	-
	<u>148,916,411</u>	<u>148,916,411</u>	<u>-</u>
Reversions to Other Funds			
Reversion to Highway Fund	-	212,636	(212,636)
Reversion to Workers' Comp and Safety Fund	-	1,050,025	(1,050,025)
Reversion to Consolidated Bond Interest and Redemption Fund	-	84,000	(84,000)
	<u>-</u>	<u>1,346,661</u>	<u>(1,346,661)</u>
Projected Reversions	<u>(47,500,000)</u>	<u>-</u>	<u>(47,500,000)</u>
Total General Fund	<u>\$ 7,631,674,896</u>	<u>\$ 6,673,476,010</u>	<u>\$ 958,198,886</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, 2011

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	Final Budget	Actual	Variance
State Highway			
Finance and Administration			
Unbudgeted Activity	\$ -	\$ 292,173	\$ (292,173)
Appropriations to Other Funds	5,053,980	5,053,980	-
Infrastructure			
Transportation Administration	768,848,724	627,573,714	141,275,010
Aviation Trust Fund	100,460	-	100,460
AB 595 Revenue Rental Car Tax	13,604,170	3,370,858	10,233,312
AB 595 Revenue Clark Co.	265,512,230	174,048,178	91,464,052
AB 595 Revenue Washoe Co.	2,732,254	1,745,129	987,125
NDOT - SB 5 RTC Public Road Project	5,687,986	151,488	5,536,498
System of Providing Information to the Traveling Public	205,180	112,671	92,509
Public Safety			
Bicycle Safety Program	312,736	107,604	205,132
Motorcycle Safety Program	827,635	486,321	341,314
Director's Office - Public Safety	1,415,005	1,368,207	46,798
Internal Affairs	590,372	580,617	9,755
Records Search	9,173,057	7,572,437	1,600,620
Highway Patrol	76,455,656	67,308,138	9,147,518
Administrative Services	2,031,451	1,867,015	164,436
DMV Motor Vehicle Information Technology	10,365,459	8,216,181	2,149,278
Motor Carrier	4,687,463	3,623,986	1,063,477
PS Highway Safety Grants Account	2,075,671	1,590,878	484,793
Emergency Response Commission	2,545,302	1,148,367	1,396,935
Verification of Insurance	16,260,285	5,663,887	10,596,398
Hearings - DMV and PS	1,255,233	1,152,143	103,090
Special Plates Trust Account	1,328,523	237,523	1,091,000
Salvage Titles Trust Account	302,411	217,596	84,815
Public Safety Technology Division	6,280,672	5,606,761	673,911
DMV Field Services	42,225,064	37,977,709	4,247,355
Forfeitures	300,753	-	300,753
Compliance Enforcement	4,913,474	4,347,812	565,662
Central Services	13,236,492	10,926,670	2,309,822
Management Services	1,461,667	1,220,514	241,153
Director's Office - DMV	5,522,370	5,316,288	206,082
DMV Real ID	3,065,243	989,791	2,075,452
Administrative Services	13,140,603	11,584,295	1,556,308
Debt Service Transfers			
Debt Service	84,222,330	84,222,330	-
Total	1,365,739,911	1,075,681,261	290,058,650
Municipal Bond Bank			
Elected Officials			
Municipal Bond Bank Revenue	30,833,926	30,270,082	563,844
Total	30,833,926	30,270,082	563,844
Employment Security			
Human Services			
Claimant Employment Program	17,917,782	12,151,983	5,765,799
Employment Security	118,904,578	93,951,767	24,952,811
Employment Security Special Fund	22,096,192	9,582,511	12,513,681
Total	158,918,552	115,686,261	43,232,291
Regulatory			
Commerce and Industry			
Manufactured Housing	1,961,311	1,165,531	795,780
Real Estate Education and Research	1,738,412	524,437	1,213,975
Real Estate Recovery	961,760	482,240	479,520
Mobile Home Parks	326,981	126,673	200,308
Mfg Housing-Education/Recovery	245,323	59,758	185,565
Regulatory Fund	13,729,356	10,633,463	3,095,893
Administrative Fines	100,000	88,492	11,508
Taxicab Authority	8,523,878	5,819,483	2,704,395
Dairy Commission	1,902,850	1,291,190	611,660
Total	29,489,871	20,191,267	9,298,604

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

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance
Higher Education Capital Construction			
<i>Finance and Administration</i>			
Higher Education Capital Construction	\$ 5,000,000	\$ 5,000,000	\$ -
Higher Education Special Construction	10,407,938	10,407,938	-
Total	15,407,938	15,407,938	-
Cleaning Up Petroleum Discharges			
<i>Infrastructure</i>			
Petroleum Clean-Up Trust Fund	22,826,385	13,646,049	9,180,336
Total	22,826,385	13,646,049	9,180,336
Hospital Care to Indigent Persons			
<i>Finance and Administration</i>			
Supplemental Fund - Indigents	23,403,820	22,189,062	1,214,758
Total	23,403,820	22,189,062	1,214,758
Tourism Promotion			
<i>Commerce and Industry</i>			
Tourism Development	74,276	65,000	9,276
Commission on Tourism	18,656,978	15,617,866	3,039,112
Total	18,731,254	15,682,866	3,048,388
Offenders' Store			
<i>Public Safety</i>			
Offenders' Store Fund	19,034,989	14,412,754	4,622,235
Inmate Welfare Account	5,571,979	5,170,220	401,759
Total	24,606,968	19,582,974	5,023,994
Tobacco Settlement			
<i>Elected Officials</i>			
Millennium Scholarship Fund	43,200,165	29,214,321	13,985,844
Millennium Scholarship Administration	416,094	370,231	45,863
Trust Fund for Healthy Nevada	33,895,062	19,087,851	14,807,211
Trust Fund for Public Health	4,839,733	3,885,514	954,219
<i>Human Services</i>			
Healthy Nevada Fund	4,758,439	3,775,924	982,515
Senior RX and Disability RX	4,806,533	3,977,344	829,189
Healthy Nevada Fund Administration	7,061,244	2,577,289	4,483,955
Total	98,977,270	62,888,474	36,088,796
Care of Sites for Radioactive Waste Disposal			
<i>Human Services</i>			
Radioactive Material Disposal	882,756	93,659	789,097
Total	882,756	93,659	789,097
Gift			
<i>Education</i>			
Education Gift Fund	30,237	-	30,237
Library and Archives Gift Fund	403,485	3,724	399,761
<i>Human Services</i>			
RRC Gift Fund	48,490	-	48,490
SNAMHS Gift Fund	18,737	109	18,628
Settlement Funds	13	13	-
Health Division Gifts	20,065	-	20,065
Transition from Foster Care	2,206,826	1,162,002	1,044,824
Aging Services Gift	43,884	-	43,884
Disability Services Gift	1,213	-	1,213
CBS Washoe Gift Fund	14,455	-	14,455
Indian Commission Gift Acct	35,878	9,435	26,443
Hospital Gift Fund	298,856	31,702	267,154
NNMRS Gift Fund	9,650	-	9,650
NV Equal Rights Commission Gift Fund	20,500	49	20,451
Blind Gift Fund	151,972	-	151,972
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	27,706	1,435	26,271
Henry Woods Christmas Fund	693	-	693
Nevada Children's Gift Account	600,777	26,937	573,840
CYC Gift Fund	5,339	1,116	4,223
Youth Training Center Gift Fund	35,389	-	35,389
DRC Gift Fund	12,134	490	11,644
<i>Infrastructure</i>			
Park Gift and Grants	483,530	58,697	424,833
Total	4,479,716	1,295,709	3,184,007



NEVADA

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	Final Budget	Actual	Variance
Natural Resources			
Infrastructure			
Grants To Water Purveyors	\$ 13,595,229	\$ 4,734,907	\$ 8,860,322
Erosion Control Bond Q12	868,035	173,594	694,441
Protect Lake Tahoe	29,987,480	4,074,336	25,913,144
Total	44,450,744	8,982,837	35,467,907
Miscellaneous			
Elected Officials			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	7,278,232	4,011,997	3,266,235
Unfair Trade Practices	750,000	284,930	465,070
Commerce and Industry			
Lot Rent Trust Subsidy	458,250	341,451	116,799
Education			
Museums and History Board Trust	15,561	14,966	595
Museums Administrator Trust	11,105	9,430	1,675
Nevada Historical Society Trust	183,473	118,693	64,780
Nevada State Museum Trust	592,493	301,008	291,485
Nevada Railroad Museum Trust	376,356	240,415	135,941
Lost City Museum Trust	143,257	63,182	80,075
Las Vegas Museum and Trust	74,219	34,759	39,460
Finance and Administration			
Victims of Crime	10,951,921	9,109,681	1,842,240
Total	20,834,992	14,530,512	6,304,480
Stabilize the Operations of State Government (Non-GAAP Fund)			
Public Safety			
Emergency Assistance	424,187	423,665	522
Legislative Branch			
Disaster Relief	3,352,991	3,218,599	134,392
Stabilization of State Government	41,321,014	41,321,014	-
Total	45,098,192	44,963,278	134,914
NV Transportation Authority Regulatory (Non-GAAP Fund)			
Commerce and Industry			
Transportation Services Authority	2,856,055	2,830,248	25,807
TSA Administrative Fines	374,834	343,288	31,546
Total	3,230,889	3,173,536	57,353
Rural Rehabilitation Trust (Non-GAAP Fund)			
Commerce and Industry			
Rural Rehabilitation Trust	254,104	245,342	8,762
Total	254,104	245,342	8,762
Legislative (Non-GAAP Fund)			
Legislative Branch			
Nevada Legislative Interim	608,826	514,127	94,699
Legislative Counsel Bureau	56,363,724	45,871,132	10,492,592
Audit Contingency Account	376,459	373,627	2,832
Total	57,349,009	46,758,886	10,590,123
Contingency (Non-GAAP Fund)			
Legislative Branch			
Interim Finance Committee	64,950,625	64,950,625	-
Total	64,950,625	64,950,625	-
Capital Construction (Non-GAAP Fund)			
Finance and Administration			
Public Works Inspection	7,844,366	6,247,322	1,597,044
Public Works Retention Payment	387,748	16,397	371,351
Building Official Admim	790,619	493,185	297,434
Total	9,022,733	6,756,904	2,265,829
Total Special Revenue Funds	\$ 2,039,489,655	\$ 1,582,977,522	\$ 456,512,133

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

For the Fiscal Year Ended June 30, 2011

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	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			Regulatory		
Fund balances, July 1	\$ 10,362,344	\$ 10,362,344	\$ -	\$ 7,419,348	\$ 7,419,348	\$ -
Revenues:						
Federal	133,446,618	102,486,124	(30,960,494)	1,164,866	640,215	(524,651)
Other taxes	-	-	-	11,154,146	10,897,790	(256,356)
Sales and charges for services	757,245	1,202,178	444,933	5,265,277	5,223,536	(41,741)
Licenses, fees and permits	320,369	300,793	(19,576)	3,168,948	2,546,536	(622,412)
Interest	158,589	4,541	(154,048)	132,154	8,970	(123,184)
Other	12,600,000	12,052,166	(547,834)	421,189	482,920	61,731
Other financing sources:						
Transfer from other funds	1,273,387	938,111	(335,276)	763,913	526,368	(237,545)
Total sources	<u>\$158,918,552</u>	<u>\$127,346,257</u>	<u>\$ (31,572,295)</u>	<u>\$ 29,489,841</u>	<u>\$ 27,745,683</u>	<u>\$ (1,744,158)</u>
	Higher Education Capital Construction			Cleaning Up Petroleum Discharges		
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 8,476,385	\$ 8,476,385	\$ -
Revenues:						
Gaming taxes, fees, licenses	14,487,717	14,487,717	-	-	-	-
Other taxes	-	-	-	13,500,000	12,253,712	(1,246,288)
Licenses, fees and permits	-	-	-	550,000	413,456	(136,544)
Interest	-	-	-	200,000	40,380	(159,620)
Other	-	-	-	100,000	-	(100,000)
Total sources	<u>\$ 14,487,717</u>	<u>\$ 14,487,717</u>	<u>\$ -</u>	<u>\$ 22,826,385</u>	<u>\$ 21,183,933</u>	<u>\$ (1,642,452)</u>
	Hospital Care to Indigent Persons			Tourism Promotion		
Fund balances, July 1	\$ 100,000	\$ 100,000	\$ -	\$ 3,073,772	\$ 3,073,772	\$ -
Revenues:						
Other taxes	23,108,527	22,033,744	(1,074,783)	15,636,506	15,636,505	(1)
Licenses, fees and permits	-	-	-	9,700	9,324	(376)
Interest	195,293	25,910	(169,383)	332	29	(303)
Other	-	29,408	29,408	10,944	8,834	(2,110)
Total sources	<u>\$ 23,403,820</u>	<u>\$ 22,189,062</u>	<u>\$ (1,214,758)</u>	<u>\$ 18,731,254</u>	<u>\$ 18,728,464</u>	<u>\$ (2,790)</u>
	Offenders' Store			Tobacco Settlement		
Fund balances, July 1	\$ 3,720,782	\$ 3,720,782	\$ -	\$ 25,809,712	\$ 25,809,712	\$ -
Revenues:						
Sales, charges for services	15,202,775	13,558,236	(1,644,539)	100,000	100,000	-
Interest	376,707	21,012	(355,695)	104,710	-	(104,710)
Other	394,639	366,733	(27,906)	44,181,702	39,648,840	(4,532,862)
Other financing sources:						
Transfer from other funds	4,912,065	4,679,117	(232,948)	28,781,146	22,507,071	(6,274,075)
Total sources	<u>\$ 24,606,968</u>	<u>\$ 22,345,880</u>	<u>\$ (2,261,088)</u>	<u>\$ 98,977,270</u>	<u>\$ 88,065,623</u>	<u>\$ (10,911,647)</u>



	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Care of Sites for Radioactive Waste Disposal			Gift		
Fund balances, July 1	\$ 539,216	\$ 539,216	\$ -	\$ 2,563,717	\$ 2,563,717	\$ -
Revenues:						
Licenses, fees and permits	166,513	169,000	2,487	1,096,784	1,062,915	(33,869)
Interest	177,027	-	(177,027)	58,552	11,042	(47,510)
Other	-	-	-	760,461	634,067	(126,394)
Other financing sources:						
Transfer from other funds	-	-	-	202	161	(41)
Total sources	<u>\$ 882,756</u>	<u>\$ 708,216</u>	<u>\$ (174,540)</u>	<u>\$ 4,479,716</u>	<u>\$ 4,271,902</u>	<u>\$ (207,814)</u>
	Natural Resources			Miscellaneous		
Fund balances, July 1	\$ 35,927,332	\$ 35,927,332	\$ -	\$ 3,064,008	\$ 3,064,008	\$ -
Revenues:						
Federal	731,676	149,368	(582,308)	3,851,500	3,159,639	(691,861)
Other taxes	-	-	-	2,912,210	2,784,643	(127,567)
Sales, charges for services	-	-	-	759,061	513,184	(245,877)
Licenses, fees and permits	-	-	-	5,620,774	4,951,391	(669,383)
Interest	309,108	116,537	(192,571)	94,455	6,609	(87,846)
Other	-	-	-	3,284,827	2,809,879	(474,948)
Other financing sources:						
Proceeds from sale of bonds	7,482,628	255,925	(7,226,703)	-	-	-
Transfer from other funds	-	-	-	1,248,157	1,241,017	(7,140)
Total sources	<u>\$ 44,450,744</u>	<u>\$ 36,449,162</u>	<u>\$ (8,001,582)</u>	<u>\$ 20,834,992</u>	<u>\$ 18,530,370</u>	<u>\$ (2,304,622)</u>
	Total Nonmajor Special Revenue Funds					
Fund balances, July 1	\$101,056,616	\$101,056,616	\$ -			
Revenues:						
Gaming taxes, fees, licenses	14,487,717	14,487,717	-			
Federal	139,194,660	106,435,346	(32,759,314)			
Other taxes	66,311,389	63,606,394	(2,704,995)			
Sales, charges for services	22,084,358	20,597,134	(1,487,224)			
Licenses, fees and permits	10,933,088	9,453,415	(1,479,673)			
Interest	1,806,927	235,030	(1,571,897)			
Other	61,753,762	56,032,847	(5,720,915)			
Other financing sources:						
Proceeds from sale of bonds	7,482,628	255,925	(7,226,703)			
Transfer from other funds	36,978,870	29,891,845	(7,087,025)			
Total sources	<u>\$462,090,015</u>	<u>\$402,052,269</u>	<u>\$ (60,037,746)</u>			

Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis

All Nonmajor Special Revenue Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2011

Page 3 of 3

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	NV Transportation Authority (Non-GAAP Fund)			Legislative (Non-GAAP Fund)		
Fund balances, July 1	\$ 213,639	\$ 213,639	\$ -	\$ 8,953,765	\$ 8,953,765	\$ -
Revenues:						
Sales and charges for services	3,241	2,969	(272)	444,474	326,177	(118,297)
Licenses, fees and permits	244,635	219,102	(25,533)	180,000	193,165	13,165
Other	161,195	129,649	(31,546)	270,167	376,664	106,497
Other financing sources:						
Transfer from other funds	2,608,179	2,608,179	-	47,500,603	47,496,728	(3,875)
Total sources	<u>\$ 3,230,889</u>	<u>\$ 3,173,538</u>	<u>\$ (57,351)</u>	<u>\$ 57,349,009</u>	<u>\$ 57,346,499</u>	<u>\$ (2,510)</u>
	Contingency (Non-GAAP Fund)			Stabilization (Non-GAAP Fund)		
Fund balances, July 1	\$ 15,760,195	\$ 15,760,195	\$ -	\$ 3,057,120	\$ 3,057,120	\$ -
Revenues:						
Interest	-	-	-	136,000	1,609	(134,391)
Other	-	-	-	23,058	23,058	-
Other financing sources:						
Transfer from other funds	49,190,430	49,190,430	-	41,881,492	41,881,492	-
Total sources	<u>\$ 64,950,625</u>	<u>\$ 64,950,625</u>	<u>\$ -</u>	<u>\$ 45,097,670</u>	<u>\$ 44,963,279</u>	<u>\$ (134,391)</u>
	Capital Construction (Non-GAAP Fund)			Rural Rehabilitation Trust (Non-GAAP Fund)		
Fund balances, July 1	\$ 660,529	\$ 660,529	\$ -	\$ 240,604	\$ 240,604	\$ -
Revenues:						
Licenses, fees and permits	7,185,174	5,588,257	(1,596,917)	-	-	-
Interest	386,284	14,933	(371,351)	4,900	268	(4,632)
Other	790,746	493,186	(297,560)	8,600	4,471	(4,129)
Total sources	<u>\$ 9,022,733</u>	<u>\$ 6,756,905</u>	<u>\$ (2,265,828)</u>	<u>\$ 254,104</u>	<u>\$ 245,343</u>	<u>\$ (8,761)</u>
	Total Nonmajor Special Revenue Funds (Non-GAAP Funds)					
Fund balances, July 1	\$ 28,885,852	\$ 28,885,852	\$ -			
Revenues:						
Sales, charges for services	447,715	329,146	(118,569)			
Licenses, fees and permits	7,609,809	6,000,524	(1,609,285)			
Interest	527,184	16,810	(510,374)			
Other	1,253,766	1,027,028	(226,738)			
Other financing sources:						
Transfer from other funds	141,180,704	141,176,829	(3,875)			
Total sources	<u>\$179,905,030</u>	<u>\$177,436,189</u>	<u>\$ (2,468,841)</u>			

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).

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, 2011

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 28,468,176	\$ 870,829	\$ 12,465,546	\$ 107,030
Cash in custody of other officials	300	-	170,201	100
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	3,072,808	179,968	102,435	11,282
Intergovernmental receivables	-	-	-	-
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Trades pending settlement	-	-	-	-
Due from other funds	1,213,377	-	79	26,788
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	218,731
Prepaid expenses	-	-	33,425	-
Total current assets	32,754,661	1,050,797	12,771,686	363,931
Noncurrent assets:				
<i>Receivables:</i>				
Contracts receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,368,669	22,035	163,726	78,561
Construction in progress	-	-	-	-
Less accumulated depreciation	(1,847,210)	(5,487)	(138,010)	(78,561)
Total noncurrent assets	521,459	16,548	25,716	-
Total assets	33,276,120	1,067,345	12,797,402	363,931
Liabilities				
Current liabilities:				
<i>Accounts payable and accruals:</i>				
Accounts payable	426,419	160,940	256,223	4,284
Accrued payroll and related liabilities	716,793	7,494	-	6,771
Interest payable	-	-	-	-
Intergovernmental payables	12,612	-	354	-
Trades pending settlement	-	-	-	-
Due to other funds	17,541	116	2,266,154	41,474
Due to fiduciary funds	25	-	-	536
Due to component units	-	-	-	-
Deferred revenues	-	-	9,996,954	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	727,115	7,836	-	5,982
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Total current liabilities	1,900,505	176,386	12,519,685	59,047
Noncurrent liabilities:				
Advances from general fund	-	-	-	310,050
Compensated absences	370,803	4,177	-	1,174
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Total noncurrent liabilities	370,803	4,177	-	311,224
Total liabilities	2,271,308	180,563	12,519,685	370,271
Net Assets				
Invested in capital assets, net of related debt	521,459	16,548	25,716	-
Restricted for workers' compensation	30,483,353	-	-	-
Restricted for tuition contract benefits	-	-	-	-
Restricted for regulation of business	-	-	2,000	-
Unrestricted (deficit)	-	870,234	250,001	(6,340)
Total net assets	\$ 31,004,812	\$ 886,782	\$ 277,717	\$ (6,340)



NEVADA

Prison Industry	Nevada Magazine	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 1,357,949	\$ 114,821	\$ 1,245,124	\$ 3,253,775	\$ 47,883,250
100	-	6,234,595	-	6,405,296
-	-	126,232,291	-	126,232,291
508,526	62,036	-	5,150	3,942,205
241,931	-	-	200,853	442,784
-	-	4,515,830	-	4,515,830
-	-	486,222	-	486,222
-	-	1,497,824	-	1,497,824
185,337	-	664,138	37	2,089,756
6,970	-	-	-	6,970
1,206,836	9,196	-	-	1,434,763
-	6,408	-	-	39,833
3,507,649	192,461	140,876,024	3,459,815	194,977,024
-	-	15,234,006	-	15,234,006
-	-	-	111,537	111,537
15,000	-	-	-	15,000
153,140	-	-	414,672	567,812
2,890,227	-	-	498,613	3,388,840
-	-	-	630,647	630,647
1,035,563	-	15,295	1,513,146	5,196,995
-	-	-	8,525,388	8,525,388
(3,034,959)	-	(14,929)	(2,425,083)	(7,544,239)
1,058,971	-	15,234,372	9,268,920	26,125,986
4,566,620	192,461	156,110,396	12,728,735	221,103,010
104,055	43,246	332,976	14,855	1,342,998
90,296	22,851	7,644	7,868	859,717
-	-	-	36,863	36,863
183	-	-	162	13,311
-	-	5,438,067	-	5,438,067
24,571	4,162	9,418	9,046	2,372,482
117,258	-	-	-	117,819
620	-	29,551	-	30,171
293,160	184,066	-	-	10,474,180
9,459	-	-	2,050	11,509
106,709	27,107	12,623	17,844	905,216
-	-	11,600,744	-	11,600,744
-	-	-	141,243	141,243
746,311	281,432	17,431,023	229,931	33,344,320
-	-	5,000,000	-	5,310,050
86,378	16,832	3,722	17,774	500,860
-	-	130,374,551	-	130,374,551
-	-	-	9,082,848	9,082,848
86,378	16,832	135,378,273	9,100,622	145,268,309
832,689	298,264	152,809,296	9,330,553	178,612,629
1,043,971	-	366	1,512,383	3,120,443
-	-	-	-	30,483,353
-	-	3,300,734	-	3,300,734
-	-	-	-	2,000
2,689,960	(105,803)	-	1,885,799	5,583,851
\$ 3,733,931	\$ (105,803)	\$ 3,301,100	\$ 3,398,182	\$ 42,490,381

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

For the Fiscal Year Ended June 30, 2011

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	\$ -	\$ -	\$ -	\$ 229,500
Assessments	31,938,407	-	-	-
Charges for services	129	-	17,517,787	-
Rental income	-	-	-	-
Licenses, fees and permits	687,015	5,426,437	-	-
Fines	1,074,164	-	-	-
Other	1,367,180	-	-	325
Total operating revenues	35,066,895	5,426,437	17,517,787	229,825
Operating Expenses				
Salaries and benefits	14,658,271	144,710	15,085,324	71,691
Operating	3,977,605	4,594,866	1,338,372	65,442
Claims and benefits expense	10,724,979	-	-	-
Materials or supplies used	-	-	-	126,116
Depreciation	208,603	5,444	25,662	-
Total operating expenses	29,569,458	4,745,020	16,449,358	263,249
Operating income (loss)	5,497,437	681,417	1,068,429	(33,424)
Nonoperating Revenues (Expenses)				
Interest and investment income	115,847	-	-	-
Interest expense	(40)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,796,796	-	-	16,686
Gain (loss) on disposal/sale of assets	4,683	-	-	-
Total nonoperating revenues (expenses)	2,917,286	-	-	16,686
Income (loss) before transfers	8,414,723	681,417	1,068,429	(16,738)
Transfers				
Transfers in	-	-	1,037	-
Transfers out	(10,332,852)	(700,000)	(1,095,128)	-
Change in net assets	(1,918,129)	(18,583)	(25,662)	(16,738)
Net assets, July 1	32,922,941	905,365	303,379	10,398
Net assets, June 30	\$ 31,004,812	\$ 886,782	\$ 277,717	\$ (6,340)



NEVADA

Prison Industry	Nevada Magazine	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 3,667,284	\$ 1,092,429	\$ 9,195,004	\$ 1,028,137	\$ 15,212,354
-	-	-	-	31,938,407
462,763	-	88,965	-	18,069,644
87,025	-	-	-	87,025
-	-	-	-	6,113,452
-	-	-	-	1,074,164
1,168,015	6,560	-	167,315	2,709,395
5,385,087	1,098,989	9,283,969	1,195,452	75,204,441
1,655,370	515,564	168,713	163,465	32,463,108
2,249,055	182,112	930,118	171,040	13,508,610
-	-	17,857,577	-	28,582,556
1,419,666	434,032	-	-	1,979,814
124,475	-	1,323	42,195	407,702
5,448,566	1,131,708	18,957,731	376,700	76,941,790
(63,479)	(32,719)	(9,673,762)	818,752	(1,737,349)
3,623	-	21,555,599	-	21,675,069
-	-	-	(398,857)	(398,897)
-	-	-	(3,827)	(3,827)
-	-	-	-	2,813,482
-	-	-	-	4,683
3,623	-	21,555,599	(402,684)	24,090,510
(59,856)	(32,719)	11,881,837	416,068	22,353,161
-	-	1,127,424	-	1,128,461
(32,167)	-	-	-	(12,160,147)
(92,023)	(32,719)	13,009,261	416,068	11,321,475
3,825,954	(73,084)	(9,708,161)	2,982,114	31,168,906
\$ 3,733,931	\$ (105,803)	\$ 3,301,100	\$ 3,398,182	\$ 42,490,381

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

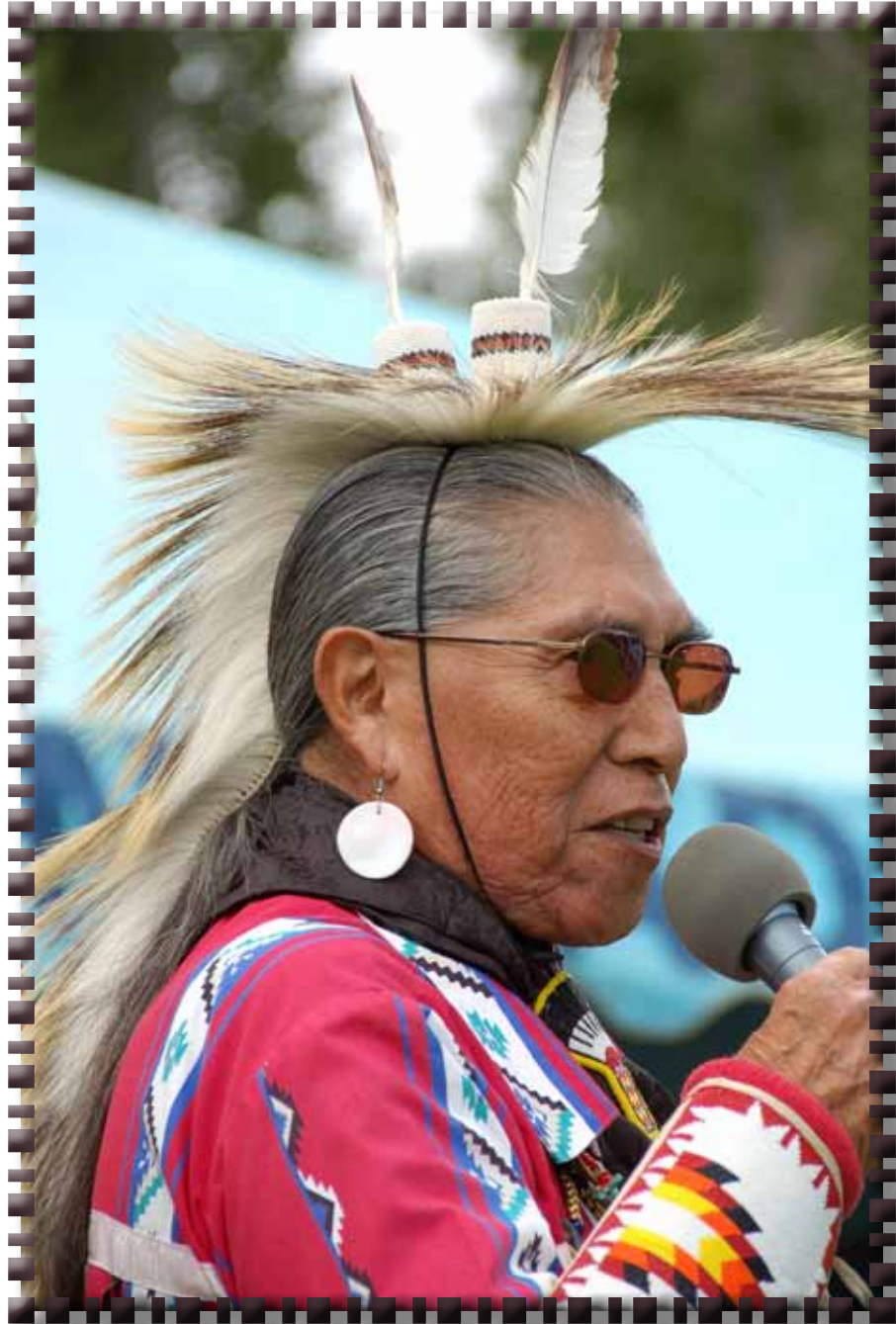
For the Fiscal Year Ended June 30, 2011

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	\$ 36,014,001	\$ 5,679,077	\$ 18,162,268	\$ 135,438
Receipts for interfund services provided	880,514	30,478	-	127,125
Payments to suppliers, other governments and beneficiaries	(12,449,363)	(4,009,144)	(1,486,732)	(128,235)
Payments to employees	(14,716,835)	(125,203)	(13,918,804)	(69,722)
Payments for interfund services used	(2,475,170)	(809,464)	(54,868)	(24,357)
Payments to component units	(16,128)	-	-	(25)
Net cash provided by (used for) operating activities	7,237,019	765,744	2,701,864	40,224
Cash flows from noncapital financing activities				
Grant receipts	2,902,899	-	-	13,700
Transfers and advances from other funds	-	-	1,155	-
Transfers and advances to other funds	(10,927,438)	(700,000)	(1,215,369)	-
Net cash provided by (used for) noncapital financing activities	(8,024,539)	(700,000)	(1,214,214)	13,700
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	8,963	-	-	-
Purchase of capital assets	(124,059)	(14,995)	-	-
Principal paid on capital debt	-	-	-	(20,670)
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(115,096)	(14,995)	-	(20,670)
Cash flows from investing activities				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends received	136,953	-	-	-
Net cash provided by (used for) investing activities	136,953	-	-	-
Net increase (decrease) in cash	(765,663)	50,749	1,487,650	33,254
Cash and cash equivalents, July 1	29,234,139	820,080	11,148,097	73,876
Cash and cash equivalents, June 30	\$ 28,468,476	\$ 870,829	\$ 12,635,747	\$ 107,130
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 5,497,437	\$ 681,417	\$ 1,068,429	\$ (33,424)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	208,603	5,444	25,662	-
Decrease (increase) in accrued interest and receivables	1,827,620	283,118	9,286	32,738
Decrease (increase) in inventory, deferred charges, other assets	-	-	(33,425)	37,141
Increase (decrease) in accounts payable, accruals, other liabilities	(296,641)	(204,235)	1,631,912	3,769
Total adjustments	1,739,582	84,327	1,633,435	73,648
Net cash provided by (used for) operating activities	\$ 7,237,019	\$ 765,744	\$ 2,701,864	\$ 40,224
Noncash investing, capital and financing activities				
Increase (decrease) in fair value of investments	\$ 38,636	\$ -	\$ -	\$ -



NEVADA

Prison Industry	Nevada Magazine	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 3,125,248	\$ 800,163	\$ 7,307,583	\$ 1,169,525	\$ 72,393,303
2,112,732	330,983	4,884	-	3,486,716
(1,985,915)	(574,834)	(4,150,531)	(136,118)	(24,920,872)
(1,681,850)	(509,367)	(165,889)	(169,555)	(31,357,225)
(1,646,951)	(39,776)	(114,845)	(77,799)	(5,243,230)
-	-	(3,961,235)	(2,565)	(3,979,953)
(76,736)	7,169	(1,080,033)	783,488	10,378,739
-	-	-	-	2,916,599
-	-	1,127,424	-	1,128,579
(32,167)	-	-	-	(12,874,974)
(32,167)	-	1,127,424	-	(8,829,796)
-	-	-	1,973,499	1,982,462
(19,951)	-	-	-	(159,005)
-	-	-	(150,512)	(171,182)
-	-	-	(392,276)	(392,276)
-	-	-	(57,795)	(57,795)
(19,951)	-	-	1,372,916	1,202,204
-	-	155,469,376	-	155,469,376
-	-	(152,777,309)	-	(152,777,309)
6,178	-	2,917,715	-	3,060,846
6,178	-	5,609,782	-	5,752,913
(122,676)	7,169	5,657,173	2,156,404	8,504,060
1,480,725	107,652	1,822,546	1,097,371	45,784,486
\$ 1,358,049	\$ 114,821	\$ 7,479,719	\$ 3,253,775	\$ 54,288,546
\$ (63,479)	\$ (32,719)	\$ (9,673,762)	\$ 818,752	\$ (1,737,349)
124,475	-	1,323	42,195	407,702
(274,681)	44,241	(1,971,502)	(3,912)	(53,092)
(23,737)	3,674	-	-	(16,347)
160,686	(8,027)	10,563,908	(73,547)	11,777,825
(13,257)	39,888	8,593,729	(35,264)	12,116,088
\$ (76,736)	\$ 7,169	\$ (1,080,033)	\$ 783,488	\$ 10,378,739
\$ 3,817	\$ -	\$ 18,667,467	\$ -	\$ 18,709,920



Ralph Burns, Recipient 2011 Nevada Heritage Award
Courtesy of Nevada Folklife Archives/Nevada Arts Council

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, 2011

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Assets				
Current assets:				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 111,556,212	\$ 1,841,160	\$ 2,192,421	\$ 264,837
Cash in custody of other officials	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,770,825	1,515	2,050	-
Intergovernmental receivables	5,700,415	17	1,810	842
Notes receivable	-	-	-	-
Due from other funds	616,770	2,401,462	398,884	651,801
Due from fiduciary funds	-	-	106	-
Due from component units	1,339,528	22,360	11,327	916
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total current assets	120,983,750	4,266,514	2,606,598	918,396
Noncurrent assets:				
Notes receivable	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	-	-
Buildings	-	2,268,068	873,792	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	361,572	463,571	13,531,257	1,073,645
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(292,635)	(1,840,157)	(11,541,051)	(998,447)
Total noncurrent assets	68,937	1,203,098	2,863,998	497,649
Total assets	121,052,687	5,469,612	5,470,596	1,416,045
Liabilities				
Current liabilities:				
<i>Accounts payable and accruals:</i>				
Accounts payable	7,632,611	1,162,726	110,569	5,487
Accrued payroll and related liabilities	98,960	294,739	32,506	42,479
Intergovernmental payables	-	56,125	560	-
Bank overdraft	2,516,747	-	-	-
Due to other funds	19,720	42,178	83,901	4,555
Due to fiduciary funds	-	4,864	528	-
Due to component units	-	-	606	-
Deferred revenues	97,226	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	33,849,000	-	-	-
Compensated absences	124,423	348,006	52,271	61,575
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	44,338,687	1,908,638	280,941	114,096
Noncurrent liabilities:				
<i>Advances:</i>				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	69,863	168,289	52,910	43,640
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	69,863	168,289	52,910	43,640
Total liabilities	44,408,550	2,076,927	333,851	157,736
Net Assets				
Invested in capital assets, net of related debt	68,937	1,203,098	2,863,998	497,649
Unrestricted (deficit)	76,575,200	2,189,587	2,272,747	760,660
Total net assets	\$ 76,644,137	\$ 3,392,685	\$ 5,136,745	\$ 1,258,309



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 20,295,312	\$ 526,961	\$ 1,672,031	\$ 521,940	\$ 3,020,777	\$ 1,021,452	\$ 142,913,103
-	-	-	-	100	-	100
5,626	-	-	25	5,977	1,123	1,787,141
-	-	-	775	44,080	-	5,747,939
5,000	-	-	-	-	-	5,000
1,027,899	-	12,454	275	1,569,118	226,608	6,905,271
-	-	-	-	-	-	106
-	-	-	-	1,285	-	1,375,416
-	-	-	-	-	232,500	232,500
180,217	-	-	-	-	10,879	191,096
21,514,054	526,961	1,684,485	523,015	4,641,337	1,492,562	159,157,672
100,000	-	-	-	-	-	100,000
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	744,617	18,789,315
-	-	-	-	-	3,125,954	3,839,621
30,475	59,699	304,310	212,215	24,644,918	3,920,982	44,602,644
-	-	15,323,810	-	-	-	15,323,810
(29,297)	(54,902)	(15,111,221)	(338,690)	(25,281,129)	(4,142,620)	(59,630,149)
101,178	4,797	516,899	109,079	14,141,627	3,648,933	23,156,195
21,615,232	531,758	2,201,384	632,094	18,782,964	5,141,495	182,313,867
641,676	18,184	121,452	5,062	353,479	141,394	10,192,640
33,800	43,090	287,980	81,481	466,149	36,051	1,417,235
-	-	-	-	1,812	-	58,497
-	-	-	-	-	-	2,516,747
166,267	4,228	370,021	18,549	275,421	42,843	1,027,683
-	-	-	-	-	2,277	7,669
21,153	-	5,309	-	10,004	-	37,072
-	-	-	-	3,785	-	101,011
19,581,212	-	-	-	-	-	53,430,212
28,288	58,472	334,901	125,146	620,531	89,661	1,843,274
-	-	-	-	513,323	-	513,323
-	-	-	-	881,643	-	881,643
20,472,396	123,974	1,119,663	230,238	3,126,147	312,226	72,027,006
-	-	732,634	-	808,243	-	1,540,877
-	-	-	-	1,355,729	-	1,355,729
41,047,552	-	-	-	-	-	41,047,552
5,835	17,953	226,948	92,526	368,292	77,456	1,123,712
-	-	-	-	6,789,541	-	6,789,541
-	-	-	-	376,198	-	376,198
41,053,387	17,953	959,582	92,526	9,698,003	77,456	52,233,609
61,525,783	141,927	2,079,245	322,764	12,824,150	389,682	124,260,615
1,178	4,797	516,899	109,079	5,766,940	3,648,933	14,681,508
(39,911,729)	385,034	(394,760)	200,251	191,874	1,102,880	43,371,744
\$ (39,910,551)	\$ 389,831	\$ 122,139	\$ 309,330	\$ 5,958,814	\$ 4,751,813	\$ 58,053,252

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Fiscal Year Ended June 30, 2011

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Operating Revenues				
Net premium income	\$ 370,543,399	\$ -	\$ -	\$ -
Sales	-	-	-	-
Charges for services	-	1,100,148	33,711	6,342,253
Rental income	-	13,621,237	4,659,083	-
Other	4,031,677	25,483	20	-
Total operating revenues	374,575,076	14,746,868	4,692,814	6,342,253
Operating Expenses				
Salaries and benefits	2,158,411	5,939,263	765,693	1,034,514
Operating	3,230,764	9,725,605	1,992,357	5,399,007
Claims expense	237,323,825	-	-	-
Materials or supplies used	-	-	538,460	-
Depreciation	34,097	96,905	1,738,597	75,387
Amortization	-	-	-	-
Insurance premiums	109,586,367	-	-	-
Total operating expenses	352,333,464	15,761,773	5,035,107	6,508,908
Operating income (loss)	22,241,612	(1,014,905)	(342,293)	(166,655)
Nonoperating Revenues (Expenses)				
Interest and investment income	(287,374)	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	1,733	129,678	-
Total nonoperating revenues (expenses)	(287,374)	1,733	129,678	-
Income (loss) before transfers	21,954,238	(1,013,172)	(212,615)	(166,655)
Transfers				
Transfers in	-	62,477	117,282	-
Transfers out	-	-	-	-
Change in net assets	21,954,238	(950,695)	(95,333)	(166,655)
Net assets, July 1	54,689,899	4,343,380	5,232,078	1,424,964
Net assets, June 30	\$ 76,644,137	\$ 3,392,685	\$ 5,136,745	\$ 1,258,309



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 24,999,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,542,574
-	-	-	-	-	2,821,902	2,821,902
-	1,361,045	8,040,610	2,329,773	21,819,920	-	41,027,460
-	-	-	-	183,791	-	18,464,111
101,027	-	36,073	3,700	100	27,936	4,226,016
25,100,202	1,361,045	8,076,683	2,333,473	22,003,811	2,849,838	462,082,063
677,546	987,738	5,846,022	1,870,583	10,500,872	1,594,126	31,374,768
2,180,782	267,299	2,335,991	544,180	8,932,535	500,192	35,108,712
30,886,859	-	-	-	-	-	268,210,684
-	-	-	-	-	602,945	1,141,405
2,009	2,886	31,229	26,137	2,446,723	282,242	4,736,212
-	-	857,853	-	-	-	857,853
5,032,808	-	-	-	-	-	114,619,175
38,780,004	1,257,923	9,071,095	2,440,900	21,880,130	2,979,505	456,048,809
(13,679,802)	103,122	(994,412)	(107,427)	123,681	(129,667)	6,033,254
697	-	-	-	-	-	(286,677)
-	-	(52)	(1)	(72,585)	-	(72,638)
-	-	-	-	(8,120)	-	123,291
697	-	(52)	(1)	(80,705)	-	(236,024)
(13,679,105)	103,122	(994,464)	(107,428)	42,976	(129,667)	5,797,230
-	-	-	-	-	159,389	339,148
(2,100,000)	-	-	-	-	-	(2,100,000)
(15,779,105)	103,122	(994,464)	(107,428)	42,976	29,722	4,036,378
(24,131,446)	286,709	1,116,603	416,758	5,915,838	4,722,091	54,016,874
\$ (39,910,551)	\$ 389,831	\$ 122,139	\$ 309,330	\$ 5,958,814	\$ 4,751,813	\$ 58,053,252

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2011

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	\$ 96,869,567	\$ 53,660	\$ 1,802	\$ 17,454
Receipts for interfund services provided	202,038,696	12,668,821	4,582,729	6,214,196
Receipts from component units	81,030,127	-	92,409	7,715
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(349,986,937)	(8,517,142)	(1,526,945)	(5,149,826)
Payments to employees	(2,105,269)	(5,967,946)	(776,808)	(1,030,430)
Payments for interfund services used	(1,052,976)	(1,019,457)	(925,154)	(248,994)
Payments to component units	-	(84)	-	-
Net cash provided by (used for) operating activities	26,793,208	(2,782,148)	1,448,033	(189,885)
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	36,141	-	-
Transfers and advances to other funds	-	-	-	-
Other noncapital financing activities	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	36,141	-	-
Cash flows from capital and related financing activities				
Transfers from (reversions to) other funds	-	-	117,282	-
Proceeds from sale of capital assets	-	1,733	132,476	-
Purchase of capital assets	-	(37,535)	(623,538)	-
Principal paid on capital debt	-	-	(33,235)	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	-	(35,802)	(407,015)	-
Cash flows from investing activities				
Interest and dividends received	(436,527)	-	-	-
Net cash provided by (used for) investing activities	(436,527)	-	-	-
Net increase (decrease) in cash	26,356,681	(2,781,809)	1,041,018	(189,885)
Cash and cash equivalents, July 1	85,199,531	4,622,969	1,151,403	454,722
Cash and cash equivalents, June 30	<u>\$ 111,556,212</u>	<u>\$ 1,841,160</u>	<u>\$ 2,192,421</u>	<u>\$ 264,837</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 22,241,612	\$ (1,014,905)	\$ (342,293)	\$ (166,655)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	34,097	96,905	1,738,597	75,387
Amortization	-	-	-	-
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	5,523,501	(2,024,387)	(15,874)	(102,888)
Decrease (increase) in inventory, deferred charges, other assets	-	134	-	-
Increase (decrease) in accounts payable, accruals, other liabilities	(1,006,002)	160,105	67,603	4,271
Total adjustments	4,551,596	(1,767,243)	1,790,326	(23,230)
Net cash provided by (used for) operating activities	<u>\$ 26,793,208</u>	<u>\$ (2,782,148)</u>	<u>\$ 1,448,033</u>	<u>\$ (189,885)</u>
Noncash investing, capital and financing activities				
Gain (loss) on disposal of assets	\$ -	\$ -	\$ (2,798)	\$ -
Increase (decrease) in fair value of investments	(763,892)	-	-	-



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 244,514	\$ 1,361,045	\$ 1,066	\$ 3,255	\$ 475,048	\$ 265,464	\$ 99,292,875
24,374,491	-	7,941,886	2,330,643	21,854,292	2,577,535	284,583,289
317,311	-	162,023	-	-	-	81,609,585
5,000	-	-	-	-	-	5,000
(10,338,700)	(46,443)	(837,753)	(55,335)	(8,425,401)	(940,622)	(385,825,104)
(674,348)	(978,364)	(5,835,796)	(1,894,583)	(10,641,041)	(1,565,066)	(31,469,651)
(11,599,967)	(207,955)	(1,542,215)	(498,067)	(242,349)	(225,242)	(17,562,376)
(68,495)	-	(11,958)	-	(78,258)	-	(158,795)
2,259,806	128,283	(122,747)	(114,087)	2,942,291	112,069	30,474,823
-	-	-	-	-	159,389	195,530
(2,000,000)	-	-	-	-	-	(2,000,000)
-	-	(52)	-	-	-	(52)
(2,000,000)	-	(52)	-	-	159,389	(1,804,522)
-	-	-	-	-	-	117,282
-	-	-	-	5,585	-	139,794
-	-	(73,854)	(22,756)	(1,277,737)	-	(2,035,420)
-	-	(970,267)	-	(2,079,554)	-	(3,083,056)
-	-	-	(1)	(72,585)	-	(72,586)
-	-	(1,044,121)	(22,757)	(3,424,291)	-	(4,933,986)
697	-	-	-	-	-	(435,830)
697	-	-	-	-	-	(435,830)
260,503	128,283	(1,166,920)	(136,844)	(482,000)	271,458	23,300,485
20,034,809	398,678	2,838,951	658,784	3,502,877	749,994	119,612,718
\$ 20,295,312	\$ 526,961	\$ 1,672,031	\$ 521,940	\$ 3,020,877	\$ 1,021,452	\$ 142,913,203
\$ (13,679,802)	\$ 103,122	\$ (994,412)	\$ (107,427)	\$ 123,681	\$ (129,667)	\$ 6,033,254
2,009	2,886	31,229	26,137	2,446,723	282,242	4,736,212
-	-	857,853	-	-	-	857,853
5,000	-	-	-	-	-	5,000
(163,886)	-	28,292	425	333,316	(6,839)	3,571,660
636,274	-	-	-	-	36,206	672,614
15,460,211	22,275	(45,709)	(33,222)	38,571	(69,873)	14,598,230
15,939,608	25,161	871,665	(6,660)	2,818,610	241,736	24,441,569
\$ 2,259,806	\$ 128,283	\$ (122,747)	\$ (114,087)	\$ 2,942,291	\$ 112,069	\$ 30,474,823
\$ -	\$ -	\$ -	\$ -	\$ (8,120)	\$ -	\$ (10,918)
-	-	-	-	-	-	(763,892)

Sarah Winnemucca was a member of the Native American Paiutes nation, an activist for her people and the first Native woman to publish in the English language.



Sarah's Statue is Part of the National Statuary Hall in the US Capitol.

The bronze statue depicts Sarah Winnemucca as she looked around the age of 35, with hair falling to her waist. She wears a dress adorned with fringe that swirls as if windswept; this and her stance impart a sense of movement. With her left arm she holds a book at her side, and in her right hand she holds a shellflower aloft. A plaque affixed to the pedestal reads:

Sarah Winnemucca
1844–1891
Nevada
Defender of Human Rights
Educator
Author of First Book by a Native Woman

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, 2011

	Pension Trust Funds			Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 3,671,497	\$ 3,671,497
Cash in custody of other officials	553,430,971	18,786	689,284	-	554,139,041
<i>Investments:</i>					
Investments	-	-	-	918,432	918,432
Fixed income securities	6,873,746,896	1,453,404	18,448,724	-	6,893,649,024
Marketable equity securities	10,059,148,942	2,759,711	34,744,666	-	10,096,653,319
International securities	5,921,962,844	287,522	3,605,611	-	5,925,855,977
Mortgage loans	1,761	-	-	-	1,761
Real estate	1,234,533,004	-	-	-	1,234,533,004
Alternative investments	736,871,821	-	-	-	736,871,821
Collateral on loaned securities	3,550,013,175	-	-	-	3,550,013,175
<i>Receivables:</i>					
Accrued interest and dividends	100,557,554	5,751	69,964	-	100,633,269
Trades pending settlement	233,345,442	6,512	68,440	-	233,420,394
Intergovernmental receivables	86,084,803	-	402,601	25,881	86,513,285
Contributions receivable	-	-	-	-	-
Due from other funds	-	-	-	138,632	138,632
Due from fiduciary funds	17,201,234	-	-	-	17,201,234
Due from component units	-	-	-	366,680	366,680
Other assets	2,120,259	-	-	-	2,120,259
Furniture and equipment	36,187,465	-	-	-	36,187,465
Accumulated depreciation	(32,872,252)	-	-	-	(32,872,252)
Total assets	29,372,333,919	4,531,686	58,029,290	5,121,122	29,440,016,017
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	12,058,933	1,887	3,138	-	12,063,958
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	485,608,284	6,401	74,849	-	485,689,534
Bank overdraft	-	-	-	-	-
Obligations under securities lending	3,619,398,577	-	-	-	3,619,398,577
Due to other funds	106	-	-	-	106
Due to fiduciary funds	-	-	-	-	-
Deferred revenues	-	-	-	1,537	1,537
Other liabilities	-	207,767	-	-	207,767
Total liabilities	4,117,065,900	216,055	77,987	1,537	4,117,361,479
Net Assets					
<i>Held in trust for:</i>					
Employees' pension benefits	25,255,268,019	4,315,631	57,951,303	-	25,317,534,953
OPEB benefits	-	-	-	5,119,585	5,119,585
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net assets	\$ 25,255,268,019	\$ 4,315,631	\$ 57,951,303	\$ 5,119,585	\$ 25,322,654,538



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
\$ 208	\$ -	\$ -	\$ 208	\$ 4,878,047	\$ -	\$ 4,878,047
-	-	13,305,789	13,305,789	-	5,934,575	5,934,575
608,426,246	402,329,560	121,118,832	1,131,874,638	-	8,166,589,253	8,166,589,253
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
477,589	959,632	892,192	2,329,413	-	226	226
-	363	-	363	-	533,546	533,546
-	-	-	-	65,526	-	65,526
-	-	-	-	-	5,197,516	5,197,516
82,808	-	-	82,808	187,114	-	187,114
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
608,986,851	403,289,555	135,316,813	1,147,593,219	5,130,687	8,178,255,116	8,183,385,803
-	118,063	15,082	133,145	108,526	1,655,947	1,764,473
20,004,788	-	-	20,004,788	14,623	-	14,623
-	-	-	-	-	2,549,112	2,549,112
-	118,993	12,034,491	12,153,484	-	3,227,483	3,227,483
-	-	-	-	-	244,000	244,000
-	-	-	-	-	-	-
2,067	25,723	-	27,790	525,186	-	525,186
-	-	-	-	34,248	-	34,248
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,006,855	262,779	12,049,573	32,319,207	682,583	7,676,542	8,359,125
-	-	-	-	-	-	-
-	-	-	-	-	-	-
588,979,996	403,026,776	123,267,240	1,115,274,012	-	-	-
-	-	-	-	4,448,104	8,170,578,574	8,175,026,678
\$ 588,979,996	\$ 403,026,776	\$ 123,267,240	\$ 1,115,274,012	\$ 4,448,104	\$ 8,170,578,574	\$ 8,175,026,678

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, 2011

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
Additions					
<i>Contributions:</i>					
Employer	\$ 1,264,759,603	\$ 182,093	\$ 7,110,628	\$ 9,649,348	\$ 1,281,701,672
Plan members	97,033,824	25,674	-	-	97,059,498
Participants	-	-	-	-	-
Repayment and purchase of service	31,547,354	-	108,575	-	31,655,929
Total contributions	1,393,340,781	207,767	7,219,203	9,649,348	1,410,417,099
<i>Investment income:</i>					
Net increase (decrease)					
in fair value of investments	3,686,520,808	747,260	9,001,008	705,883	3,696,974,959
Interest, dividends	651,721,759	49,322	600,106	28,823	652,400,010
Net securities lending income	12,699,994	-	-	-	12,699,994
Other	77,269,719	-	-	-	77,269,719
	4,428,212,280	796,582	9,601,114	734,706	4,439,344,682
Less investment expense:					
Other	(25,819,145)	(1,129)	(14,304)	-	(25,834,578)
Net investment income	4,402,393,135	795,453	9,586,810	734,706	4,413,510,104
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,189,511	86,218	-	-	2,275,729
Total other	2,189,511	86,218	-	-	2,275,729
Total additions	5,797,923,427	1,089,438	16,806,013	10,384,054	5,826,202,932
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,412,115,819	456,050	3,239,021	35,159,114	1,450,970,004
Refunds	24,754,580	4,898	-	-	24,759,478
Contribution distributions	1,488,115	-	-	-	1,488,115
Dividends to investors	-	-	-	-	-
Administrative expense	10,579,999	84,335	73,856	610	10,738,800
Total deductions	1,448,938,513	545,283	3,312,877	35,159,724	1,487,956,397
Change in net assets	4,348,984,914	544,155	13,493,136	(24,775,670)	4,338,246,535
Net assets, July 1	20,906,283,105	3,771,476	44,458,167	29,895,255	20,984,408,003
Net assets, June 30	\$ 25,255,268,019	\$ 4,315,631	\$ 57,951,303	\$ 5,119,585	\$ 25,322,654,538



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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	17,061,056	2,247,463,136	2,264,524,192
-	-	-	-	-	-	-
-	-	-	-	17,061,056	2,247,463,136	2,264,524,192
(12,548)	(3,922,635)	9,002,881	5,067,698	-	1,079,083,053	1,079,083,053
1,288,759	10,189,804	2,225,494	13,704,057	-	187,568,555	187,568,555
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,276,211	6,267,169	11,228,375	18,771,755	-	1,266,651,608	1,266,651,608
-	-	(13,524)	(13,524)	-	-	-
1,276,211	6,267,169	11,214,851	18,758,231	-	1,266,651,608	1,266,651,608
816,238,027	52,000,000	86,923,110	955,161,137	-	-	-
1,166,663	-	-	1,166,663	-	-	-
-	-	1,236	1,236	-	-	-
817,404,690	52,000,000	86,924,346	956,329,036	-	-	-
818,680,901	58,267,169	98,139,197	975,087,267	17,061,056	3,514,114,744	3,531,175,800
815,329,781	8,092,306	-	823,422,087	-	1,211,314,202	1,211,314,202
-	-	-	-	16,923,413	-	16,923,413
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,256,800	-	-	1,256,800	-	-	-
31,958	546,118	34,994	613,070	-	20,618,753	20,618,753
816,618,539	8,638,424	34,994	825,291,957	16,923,413	1,231,932,955	1,248,856,368
2,062,362	49,628,745	98,104,203	149,795,310	137,643	2,282,181,789	2,282,319,432
586,917,634	353,398,031	25,163,037	965,478,702	4,310,461	5,888,396,785	5,892,707,246
\$ 588,979,996	\$ 403,026,776	\$ 123,267,240	\$ 1,115,274,012	\$ 4,448,104	\$ 8,170,578,574	\$ 8,175,026,678

Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2011

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 13,605,679	\$ 22,874,313	\$ 22,973,976	\$ -
Cash in custody of other officials	-	31,608,243	5,695,489	3,897,651
Investments	-	174,852,822	-	-
<i>Receivables:</i>				
Taxes receivable	9,457,685	-	36,864,305	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	96,690	-
Due from other funds	392,643,505	32,119,522	465,796	-
Due from fiduciary funds	10,195,245	-	250	-
Total assets	\$ 425,902,114	\$ 261,454,900	\$ 66,096,506	\$ 3,897,651
Liabilities				
<i>Accounts payable and accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	425,902,114	-	46,866,532	-
Due to fiduciary funds	-	-	10,195,245	-
<i>Other liabilities:</i>				
Deposits	-	261,414,368	7,182,084	-
Other liabilities	-	40,532	1,852,645	3,897,651
Total liabilities	\$ 425,902,114	\$ 261,454,900	\$ 66,096,506	\$ 3,897,651



NEVADA

<u>Child Welfare Trust</u>	<u>Restitution Trust</u>	<u>Veterans' Custodial</u>	<u>State Payroll</u>	<u>Total</u>
\$ 21,039	\$ 1,652,630	\$ 29,872	\$ 16,955,729	\$ 78,113,238
-	-	-	-	41,201,383
-	-	-	-	174,852,822
-	-	-	-	46,321,990
3,907	-	-	-	3,907
-	-	-	-	96,690
968	980	-	247,408	425,478,179
-	33,998	-	-	10,229,493
<u>\$ 25,914</u>	<u>\$ 1,687,608</u>	<u>\$ 29,872</u>	<u>\$ 17,203,137</u>	<u>\$ 776,297,702</u>
\$ -	\$ -	\$ -	\$ 1,903	\$ 1,903
5,017	-	-	-	472,773,663
-	-	-	17,201,234	27,396,479
-	-	-	-	268,596,452
20,897	1,687,608	29,872	-	7,529,205
<u>\$ 25,914</u>	<u>\$ 1,687,608</u>	<u>\$ 29,872</u>	<u>\$ 17,203,137</u>	<u>\$ 776,297,702</u>

Combining Statement of Changes in Assets and Liabilities Agency Funds

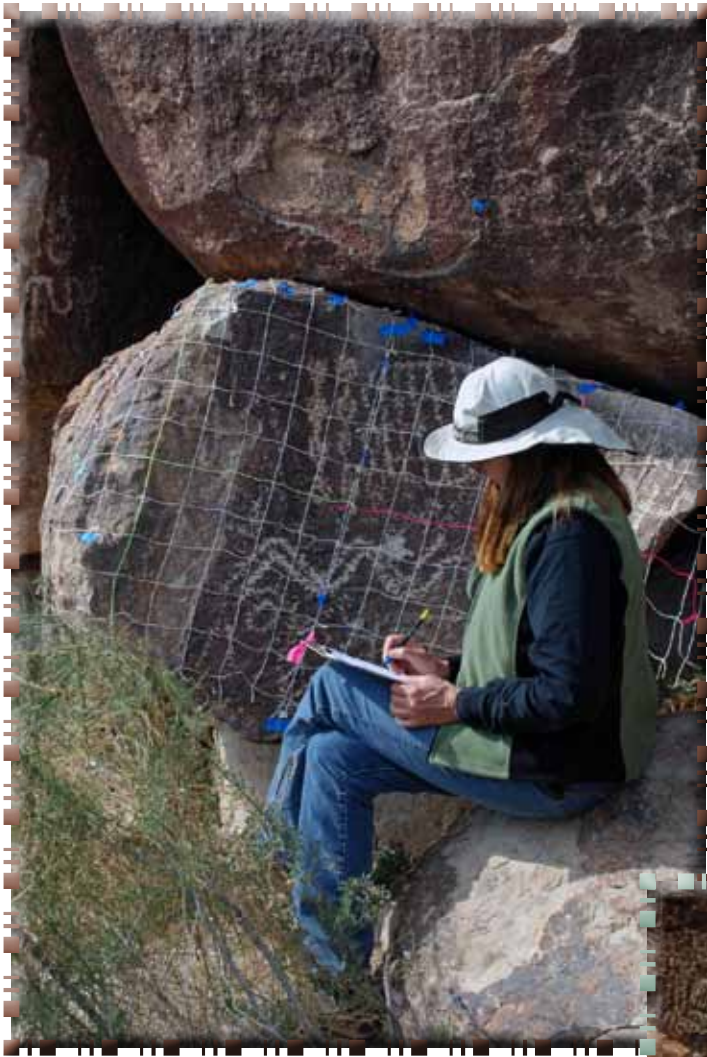
For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Intergovernmental				
Assets				
Cash with treasurer	\$ 10,367,534	\$ 2,657,149,036	\$ 2,653,910,891	\$ 13,605,679
Taxes receivable	10,503,877	12,582,372	13,628,564	9,457,685
Due from other funds	367,404,453	25,242,554	3,502	392,643,505
Due from fiduciary funds	11,194,115	10,195,245	11,194,115	10,195,245
Total assets	\$ 399,469,979	\$ 2,705,169,207	\$ 2,678,737,072	\$ 425,902,114
Liabilities				
Intergovernmental payables	\$ 399,469,979	\$ 2,705,970,112	\$ 2,679,537,977	\$ 425,902,114
Total liabilities	\$ 399,469,979	\$ 2,705,970,112	\$ 2,679,537,977	\$ 425,902,114
State Agency Fund for Bonds				
Assets				
Cash with treasurer	\$ 56,476,232	\$ 9,266,832	\$ 42,868,751	\$ 22,874,313
Cash in custody of other officials	74,797,437	4,704,833	47,894,027	31,608,243
Investments	175,661,293	67,557,864	68,366,335	174,852,822
Due from other funds	1,072,320	32,119,522	1,072,320	32,119,522
Total assets	\$ 308,007,282	\$ 113,649,051	\$ 160,201,433	\$ 261,454,900
Liabilities				
Deposits	\$ 307,966,506	\$ 111,921,119	\$ 158,473,257	\$ 261,414,368
Other liabilities	40,776	700	944	40,532
Total liabilities	\$ 308,007,282	\$ 111,921,819	\$ 158,474,201	\$ 261,454,900
Motor Vehicle				
Assets				
Cash with treasurer	\$ 26,750,994	\$ 1,022,901,083	\$ 1,026,678,101	\$ 22,973,976
Cash in custody of other officials	5,639,489	157,000	101,000	5,695,489
Taxes receivable	-	36,864,305	-	36,864,305
Other receivables	33,837,971	40,073,107	73,814,388	96,690
Due from other funds	485,781	465,796	485,781	465,796
Due from fiduciary funds	563	250	563	250
Total assets	\$ 66,714,798	\$ 1,100,461,541	\$ 1,101,079,833	\$ 66,096,506
Liabilities				
Intergovernmental payables	\$ 47,659,586	\$ 1,068,053,804	\$ 1,068,846,858	\$ 46,866,532
Due to fiduciary funds	11,194,115	10,195,245	11,194,115	10,195,245
Deposits	7,766,387	272,973	857,276	7,182,084
Other liabilities	94,710	1,757,935	-	1,852,645
Total liabilities	\$ 66,714,798	\$ 1,080,279,957	\$ 1,080,898,249	\$ 66,096,506
Child Support Disbursement				
Assets				
Cash in custody of other officials	\$ 3,552,924	\$ 200,971,533	\$ 200,626,806	\$ 3,897,651
Total assets	\$ 3,552,924	\$ 200,971,533	\$ 200,626,806	\$ 3,897,651
Liabilities				
Other liabilities	\$ 3,552,924	\$ 200,508,114	\$ 200,163,387	\$ 3,897,651
Total liabilities	\$ 3,552,924	\$ 200,508,114	\$ 200,163,387	\$ 3,897,651
Child Welfare Trust				
Assets				
Cash with treasurer	\$ 18,041	\$ 396,361	\$ 393,363	\$ 21,039
Intergovernmental receivables	-	3,907	-	3,907
Due from other funds	783	968	783	968
Total assets	\$ 18,824	\$ 401,236	\$ 394,146	\$ 25,914
Liabilities				
Intergovernmental payables	\$ 13,423	\$ 5,017	\$ 13,423	\$ 5,017
Other liabilities	5,401	473,755	458,259	20,897
Total liabilities	\$ 18,824	\$ 478,772	\$ 471,682	\$ 25,914

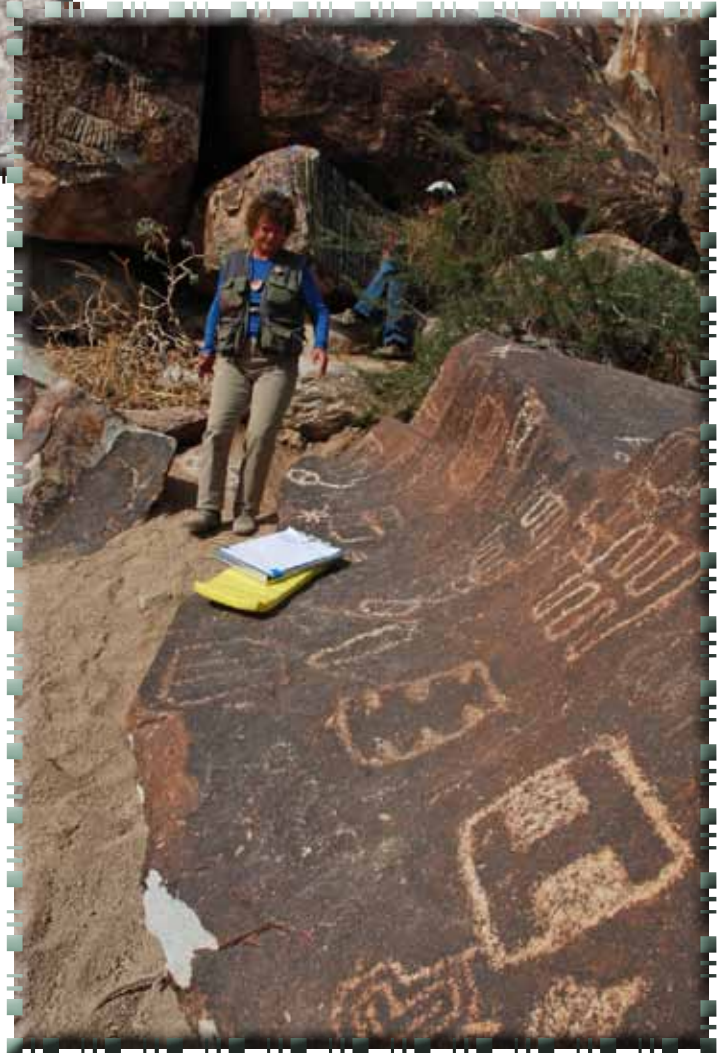


NEVADA

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Restitution Trust				
Assets				
Cash with treasurer	\$ 1,936,816	\$ 2,948,212	\$ 3,232,398	\$ 1,652,630
Due from other funds	340	980	340	980
Due from fiduciary funds	12,124	33,998	12,124	33,998
Total assets	\$ 1,949,280	\$ 2,983,190	\$ 3,244,862	\$ 1,687,608
Liabilities				
Other liabilities	\$ 1,949,280	\$ 2,973,966	\$ 3,235,638	\$ 1,687,608
Total liabilities	\$ 1,949,280	\$ 2,973,966	\$ 3,235,638	\$ 1,687,608
Veterans Custodial				
Assets				
Cash with treasurer	\$ 100,212	\$ 28,838	\$ 99,178	\$ 29,872
Due from other funds	53	-	53	-
Total assets	\$ 100,265	\$ 28,838	\$ 99,231	\$ 29,872
Liabilities				
Other liabilities	\$ 100,265	\$ 28,820	\$ 99,213	\$ 29,872
Total liabilities	\$ 100,265	\$ 28,820	\$ 99,213	\$ 29,872
State Payroll				
Assets				
Cash with treasurer	\$ 17,852,440	\$ 620,008,272	\$ 620,904,983	\$ 16,955,729
Due from other funds	156,370	247,408	156,370	247,408
Total assets	\$ 18,008,810	\$ 620,255,680	\$ 621,061,353	\$ 17,203,137
Liabilities				
Accrued payroll and related liabilities	\$ 43,901	\$ 391,491,229	\$ 391,533,227	\$ 1,903
Due to fiduciary funds	17,964,909	227,589,847	228,353,522	17,201,234
Total liabilities	\$ 18,008,810	\$ 619,081,076	\$ 619,886,749	\$ 17,203,137
Totals - All Agency Funds				
Assets				
Cash with treasurer	\$ 113,502,269	\$ 4,312,698,634	\$ 4,348,087,665	\$ 78,113,238
Cash in custody of other officials	83,989,850	205,833,366	248,621,833	41,201,383
Investments	175,661,293	67,557,864	68,366,335	174,852,822
Taxes receivable	10,503,877	49,446,677	13,628,564	46,321,990
Intergovernmental receivables	-	3,907	-	3,907
Other receivables	33,837,971	40,073,107	73,814,388	96,690
Due from other funds	369,120,100	58,077,228	1,719,149	425,478,179
Due from fiduciary funds	11,206,802	10,229,493	11,206,802	10,229,493
Total assets	\$ 797,822,162	\$ 4,743,920,276	\$ 4,765,444,736	\$ 776,297,702
Liabilities				
Accrued payroll and related liabilities	\$ 43,901	\$ 391,491,229	\$ 391,533,227	\$ 1,903
Intergovernmental payables	447,142,988	3,774,028,933	3,748,398,258	472,773,663
Due to fiduciary funds	29,159,024	237,785,092	239,547,637	27,396,479
Deposits	315,732,893	112,194,092	159,330,533	268,596,452
Other liabilities	5,743,356	205,743,290	203,957,441	7,529,205
Total liabilities	\$ 797,822,162	\$ 4,721,242,636	\$ 4,742,767,096	\$ 776,297,702



Volunteers from the Nevada Rock Art Foundation document petroglyphs at Grapevine Canyon near Laughlin, NV.



Photos Courtesy of: Charlie Johnston, Nevada Magazine

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.

<u>TABLES</u>	<u>PAGES</u>
FINANCIAL TRENDS	
These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	150
REVENUE CAPACITY	
These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales.	154
DEBT CAPACITY	
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.	155
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	159
OPERATING INFORMATION	
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.	162

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
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	\$ 3,622,787	\$ 3,875,141
Restricted	402,535	432,125	484,164	663,901	675,966	613,375	697,168	702,743	683,526	749,818
Unrestricted (deficit) (a)	(31,969)	(161,833)	(153,370)	303,704	504,541	623,787	289,123	(236,912)	(224,799)	(276,924)
Total governmental activities net assets	\$ 3,520,223	\$ 3,492,344	\$3,824,252	\$ 4,225,074	\$ 4,626,136	\$ 4,723,317	\$ 4,508,468	\$ 3,958,036	\$ 4,081,514	\$ 4,348,035
Business-type Activities										
Invested in capital assets, net of related debt	\$ 2,659	\$ 3,059	\$ 3,047	\$ 2,906	\$ 2,824	\$ 2,793	\$ 3,393	\$ 3,286	\$ 3,615	\$ 3,120
Restricted	826,190	801,846	821,829	956,895	1,143,248	1,293,737	1,297,613	819,348	464,346	503,090
Unrestricted (deficit)	8,009	8,029	8,475	8,470	6,428	9,441	10,206	(5,486)	(303,705)	(558,265)
Total business-type activities net assets	\$ 836,858	\$ 812,934	\$833,351	\$ 968,271	\$ 1,152,500	\$ 1,305,961	\$ 1,311,212	\$ 817,168	\$ 164,256	\$ (52,055)
Primary Government										
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	\$ 3,626,402	\$ 3,878,261
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	1,147,872	1,252,908
Unrestricted (deficit) (a)	(23,960)	(153,804)	(144,895)	312,174	510,969	633,228	299,329	(242,378)	(528,504)	(835,189)
Total primary government net assets	\$ 4,357,081	\$ 4,305,278	\$4,657,603	\$ 5,193,345	\$ 5,778,636	\$ 6,029,278	\$ 5,819,680	\$ 4,775,204	\$ 4,245,770	\$ 4,295,980

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ 209,074	\$ 226,761	\$ 226,585	\$ 304,926	\$ 349,224	\$ 421,291	\$ 439,682	\$ 389,943	\$ 375,219	\$ 334,616
Health and social services	1,604,205	1,817,001	1,888,806	2,082,562	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013	3,209,237
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	2,430,923	2,393,536
Law, justice and public safety	448,082	444,774	485,480	535,371	578,049	624,149	650,657	687,410	690,104	667,598
Regulation of business	81,800	81,674	86,318	92,240	101,857	104,385	114,786	118,086	100,380	122,679
Transportation	356,692	394,489	474,416	665,315	508,569	680,281	576,815	762,610	644,976	630,657
Recreation and resource development	115,082	124,426	132,106	157,881	156,933	173,037	167,627	165,741	161,048	153,404
Interest on long-term debt	121,092	112,096	130,902	141,154	132,969	150,486	146,312	138,304	132,238	128,606
Unallocated depreciation	1,144	1,152	1,315	1,441	1,513	720	992	976	1,448	1,402
Total governmental activities expenses	\$ 4,300,707	\$ 4,641,628	\$ 5,089,790	\$ 5,698,369	\$ 5,857,901	\$ 6,749,859	\$ 6,933,445	\$ 7,405,905	\$ 7,563,349	\$ 7,641,735
Business-type activities:										
Unemployment insurance	407,241	377,395	334,065	238,386	239,232	296,784	439,632	1,336,043	2,233,382	1,767,632
Housing	76,904	71,927	60,250	53,011	45,397	46,152	43,953	44,382	57,342	83,467
Water loans	4,930	4,715	5,856	7,710	8,226	7,885	6,836	6,218	14,697	16,476
Workers' compensation and safety	19,581	19,274	20,685	21,004	23,991	25,381	26,258	26,801	26,084	29,642
Higher education (a)	-	-	-	11,496	18,940	10,504	8,109	13,103	14,051	18,959
Other	12,695	13,134	13,021	14,706	15,601	16,424	20,496	16,967	23,175	28,909
Total business-type activities expenses	\$ 521,351	\$ 486,445	\$ 433,877	\$ 346,313	\$ 351,387	\$ 403,130	\$ 545,284	\$ 1,443,514	\$ 2,368,731	\$ 1,945,081
Total primary government expenses	\$ 4,822,058	\$ 5,128,073	\$ 5,523,667	\$ 6,044,682	\$ 6,209,288	\$ 7,152,989	\$ 7,478,729	\$ 8,849,419	\$ 9,922,080	\$ 9,586,816

Program Revenues													
Governmental activities:													
Charges for services:													
General government	\$ 146,391	\$ 153,108	\$ 181,530	\$ 200,390	\$ 226,191	\$ 254,947	\$ 254,198	\$ 281,997	\$ 285,927	\$ 301,856			
Health and social services	106,846	134,847	127,743	133,651	138,675	125,915	147,785	141,473	131,408	156,698			
Law, justice and public safety	187,711	195,259	214,363	261,254	242,262	256,015	257,355	252,755	236,004	234,385			
Other	92,005	81,480	114,516	142,430	162,028	148,959	135,034	118,668	143,689	177,342			
Operating grants and contributions	1,284,453	1,499,849	1,638,073	1,829,252	1,848,091	2,025,361	1,982,315	2,544,032	3,141,986	3,050,092			
Capital grants and contributions	2,260	8,535	9,320	7,795	27,080	16,010	21,871	19,608	56,719	164,711			
Total governmental activities program revenues	<u>1,819,672</u>	<u>2,073,078</u>	<u>2,285,545</u>	<u>2,574,772</u>	<u>2,644,327</u>	<u>2,827,207</u>	<u>2,798,558</u>	<u>3,358,533</u>	<u>3,995,733</u>	<u>4,085,084</u>			
Business-type activities:													
Charges for services:													
Unemployment insurance	-	-	-	-	-	-	-	1,460	-	1,587			
Housing	61,682	54,854	41,183	34,931	33,589	32,372	30,721	26,604	23,693	21,385			
Workers' compensation and safety	22,694	20,703	32,385	33,892	25,593	36,037	35,632	38,955	30,144	35,071			
Other	21,832	21,659	26,239	27,534	30,611	34,635	40,874	38,225	31,850	39,313			
Operating grants and contributions	179,379	131,771	98,469	83,672	111,598	99,546	88,335	525,550	1,335,177	1,251,949			
Total business-type activities program revenues	<u>285,587</u>	<u>228,987</u>	<u>198,276</u>	<u>180,029</u>	<u>201,391</u>	<u>202,590</u>	<u>195,562</u>	<u>630,794</u>	<u>1,422,533</u>	<u>1,349,305</u>			
Total primary government program revenues	<u>\$ 2,105,259</u>	<u>\$ 2,302,065</u>	<u>\$ 2,483,821</u>	<u>\$ 2,754,801</u>	<u>\$ 2,845,718</u>	<u>\$ 3,029,797</u>	<u>\$ 2,994,120</u>	<u>\$ 3,989,327</u>	<u>\$ 5,418,266</u>	<u>\$ 5,434,389</u>			
Net (Expense)/Revenue													
Governmental activities	\$ (2,481,035)	\$ (2,568,550)	\$ (2,804,245)	\$ (3,123,597)	\$ (3,213,574)	\$ (3,922,652)	\$ (4,134,887)	\$ (4,047,372)	\$ (3,557,616)	\$ (3,556,651)			
Business-type activities	(235,764)	(257,458)	(235,601)	(166,284)	(149,996)	(200,540)	(349,722)	(812,720)	(946,198)	(595,776)			
Total primary government net expense	<u>\$ (2,716,799)</u>	<u>\$ (2,826,008)</u>	<u>\$ (3,039,846)</u>	<u>\$ (3,289,881)</u>	<u>\$ (3,363,570)</u>	<u>\$ (4,123,192)</u>	<u>\$ (4,484,609)</u>	<u>\$ (4,860,092)</u>	<u>\$ (4,503,814)</u>	<u>\$ (4,152,427)</u>			
General Revenues and Other Changes in Net Assets													
Governmental activities:													
Sales and use taxes	\$ 724,399	\$ 760,891	\$ 855,687	\$ 999,623	\$ 1,097,939	\$ 1,149,456	\$ 1,101,741	\$ 943,787	\$ 870,474	\$ 931,911			
Gaming taxes	697,482	735,652	834,791	900,261	1,003,111	1,029,044	1,011,506	883,054	844,470	850,021			
Modified business taxes (b)	-	-	161,650	226,924	255,252	282,729	297,161	281,605	381,300	378,971			
Insurance premium taxes	156,347	173,993	194,218	215,353	238,297	261,378	256,847	241,252	233,280	233,334			
Property and transfer taxes (b)	99,234	95,808	204,866	287,410	318,941	296,498	280,896	278,881	266,878	231,758			
Motor and special fuel taxes	242,670	253,951	269,131	281,726	297,383	300,182	297,087	272,614	268,554	267,649			
Other taxes	258,863	271,169	350,185	362,797	398,460	427,109	425,250	407,469	642,979	688,752			
Investment earnings	35,839	26,712	10,996	25,238	87,729	143,013	105,075	9,026	(1,246)	(4,182)			
Other	147,228	181,267	205,597	162,869	86,371	99,476	116,082	148,321	146,879	214,277			
Contributions to permanent fund	8,759	15,952	31,693	44,598	76,553	12,208	8,801	7,019	8,165	6,637			
Special item	-	8,485	-	-	(276,773)	-	-	-	-	-			
Transfers	19,238	16,791	17,339	17,620	31,373	18,740	19,592	23,912	19,361	24,044			
Total governmental activities	<u>2,390,059</u>	<u>2,540,671</u>	<u>3,136,153</u>	<u>3,524,419</u>	<u>3,614,636</u>	<u>4,019,833</u>	<u>3,920,038</u>	<u>3,496,940</u>	<u>3,681,094</u>	<u>3,823,172</u>			
Business-type activities:													
Other taxes	240,608	250,325	273,357	320,622	365,598	372,741	374,565	342,588	314,657	403,509			
Other	(19,238)	(16,791)	(17,339)	(17,620)	(31,373)	(18,740)	(19,592)	(23,912)	(19,361)	(24,044)			
Transfers	221,372	233,534	256,018	303,002	334,225	354,001	354,973	318,676	295,296	379,465			
Total business-type activities	<u>\$ 2,611,431</u>	<u>\$ 2,774,205</u>	<u>\$ 3,392,171</u>	<u>\$ 3,827,421</u>	<u>\$ 3,948,861</u>	<u>\$ 4,373,834</u>	<u>\$ 4,275,011</u>	<u>\$ 3,815,616</u>	<u>\$ 3,976,390</u>	<u>\$ 4,202,637</u>			
Total primary government													
Change in Net Assets													
Governmental activities	\$ (90,976)	\$ (27,879)	\$ 331,908	\$ 400,822	\$ 401,062	\$ 97,181	\$ (214,849)	\$ (550,432)	\$ 123,478	\$ 266,521			
Business-type activities	(14,392)	(23,924)	20,417	136,718	184,229	153,461	5,251	(494,044)	(650,902)	(216,311)			
Total primary government	<u>\$ (105,368)</u>	<u>\$ (51,803)</u>	<u>\$ 352,325</u>	<u>\$ 537,540</u>	<u>\$ 585,291</u>	<u>\$ 250,642</u>	<u>\$ (209,598)</u>	<u>\$ (1,044,476)</u>	<u>\$ (527,424)</u>	<u>\$ 50,210</u>			

Notes:

- (a) Effective in fiscal year 2005, The Higher Education Tuition Trust Fund was reclassified from a private-purpose trust fund to an enterprise fund.
- (b) The 2003 legislative session enacted changes in the State's tax structure which went into effect in October 2003. The first full fiscal year results of these changes can be seen beginning with fiscal year 2005.

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 43,256	\$ 68,540	\$ 66,523	\$ 65,656	\$ 35,336	\$ 17,585	\$ 15,088	\$ 13,512	\$ 12,463	\$ -
Unreserved	7,492	40,981	275,586	474,342	486,160	427,506	384,663	179,310	222,095	-
Nonspendable	-	-	-	-	-	-	-	-	-	18,456
Restricted	-	-	-	-	-	-	-	-	-	73,687
Committed	-	-	-	-	-	-	-	-	-	270,568
Unassigned	-	-	-	-	-	-	-	-	-	(115,965)
Total General fund	\$ 50,748	\$ 109,521	\$ 342,109	\$ 539,998	\$ 521,496	\$ 445,091	\$ 399,751	\$ 192,822	\$ 234,558	\$ 246,746
All Other Governmental Funds										
Reserved	\$ 1,474,192	\$ 1,384,530	\$ 651,738	\$ 798,715	\$ 1,004,407	\$ 1,244,430	\$ 1,311,024	\$ 947,719	\$ 1,078,045	\$ -
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	203,466	-
Capital projects funds	51,352	71,137	41,871	46,316	39,365	87,057	17,402	73,892	59,944	-
Permanent funds	21	22	22	21	21	22	22	20	20	-
Nonspendable	-	-	-	-	-	-	-	-	-	607,134
Restricted	-	-	-	-	-	-	-	-	-	414,040
Committed	-	-	-	-	-	-	-	-	-	188,796
Unassigned	-	-	-	-	-	-	-	-	-	(191)
Total all other governmental funds	\$ 1,909,334	\$ 1,715,986	\$ 1,850,428	\$ 2,070,655	\$ 2,082,546	\$ 2,103,396	\$ 1,732,163	\$ 1,418,151	\$ 1,341,475	\$ 1,209,779

Note: GASB Statement 54 changed the presentation of fund balance categories and classifications beginning in fiscal year 2011.

Table 4 - Changes in Fund Balances of Governmental Funds

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Gaming taxes, fees, licenses	\$ 697,482	\$ 735,652	\$ 834,791	\$ 900,261	\$ 1,003,111	\$ 1,028,663	\$ 1,008,516	\$ 880,573	\$ 842,359	\$ 849,733
Sales taxes	718,910	756,962	858,866	993,324	1,099,483	1,132,418	1,088,024	953,112	870,539	925,899
Modified business taxes (a)	-	-	161,649	226,923	255,252	278,953	284,600	277,516	385,110	381,901
Insurance premium taxes	156,347	173,993	194,218	215,353	238,297	259,275	256,693	238,524	233,906	234,831
Property and transfer taxes (a)	99,234	95,808	204,866	287,410	318,941	296,498	280,895	278,881	266,878	231,758
Motor and special fuel taxes	242,670	253,951	269,132	281,726	297,383	300,182	297,088	272,614	268,554	267,649
Other taxes	263,657	269,762	348,238	352,321	343,292	373,436	372,652	387,449	620,543	664,427
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	3,273,266	3,372,565
Licenses, fees and permits	270,724	280,851	344,238	377,419	422,934	429,501	432,729	419,514	452,838	497,847
Sales and charges for services	54,953	58,585	76,173	81,561	80,134	97,408	95,407	85,401	84,422	81,923
Interest and investment income	124,674	110,011	74,003	120,901	152,801	239,651	185,006	44,831	37,855	31,853
Tobacco settlement income	44,628	44,753	38,300	39,114	35,685	37,351	45,976	50,062	41,963	39,517
Fines	3,780	4,202	4,235	-	-	-	-	-	-	-
Land sales	4,976	11,654	27,413	39,770	71,231	5,756	2,503	663	965	560
Other	49,459	54,232	48,153	71,372	88,006	91,086	105,475	141,808	112,728	143,461
Total revenues	4,078,745	4,513,236	5,309,998	5,931,085	6,379,349	6,679,094	6,513,635	6,703,699	7,491,926	7,723,924



Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxable Sales by County:										
Carson City	\$ 888,249	\$ 861,278	\$ 913,495	\$ 979,049	\$1,021,210	\$ 991,893	\$ 919,266	\$ 761,379	\$ 678,626	\$ 735,161
Churchill	220,744	226,398	240,352	280,304	331,338	306,426	294,411	321,713	251,257	249,112
Clark	22,835,362	24,535,344	28,075,636	32,430,309	35,604,392	36,262,388	35,930,374	31,378,242	27,969,288	29,046,720
Douglas	565,974	646,960	750,928	805,334	815,590	765,218	691,609	584,679	537,187	532,984
Elko	714,949	700,491	757,714	857,707	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158	1,477,347
Esmeralda	5,349	5,472	7,575	8,707	8,598	16,523	12,645	9,226	6,551	11,832
Eureka	140,199	153,837	162,155	194,943	315,450	501,077	328,505	285,942	266,356	304,276
Humboldt	312,273	306,695	332,605	386,364	483,366	474,811	508,713	498,791	533,667	748,153
Lander	62,927	48,072	55,421	157,114	170,539	280,378	228,213	264,109	220,348	249,321
Lincoln	22,026	35,946	24,131	30,023	31,529	15,398	26,967	25,257	25,871	33,116
Lyon	251,497	274,983	323,078	390,743	441,896	375,523	385,591	340,284	290,241	300,843
Mineral	28,821	30,867	36,424	31,532	33,445	35,679	38,843	37,247	36,280	42,181
Nye	291,330	309,420	366,330	477,921	522,296	540,377	473,291	427,505	397,570	466,836
Pershing	56,962	54,274	54,925	56,847	62,992	68,332	67,279	62,892	65,681	78,096
Storey	40,518	38,504	54,571	85,416	109,411	204,717	121,244	59,578	48,299	61,863
Washoe	5,280,706	5,475,602	6,003,368	6,660,263	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982	5,282,935
White Pine	68,065	70,754	80,819	127,928	175,147	192,877	197,818	220,815	174,705	314,235
Total	\$ 31,785,951	\$ 33,774,897	\$ 38,239,527	\$ 43,960,504	\$ 48,402,487	\$ 49,427,707	\$ 48,196,849	\$ 42,086,614	\$ 37,772,067	\$ 39,935,011
Direct Sales Tax Rate	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 2002			Fiscal Year 2011		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
Business Type:						
Food services and drinking places	\$ 5,860,513	18.4%	\$ 117,210	\$ 9,050,612	22.7%	\$ 181,012
Motor vehicle and parts dealers	4,700,606	14.8%	94,012	3,824,670	9.6%	76,494
General merchandise stores	2,959,490	9.3%	59,190	3,799,259	9.5%	75,985
Clothing and clothing accessories stores	1,248,808	3.9%	24,976	3,238,701	8.1%	64,774
Merchant wholesalers, durable goods	1,741,865	5.5%	34,837	2,373,543	5.9%	47,471
Food and beverage stores	1,360,228	4.3%	27,205	1,472,986	3.7%	29,460
Building material, garden equipment, supplies	2,063,467	6.5%	41,269	1,468,705	3.7%	29,374
Rental and leasing services	-	-	-	1,423,351	3.6%	28,467
Electronics and appliance stores	-	-	-	1,339,012	3.4%	26,780
Miscellaneous retail	3,311,484	10.4%	66,230	1,293,011	3.2%	25,860
Furniture and home furnishings stores	1,743,770	5.5%	34,876	-	-	-
Business services	1,216,401	3.8%	24,328	-	-	-
Total	\$ 26,206,632	82.4%	\$ 524,133	\$ 29,283,850	73.4%	\$ 585,677

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
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	\$ 2,067,615	\$ 1,952,885
Highway revenue bonds	91,935	83,505	238,265	380,945	541,680	693,285	774,300	722,880	668,840	612,045
Obligations under capital leases	5,402	7,152	8,236	7,712	9,866	15,955	19,891	17,916	33,846	30,970
Certificates of participation	14,395	13,765	34,655	56,400	55,680	60,455	59,320	58,030	56,770	56,066
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	2,827,071	2,651,966
Business-type Activities										
General obligation bonds	57,625	54,410	120,530	120,455	118,540	117,310	115,805	113,055	105,060	108,975
Special obligation bonds	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783	994,044	920,508
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	1,099,104	1,029,483
Total primary government	\$ 3,668,190	\$ 2,337,050	\$ 3,658,322	\$ 3,722,271	\$ 3,547,304	\$ 3,633,928	\$ 3,765,236	\$ 3,903,469	\$ 3,926,175	\$ 3,681,449
Debt as a Percentage of Personal Income	5.70%	5.28%	5.11%	4.72%	4.09%	3.93%	3.63%	3.72%	3.94%	3.68%
Amount of Debt per Capita	\$ 1,751	\$ 1,624	\$ 1,632	\$ 1,595	\$ 1,469	\$ 1,456	\$ 1,468	\$ 1,501	\$ 1,485	\$ 1,363

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

See table 11 for personal income and population data.

Debt as a Percentage of Personal Income 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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Bonded Debt										
Outstanding										
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	\$ 2,067,615	\$ 1,952,885
Certificates of participation	14,395	13,765	13,105	12,415	11,695	10,940	10,155	9,335	24,280	15,800
Water projects bonds	57,625	54,410	120,530	120,455	120,782	117,355	110,286	107,534	99,511	102,089
Housing bonds	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783	994,193	920,635
Total	3,570,853	3,430,556	3,390,271	3,289,629	2,954,015	2,875,218	2,916,361	3,108,457	3,185,599	2,991,409
Less: amounts restricted to repaying principal	105,685	107,448	110,906	110,467	125,884	129,087	136,309	142,539	145,793	149,715
Net general bonded debt	\$ 3,465,168	\$ 3,323,108	\$ 3,279,365	\$ 3,179,162	\$ 2,828,131	\$ 2,746,131	\$ 2,780,052	\$ 2,965,918	\$ 3,039,806	\$ 2,841,694
Actual Taxable Property										
Value	\$151,267,821	\$165,053,522	\$179,822,444	\$198,569,862	\$245,075,283	\$327,140,473	\$383,571,013	\$410,130,698	\$341,886,423	\$264,840,276
Percentage of Actual Taxable Value of Property	2.29%	2.01%	1.82%	1.60%	1.15%	0.84%	0.72%	0.72%	0.89%	1.07%
Debt Per Capita (a)	\$ 1,598	\$ 1,482	\$ 1,406	\$ 1,316	\$ 1,133	\$ 1,071	\$ 1,069	\$ 1,122	\$ 1,125	N/A

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

(a) See Table 11 for population data.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 1,172,317	\$ 1,276,838	\$ 1,408,688	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849	\$ 2,963,124	\$ 2,482,138	\$ 1,900,366	\$ 1,756,111
Total debt applicable to limit	804,860	825,082	925,183	944,732	920,737	1,015,375	1,214,991	1,405,781	1,410,211	1,342,660
Legal debt margin	\$ 367,457	\$ 451,756	\$ 483,505	\$ 799,004	\$ 1,418,856	\$ 1,741,474	\$ 1,748,133	\$ 1,076,357	\$ 490,155	\$ 413,451
Legal debt margin as a percentage of the debt limit	31.34%	35.38%	34.32%	45.82%	60.65%	63.17%	59.00%	43.36%	25.79%	23.54%

Computation of Legal Debt Margin at June 30, 2011:

Assessed value of taxable property at June 30, 2011 (a)	\$ 87,805,541
Debt limitation (2% of assessed value)	\$ 1,756,111
General Obligation Bonds subject to limit	\$ 1,303,790
Leases	30,970
Certificates of participation	55,475
<i>Less obligations exempt from debt margin:</i>	
Lease revenue certificates of participation	(47,575)
Debt subject to debt limitation	(1,342,660)
Legal debt margin at June 30, 2011	\$ 413,451

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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	\$ 239,365	\$ 250,740	\$ 265,964	\$ 278,641	\$ 294,348	\$ 297,142	\$ 293,941	\$ 269,479	\$ 265,487	\$ 264,699
Debt service										
Principal	\$ 8,065	\$ 8,430	\$ 21,675	\$ 30,665	\$ 30,710	\$ 41,125	\$ 48,955	\$ 51,420	\$ 54,040	\$ 56,795
Interest	4,806	4,394	11,712	18,719	23,739	30,106	32,727	37,157	33,876	31,136
Total	\$ 12,871	\$ 12,824	\$ 33,387	\$ 49,384	\$ 54,449	\$ 71,231	\$ 81,682	\$ 88,577	\$ 87,916	\$ 87,931
Coverage (c)	18.60	19.55	7.97	5.64	5.41	4.17	3.60	3.04	3.02	3.01
Mortgage Revenue Bonds										
Revenue (a)	\$ 206,589	\$ 312,431	\$ 335,062	\$ 251,806	\$ 435,332	\$ 355,328	\$ 129,286	\$ 70,051	\$ 42,123	\$ 126,957
Expenses (b)	11,835	8,770	10,335	9,512	6,720	4,595	4,368	5,277	6,548	7,610
Net available revenues	\$ 194,754	\$ 303,661	\$ 324,727	\$ 242,294	\$ 428,612	\$ 350,733	\$ 124,918	\$ 64,774	\$ 35,575	\$ 119,347
Debt service										
Principal	\$ 187,664	\$ 257,702	\$ 297,681	\$ 155,791	\$ 136,186	\$ 51,003	\$ 37,897	\$ 33,592	\$ 67,082	\$ 132,557
Interest	67,796	63,235	50,034	42,298	38,644	37,002	38,051	36,354	33,236	29,111
Total	\$ 255,460	\$ 320,937	\$ 347,715	\$ 198,089	\$ 174,830	\$ 88,005	\$ 75,948	\$ 69,946	\$ 100,318	\$ 161,668
Coverage (c)	0.76	0.95	0.93	1.22	2.45	3.99	1.64	0.93	0.36	0.74

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population										
Nevada	2,094,827	2,167,867	2,241,700	2,332,898	2,414,807	2,495,529	2,565,382	2,600,167	2,643,085	2,700,551
Percentage change	3.8%	3.5%	3.4%	4.1%	3.5%	3.3%	2.8%	1.4%	1.7%	2.2%
United States	285,107,923	287,984,799	290,850,005	293,656,842	296,410,404	299,398,484	301,621,157	304,059,724	307,006,550	308,745,538
Percentage change	1.0%	1.0%	1.0%	1.0%	0.9%	1.0%	0.7%	0.8%	1.0%	0.6%
Total Personal Income										
Nevada (<i>in millions</i>)	64,367	66,632	71,606	78,822	86,650	92,557	103,847	104,924	99,621	99,913
Percentage change	4.8%	3.5%	7.5%	10.1%	9.9%	6.8%	12.2%	1.0%	-5.1%	0.3%
United States (<i>in millions</i>)	8,716,992	8,872,871	9,157,257	9,705,504	10,251,639	10,860,917	11,645,882	12,086,534	12,165,474	12,530,101
Percentage change	3.5%	1.8%	3.2%	6.0%	5.6%	5.9%	7.2%	3.8%	0.7%	3.0%
Per Capita Personal Income										
Nevada	30,727	30,736	31,943	33,787	35,883	37,089	40,480	40,353	37,691	36,997
Percentage change	1.0%	0.0%	3.9%	5.8%	6.2%	3.4%	9.1%	-0.3%	-6.6%	-1.8%
United States	30,574	30,810	31,484	33,050	34,586	36,276	38,611	39,751	39,626	40,584
Percentage change	2.4%	0.8%	2.2%	5.0%	4.6%	4.9%	6.4%	3.0%	-0.3%	2.4%
Labor Force and Employment										
Nevada Labor Force	1,102,370	1,124,629	1,148,519	1,177,558	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891	1,350,309
Unemployed	58,459	62,729	58,810	51,212	49,002	54,217	64,380	91,450	161,270	200,772
Unemployment Rate	5.3%	5.6%	5.1%	4.3%	4.0%	4.2%	4.8%	6.7%	11.8%	14.9%
United States Labor Force	143,734,000	144,863,000	146,510,000	147,401,000	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000
Unemployed	6,801,000	8,378,000	8,774,000	8,149,000	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000
Unemployment Rate	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%

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 2001			Calendar Year 2010		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Clark County School District	20,000 - 29,999	1	2.27%	30,000 - 39,999	1	2.59%
State of Nevada	20,000 - 29,999	2	2.27%	30,000 - 39,999	2	2.59%
Clark County	8,000 - 8,499	5	0.75%	8,000 - 8,499	3	0.61%
Wynn Las Vegas	-	-	-	8,000 - 8,499	4	0.61%
Washoe County School District	6,000 - 6,499	10	0.57%	7,500 - 7,999	5	0.57%
Bellagio, LLC	8,500 - 8,999	3	0.79%	7,500 - 7,999	6	0.57%
MGM Grand Hotel/Casino	8,000 - 8,499	4	0.75%	7,500 - 7,999	7	0.57%
Aria Resort & Casino, LLC	-	-	-	7,000 - 7,499	8	0.54%
Mandalay Bay Resort & Casino	-	-	-	6,000 - 6,499	9	0.46%
Las Vegas Metropolitan Police	-	-	-	5,500 - 5,999	10	0.43%
Bally's & Paris Casino Hotels	7,500 - 7,999	6	0.70%	-	-	-
Orleans Hotel & Casino	7,500 - 7,999	7	0.70%	-	-	-
Wal-Mart Stores, Inc.	6,500 - 6,999	8	0.61%	-	-	-
Mirage Casino-Hotel	6,500 - 6,999	9	0.61%	-	-	-
Total	98,500 - 122,490		10.02%	117,000 - 140,990		9.54%

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public School Enrollment										
Primary (K - 6)	211,260	217,488	223,973	229,419	201,465	239,418	240,453	235,295	239,723	240,774
Secondary (7 - 12)	158,225	167,926	177,245	183,833	189,501	193,822	196,325	196,014	196,921	198,092
Total	369,485	385,414	401,218	413,252	390,966	433,240	436,778	431,309	436,644	438,866
Public Higher Education Enrollment										
University of Nevada, Reno	11,668	11,965	12,451	12,660	12,444	12,429	12,709	12,889	13,601	14,025
University of Nevada, Las Vegas	17,777	18,639	20,077	20,569	20,180	20,007	20,297	20,670	20,160	19,217
Nevada State College	116	330	856	1,017	1,310	1,418	1,340	1,622	1,867	1,963
College of Southern Nevada	16,532	17,716	17,676	18,234	18,320	19,501	20,906	21,751	22,286	20,231
Great Basin College	1,251	1,436	1,356	1,353	1,584	1,613	1,781	2,002	1,996	1,826
Truckee Meadows Community College	5,324	5,559	5,953	6,213	6,210	6,454	6,800	7,312	7,143	6,262
Western Nevada College	2,164	2,180	2,288	2,410	2,463	2,427	2,438	2,908	2,960	2,380
Total	54,832	57,825	60,657	62,456	62,511	63,849	66,271	69,154	70,013	65,904

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General government	1,449	1,421	1,470	1,513	1,536	1,558	1,570	1,539	1,487	1,443
Health and social services	4,495	4,562	5,044	4,992	5,364	5,773	6,145	5,823	6,151	6,061
Education and support services	6,863	7,240	7,092	7,762	8,118	8,670	9,030	8,930	8,670	8,383
Law, justice and public safety	5,210	4,995	5,244	5,449	5,654	5,946	5,924	5,815	5,812	5,707
Regulation of business	1,259	1,217	1,298	1,315	1,331	1,412	1,390	1,363	1,374	1,309
Transportation	1,720	1,757	1,798	1,783	1,771	1,792	1,829	1,810	1,776	1,769
Recreation and resource development	1,398	1,417	1,425	1,455	1,479	1,403	1,186	1,172	1,172	1,142
Total	22,394	22,609	23,371	24,269	25,253	26,554	27,074	26,452	26,442	25,814

Sources: Nevada Department of Personnel, Nevada System of Higher Education and Legislative Counsel Bureau



Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
<i>Department of Taxation</i>										
Number of sales and use tax audits	1,796	1,825	1,377	1,643	1,668	1,994	1,346	1,397	1,254	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	30,889	31,328	31,042	33,395	35,049	38,936	42,049	44,232	43,943	42,830
Generic drug utilization (b)	43%	52%	52%	59%	59%	65%	65%	72%	72%	N/A
<i>Department of Administration</i>										
Square feet of non-state owned space leased (b)	1,391,463	1,376,534	1,376,534	1,377,525	1,377,525	1,547,467	1,547,467	1,393,872	1,393,872	N/A
Job applications processed	27,536	39,635	48,089	36,317	54,378	92,353	66,041	68,552	76,129	77,428
Health and Social Services										
<i>Department of Education, Training & Rehabilitation</i>										
Vocational Rehabilitation clients entering full-time employment with insurance (b)	79%	65%	65%	48%	48%	58%	58%	48%	48%	N/A
Career Enhancement Program clients entering employment (b)	60%	91%	91%	84%	84%	90%	90%	72%	72%	N/A
<i>Health Care Financing & Policy</i>										
Nevada Medicaid - average monthly eligibles	141,681	163,784	172,779	176,418	172,685	168,197	180,369	197,313	240,528	279,840
NV Check-Up Program - average monthly enrollment (b)	22,414	25,025	25,025	27,492	27,492	29,075	29,075	21,713	21,713	N/A
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	482,421	520,463	538,857	567,076	602,100	602,784	711,018	793,166	870,398	887,796
<i>Welfare Division</i>										
Average monthly number of TANF recipients	28,809	31,034	24,956	21,748	19,880	17,706	21,022	22,556	29,084	30,854
Average monthly number of Mental Health clients	14,354	16,390	16,616	14,981	14,655	13,249	14,582	15,575	15,160	15,138
Average monthly number of Mental Health inpatients	155	142	153	182	198	246	265	253	225	211
Average monthly number of SNAP (Food Stamp) recipients	91,216	106,966	119,750	122,042	118,474	119,596	137,589	179,790	260,417	323,290
Average monthly number of Developmental Services clients	3,054	3,225	3,522	3,888	4,057	4,387	4,672	4,876	5,086	5,346
Percent of current child support owed that is collected (b)	46%	47%	47%	46%	46%	46%	46%	48%	48%	N/A
TANF recipient children receiving child care (f)	17,325	15,843	15,843	17,977	17,977	16,797	24,705	19,119	17,407	20,269
Non-TANF children receiving child care (f)	106,779	44,998	44,998	104,463	104,463	112,452	113,426	84,517	69,541	83,399
Applications for energy assistance received (b)	20,076	19,081	19,081	24,846	24,846	27,515	27,515	38,674	38,674	N/A
Households served with energy assistance (b)	15,665	15,986	15,986	14,552	14,552	16,846	16,846	25,458	25,458	N/A
Education and Support Services										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (f)	N/A	89%	89%	88%	88%	N/A	93%	95%	88%	85%
Percent of public schools participating in the Nat'l School Lunch Program (b)	85%	93%	93%	94%	94%	94%	94%	95%	95%	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program (b)	42%	34%	34%	41%	41%	43%	43%	42%	42%	N/A
Number of meals served in the Children & Adult Food Care Program (b)	3,243,965	4,297,850	4,297,850	4,256,701	4,256,701	3,093,889	3,093,889	4,330,289	4,330,289	N/A
Number of special education students receiving a high school diploma (f)	492	675	675	503	503	458	437	703	560	747
Percent/number of elementary students identified as being at risk receiving supplemental instruction from Title I funds (b)	52%	60%	60%	5,389	5,389	5,993	5,993	5,025	5,025	N/A
<i>Department of Cultural Affairs</i>										
Volumes (excludes documents and microfilm)	66,140	69,361	73,005	76,527	76,527	79,917	82,913	81,368	82,848	N/A
Government publications (U.S., Nevada and California)	683,384	741,573	771,258	779,194	798,013	813,142	827,697	833,705	849,112	N/A

Law, Justice and Public Safety												
<i>The Supreme Court of Nevada</i>												
Cases filed (c)	1,711	1,848	1,885	2,049	2,171	2,124	2,212	2,169	2,267	N/A		
Cases disposed (c)	1,866	1,651	1,949	1,994	2,387	1,976	2,058	2,238	2,468	N/A		
Number of opinions written (c)	97	68	105	90	121	61	103	63	57	N/A		
<i>Nevada Department of Corrections</i>												
Total admissions (e)	4,843	5,337	5,574	5,741	6,292	6,016	N/A	5,781	5,801	5,971		
Total releases (e)	4,734	4,873	4,708	5,455	5,162	5,308	N/A	6,120	6,056	6,098		
In-house population at year-end (e)	10,081	10,550	11,427	11,740	12,816	12,967	12,853	12,742	12,591	12,458		
<i>Department of Public Safety, Highway Patrol Division</i>												
Total number of DUI arrests	N/A	3,778	3,687	3,803	4,264	5,093	4,720	4,676	3,981	3,879		
Total number of safety inspections	N/A	16,560	20,627	20,800	24,714	24,227	22,669	26,478	26,056	26,395		
<i>Department of Motor Vehicles</i>												
Motor vehicle registrations	1,488,540	1,543,514	1,790,456	1,884,816	2,262,743	2,351,581	2,345,500	2,335,778	2,284,437	2,153,918		
Regulation of Business												
<i>Nevada Gaming Commission</i>												
Licenses issued & active at fiscal year-end	2,846	2,829	2,913	2,905	2,924	2,961	2,933	2,882	2,827	2,875		
Licensed devices at fiscal year-end:												
Games	6,002	5,998	6,040	6,188	6,232	6,133	6,135	6,019	5,985	5,948		
Tables	388	473	540	760	1,098	1,102	1,001	1,063	1,132	1,070		
Slots	212,493	209,976	205,041	204,213	207,569	202,362	198,080	194,180	190,135	190,217		
<i>Department of Business and Industry</i>												
Units of affordable housing produced (b)	350	263	263	236	236	403	403	792	792	N/A		
Taxicab Authority notices of violation issued (f)	4,077	4,046	4,046	3,290	3,290	3,129	4,066	4,292	3,474	3,464		
Taxicab Authority vehicle inspections made (f)	7,147	6,836	6,836	6,627	6,627	6,486	7,025	7,507	7,471	7,165		
Number of worksite safety & health inspections	3,651	3,520	3,070	2,753	2,594	2,399	2,566	2,835	2,040	1,223		
Number of boiler and elevator inspections	19,702	20,020	20,105	20,535	20,606	18,323	19,233	21,200	16,382	19,701		
Insurance license and renewal applications processed (b)	23,911	30,621	30,621	41,646	41,646	44,765	44,765	39,065	39,065	N/A		
Transportation												
<i>Nevada Department of Transportation</i>												
Miles of highways - rural (e)	4,898	4,900	4,900	4,694	4,741	4,757	4,736	4,802	4,782	4,782		
Miles of highways - urban (e)	549	549	549	705	658	665	662	618	618	618		
Recreation and Resource Development												
<i>Commission on Tourism</i>												
Inquiries from advertising campaign (d)	177,350	175,318	124,608	155,019	162,592	301,223	417,269	363,677	196,058	199,471		
Tourism web site visitors (d)	1,033,601	1,327,170	1,341,046	1,423,359	1,405,972	1,951,193	3,459,745	1,685,237	2,056,349	2,424,567		
<i>Commission on Economic Development</i>												
Number of projects requesting Community Development Block Grants (f)	53	43	43	57	57	42	37	21	46	28		
Number of projects funded (f)	40	28	28	27	27	27	26	20	38	24		
<i>Department of Conservation and Natural Resources</i>												
Percent of human caused wildland fires in NDF's jurisdiction investigated	96%	100%	100%	97%	97%	100%	100%	100%	100%	100%		
Number of State Park users (c)	3,305,115	3,296,020	3,219,061	3,207,537	3,215,606	3,343,053	3,004,037	3,150,693	3,008,942	N/A		
Number of State Park users per FTE employees (b)	23,940	26,054	26,054	24,391	24,391	22,915	22,915	27,586	27,586	N/A		
Number of State Park users per arrest (b), actual beginning 2005	139,495	131,749	131,749	50,027	54,920	66,552	49,301	94,441	153,375	94,570		

N/A = not available

Sources: Nevada Departments of Taxation, Personnel, Health and Human Services, Cultural Affairs, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

Notes:

- (a) See table 13 for public school enrollment.
- (b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Therefore, base year figures have been used for odd numbered years in this table.
- (c) Data based on calendar year.
- (d) Revised figures provided by Commission on Tourism for 2003-2006 and 2009.
- (e) Data prior to 2009 was based on calendar year.
- (f) Data from Executive Budget prior to 2006.



Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
State owned office space (square feet)	138,011	138,011	146,045	142,733	214,747	215,867	201,688	201,688	202,229	214,611
Vehicles (motor pool)	816	756	789	741	824	790	849	851	828	798
Health and Social Services										
State owned office space (square feet)	77,668	77,668	93,509	93,509	122,415	52,626	33,093	33,344	70,939	70,770
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	1	1	1	1	1	1	1	1	1	1
Youth correctional centers	2	2	3	3	3	3	3	3	2	2
Vehicles	272	267	249	251	241	240	225	232	219	193
Education and Support Services										
State owned office space (square feet)	19,767	19,767	19,767	19,767	28,200	28,200	28,200	27,949	28,031	28,200
Number of State museums	6	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
Law, Justice and Public Safety										
State owned office space (square feet)	385,428	400,108	459,331	478,724	550,648	540,125	596,564	596,564	646,446	646,223
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	20	20	20	21	21	19	20	20	20
Vehicles	1,022	1,049	1,020	1,065	1,091	1,067	1,172	1,217	1,199	1,161
Regulation of Business										
State owned office space (square feet)	77,954	77,954	72,259	71,811	107,547	107,547	107,547	107,547	106,027	102,038
Vehicles	240	238	250	283	279	285	292	293	323	263
Transportation										
State owned office space (square feet)	179,948	179,948	179,948	179,948	184,988	251,658	251,658	251,658	258,056	280,728
NDOT lane miles	13,203	13,196	13,199	13,199	13,087	13,131	13,137	13,055	13,055	13,055
NDOT bridges	994	1,005	997	1,015	1,025	1,045	1,092	1,092	1,092	1,109
NDOT vehicles	812	758	803	829	872	864	901	826	625	538
NDOT heavy equipment	1,751	1,814	1,802	1,826	1,875	1,900	1,913	1,886	2,033	2,058
NDOT maintenance stations (staffed)	45	45	45	45	41	51	48	45	45	42
Recreation and Resource Development										
State owned office space (square feet)	26,965	26,965	36,593	36,593	146,982	137,353	139,874	139,874	140,998	142,638
Number of State Parks	25	25	25	25	26	24	25	24	24	24
Acres of State Parks	132,590	132,590	132,800	132,800	132,800	132,800	132,117	145,750	145,750	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	116,888	118,993	118,993
Vehicles	913	940	927	1,007	998	803	811	854	919	805

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.

De ek Waḍapush
Cave Rock, Lake Tahoe, NV

Since the beginning of history "Rock Standing Grey" has been revered as a sacred place to be respected and avoided by all people except for Washoe healers seeking spiritual renewal.



In World War I, perhaps as many as one half of the Native American population were not U.S. citizens and were not eligible for the draft. Volunteer service was rewarded with U.S. citizenship. Including draftees and volunteers, some 10,000 Indians served in World War I. The service of these Indians contributed to the decision of Congress in 1924 to grant U.S. citizenship to all Native Americans.



Photos Provided by: Washoe Cultural Resource Office

Teddy James catch of Cutthroat Trout on the Truckee River in 1922.

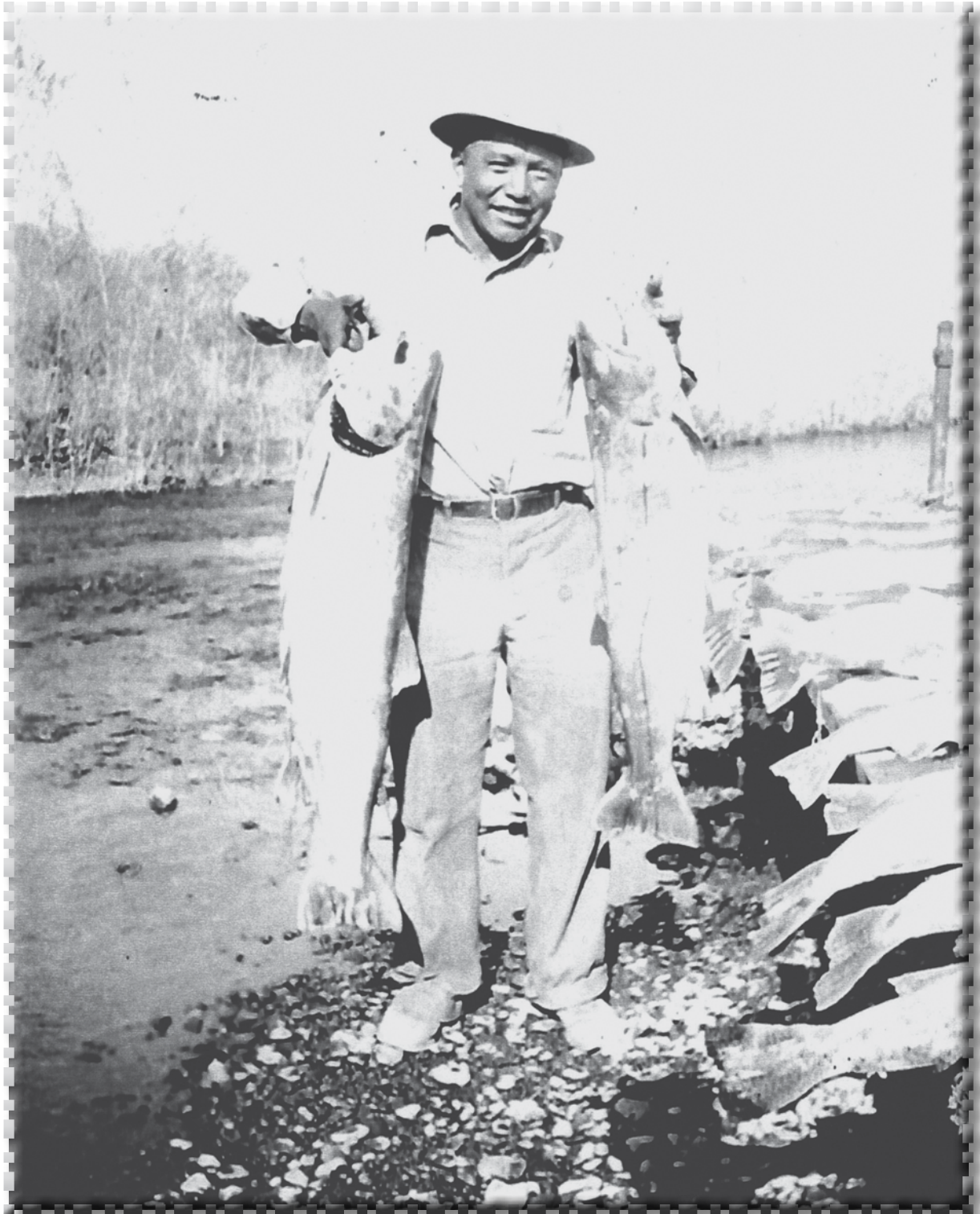


Photo Provided by: Washoe Cultural Resource Office

COMPLIANCE SECTION



Captain Pete met with the Local, State and Federal Government to negotiate for better treatment of the Washoe People.

Maggie James was the daughter of Captain Pete and Sarah Mayo. Both Mother and Daughter were considered exceptional basket makers.



Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Honorable 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, as of and for the year ended June 30, 2011, which collectively comprise the State of Nevada's basic financial statements and have issued our report thereon dated January 27, 2012. Our report includes 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, the Retirement Benefits Investment Fund, and the Division of Museums and History Dedicated Trust Fund as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of the Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Nevada'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 of Nevada'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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Kafoory, Armstrong & Co.

Reno, Nevada
January 27, 2012



Joseph Gossling, Architect No 9 Post St.
San Francisco

PHOTO. 7/24/35

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