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STATE OF NEVADA

Comprehensive Annual Financial Report

for the Fiscal Year
Ended June 30, 2008

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

SEAL OF THE STATE CONTROLLER OF
ALL FOR OUR COUNTRY
NEVADA

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

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

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

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

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

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

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

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

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

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

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

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

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

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December 15, 2008

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, 2008. This is the seventh CAFR prepared in conformance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. The objective of this Statement is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund-based financial statements.

Introduction to the Report

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

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

Generally Accepted Accounting Principles: As required by State Accounting Procedures Law, this report has been prepared in accordance with generally accepted accounting principles (GAAP) applicable to State and Local Governments as established by the Governmental Accounting Standards Board (GASB). The State also voluntarily follows the recommendations of the 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. Nevada is bordered by five other states, and over 80 percent of the 70,264,320 total acres of valleys and north-south mountain ranges are owned and managed by the federal government.

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

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

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

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

Financial Information

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

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

The Economic Forum, a group of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. During the course of the fiscal year, the Governor may take steps to reduce State appropriations if it appears that revenues have fallen below those originally anticipated. If the reductions exceed the thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval, as was necessary during fiscal year 2008 when $289 million was cut from budgeted programs.

Economic Outlook

Nevada state government has experienced a $1.5 billion projected revenue shortfall due to the economic down turn in the 2008-2009 budget years. Additional revenue shortfalls of 34% are expected in budget years 2010-2011. These shortfalls will translate into dramatic reductions in government services and programs throughout the state, both in the short and long terms. In addition, more than $30 billion is required for infrastructure improvements. Most of these are needed just to adequately serve the existing population without any continued population growth. Unfortunately, major capital projects tend to be the first items cut when government faces a budget shortfall.

The gaming industry is in the midst of what is possibly the most severe downturn ever. The gaming win is down by almost 2% from the previous year. Visitor volume is flat and the amount spent per visitor is decreasing. Hotel occupancy is down about 2% from 2007. The high price of fuel, higher unemployment rates and the foreclosure crisis are all seen as contributing to falling revenues for the gaming industry. In addition, several major resort projects have been put on hold and this will impact future budget revenues.

Unemployment in Nevada was 6.6% in July, well above the national average of 5.7%. The unemployment rate in the fourth quarter of 2009 is expected to be as high as 8.8%. This sharp increase is seen as a result of the downturn in the construction industry and the slow-down in the service and hospitality industries. The short term impact will be an increase in state services already straining under reduced budgets.

Nevada continues to have the highest foreclosure rate in the country. Foreclosure activity in June 2008 was up 85% over June 2007. The trend continues to worsen with foreclosure activity in October 2008 up 119% over October 2007. There are over 14,400 foreclosure filings in Nevada. We will continue to see a significant impact on our economy in the foreseeable future because of Nevada having the highest rate of subprime and adjustable rate mortgages in the nation.

Major Initiatives

Resource Development: Nevada is rich in solar, wind and geothermal resources giving Nevada the potential to address the challenge of dwindling fossil fuels and climate change.

In 2006 there was no significant solar power generation by utilities in Nevada. By the end of 2007, a 64 megawatt project at Boulder City and a 14 megawatt solar array at Nellis Air Force Base were completed, ranking Nevada first in solar power generation per capita and second in solar power development.

Nevada has been a major producer of geothermal power for years, with fifteen plants operating currently, and estimates for an additional 1,500 megawatts capacity in the near-term.

The State is ranked second in the southwest for wind power generation potential. A 2007 Department of Energy study examined the possible economic benefits of developing this resource. In their study they estimated a $1.1 billion cumulative boost to the economy for construction and operation of the wind power generation facilities. It does not include the potential revenue that will be generated.

Nevada has great potential to become an exporter of sustainable energy for the future.

Education: In an effort to improve the State's below national average graduation rates the State has implemented specific programs to encourage students to achieve their high school diploma.

Nevada GEAR UP begins when a student enters the seventh grade, and continues until they graduate as long as they are enrolled in a GEAR UP school and participation benchmarks are met. This program provides activities that will reinforce staying in school, passing proficiency tests and obtaining a college degree. Upon graduation from high school they are eligible for a GEAR UP grant which allows them to attend a Nevada college or university.

Clark County's "Keep Your Eyes on the CAP (Climate, Academics and Participation)" program objectives are to decrease the number of drop-outs, increase graduation rates, increase the quality of the graduates and reduce the number of students who have to take remedial college courses after graduating from high school. This program focuses on fostering a better learning environment, implementing a curriculum that balances the needs of the students while preparing them for high school and encouraging community and parental involvement.

The Nevada System of Higher Education procured a grant to participate in a two year project with Western Interstate Commission for Higher Education (WICHE) to increase the percentage of Nevadans enrolling in higher education and completing their college degrees. This program will target those who have attended college before but did not attain their degree.

Health and Human Services: Nevada has implemented a hotline and a website in an effort to provide resources and support for our seniors and persons with mental or physical disabilities. Nevada 2-1-1 and nevada211.org is a one stop resource for information on basic human needs, financial stability, programs for children and families, community crisis or disaster recovery and health and human services.

Transportation: Nevada needs an additional six billion dollars for major transportation infrastructure improvements. In an effort to solve this funding problem Nevada is looking at innovative methods for funding these projects. The Nevada Transportation Board has approved a Public-Private Partnership demonstration project along a portion of the I-15 corridor. This project is still subject to legislative approval as tolling will be part of the project. If the project is successful it will provide a much needed funding alternative for our current shortfall.

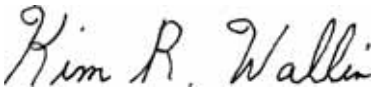
Awards and Acknowledgments

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, 2007. 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.

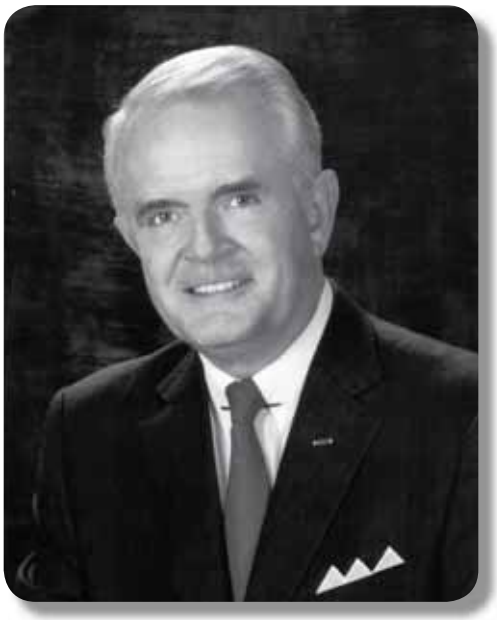
Acknowledgments and Conclusion: This report would not have been possible without the hard work, dedication and professionalism of my staff and the cooperation and assistance from all State Agencies, Legislature and the Judiciary. I sincerely appreciate the efforts of all the individuals involved. The 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



Jim Gibbons
Governor

Brian Krolicki
Lieutenant Governor

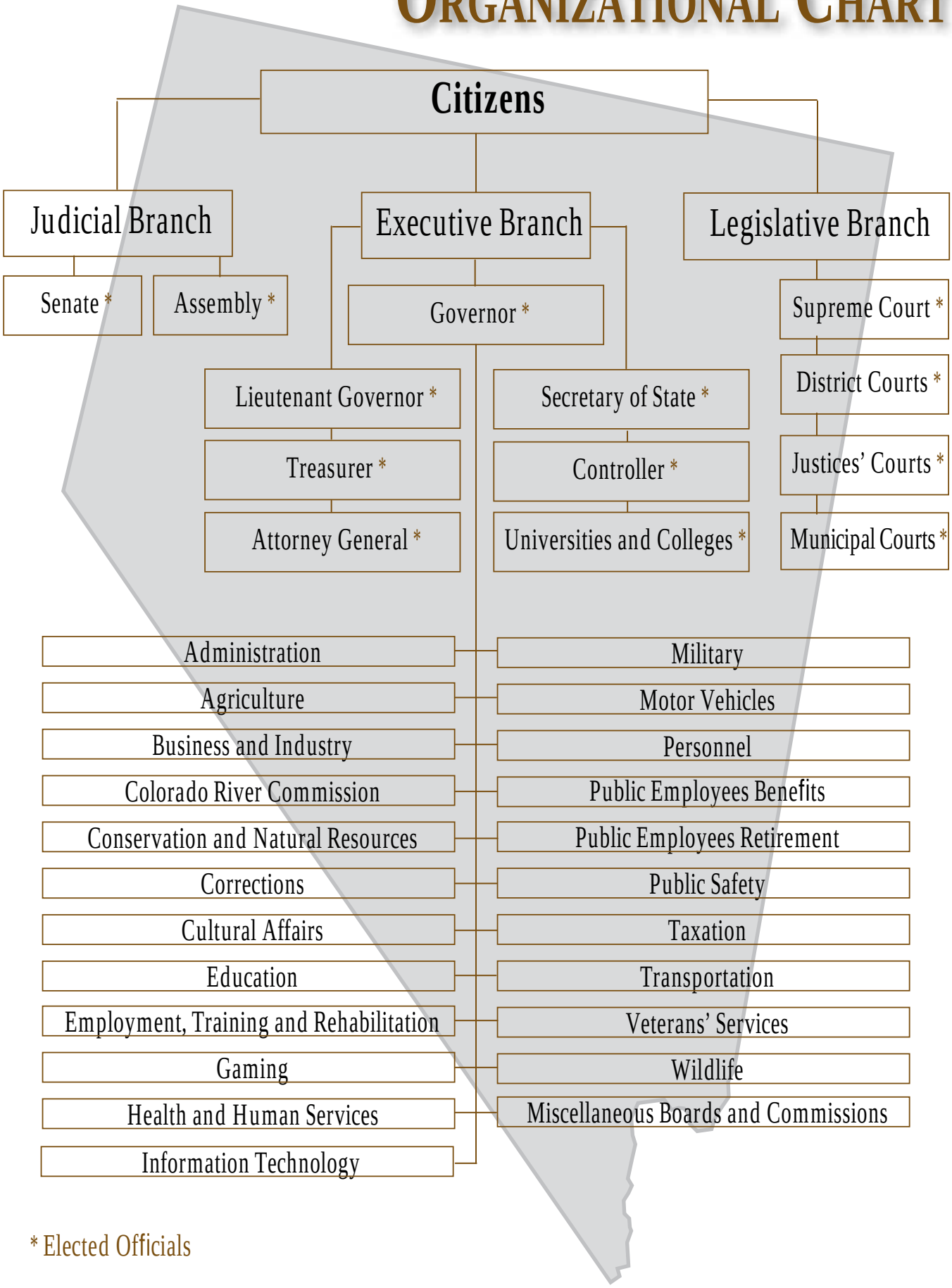
Ross Miller
Secretary of State

Kim R. Wallin
Controller

Kate Marshall
Treasurer

Catherine Cortez Masto
Attorney General

Organizational Chart



* Elected Officials

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Nevada

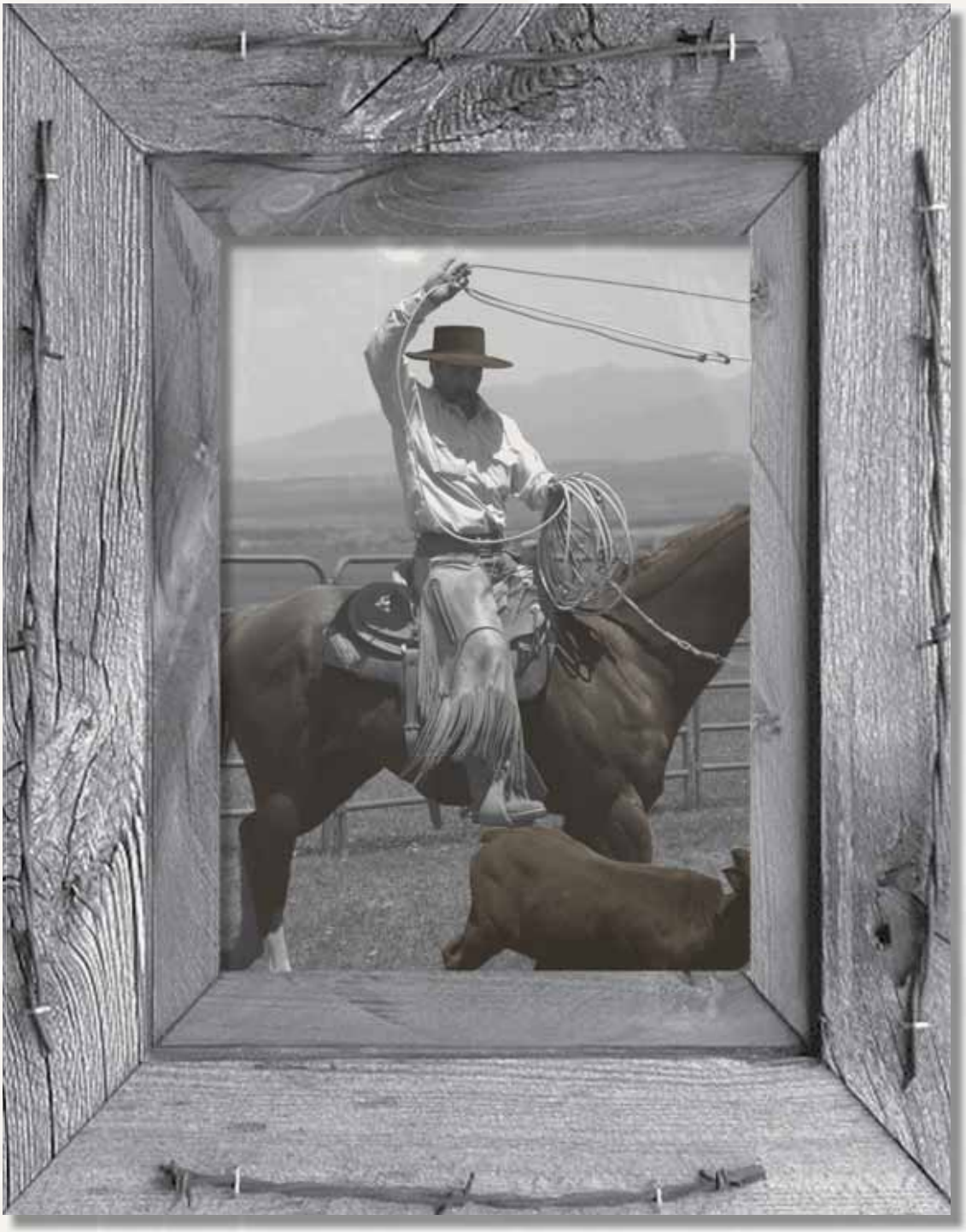
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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

President

Executive Director

Financial Section



KAFOURY ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2008, 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 43.0 percent of the assets, 13.3 percent of the net assets and 9.2 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 Internal Service Fund, which represent less than one percent of the assets, net assets and fund balances, and 6.8 percent of the revenues and additions of the aggregate remaining fund information;

- the financial statements of the Pension and Other Employee Benefit Trust Funds, which in the aggregate represent 75.5 percent of the assets, 76.7 percent of the net assets and fund balances, and 15.4 percent of the revenues and additions of the aggregate remaining fund information;

- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represents 13.9 percent of the assets, 16.3 percent of the net assets and fund balance, and 32.7 percent of the revenues and additions of the aggregate remaining fund information.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*,

issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance Internal Service Fund, the Pension and Other Employee Benefit Trust Funds, and the Nevada College Savings Plan –Private Purpose Trust 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008 on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 12 through 22, the budgetary comparison schedule, the notes to required supplementary information-budgetary reporting, the schedule of funding progress and the schedule of infrastructure condition and maintenance data, collectively on pages 84 through 88, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements, schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents 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 express no opinion on them.

Kafoury, Armstrong & Co.

Reno, Nevada
December 12, 2008

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, 2008. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

Highlights

Government-wide:

Net Assets – The assets of the State exceeded its liabilities at the close of the fiscal year ended June 30, 2008 by $5.8 billion (reported as *net assets*). Of the $5.8 billion in net assets, $2 billion was restricted and not available to meet the State's general obligations.

Changes in Net Assets – The State's total net assets decreased by $209.6 million in fiscal year 2008. Net assets of governmental activities decreased by $214.8 million (a 4.5% decrease) and net assets of the business-type activities increased by $5.3 million (a .4% increase).

Fund-level:

At the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of $2.1 billion, a decrease of $416.6 million from the prior year. Of this amount, $805.8 million represents the *unreserved fund balance.*

The State's enterprise funds reported combined ending net assets of $1.3 billion, an increase of $5.4 million from the prior year, attributable primarily to increases to the Housing Division and Water Projects Loans funds, which were partially offset by a decrease to the Unemployment Compensation fund. Of this amount, $10.3 million represents *unrestricted net assets.*

The State's fiduciary funds reported combined ending net assets of $28.2 billion, an increase of $4.4 billion from the prior year. This increase is due to a restatement of the July 1, 2007 net assets to include the Nevada College Savings Plan in the CAFR for the first time beginning with fiscal year 2008, and a current year increase in net assets attributed primarily to the Nevada College Savings Plan.

Long-term Debt (government-wide):

The net increase in the State's long-term debt obligations was $144 million (a 3.7% increase) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements:

The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net assets* presents *all* of the State's assets and liabilities, with the difference between the two reported as "net assets." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net assets changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide statements above report three types of activities:

Governmental Activities – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education and support services, law, justice and public safety, regulation of business, transportation, recreation and resource development, intergovernmental, interest on long-term debt and unallocated depreciation.

Business-type Activities – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

Discretely Presented Component Units – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. The State has two discretely presented component units – the Nevada System of Higher Education and the Colorado River Commission. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Fund Financial Statements:

A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

Governmental funds – Most of the State's basic services are reported in governmental funds. These funds focus on short-term inflows and outflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Notes to the Financial Statements:

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

Required Supplementary Information:

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of funding progress for certain pension trust funds and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:
Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information also contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

Government-wide Financial Analysis

The State's overall financial position and operations for the fiscal years ended June 30, 2008 and 2007 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
	2008	2007	2008	2007	2008	2007	2008-2007
Assets							
Current and other assets	$ 4,807,537	$ 5,943,502	$ 2,502,646	$ 2,402,662	$ 7,310,183	$ 8,346,164	$ (1,035,981)
Net capital assets	5,058,628	4,843,737	7,699	3,162	5,066,327	4,846,899	219,428
Total assets	9,866,165	10,787,239	2,510,345	2,405,824	12,376,510	13,193,063	(816,553)
Liabilities							
Current liabilities	2,393,723	3,139,163	74,712	80,515	2,468,435	3,219,678	(751,243)
Long-term liabilities	2,963,974	2,924,759	1,124,421	1,019,348	4,088,395	3,944,107	144,288
Total liabilities	5,357,697	6,063,922	1,199,133	1,099,863	6,556,830	7,163,785	(606,955)
Net Assets							
Invested in capital assets, net of related debt	3,522,177	3,486,155	3,393	2,783	3,525,570	3,488,938	36,632
Restricted	697,168	613,375	1,297,613	1,293,737	1,994,781	1,907,112	87,669
Unrestricted	289,123	623,787	10,206	9,441	299,329	633,228	(333,899)
Total net assets	$ 4,508,468	$ 4,723,317	$ 1,311,212	$ 1,305,961	$ 5,819,680	$ 6,029,278	$ (209,598)

Net Assets:
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The State's combined net assets (governmental and business-type activities) totaled $5.8 billion at the end of 2008, compared with $6.0 billion at the end of the previous year.

The largest portion of the State's net assets ($3.5 billion or 61%) 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 ($2 billion or 34%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported unrestricted net assets of $299 million as compared to $633 million in the prior year. This was primarily due to lower revenues in the form of gaming taxes, sales and use taxes, property taxes, and investment earnings. At the end of the current fiscal year, the State is able to report positive balances in all of the three categories of net assets, both for the government as a whole, as well as for its governmental activities and the business-type activities.

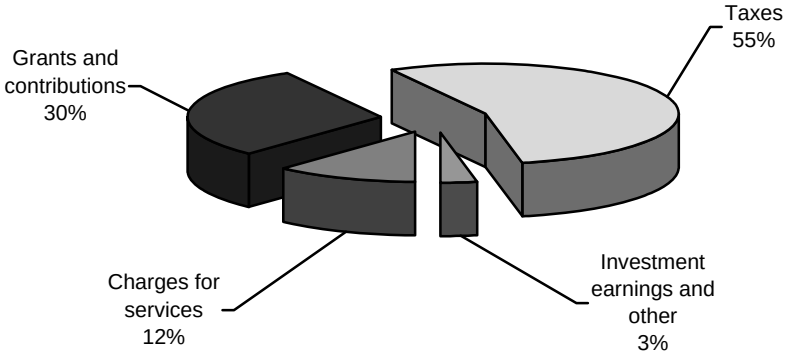
Changes in State of Nevada's Net Assets-Primary Government
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2008	2007	2008	2007	2008	2007	2008-2007
Revenues							
Program revenues							
Charges for services	$ 794,372	$ 785,836	$ 107,227	$ 103,044	$ 901,599	$ 888,880	$ 12,719
Operating grants and contributions	1,982,315	2,025,361	88,335	99,546	2,070,650	2,124,907	(54,257)
Capital grants and contributions	21,871	16,010	-	-	21,871	16,010	5,861
General revenues							
Sales and use taxes	1,101,741	1,149,456	-	-	1,101,741	1,149,456	(47,715)
Gaming taxes	1,011,506	1,029,044	-	-	1,011,506	1,029,044	(17,538)
Modified business taxes	297,161	282,729	-	-	297,161	282,729	14,432
Insurance premium taxes	256,847	261,378	-	-	256,847	261,378	(4,531)
Property and transfer taxes	280,896	296,498	-	-	280,896	296,498	(15,602)
Motor and special fuel taxes	297,087	300,182	-	-	297,087	300,182	(3,095)
Other taxes	425,250	427,110	374,565	372,742	799,815	799,852	(37)
Investment earnings	105,649	143,012	-	-	105,649	143,012	(37,363)
Other	115,508	99,476	-	-	115,508	99,476	16,032
Total Revenues	6,690,203	6,816,092	570,127	575,332	7,260,330	7,391,424	(131,094)
Expenses							
General government	439,682	421,291	-	-	439,682	421,291	18,391
Health and social services	2,454,843	2,340,884	-	-	2,454,843	2,340,884	113,959
Education and support services	2,381,731	2,254,626	-	-	2,381,731	2,254,626	127,105
Law, justice and public safety	650,657	624,149	-	-	650,657	624,149	26,508
Regulation of business	114,786	104,385	-	-	114,786	104,385	10,401
Transportation	576,815	680,281	-	-	576,815	680,281	(103,466)
Recreation and resource development	167,627	173,037	-	-	167,627	173,037	(5,410)
Interest on long-term debt	146,312	150,486	-	-	146,312	150,486	(4,174)
Unallocated depreciation	992	720	-	-	992	720	272
Unemployment insurance	-	-	439,632	296,784	439,632	296,784	142,848
Housing	-	-	43,953	46,152	43,953	46,152	(2,199)
Water loans	-	-	6,836	7,886	6,836	7,886	(1,050)
Workers' compensation and safety	-	-	26,258	25,381	26,258	25,381	877
Higher education	-	-	8,109	10,504	8,109	10,504	(2,395)
Other	-	-	20,496	16,424	20,496	16,424	4,072
Total Expenses	6,933,445	6,749,859	545,284	403,131	7,478,729	7,152,990	325,739
Excess (deficiency) in net assets before contributions to permanent funds and transfers	(243,242)	66,233	24,843	172,201	(218,399)	238,434	(456,833)
Contributions to permanent fund	8,801	12,208	-	-	8,801	12,208	(3,407)
Transfers	19,592	18,740	(19,592)	(18,740)	-	-	-
Change in net assets	(214,849)	97,181	5,251	153,461	(209,598)	250,642	(460,240)
Net assets - beginning of year	4,723,317	4,626,136	1,305,961	1,152,500	6,029,278	5,778,636	250,642
Net assets - end of year	$ 4,508,468	$ 4,723,317	$1,311,212	$1,305,961	$ 5,819,680	$ 6,029,278	$ (209,598)

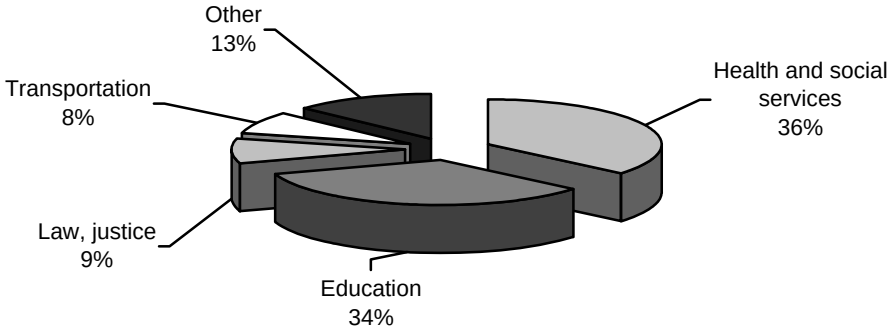
Changes in Net Assets:

Governmental activities –The net assets decreased by $214.8 million or 4.5%. Approximately 55% of the total revenue came from taxes, while 30% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 12% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were for health and social services (36%) and education (34%) (see chart below). In 2008, governmental activities expenses exceeded program revenues, resulting in the use of $4.1 billion in general revenues, which were generated to support the government.

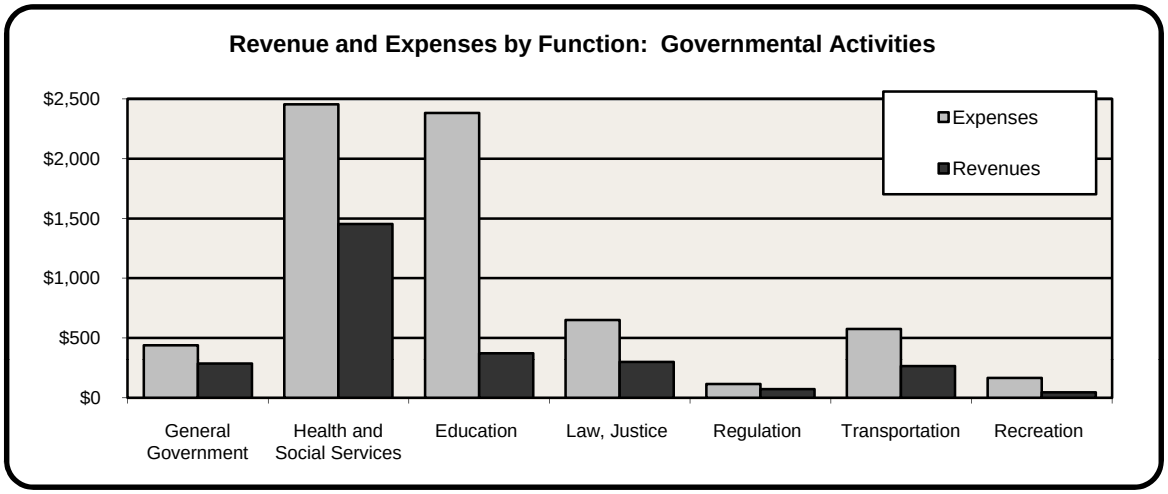
The following chart depicts the governmental activities revenues for the fiscal year:



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

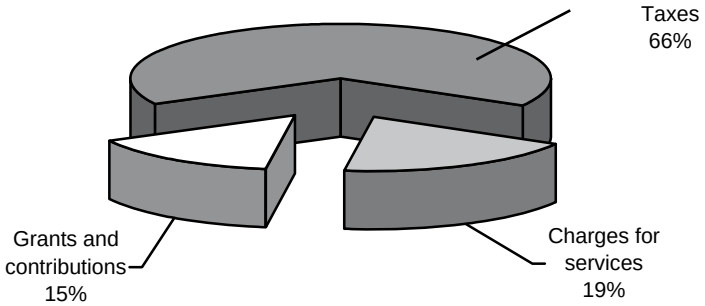


The following chart depicts the total program revenues and expenses for each function of governmental activities (expressed in millions):

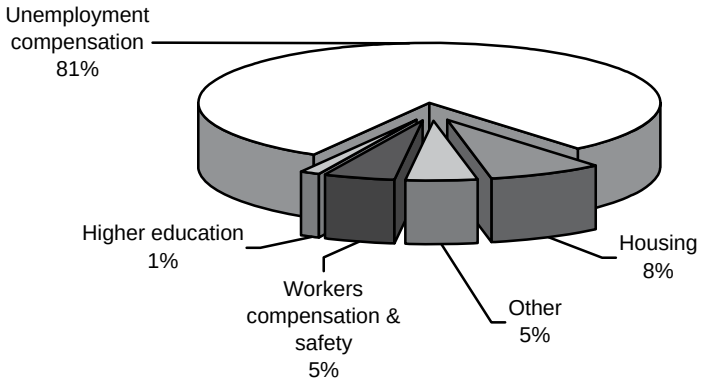


Business-type activities –The net assets increased by $5.3 million or .4%. Approximately 66% of the total revenue came from taxes, while 15% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 19% of the total revenues (see chart below). The State's business-type activities expenses cover a range of services. The largest expenses were for unemployment compensation (81%) and housing (8%) (see chart below). In 2008, business-type activities expenses exceeded program revenues by $350 million. Of this amount, unemployment compensation was the largest, with net expenses of $396 million, resulting in the use of $375 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

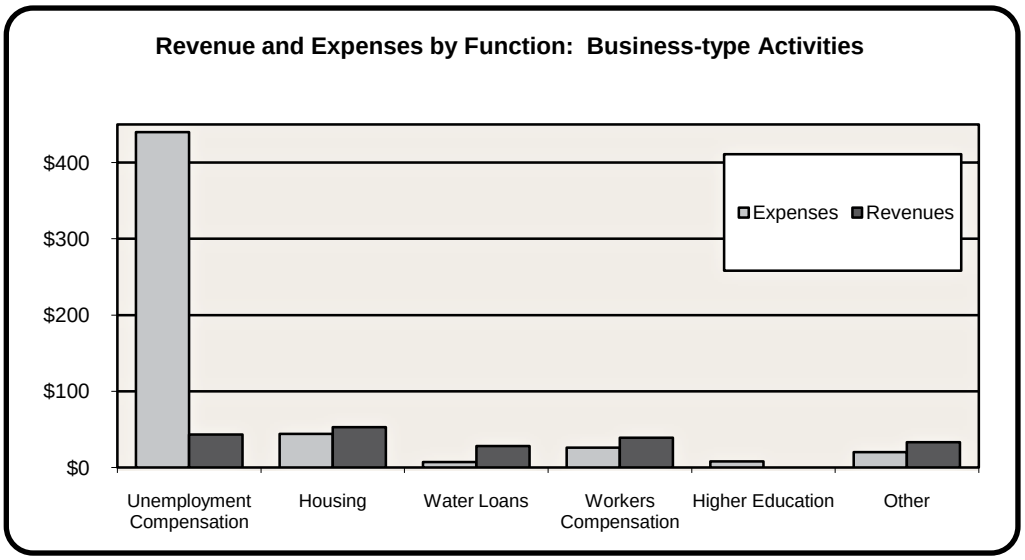
The following chart depicts the business-type activities revenues for the fiscal year:



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



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



In conclusion, the State government's overall financial position declined over the past fiscal year, with a $214.8 million decrease in the net assets of the governmental activities and only a $5.3 million increase in the net assets of the business-type activities. The change in net assets for governmental activities fell from a growth rate of 2.1% in the prior fiscal year to a decrease of 4.5% in the current year. The business-type activities dropped from growth of 13.3% in the prior fiscal year to .4% in the current year. This is a result of Nevada's economy stalling after several years of impressive growth. Both Nevada and the U.S. economy became affected as the housing sector continued to weaken and the financial markets collapsed. Tax revenues decreased in the current fiscal year by 2.8%, compared to an increase of 2.5% in the prior fiscal year, mainly caused by the slowdown in gaming, sales, property and transfer taxes. A stalling economy affected both the governmental and business-type activities. An increase in unemployment claims, mostly related to the drop in construction and financial services employment, was another reason for the fall in growth of business-type activities.

Financial Analysis of the State's Funds

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of $2.1 billion, a decrease of $416.6 million in comparison with the prior year. Approximately 37.8% of this total amount constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior fiscal year, to pay debt service, to be held in permanent trust funds or for a variety of other purposes. The major governmental funds are discussed individually below:

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund balance was $400 million. The fund balance decreased by $45 million during the current fiscal year, which is a 10.2% decrease from the prior year. This decrease was primarily due to a decrease in revenue as discussed below and an increase in spending on Medicaid.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2008 and 2007 (expressed in thousands). Other financing sources are not included.

General Fund Revenues *(expressed in thousands)*

	2008		2007		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	$ 993,530	19.1%	$ 1,013,323	19.3%	$ (19,793)	-2.0%
Sales taxes	1,088,024	20.8%	1,132,418	21.5%	(44,394)	-3.9%
Modified business taxes	284,601	5.5%	278,953	5.3%	5,648	2.0%
Insurance premium taxes	256,693	4.9%	259,275	4.9%	(2,582)	-1.0%
Property and transfer taxes	85,883	1.6%	120,375	2.3%	(34,492)	-28.7%
Motor and special fuel taxes	3,146	0.1%	3,040	0.1%	106	3.5%
Intergovernmental	1,751,697	33.6%	1,700,396	32.3%	51,301	3.0%
Other taxes	312,888	6.0%	305,536	5.8%	7,352	2.4%
Licenses, fees and permits	214,563	4.1%	212,700	4.0%	1,863	0.9%
Sales and charges for services	60,854	1.2%	56,292	1.1%	4,562	8.1%
Interest and investment income	91,737	1.8%	120,503	2.3%	(28,766)	-23.9%
Other revenues	69,736	1.3%	54,526	1.0%	15,210	27.9%
Total revenues	$ 5,213,352	100.0%	$ 5,257,337	100.0%	$ (43,985)	-0.8%

The total General Fund revenues decreased .8%. The largest declines in revenue sources were $44.4 million or 3.9% in sales tax, $34.5 million or 28.7% in property and transfer taxes, $28.8 million or 23.9% in interest and investment income, and $19.8 million or 2.0% in gaming taxes, fees and licenses. All are due to a slow down of the economy and collapse of the security and real estate markets. Increases in revenue sources were $15.2 million or 27.9% in other revenues and $7.4 million or 2.4% in other tax income. The primary cause of the increase were in penalties, fines, earnings from unclaimed property and an increase in minerals tax.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2008 and 2007 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures *(expressed in thousands)*

	2008		2007		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 146,808	2.7%	$ 148,010	2.8%	$ (1,202)	-0.8%
Health and social services	2,229,277	40.4%	2,145,702	41.1%	83,575	3.9%
Education and support services	44,375	0.8%	38,619	0.7%	5,756	14.9%
Law, justice and public safety	444,584	8.1%	418,187	8.0%	26,397	6.3%
Regulation of business	82,727	1.5%	78,608	1.5%	4,119	5.2%
Recreation, resource development	137,561	2.5%	117,645	2.3%	19,916	16.9%
Intergovernmental	2,427,716	44.0%	2,278,033	43.6%	149,683	6.6%
Debt service	1,633	0.0%	962	0.0%	671	69.8%
Total expenditures	$ 5,514,681	100.0%	$ 5,225,766	100.0%	$ 288,915	5.5%

The total General Fund expenditures increased 5.5%. Intergovernmental expenditures increased $150 million or 6.6% primarily due to intergovernmental expenditures for education, while expenditures for health and social services increased $84 million or 3.9%. The largest portion of this amount was for Medicaid.

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 $68 million during the current fiscal year, which is an 18% increase from the prior year. This increase is primarily due to bond proceeds received but not yet spent for construction and improvement projects. The unreserved fund balance is negative $188.8 million and the reserved balance is a positive $624.1 million.

The Municipal Bond Bank Fund is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by $277 million during the current fiscal year, which is a 44.8% decrease from the prior year. This decrease was primarily due to local governments refunding certain bonds and a decrease in interest and investment income.

The Consolidated Bond Interest and Redemption Fund is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance increased by $12.6 million during the current fiscal year, which is a 9% increase from the prior year. The increase was due primarily to the increase in property and transfer taxes used for debt service payments.

The Stabilize the Operations of State Government Fund (also known as the "Rainy Day" fund) is a special revenue fund used to account for funds set aside according to Nevada Revised Statutes (NRS) 353.288 to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and the Governor declare a fiscal emergency. The fund balance decreased by $192.8 million during the current fiscal year, which is 69.6% decrease from the prior year. This decrease was primarily due to a transfer of $195 million, bringing the fund balance to $84 million. The $195 million transfer was an appropriation to the General Fund as authorized by Senate Bill 1 of the 24th Special Session (2008). This special session of the Legislature was convened due to a shortfall and continuing decline in general fund revenues. Under NRS 353.288, there was no annual deposit transferred from General Fund due to a low unrestricted fund balance. On July 1, 2008 an additional $72 million was transferred per Senate Bill 1 of the 24th Special Session.

Proprietary Funds:

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

Enterprise Funds – There are three *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund and Water Projects Loans Fund. The combined net assets of the three major funds comprise 97% of the total combined net assets of all enterprise funds. The combined net assets of the enterprise funds increased by $5.4 million in 2008. 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 $8.5 million or 5.1% during the current fiscal year and the results of operations were down 27% from last year, due to the downturn of the housing market.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets decreased by $22 million during the current fiscal year, which is a 2% decrease from the prior year. An increase in unemployment due to the slowdown in the economy and the drop in construction and financial services employment resulted in a 48% increase in operating expenses compared to the previous year.

The Water Projects Loans Fund issues loans to governmental, as well as private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. Total revenues exceeded expenses and transfers by $19.8 million during the current fiscal year, for final net assets of $225 million, which is a 9.6% 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 2008, total internal service fund net assets decreased by $9.9 million, for a final net asset balance of $62.9 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. The fund had a net loss of $16 million for the year as compared to a net gain of $4 million in the prior year, with final net assets of $63 million. This year's loss was due to a 5% increase in premium income versus a 13% increase in total operating expenses. Operating expenses increased primarily as a result of higher claims and increased insurance premiums.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit decreased by $4.1 million or 13.9% during fiscal year 2008, to a total deficit of $26 million. This year's increase from operations was caused primarily by a 37% decrease in claims expense, and an 8% decrease in insurance premiums expense. NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account.

Analysis of General Fund Budget Variations

The General Fund total sources were $87 million or 1.2% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount.

The increase in the General Fund expenditures and other uses budget from original to final was $534 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. Non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions.

Some of the budget revisions included: $76 million in Education for federal grants for reading, improving education for the disadvantaged, improving teacher quality, grants for math and science, grants for State assessments, and school breakfast and lunch programs; $44 million in Public Safety for emergency management assistance grants; $36 million for public health, Medicaid, and welfare costs; $3 million in the Commodity Food program and $2 million for fire management assistance.

Capital Assets and Debt Administration

Capital Assets:

The State's capital assets for its governmental and business-type activities as of June 30, 2008, amount to $5.8 billion, net of accumulated depreciation of $763 million, leaving a net book value of $5.1 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on 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. Based on the 2007 assessments, the State has met the requirement of the modified approach, as follows:

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

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

Condition Level of the Bridges

Percentage of substandard bridges

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

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2008 by $8.5 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimated, condition levels are expected to continue to meet or exceed the target condition levels, as the most recent condition assessment indicates that the State already exceeds the established benchmarks in all categories. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of a growing population and economy, the State also has a substantial capital projects program. The following is a summary of major projects in progress during 2008 (expressed in millions):

	Expended by June 30, 2008	Total Budget
SDCC Housing Unit & Planning	$ 1.4	$ 65.5
GSF/Campos Office Building	3.7	62.9
SNWCC 400 Bed Expansion	18.6	59.2
High Desert State Prison Phase 5	22.8	53.1
Indian Springs Conservation Camp	4.1	49.9
High Desert State Prison Phase 4, Indian Springs	38.7	40.7
Housing Units - Pre-Engineered	28.7	29.3
Las Vegas Readiness Center	24.1	27.4
Fish Hatchery Refurbishment	22.7	23.2
Civil Support Team WMD Readiness Building	-	20.5

The total increase in the State's capital assets for the primary government for the current fiscal year was $380 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled $88.3 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 $4.1 billion in long-term debt outstanding, compared to $3.9 billion last year, an increase of $144 million or 3.7% during the current fiscal year. This increase was due primarily to the issuance of general obligation and special obligation bonds.

The most current bond ratings from Fitch, Standard and Poor's and Moody's Investor Service were AA+, AA+ and Aa1, respectively. These ratings reflect a good economic base and 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 2008 fiscal year were (expressed in thousands):

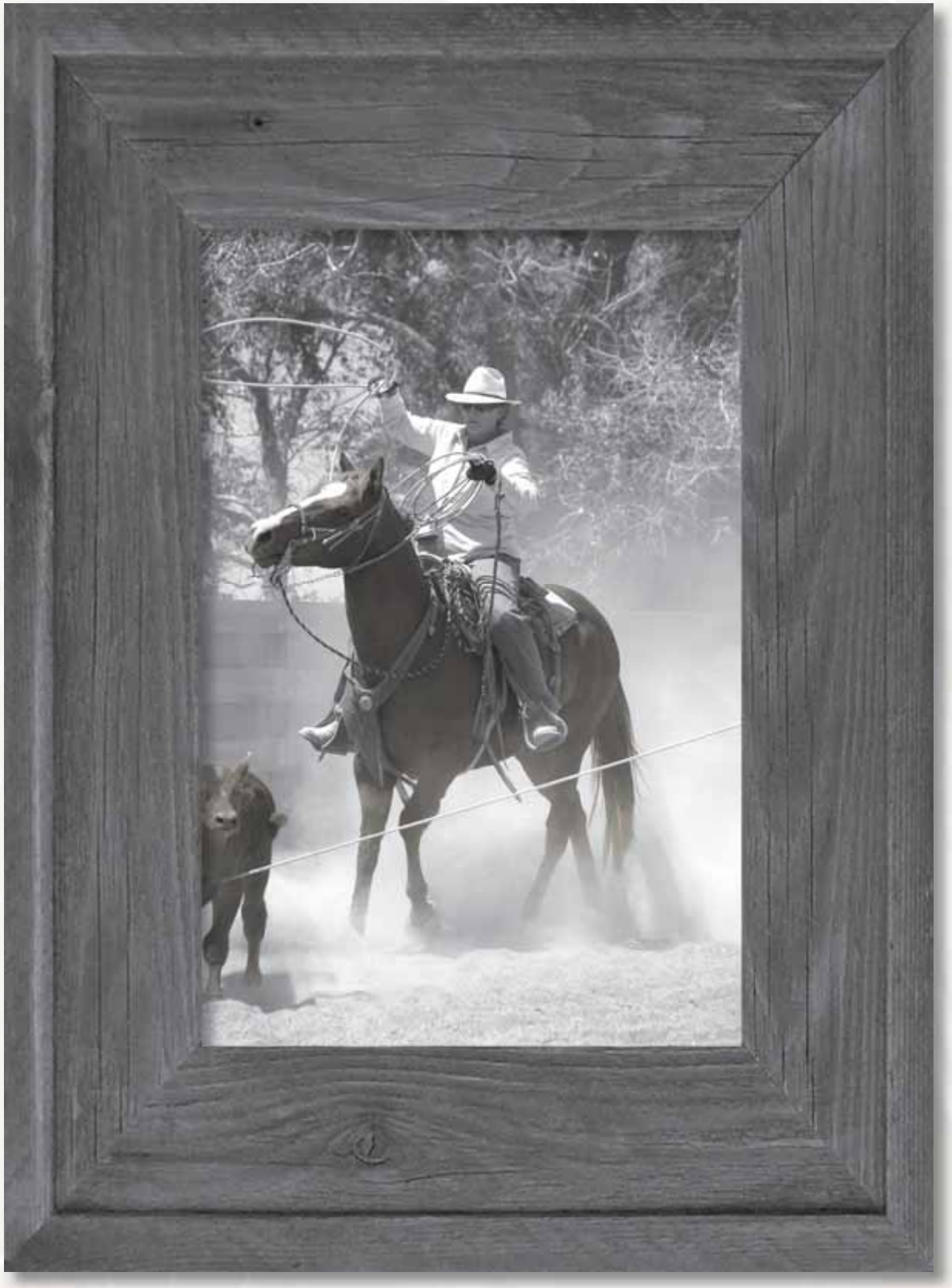
General Obligation Natural Resources	7/12/2007A	$	19,500
General Obligation Capital Improvements and Cultural Affairs	7/12/2007B		267,270
General Obligation Open Space, Parks and Natural Resources	7/12/2007C		4,500
Housing Single-Family 2007 Issue B	10/9/2007		40,000
Housing Multi-Unit Vintage at Laughlin	11/29/2007		11,000
Housing Multi-Unit Vista Creek	11/29/2007		21,000
Housing Multi-Unit Arby Road Apartments	12/4/2007		15,350
Housing Multi-Unit HELP Owens Apartments	12/5/2007		5,545
Housing Single-Family 2008 Issue A	4/3/2008		49,000
Natural Resources-Marlette Lake	4/22/2008A		5,445
General Obligation Natural Resources	4/22/2008A		17,100
General Obligation Open Space, Parks and Natural Resources	4/22/2008B		10,000
Special Obligation Highway Improvement Revenue	4/24/2008		129,970

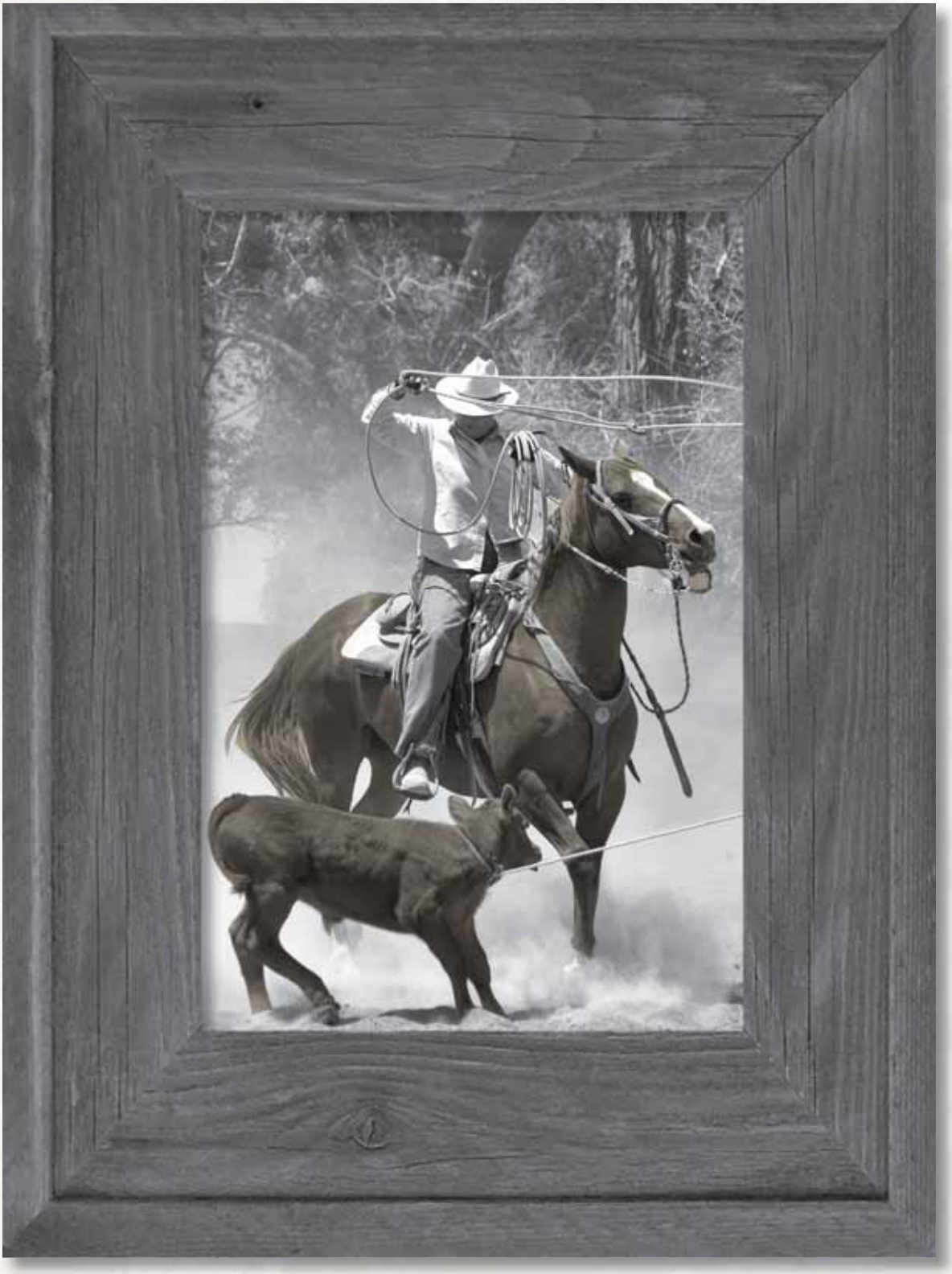
This list of new bonds does not agree completely with the schedule of additions to bonds payable as seen in Note 8 to the financial statements, due to the inclusion of accreted interest, deferred items and bonds redeemed prior to year-end.

Additional information on the State's long-term debt obligations can be found in Note 8 to the financial statements and in the Statistical Section.

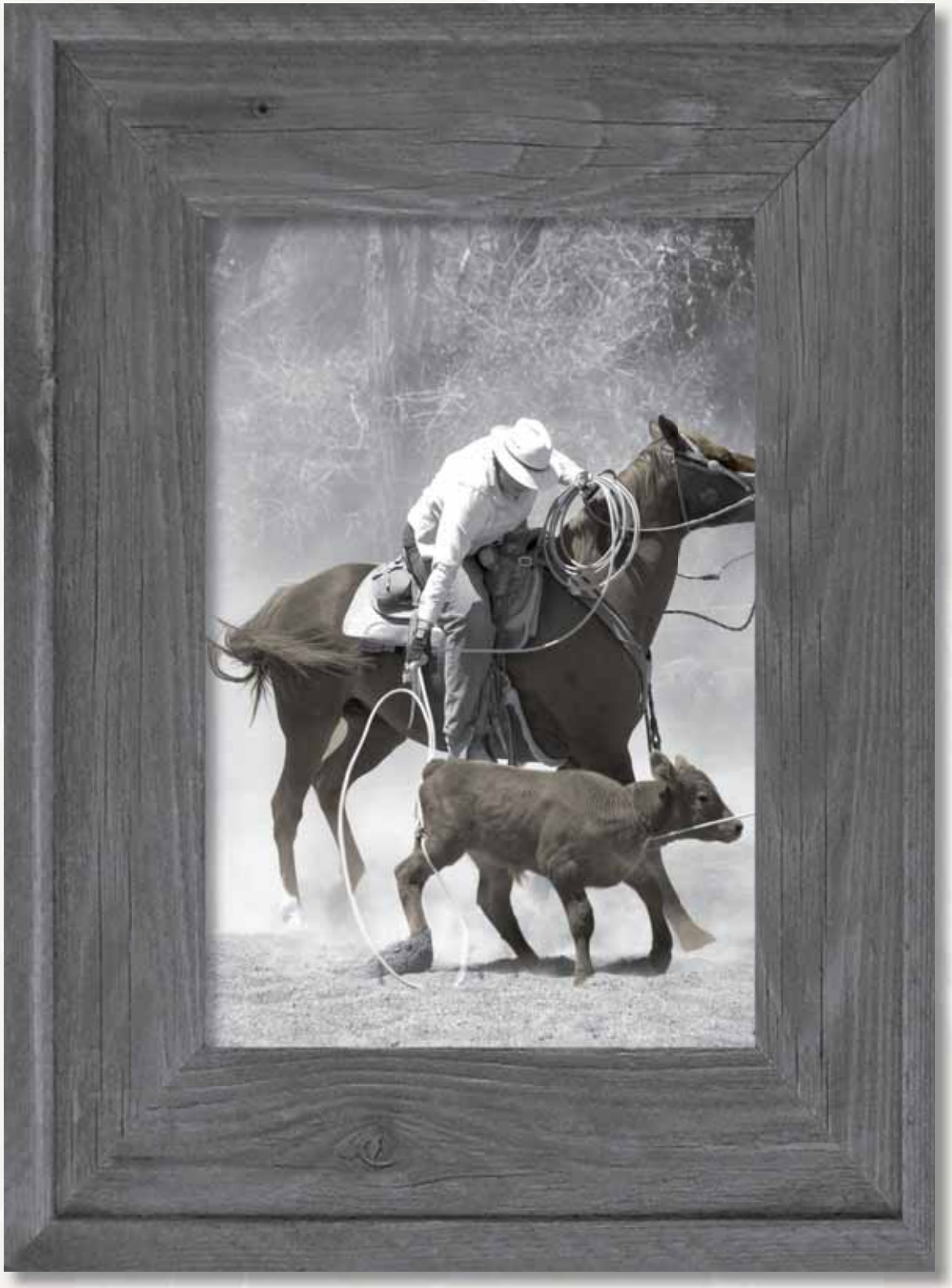
Requests for Information

This financial report is designed to provide a general overview of the State of Nevada's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701-4786 or visit our website at: www.controller.nv.gov.





Basic Financial Statements



Statement of Net Assets

NEVADA

June 30, 2008 (Expressed in Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Colorado River Commission	Nevada System of Higher Education
Assets					
Cash and pooled investments	$ 2,120,660	$ 846,141	$ 2,966,801	$ 5,157	$ 128,221
Investments	645,420	721,884	1,367,304	-	769,836
Collateral on loaned securities	654,043	24,544	678,587	3,873	-
Internal balances	2,085	(2,085)	-	-	-
Due from the state	-	-	-	185	145,868
Accounts receivable	79,472	3,561	83,033	20,157	102,539
Taxes/assessments receivable	834,301	121,517	955,818	-	-
Intergovernmental receivables	426,978	1,466	428,444	-	38,238
Accrued interest and dividends	17,842	17,549	35,391	77	-
Contracts receivable	-	17,768	17,768	-	-
Mortgages receivable	-	576,436	576,436	-	-
Notes/loans receivable	612	20,184	20,796	-	11,335
Other receivables	18	6,409	6,427	-	52,364
Inventory	12,491	1,702	14,193	-	6,474
Prepaid expenses	1,432	90	1,522	41,205	-
Deferred charges	12,183	3,703	15,886	-	-
Restricted assets:					
Cash	-	-	-	9,577	23,661
Investments	-	136,309	136,309	-	-
Other assets	-	5,468	5,468	-	60,971
Capital assets:					
Land, infrastructure and construction in progress	4,001,978	5,339	4,007,317	265	458,788
Other capital assets, net	1,056,650	2,360	1,059,010	60,565	1,331,488
Total assets	9,866,165	2,510,345	12,376,510	141,061	3,129,783
Liabilities					
Accounts payable	738,170	22,845	761,015	16,333	43,501
Accrued payroll and related liabilities	50,448	746	51,194	-	32,476
Intergovernmental payables	209,552	12	209,564	-	7,442
Interest payable	29,368	10,152	39,520	1,515	9,921
Due to component units	146,052	1	146,053	-	-
Contracts/retentions payable	86,819	-	86,819	-	-
Obligations under securities lending	654,043	24,544	678,587	3,873	-
Unearned revenues	344,443	9,648	354,091	507	41,178
Reserve for losses	76,436	-	76,436	-	-

Other liabilities	58,392	6,764	65,156	3,025	28,074
Long-term liabilities:					
Portion due or payable within one year:					
Obligations under capital leases	2,380	-	2,380	-	3,368
Compensated absences	66,591	1,034	67,625	161	30,960
Benefits payable	-	7,400	7,400	-	-
Bonds payable	190,621	21,683	212,304	5,089	17,150
Certificates of participation payable	1,290	-	1,290	-	-
Portion due or payable after one year:			-		
Obligations under capital leases	17,511	-	17,511	-	8,281
Compensated absences	32,801	581	33,382	63	14,392
Benefits payable	-	111,267	111,267	-	-
Bonds payable	2,594,175	982,407	3,576,582	102,169	449,227
Certificates of participation payable	58,030	-	58,030	-	-
Arbitrage rebate liability	575	49	624	-	-
Total liabilities	5,357,697	1,199,133	6,556,830	132,735	685,970
Net Assets					
Invested in capital assets, net of related debt	3,522,177	3,393	3,525,570	(3,836)	1,317,229
Restricted for:					
Unemployment compensation	-	867,244	867,244	-	-
Security of outstanding obligations	-	171,650	171,650	-	-
Workers' compensation	-	32,694	32,694	-	-
Capital projects	6,917	-	6,917	-	214,542
Debt service	34,040	-	34,040	-	10,686
Education and support services	3,031	-	3,031	-	-
Transportation	270,320	-	270,320	-	-
Recreation and resource development	46,486	224,980	271,466	-	-
Law, justice and public safety	8,103	-	8,103	-	-
Health and social services	28,839	-	28,839	-	-
Regulation of business	14,420	1,045	15,465	-	-
Municipal securities	84	-	84	-	-
Scholarships	-	-	-	-	274,784
Loans	-	-	-	-	6,211
Operations and maintenance	-	-	-	716	-
Funds held as permanent investments:					
Nonexpendable	284,906	-	284,906	-	257,068
Expendable	22	-	22	-	-
Unrestricted	289,123	10,206	299,329	11,446	363,293
Total net assets	$ 4,508,468	$ 1,311,212	$ 5,819,680	$ 8,326	$ 2,443,813

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

Statement of Activities

NEVADA

For the Fiscal Year Ended June 30, 2008 (Expressed in Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets				
					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Colorado River Commission	Nevada System of Higher Education
Primary Government									
Governmental activities:									
General government	$ 439,682	$ 254,198	$ 15,897	$ 16,672	$ (152,915)	$ -	$ (152,915)	$ -	$ -
Health and social services	2,454,843	147,785	1,307,463	-	(999,595)	-	(999,595)	-	-
Education and support services	2,381,731	2,789	369,896	-	(2,009,046)	-	(2,009,046)	-	-
Law, justice and public safety	650,657	257,355	42,067	412	(350,823)	-	(350,823)	-	-
Regulation of business	114,786	66,077	6,762	-	(41,947)	-	(41,947)	-	-
Transportation	576,815	28,073	234,320	3,644	(310,778)	-	(310,778)	-	-
Recreation and resource development	167,627	38,095	5,910	1,143	(122,479)	-	(122,479)	-	-
Interest on long-term debt	146,312	-	-	-	(146,312)	-	(146,312)	-	-
Unallocated depreciation	992	-	-	-	(992)	-	(992)	-	-
Total governmental activities	6,933,445	794,372	1,982,315	21,871	(4,134,887)	-	(4,134,887)	-	-
Business-type activities:									
Unemployment insurance	439,632	-	43,394	-	-	(396,238)	(396,238)	-	-
Housing	43,953	30,721	21,748	-	-	8,516	8,516	-	-
Water loans	6,836	8,978	18,594	-	-	20,736	20,736	-	-
Workers' compensation and safety	26,258	35,632	3,828	-	-	13,202	13,202	-	-
Higher education	8,109	52	13	-	-	(8,044)	(8,044)	-	-
Other	20,496	31,844	758	-	-	12,106	12,106	-	-
Total business-type activities	545,284	107,227	88,335	-	-	(349,722)	(349,722)	-	-
Total primary government	$ 7,478,729	$ 901,599	$ 2,070,650	$ 21,871	(4,134,887)	(349,722)	(4,484,609)	-	-
Component Units									
Colorado River Commission	$ 69,154	$ 68,452	$ -	$ -	-	-	-	(702)	-
Nevada System of Higher Education	1,483,083	490,302	366,262	849	-	-	-	-	(625,670)
Total component units	$ 1,552,237	$ 558,754	$ 366,262	$ 849	-	-	-	(702)	(625,670)

General revenues:					
Taxes:					
Gaming	974,979	-	974,979	-	-
Sales and use	999,457	-	999,457	-	-
Modified business	297,161	-	297,161	-	-
Insurance premium	256,847	-	256,847	-	-
Property and transfer	85,883	-	85,883	-	-
Motor and special fuel	3,146	-	3,146	-	-
Other	291,978	-	291,978	-	-
Restricted for unemployment compensation:					
Other taxes	-	374,565	374,565	-	-
Restricted for educational purposes:					
Sales and use taxes	102,284	-	102,284	-	-
Gaming taxes	34,945	-	34,945	-	-
Restricted for debt service purposes:					
Property and transfer taxes	170,462	-	170,462	-	-
Motor and special fuel taxes	84,338	-	84,338	-	-
Other	47,888	-	47,888	-	-
Restricted for recreation and resource development purposes:					
Other taxes	21,701	-	21,701	-	-
Restricted for health and social services purposes:					
Gaming taxes	1,582	-	1,582	-	-
Property and transfer taxes	24,551	-	24,551	-	-
Other taxes	36,136	-	36,136	-	-
Restricted for transportation purposes:					
Motor and special fuel taxes	209,603	-	209,603	-	-
Other taxes	23,652	-	23,652	-	-
Restricted for regulation purposes:					
Other taxes	3,895	-	3,895	-	-
Tobacco settlement income	46,264	-	46,264	-	-
Unrestricted investment earnings	105,075	-	105,075	721	3,112
Gain on sale of assets	574	-	574	-	-
Other general revenues	69,244	-	69,244	595	-
Contributions to permanent funds	8,801	-	8,801	-	35,645
Payments from State of Nevada	-	-	-	-	809,785
Transfers	19,592	(19,592)	-	-	-
Total general revenues and transfers	3,920,038	354,973	4,275,011	1,316	848,542
Change in net assets	(214,849)	5,251	(209,598)	614	222,872
Net assets - beginning	4,723,317	1,305,961	6,029,278	7,712	2,220,941
Net assets - ending	$ 4,508,468	$ 1,311,212	$ 5,819,680	$ 8,326	$2,443,813

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

Balance Sheet
Governmental Funds

June 30, 2008

	General Fund	State Highway	Municipal Bond Bank
Assets			
Cash and pooled investments:			
Cash with treasurer	$ 393,548,662	$ 447,108,094	$ 491,541
Cash in custody of other officials	3,530,906	136,189	-
Investments	21,298,002	-	340,445,000
Collateral on loaned securities	364,767,033	143,810,398	4,195,966
Receivables:			
Accounts receivable	41,818,568	6,728,722	-
Taxes receivable	798,537,264	28,116,130	-
Intergovernmental receivables	231,646,037	39,395,088	-
Accrued interest and dividends	13,569,964	-	1,566,739
Notes/loans receivable	455,667	-	-
Other receivables	15,830	-	-
Due from other funds	300,510,287	9,969,348	29,926
Due from fiduciary funds	3,165,165	-	-
Due from component units	483,650	-	-
Inventory	-	11,324,181	-
Advances to other funds	5,786,974	2,222	-
Prepaid items	1,217,138	55,383	-
Total assets	$ 2,180,351,147	$ 686,645,755	$ 346,729,172
Liabilities and Fund Balances			
Accounts payable and accruals:			
Accounts payable	$ 258,295,783	$ 25,644,867	$ -
Accrued payroll and related liabilities	33,600,265	12,663,222	-
Intergovernmental payables	194,472,148	11,814,861	-
Interest payable	-	-	-
Contracts/retentions payable	1,087,696	20,588,875	-
Obligations under securities lending	364,767,033	143,810,398	4,195,966
Due to other funds	36,327,292	2,371,599	437,442
Due to fiduciary funds	426,546,973	734,062	-
Due to component units	30,693,816	396,358	-
Deferred revenues	381,253,925	29,441,265	1,569,032
Bonds payable	-	-	-
Other liabilities	53,555,127	3,905,758	-
Total liabilities	1,780,600,058	251,371,265	6,202,440
Fund balances:			
Reserved:			
Encumbrances and contracts	7,628,651	612,679,155	-
Inventories	-	11,324,181	-
Advances	5,786,974	2,222	-
Funds held as permanent investments	-	-	-
Fiscal emergency	-	-	-
Debt service	-	-	-
Other	1,672,805	55,383	-
Unreserved, designated for balances forward	350,327,548	-	-
Unreserved, designated for approved capital projects	1,937,227	-	-
Unreserved, designated, reported in nonmajor:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Unreserved, undesignated	32,397,884	(188,786,451)	340,526,732
Unreserved, undesignated, reported in nonmajor:			
Special revenue funds	-	-	-
Permanent funds	-	-	-
Total fund balances	399,751,089	435,274,490	340,526,732
Total liabilities and fund balances	$ 2,180,351,147	$ 686,645,755	$ 346,729,172

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

Consolidated Bond Interest and Redemption	Stabilize the Operations of State Government	Other Governmental Funds	Total Governmental Funds
$ 160,342,774	$ 278,501,095	$ 709,662,416	$ 1,989,654,582
-	-	165,048	3,832,143
-	-	283,676,746	645,419,748
45,469,950	2,885,754	66,405,963	627,535,064
-	-	25,482,958	74,030,248
-	-	7,647,256	834,300,650
140,899,436	-	7,949,106	419,889,667
-	-	2,705,216	17,841,919
-	-	36,669	492,336
-	-	1,725	17,555
2,821,133	1,370,561	21,708,243	336,409,498
-	-	471,281	3,636,446
6,560,000	-	11,291	7,054,941
-	-	877,790	12,201,971
1,807,639	-	-	7,596,835
-	-	147,374	1,419,895
$ 357,900,932	$ 282,757,410	$ 1,126,949,082	$ 4,981,333,498
$ 151,964	$ 295	$ 14,106,316	$ 298,199,225
-	-	2,949,209	49,212,696
-	140,500	3,115,144	209,542,653
3,748,836	-	-	3,748,836
-	-	65,142,020	86,818,591
45,469,950	2,885,754	66,405,963	627,535,064
44,283	195,433,000	102,662,747	337,276,363
-	-	21,388	427,302,423
-	-	126,414,803	157,504,977
146,790,192	9,744	24,690,391	583,754,549
10,180,000	-	-	10,180,000
-	-	882,762	58,343,647
206,385,225	198,469,293	406,390,743	2,849,419,024
-	-	142,807,619	763,115,425
-	-	877,790	12,201,971
1,807,639	-	-	7,596,835
-	-	284,905,644	284,905,644
-	72,632,516	-	72,632,516
149,708,068	-	34,039,957	183,748,025
-	-	184,043	1,912,231
-	-	-	350,327,548
-	-	-	1,937,227
-	-	4,413,200	4,413,200
-	-	17,402,506	17,402,506
-	11,655,601	-	195,793,766
-	-	235,905,930	235,905,930
-	-	21,650	21,650
151,515,707	84,288,117	720,558,339	2,131,914,474
$ 357,900,932	$ 282,757,410	$ 1,126,949,082	$ 4,981,333,498

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

NEVADA

June 30, 2008

Total fund balances - governmental funds		$ 2,131,914,474
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	$ 129,272,291	
Construction in progress	240,455,261	
Infrastructure assets	3,119,560,188	
Rights-of-way	512,357,896	
Buildings	1,163,607,481	
Improvements other than buildings	104,615,231	
Furniture and equipment	322,745,040	
Software costs	134,122,733	
Accumulated depreciation/amortization	(703,768,515)	
Total capital assets		5,022,967,606
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.		239,575,444
A portion of the interest accrued on bonds payable (not reported in the funds) is due from local governments.		1,565,740
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.		62,979,797
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.		575,174
Certain bond costs are reported as a deferred charge on the statement of net assets and are amortized over the life of the debt.		11,609,770
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	(2,765,775,781)	
Accrued interest on bonds	(25,618,861)	
Arbitrage rebate liability	(575,145)	
Certificates of participation	(59,320,000)	
Capital leases	(15,127,733)	
Compensated absences	(96,302,023)	
Total long-term liabilities		(2,962,719,543)
Net assets of governmental activities		$ 4,508,468,462

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, 2008

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	$ 993,529,780	$ -	$ -
Sales taxes	1,088,024,037	-	-
Modified business taxes	284,600,418	-	-
Insurance premium taxes	256,693,189	-	-
Property and transfer taxes	85,882,799	-	-
Motor and special fuel taxes	3,146,425	209,603,385	-
Other taxes	312,887,431	23,652,011	-
Intergovernmental	1,751,696,515	237,653,479	-
Licenses, fees and permits	214,563,165	185,509,347	-
Sales and charges for services	60,854,171	18,467,342	-
Interest and investment income	91,737,176	25,450,313	30,131,373
Tobacco settlement income	-	-	-
Land sales	-	-	-
Other	69,736,429	20,547,784	-
Total revenues	5,213,351,535	720,883,661	30,131,373
Expenditures			
Current:			
General government	146,807,578	7,414,194	22,464
Health and social services	2,229,277,024	-	-
Education and support services	44,375,079	-	-
Law, justice and public safety	444,584,088	155,235,303	-
Regulation of business	82,727,124	-	-
Transportation	-	612,492,595	-
Recreation and resource development	137,560,527	-	-
Intergovernmental	2,427,716,453	39,875,173	-
Capital outlay	-	-	-
Debt service:			
Principal	809,362	372,953	-
Interest, fiscal charges	683,036	21,129	-
Debt issuance costs	140,236	543,230	-
Total expenditures	5,514,680,507	815,954,577	22,464
Excess (deficiency) of revenues over expenditures	(301,328,972)	(95,070,916)	30,108,909
Other Financing Sources (Uses)			
Capital leases	2,926,281	-	-
Sale of general obligation bonds	17,373,769	129,651,881	-
Premium on general obligation bonds	331,541	5,886,325	-
Sale of capital assets	136,197	10,873,312	-
Transfers in	339,687,070	23,833,993	-
Transfers out	(104,465,358)	(7,330,571)	(307,012,370)
Total other financing sources (uses)	255,989,500	162,914,940	(307,012,370)
Net change in fund balances	(45,339,472)	67,844,024	(276,903,461)
Fund balances, July 1 (as restated)	445,090,561	367,430,466	617,430,193
Fund balances, June 30	$ 399,751,089	$ 435,274,490	$ 340,526,732

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

Consolidated Bond Interest and Redemption	Stabilize the Operations of State Government	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 14,986,311	$ 1,008,516,091
-	-	-	1,088,024,037
-	-	-	284,600,418
-	-	-	256,693,189
170,461,698	-	24,550,863	280,895,360
-	-	84,337,795	297,087,605
-	-	36,112,603	372,652,045
18,483,122	-	50,237,338	2,058,070,454
-	-	32,656,409	432,728,921
-	-	16,085,813	95,407,326
7,856,938	454,212	29,375,702	185,005,714
-	-	45,975,956	45,975,956
-	-	2,502,573	2,502,573
1,122,581	-	14,068,132	105,474,926
197,924,339	454,212	350,889,495	6,513,634,615
2,380,648	119,256	55,915,246	212,659,386
-	-	68,962,006	2,298,239,030
-	-	864,421	45,239,500
-	35,433	17,296,135	617,150,959
-	-	22,116,654	104,843,778
-	-	-	612,492,595
-	-	28,786,251	166,346,778
274,525	328,425	166,781,501	2,634,976,077
-	-	167,959,311	167,959,311
374,665,000	-	49,123,305	424,970,620
109,734,924	-	32,742,312	143,181,401
956,767	-	799,735	2,439,968
488,011,864	483,114	611,346,877	7,430,499,403
(290,087,525)	(28,902)	(260,457,382)	(916,864,788)
-	-	-	2,926,281
956,504	-	300,397,224	448,379,378
-	-	11,642,681	17,860,547
-	-	479,375	11,488,884
319,801,235	2,000,000	78,665,311	763,987,609
(18,041,895)	(194,762,280)	(112,737,527)	(744,350,001)
302,715,844	(192,762,280)	278,447,064	500,292,698
12,628,319	(192,791,182)	17,989,682	(416,572,090)
138,887,388	277,079,299	702,568,657	2,548,486,564
$ 151,515,707	$ 84,288,117	$ 720,558,339	$ 2,131,914,474

Net change in fund balances - total governmental funds		$ (416,572,090)
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	$295,926,061	
Depreciation expense	(80,595,326)	
Excess of capital outlay over depreciation expense		215,330,735
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	(448,840,000)	
Premiums on debt issued	(17,860,547)	
Total bond proceeds		(466,700,547)
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.		(2,926,281)
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	422,643,315	
Certficates of participation retirement	1,135,000	
Capital lease payments	4,445,338	
Total long-term debt repayment		428,223,653
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.		(9,772,052)
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 increased by this amount this year.		37,629,995
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		(3,358,851)
In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.		2,400,328
Amortization of bond issuance costs is reported as an expense for the statement of activities.		(790,287)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(4,480,416)
Amortization of bond premiums is reported as a reduction of interest expense for the statement of activities.		8,632,809
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Net decrease in accrued interest	(1,341,596)	
Increase in compensated absences	(1,548,443)	
Decrease in arbitrage liability	423,939	
Total additional expenditures		(2,466,100)
Change in net assets of governmental activities		$ (214,849,104)

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

Statement of Net Assets
Proprietary Funds

June 30, 2008

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and pooled investments:						
Cash with treasurer	$ 567,064	$ -	$ 46,750,444	$ 52,409,268	$ 99,726,776	$127,172,948
Cash in custody of other officials	130,881	745,554,825	-	728,532	746,414,238	100
Investments	69,885,296	-	-	-	69,885,296	-
Collateral on loaned securities	-	-	13,873,316	10,670,440	24,543,756	26,508,050
Receivables:						
Accounts receivable	-	-	-	3,545,368	3,545,368	1,803,943
Assessments receivable	-	121,517,399	-	-	121,517,399	-
Intergovernmental receivables	-	-	537,674	928,599	1,466,273	4,284,784
Contracts receivable	-	-	-	4,500,000	4,500,000	-
Mortgages receivable	9,330,047	-	-	-	9,330,047	-
Accrued interest and dividends	3,411,722	9,129,378	4,129,186	550,477	17,220,763	-
Notes/loans receivable	-	-	-	-	-	10,000
Trades pending settlement	-	-	-	6,409,304	6,409,304	-
Due from other funds	16,388	-	624,927	1,693,261	2,334,576	5,949,762
Due from fiduciary funds	-	-	-	16,112	16,112	1,097
Due from component units	-	-	-	275	275	3,826,915
Inventory	-	-	-	1,701,620	1,701,620	288,688
Prepaid expenses	-	-	-	90,123	90,123	12,132
Restricted assets:						
Investments	113,187,038	-	-	-	113,187,038	-
Total current assets	196,528,436	876,201,602	65,915,547	83,243,379	1,221,888,964	169,858,419
Noncurrent assets:						
Investments	287,222,590	-	265,744,640	99,031,043	651,998,273	-
Receivables:						
Intergovernmental receivables	-	-	-	-	-	1,238,326
Contracts receivable	-	-	-	13,267,489	13,267,489	-
Mortgages receivable	567,106,002	-	-	-	567,106,002	-
Accrued interest and dividends	-	-	-	327,855	327,855	-
Notes/loans receivable	-	-	18,668,252	1,515,469	20,183,721	110,000
Deferred charges	2,156,207	-	1,445,877	101,367	3,703,451	-
Due from component units	-	-	-	-	-	585,348
Restricted assets:						
Investments	23,121,618	-	-	-	23,121,618	-
Other assets	5,452,833	-	-	15,000	5,467,833	-
Capital assets:						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	21,619,036
Improvements other than buildings	-	-	-	630,647	630,647	713,667
Furniture and equipment	382,517	-	43,947	4,997,882	5,424,346	50,044,765
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	4,771,763	4,771,763	201,341
Less accumulated depreciation/ amortization	(325,255)	-	(39,849)	(6,718,858)	(7,083,962)	(52,373,208)
Total noncurrent assets	885,116,512	-	285,862,867	121,896,309	1,292,875,688	37,594,039
Total assets	1,081,644,948	876,201,602	351,778,414	205,139,688	2,514,764,652	207,452,458

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable and accruals:						
Accounts payable	$ 12,252,134	$ 8,957,903	$ 80,080	$ 1,459,345	$ 22,749,462	$ 6,130,406
Accrued payroll and related liabilities	70,966	-	14,058	661,322	746,346	1,235,105
Interest payable	8,030,315	-	2,061,496	60,304	10,152,115	-
Intergovernmental payables	-	-	-	12,342	12,342	9,426
Trades pending settlement	-	-	-	6,750,305	6,750,305	-
Bank overdraft	-	-	-	-	-	6,531,140
Obligations under securities lending	-	-	13,873,316	10,670,440	24,543,756	26,508,050
Due to other funds	6,266	-	394,403	3,399,223	3,799,892	3,617,581
Due to fiduciary funds	-	-	-	95,601	95,601	7,207
Due to component units	-	-	-	1,387	1,387	14,285
Unearned revenues	-	-	-	9,647,845	9,647,845	263,580
Other liabilities	-	-	-	13,412	13,412	48,500
Short-term portion of long-term liabilities:						
Compensated absences	131,379	-	29,819	872,327	1,033,525	1,973,902
Benefits payable	-	-	-	7,400,000	7,400,000	-
Bonds payable	14,447,000	-	7,134,733	101,710	21,683,443	514,720
Obligations under capital leases	-	-	-	-	-	1,335,792
Total current liabilities	34,938,060	8,957,903	23,587,905	41,145,563	108,629,431	48,189,694
Noncurrent liabilities:						
Advances from funds	-	-	-	540,305	540,305	7,056,530
Reserve for losses	-	-	-	-	-	76,435,933
Compensated absences	111,000	-	21,296	448,886	581,182	1,116,059
Benefits payable	-	-	-	111,267,000	111,267,000	-
Bonds payable	871,748,000	-	103,150,830	7,507,656	982,406,486	8,325,694
Obligations under capital leases	-	-	-	-	-	3,427,794
Arbitrage rebate liability	-	-	34,005	14,886	48,891	-
Total noncurrent liabilities	871,859,000	-	103,206,131	119,778,733	1,094,843,864	96,362,010
Total liabilities	906,797,060	8,957,903	126,794,036	160,924,296	1,203,473,295	144,551,704
Net Assets						
Invested in capital assets, net of related debt	57,262	-	4,098	3,331,880	3,393,240	22,056,365
Restricted for:						
Unemployment compensation	-	867,243,699	-	-	867,243,699	-
Security of outstanding obligations	171,650,549	-	-	-	171,650,549	-
Workers' compensation	-	-	-	32,693,772	32,693,772	-
Revolving loans	-	-	224,980,280	-	224,980,280	-
Regulation of business	-	-	-	1,044,950	1,044,950	-
Unrestricted (deficit)	3,140,077	-	-	7,144,790	10,284,867	40,844,389
Total net assets	$ 174,847,888	$ 867,243,699	$ 224,984,378	$ 44,215,392	1,311,291,357	$ 62,900,754

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.	(79,043)
Net assets of business-type activities	$1,311,212,314

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

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

NEVADA

For the Fiscal Year Ended June 30, 2008

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues						
Net premium income	$ -	$ -	$ -	$ -	$ -	$ 290,483,455
Sales	-	-	-	12,608,714	12,608,714	3,141,836
Assessments	-	374,564,552	-	31,007,062	405,571,614	-
Charges for services	-	-	6,000	16,071,689	16,077,689	48,519,224
Rental income	-	-	-	243,377	243,377	20,956,489
Interest income on loans/notes	27,205,208	-	8,971,817	45,644	36,222,669	-
Federal government	-	5,176,629	15,875,289	-	21,051,918	-
Licenses, fees and permits	-	-	-	6,531,102	6,531,102	-
Fines	-	-	-	2,565,744	2,565,744	-
Other	3,516,319	-	-	3,379,740	6,896,059	2,949,531
Total operating revenues	30,721,527	379,741,181	24,853,106	72,453,072	507,768,886	366,050,535
Operating Expenses						
Salaries and benefits	1,845,690	-	421,232	17,310,628	19,577,550	32,946,835
Operating	2,195,938	-	764,590	17,498,010	20,458,538	38,496,737
Claims and benefits expense	-	439,632,233	-	14,642,674	454,274,907	215,471,386
Interest on bonds payable	38,051,396	-	-	-	38,051,396	-
Materials or supplies used	-	-	-	4,245,733	4,245,733	1,188,408
Servicers' fees	167,302	-	-	-	167,302	-
Depreciation	13,374	-	1,480	434,473	449,327	5,746,206
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	158,797	-	153,489	-	312,286	-
Insurance premiums	-	-	-	-	-	83,964,471
Total operating expenses	42,432,497	439,632,233	1,340,791	54,131,518	537,537,039	379,346,424
Operating income (loss)	(11,710,970)	(59,891,052)	23,512,315	18,321,554	(29,768,153)	(13,295,889)
Nonoperating Revenues (Expenses)						
Interest and investment income	20,041,304	38,217,248	2,718,447	(2,425,928)	58,551,071	4,731,458
Interest expense	-	-	(5,491,028)	(628,956)	(6,119,984)	(1,395,040)
Bond issuance costs amortization	-	-	-	(1,291)	(1,291)	-
Federal grant revenue	1,707,195	-	-	2,081,280	3,788,475	-
Federal grant expense	(1,506,842)	-	-	-	(1,506,842)	-
Gain (loss) on disposal of assets	-	-	-	18,900	18,900	132,342
Arbitrage rebate	-	-	(3,525)	(14,886)	(18,411)	-
Total nonoperating revenues (expenses)	20,241,657	38,217,248	(2,776,106)	(970,881)	54,711,918	3,468,760
Income (loss) before transfers	8,530,687	(21,673,804)	20,736,209	17,350,673	24,943,765	(9,827,129)
Transfers						
Transfers in	-	-	-	3,076,236	3,076,236	363,259
Transfers out	-	-	(960,949)	(21,707,444)	(22,668,393)	(408,710)
Change in net assets	8,530,687	(21,673,804)	19,775,260	(1,280,535)	5,351,608	(9,872,580)
Net assets, July 1	166,317,201	888,917,503	205,209,118	45,495,927		72,773,334
Net assets, June 30	$ 174,847,888	$ 867,243,699	$ 224,984,378	$ 44,215,392		$ 62,900,754

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.	(100,528)
Change in net assets of business-type activities	$ 5,251,080

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, 2008

	Enterprise Funds					
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	$ 8,522,396	$ 372,765,633	$ 6,000	$ 72,266,457	$ 453,560,486	$ 55,949,294
Receipts for interfund services provided	145,025	1,268,742	-	5,334,181	6,747,948	243,840,690
Receipts from component units	-	-	-	-	-	67,814,411
Receipts of principal on loans/notes	95,595,993	-	22,937,132	246,113	118,779,238	-
Receipts of interest on loans/notes	32,797,009	-	8,882,230	89,713	41,768,952	-
Receipts from federal government	-	5,176,629	15,337,616	-	20,514,245	-
Payments to suppliers, other governments and beneficiaries	(9,312,892)	(440,615,451)	(582,406)	(26,796,618)	(477,307,367)	(314,307,518)
Payments to employees	(1,690,850)	-	(406,535)	(16,413,474)	(18,510,859)	(31,290,514)
Payments for interfund services	(369,910)	-	(64,085)	(6,513,348)	(6,947,343)	(19,727,765)
Payments to component units	-	-	-	(2,566,906)	(2,566,906)	(162,733)
Purchase of loans and notes	(89,103,905)	-	(24,430,825)	(329,807)	(113,864,537)	-
Net cash provided by (used for) operating activities	36,582,866	(61,404,447)	21,679,127	25,316,311	22,173,857	2,115,865
Cash flows from noncapital financing activities						
Grant receipts	1,001,203	-	-	1,676,691	2,677,894	-
Proceeds from sale of bonds	141,895,000	-	-	-	141,895,000	-
Transfers and advances from other funds	-	-	-	3,178,826	3,178,826	4,192,248
Principal paid on noncapital debt	(38,007,000)	-	(6,915,000)	-	(44,922,000)	-
Interest paid on noncapital debt	(37,338,508)	-	(5,139,889)	-	(42,478,397)	-
Transfers and advances to other funds	-	-	(612,867)	(24,153,445)	(24,766,312)	(317,205)
Other noncapital financing activities	(1,789,910)	-	-	-	(1,789,910)	-
Net cash provided by (used for) noncapital financing activities	65,760,785	-	(12,667,756)	(19,297,928)	33,795,101	3,875,043
Cash flows from capital and related financing activities						
Transfers from (reversions to) other funds	-	-	-	-	-	(344,179)
Proceeds from capital debt	-	-	-	5,390,252	5,390,252	-
Proceeds from sale of capital assets	-	-	-	18,900	18,900	224,713
Purchase of capital assets	(47,987)	-	-	(516,898)	(564,885)	(4,228,114)
Principal paid on capital debt	-	-	-	(56,024)	(56,024)	(4,026,193)
Interest paid on capital debt	-	-	-	(103,938)	(103,938)	(119,978)
Construction	-	-	-	(4,075,022)	(4,075,022)	-
Net cash provided by (used for) capital and related financing activities	(47,987)	-	-	657,270	609,283	(8,493,751)
Cash flows from investing activities						
Proceeds from sale of investments	408,511,070	-	-	176,835,417	585,346,487	-
Purchase of investments	(530,325,892)	-	-	(180,782,866)	(711,108,758)	-
Interest and dividends received	19,954,709	29,766,497	2,036,551	5,019,043	56,776,800	3,634,889
Net cash provided by (used for) investing activities	(101,860,113)	29,766,497	2,036,551	1,071,594	(68,985,471)	3,634,889
Net increase (decrease) in cash	435,551	(31,637,950)	11,047,922	7,747,247	(12,407,230)	1,132,046
Cash and cash equivalents, July 1	262,394	777,192,775	35,702,522	45,390,553	858,548,244	126,041,002
Cash and cash equivalents, June 30	$ 697,945	$ 745,554,825	$ 46,750,444	$ 53,137,800	$ 846,141,014	$ 127,173,048

	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)	$ (11,710,970)	$ (59,891,052)	$ 23,512,315	$ 18,321,554	$ (29,768,153)	$ (13,295,889)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	13,373	-	1,480	434,473	449,326	5,746,206
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	158,797	-	153,489	-	312,286	-
Interest on bonds payable	38,051,396	-	-	-	38,051,396	-
Decrease (increase) in loans and notes receivable	9,460,143	-	(1,646,576)	(7,754)	7,805,813	-
Decrease (increase) in accrued interest and receivables	2,309,861	(530,177)	236,511	2,449,800	4,465,995	2,936,311
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	(397,910)	(397,910)	(8,938)
Increase (decrease) in accounts payable, accruals, other liabilities	(1,699,734)	(983,218)	(578,092)	4,516,148	1,255,104	5,205,794
Total adjustments	48,293,836	(1,513,395)	(1,833,188)	6,994,757	51,942,010	15,411,754
Net cash provided by (used for) operating activities	$ 36,582,866	$ (61,404,447)	$ 21,679,127	$ 25,316,311	$ 22,173,857	$ 2,115,865
Noncash investing, capital and financing activities						
Capital assets leased or acquired	$ -	$ -	$ -	$ -	$ -	$ 3,076,395
Gain (loss) on disposal of assets	-	-	-	18,900	18,900	132,342
Advance for capital asset acquisition	-	-	-	524,995	524,995	-
Construction completed or in progress	-	-	-	387,223	387,223	(2,227,039)
Increase (decrease) in fair value of investments	(90,627)	-	(45,952)	(8,004,925)	(8,141,504)	(63,501)

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

Statement of Fiduciary Net Assets
Fiduciary Funds

NEVADA

June 30, 2008

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 1,754,604	$ -	$ 5,164,819	$ 103,371,972
Cash in custody of other officials	377,474,322	-	4,379,319	89,540,214
Investments:				
Investments	19,164,902	1,201,422,902	4,733,355,639	145,908,926
Fixed income securities	6,570,329,084	-	-	-
Marketable equity securities	9,173,828,498	-	-	-
International securities	4,588,353,107	-	-	-
Mortgage loans	8,837	-	-	-
Real estate	1,179,621,748	-	-	-
Alternative investments	539,741,424	-	-	-
Collateral on loaned securities	2,872,607,768	-	-	1,241,275
Receivables:				
Accrued interest and dividends	88,498,168	7,880,606	1,702,637	-
Taxes receivable	-	-	-	12,170,538
Trades pending settlement	197,701,351	-	53,643	-
Intergovernmental receivables	84,479,940	-	-	-
Contributions receivable	-	-	5,434,614	-
Other receivables	-	-	-	34,929,316
Due from other funds	66,781	-	255,198	427,083,252
Due from fiduciary funds	14,890,881	-	-	12,524,545
Due from component unit	4,421,488	-	-	-
Other assets	1,676,282	-	-	-
Furniture and equipment	31,663,385	-	-	-
Accumulated depreciation	(27,063,157)	-	-	-
Total assets	25,719,219,413	1,209,303,508	4,750,345,869	826,770,038
Liabilities				
Accounts payable and accruals:				
Accounts payable	11,423,717	134,872	1,837,348	-
Accrued payroll and related liabilities	-	-	-	47,325
Intergovernmental payables	-	1,731,917	7,327	509,363,817
Redemptions payable	-	-	1,896,194	-
Trades pending settlement	569,255,692	-	4,368,864	-
Bank overdraft	-	-	15,000	-
Obligations under securities lending	2,872,607,768	-	-	1,241,275
Due to other funds	1,097	3,005,762	646,796	-
Due to fiduciary funds	513	-	27,486	27,387,427
Other liabilities:				
Deposits	-	-	-	280,743,462
Other liabilities	-	-	-	7,986,732
Total liabilities	3,453,288,787	4,872,551	8,799,015	826,770,038
Net Assets				
Held in trust for:				
Employees' pension benefits	22,240,265,835	-	-	-
OPEB benefits	25,664,791	-	-	-
Individuals, organizations and other governments	-	1,204,430,957	4,741,546,854	-
Total net assets	$ 22,265,930,626	$ 1,204,430,957	$ 4,741,546,854	$ -

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, 2008

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
Contributions:			
Employer	$ 1,233,361,989	$ -	$ -
Plan members	88,044,528	-	-
Participants	-	-	1,662,119,192
Repayment and purchase of service	43,353,636	-	-
Total contributions	1,364,760,153	-	1,662,119,192
Investment income:			
Net increase (decrease) in fair value of investments	(1,455,121,967)	7,391,630	(449,556,220)
Interest, dividends	655,611,060	46,284,310	130,577,268
Securities lending income	176,210,785	5,560,045	-
Other	62,429,450	-	-
	(560,870,672)	59,235,985	(318,978,952)
Less investment expense:			
Cost of securities lending	(156,421,093)	(5,359,493)	-
Other	(27,931,956)	(568,185)	-
Net investment income	(745,223,721)	53,308,307	(318,978,952)
Other:			
Investment from local governments	-	1,204,599,159	-
Reinvestment from interest income	-	29,704,916	-
Other	2,420,200	-	-
Total other	2,420,200	1,234,304,075	-
Total additions	621,956,632	1,287,612,382	1,343,140,240
Deductions			
Principal redeemed	-	1,129,963,643	630,943,737
Benefit payments	1,069,358,525	-	19,354,340
Refunds	16,830,212	-	-
Contribution distributions	2,615,779	-	-
Dividends to investors	-	30,965,090	-
Administrative expense	8,818,048	135,758	19,475,947
Total deductions	1,097,622,564	1,161,064,491	669,774,024
Change in net assets	(475,665,932)	126,547,891	673,366,216
Net assets, July 1 (as restated)	22,741,596,558	1,077,883,066	4,068,180,638
Net assets, June 30	$ 22,265,930,626	$ 1,204,430,957	$ 4,741,546,854

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

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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.

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

Discretely Presented Component Units: Per the provisions of GASB Statement No. 14, a component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, and the component unit does not provide services entirely or almost entirely to the primary government. The following discretely presented component units are reported in separate columns in the basic financial statements to emphasize they are legally separate from the State.

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

The *Colorado River Commission* (CRC) is a legally separate entity responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three appointed by the board of directors of the Southern Nevada Water Authority. Bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides 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

Legislators' Retirement System
Carson City, NV

Judicial Retirement System
Carson City, NV

Nevada System of Higher Education
Reno, NV

Colorado River Commission
Las Vegas, NV

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of 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 are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management but can be removed or modified.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues. In general, internal activity has been eliminated from the Statement of Activities. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as

separate columns in the fund financial statements with non-major funds being combined into a single column.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter. The State considers revenues as available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 12, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

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

The State reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized.

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

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

The *General Fund* is the State's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The *State Highway Fund* accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

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

The *Consolidated Bond Interest and Redemption Fund* accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State.

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

The State reports the following major enterprise funds:

The *Housing Division Fund* accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

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

The *Water Projects Loans Fund* accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

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 and prison industry.

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

Fiduciary Fund Types:
Pension and Other Employee Benefit Trust Funds - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool and the Nevada Enhanced Savings Term.

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

Agency Funds - report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples of funds in this category include motor vehicle, veterans' custodial and child welfare.

D. Assets, Liabilities and Net Assets/Fund Balance

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Assets and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

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

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

The Local Government Investment Pool and Nevada Enhanced Savings Term Investment Trust are investment trust funds as defined in Governmental Accounting Standards Board Statement No. 31. The investments in these funds are subject to the general limitation of section 355.170 of Nevada Revised Statutes. 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 investment trust funds.

Derivative securities are priced and accounted for at fair value. For exchange-traded securities, such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives, such as collateralized mortgage obligations (CMO), mortgage backed securities, and asset

backed securities, commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets.

Investments are discussed further in Note 3.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts.

Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Significant receivable balances not expected to be collected within one year are presented in Note 4.

Interfund Transactions - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.

2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

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

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

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

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable and as a reservation of fund balance to maintain the accountability and to disclose properly the amount available for appropriation (unreserved fund balance). Repayments are credited to the receivable and corresponding reductions are made in the reserve. A summary of interfund advances is presented in Note 5.

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Assets at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of $5,000 or more for furniture and equipment, or $100,000 or more for buildings and improvements, and an estimated useful life in excess of one year.

Infrastructure, such as roads and bridges, was capitalized for the first time in the year ended June 30, 2002. 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. However, the State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.
In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment.

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

Compensated Absences - Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund

types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability in the fund financial statements. On the Statement of Net Assets, the total accrued compensated absences for both proprietary and governmental fund types is reported. Fiduciary funds are not included in the Statement of Net Assets.

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

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

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

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

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

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

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

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

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

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

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

E. Intergovernmental Assistance Programs

The State participates in various federal award programs. Federal awards are received by the State in both cash and noncash forms. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized (as they become susceptible to accrual [measureable and available] under the modified accrual basis of accounting.) The State considers revenues as available if they are collected within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Note 2 - Budgetary and Legal Compliance

Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. The Legislative Interim Finance Committee (LIFC) must approve revisions of more than $20,000 that would increase or decrease program expenditures by the lesser of 10% of the level approved by the Legislature or $50,000. Revisions not exceeding this threshold require only budget director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Fund, a Special Revenue Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling $7,910,686 were made in the 2008 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 and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units. The Office of the State Treasurer is responsible for oversight of the deposits and investments for the State of Nevada.

A. Deposits

Primary Government, Pension and Other Employee Benefit Trust, and Investment Trust Funds - the State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The Nevada Revised Statutes direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2008, the bank balance of the primary government, pension and other employee benefit trust, and investment trust funds totaled $759,752,339, of which $724,729 was uncollateralized and uninsured.

Component Units - at June 30, 2008, the bank balance of the component units totaled $151,882,000 of which $83,822,000 was uncollateralized and uninsured.

B. Investments

Nevada Revised Statute (NRS) 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed at Note 1 under Assets, Liabilities and Net Assets/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP) and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP and NVEST are investment trust funds governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. LGIP and NVEST are discussed further under Note 1, Assets, Liabilities and Net Assets/Fund Balance. 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.

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

Primary Government, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State does not have a written interest rate risk policy. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Lehman Aggregate Index benchmark. If securities are purchased outside the Lehman Aggregate Index, they must be of investment grade rating by at least two of Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/ Fitch, Baa3 or better by Moody's). The following table provides information about the interest rate risks associated with the State's investments (expressed in thousands):

		Maturities in Years			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	$ 2,336,981	$ 135,981	$ 792,681	$ 445,983	$ 962,336
Negotiable certificates of deposit	90,002	90,002	-	-	-
U. S. agencies	3,258,833	2,227,634	687,127	19,050	325,022
Mutual funds	77,679	77,679	-	-	-
Repurchase agreements	113,805	113,805	-	-	-
Asset backed corporate securities	1,681,999	300	100,791	43,473	1,537,435
Corporate bonds and notes	1,335,942	32,247	469,504	388,995	445,196
Commercial paper	124,970	124,970	-	-	-
Fixed income securities	1,174,305	1,300	33,200	7,900	1,131,905
International investments	1,360,601	2,803	717,873	292,354	347,571
Municipal bonds	606,189	-	9,057	30,025	567,107
Investment agreements	17,487	7,542	-	-	9,945
Other short-term investments	170,851	170,851	-	-	-
Collateralized mortgage obligations	361,392	6,700	19,973	53,367	281,352
Total	$ 12,711,036	$ 2,991,814	$ 2,830,206	$ 1,281,147	$ 5,607,869

Private Purpose Trust – Nevada College Savings Plan currently has no formal investment policy with regard to interest rate risk for the investments. Investments having interest rate risk are all invested in mutual funds with various maturities from 31 days to 9 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 operat-

ing investment pools. With regard to the trusts included in endowment, 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. The following table provides the segmented time distribution for these investments at June 30, 2008 (expressed in thousands):

Less than 1 year	$ 14,162
1 to 5 years	45,168
6 to 10 years	44,508
More than 10 years	19,327

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

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

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 State's investments as of June 30, 2008 were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard and Poor's rating scale (expressed in thousands):

		Quality Rating						
	Fair Value	AAA	AA	A	BBB	BB	B	Unrated
Negotiable certificates of deposit	$ 90,002	$ -	$ -	$ 90,002	$ -	$ -	$ -	$ -
U.S. agencies	3,256,337	2,012,534	-	1,243,803	-	-	-	-
Mutual funds	77,679	77,403	-	-	-	-	-	276
Repurchase agreements	113,805	113,805	-	-	-	-	-	-
Asset backed corporate securities	350,599	327,487	3,928	1,700	684	-	-	16,800
Corporate bonds and notes	1,335,942	264,524	249,320	471,686	334,800	9,400	-	6,212
Commercial paper	124,970	-	-	124,970	-	-	-	-
Fixed income securities	1,174,305	35,500	5,500	7,500	2,600	-	-	1,123,205
International investments	1,354,400	598,667	464,671	234,057	56,300	-	-	705
Municipal bonds	606,190	-	606,190	-	-	-	-	-
Investment agreements	17,487	1,125	6,149	9,792	-	-	421	-
Other short-term investments	169,750	169,750	-	-	-	-	-	-
Collateralized mortgage obligations	244,592	229,292	2,800	6,000	-	-	-	6,500
Total	$ 8,916,058	$3,830,087	$1,338,558	$2,189,510	$ 394,384	$ 9,400	$ 421	$ 1,153,698

Quality ratings for the Public Employees' Retirement System (PERS) U.S agency investments of $2.301 billion have been assigned by PERS' custodial bank, The Bank of New York Mellon, and are not included in the table above. As of June 30, 2008, the State of Nevada held equity and debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed.

Private Purpose Trust - Nevada College Savings Plan currently has no formal investment policy with regard to credit risk for the investments. It has a total investment of $4.733 billion in unrated mutual funds with the Columbia 529 Plan, Upromise 529 Plan, USAA College Saving Plan, and Vanguard 529 Plan that is not included in the table of Quality Rating.

(Note 3 Continued)

Component Unit - the Nevada System of Higher Education's (NSHE) policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating 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, 2008 is as follows (expressed in thousands):

		Quality Rating			
	Fair Value	AAA	AA	A	Unrated
Corporate bonds	$ 1,206	$ 51	$ 733	$ 344	$ 78
Commingled U.S. bond funds	55,324	-	-	-	55,324
Commingled non U.S. bond funds	63,825	-	-	-	63,825
Commingled money market bond funds	1,970	-	-	-	1,970
Total	$ 122,325	$ 51	$ 733	$ 344	$ 121,197

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, 2008, 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	$ 493,341	13.07%
Federal Home Loan Bank	1,635,091	43.32%
So. Nevada Water Authority	249,365	6.61%
United States Agencies	302,447	8.01%
Investment Trust Funds		
Federal Farm Credit Bank	88,563	7.37%
Federal National Mortgage Assoc.	71,654	5.96%
Federal Home Loan Bank	640,767	53.33%
Repurchase Agreement	113,805	9.47%

At June 30, 2008, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corporation	$ 9,312	9.40%
Federal National Mortgage Association	11,326	11.44%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative providers. As of June 30, 2008, the Housing Division's investments in Fannie Mae and Ginnie Mae are 25.42% and 33.74% respectively, of Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Division is less concerned about a concentration risk on these investments.

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

Primary Government and Pension and Other Employee Benefit Trust Funds - the primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The Public Employees' Retirement System of Nevada, the Legislators' Retirement System of Nevada, the Judicial Retirement System of Nevada, and the Retirement Benefits Investment Fund do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. The following table summarizes the pension and other employee benefit trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2008 (expressed in thousands):

(Note 3 Continued)

Currency by Investment and Fair Value	Fixed Income	Equity	Derivatives	Cash
Australian Dollar	$ 4,614	$ 234,500	$ 700	$ 100
British Pound Sterling	81,731	742,600	(4,300)	1,198
Canadian Dollar	25,863	4,800	-	(93)
Danish Krone	9,026	36,100	-	600
Euro Currency	649,431	1,204,300	(95,000)	(5,004)
Hong Kong Dollar	-	70,800	100	300
Japanese Yen	404,828	730,300	(1,500)	6,302
Malaysian ringgit	2,715	-	-	100
New Zealand Dollar	-	3,000	200	300
Norwegian Krone	1,910	40,600	400	(300)
Polish Zloty	13,232	-	-	(197)
Singapore Dollar	1,806	40,700	300	606
Swedish Krona	8,024	73,000	300	301
Swiss Franc	4,020	256,600	1,000	(496)
Total	$ 1,207,200	$ 3,437,300	$ (97,800)	$ 3,717

Component Unit - the Nevada System of Higher Education had $99,553,000 of investments in international mutual funds subject to foreign currency risk in its operating and endowment investment pools. The U.S. dollar balances of international mutual funds organized by the respective foreign currencies are as follows in U.S. dollars (expressed in thousands):

Currency by Investment and Fair Value	Mutual Funds
Australian Dollar	$ 1,159
British Pound	15,653
Brazilian Real	1,792
Canadian Dollar	4,348
Chinese Renminbi	1,831
Denmark Dollar	1,107
Euro Currency	26,564
Japanese Yen	13,978
South Korean Won	2,654
Swiss Franc	4,585
Taiwan New Dollar	2,419
Other	23,463
Total	$ 99,553

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to participate in securities lending transactions where the State's U.S. Government and agency securities are loaned to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The State's securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102% of the fair value of the loaned securities plus accrued interest as collateral for securities of the type on loan at year-end. The collateral for the loans is maintained at 102%, and the value of the securities borrowed must be determined on a daily basis.

At year-end, the State has no credit risk exposure to borrowers because the amount the State owes to borrowers exceeds the amounts the borrowers owe to the State. The collateral securities cannot be pledged or sold by the State unless the borrower defaults. The contract with the securities lending agent requires the agent to indemnify the State for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

There are no restrictions on the amount of securities that can be loaned. Either the State or the borrower can terminate all open securities loans on demand. Either the State or the borrower can terminate all term securities loans with five days notice. Cash collateral is invested in accordance with the investment guidelines approved by the Board of Finance. The maturities of the investments made with cash collateral generally match the maturities of the securities loans.

The fair value of securities on loan at June 30, 2008 (excluding PERS) is $678,397,052. The fair value of cash collateral received in securities lending arrangements (excluding PERS) of $683,986,992 is reported in the Statement of Net Assets and the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2008 total collateral (excluding PERS) has a fair value of $685,119,521. Such collateral consists of cash, commercial paper, asset backed securities, money market mutual funds, certificates of deposit and fixed income securities. The total collateral received is in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

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

At year-end, PERS has no credit risk exposure to borrowers because the amount PERS owes to borrowers exceeds the amounts the borrowers owe to PERS. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. The securities lending agent is authorized to invest collateral only in high quality, short-term investment vehicles in accordance with PERS' Investment Objectives and Policies. The maturities of the investments made with cash collateral generally match the maturities of the securities loaned.

The fair value of underlying securities on loan at June 30, 2008 is $2,789,612,700. The fair value of the cash collateral received in securities lending arrangements of $2,872,321,923 is reported on the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2008, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Public Employees' Retirement System (PERS) - derivatives are instruments (securities or contracts) whose value is dependent on such things as stock or bond prices, interest rate levels or currency exchange rates, and are reported at fair value. The Retirement Board adopted a formal written policy on the use of derivatives. The type of derivatives and limits on their use are defined in PERS Investment Objectives and Policies. PERS Investment Objectives and Policies restrict the use of certain types of derivatives. The use of exotic, highly structured notes such as inverse floaters, constant maturity treasury (CMT) floaters, range floaters, dual index floaters, and other speculative instruments tied to inappropriate reset provisions is specifically prohibited. PERS derivatives transactions are designed to reduce transaction costs, reduce foreign exchange risk, and manage market risk associated with the underlying securities. They may also reduce PERS exposure to changes in stock prices, interest rates, and currency exchange rates.

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

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

Exchange traded index futures - used to equitize cash.

Mortgage backed and asset backed securities – used for diversification and enhance return (components of Lehman Aggregate Index).

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

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

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

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	$ 419,890	$ 38,238
Notes/loans receivable	492	11,335
Due from Component Unit	7,055	-
Total	$ 427,437	$ 49,573
Classified:		
Current portion	$ 281,915	$ 40,640
Noncurrent portion:		
Intergovernmental receivables	138,903	-
Notes/loans receivable	444	8,933
Due from Component Unit	6,175	-
Total noncurrent portion	145,522	8,933
Total	$ 427,437	$ 49,573

Not included in the receivable balances are amounts considered to be uncollectible. $7.8 million of taxes receivable in the governmental funds are estimated to be uncollectible. Uncollectible accounts receivable in the governmental funds total $37 million. The proprietary funds have $12.5 million in uncollectible accounts receivable most of which is from uninsured employer's fines and penalties.

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2008, follows (expressed in thousands):

	Advances From Major Funds			
	General	State Highway	Consolidated Bond Interest and Redemption	Total
Advances To				
Nonmajor enterprise	$ 540	$ -	$ -	$ 540
Internal service	5,247	2	1,808	7,057
Total other funds	$ 5,787	$ 2	$ 1,808	$ 7,597

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, 2008, is shown below (expressed in thousands):

	Due To						
	Major Governmental Funds						
Due From	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Stabilize the Operations of State Gov't	Nonmajor Governmental	Total Governmental
Major Governmental Funds:							
General	$ -	$ 9,422	$ 30	$ 2,076	$ 1,371	$ 16,689	$ 29,588
State Highway	762	-	-	-	-	926	1,688
Municipal Bond Bank	44	-	-	394	-	-	438
Consolidated Bond Interest and Redemption	20	16	-	-	-	6	42
Stabilize the Operations of State Government	195,433	-	-	-	-	-	195,433
Nonmajor governmental	97,692	333	-	200	-	4,078	102,303
Total Governmental	293,951	9,771	30	2,670	1,371	21,699	329,492
Major Enterprise Funds:							
Housing Division	1	-	-	-	-	-	1
Water Projects Loans	394	-	-	-	-	-	394
Nonmajor enterprise	3,318	7	-	-	-	3	3,328
Total Enterprise	3,713	7	-	-	-	3	3,723
Internal Service	2,846	191	-	151	-	7	3,195
Total other funds	$ 300,510	$ 9,969	$ 30	$ 2,821	$ 1,371	$ 21,709	$ 336,410
Fiduciary	$ 3,165	$ -	$ -	$ -	$ -	$ 471	$ 3,636
Component Units:							
Nevada System of Higher Education	$ 484	$ -	$ -	$ 6,560	$ -	$ 11	$ 7,055
Colorado River Commission	-	-	-	-	-	-	-
Total Component Units	$ 484	$ -	$ -	$ 6,560	$ -	$ 11	$ 7,055

	Due To						
	Major Enterprise Funds						
Due From	Housing Division	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Major Governmental Funds:							
General	$ 16	$ 625	$ 1,525	$ 2,166	$ 4,573	$ 36,327	$ 426,547
State Highway	-	-	2	2	681	2,371	734
Municipal Bond Bank	-	-	-	-	-	438	-
Consolidated Bond Interest and Redemption	-	-	2	2	-	44	-
Stabilize the Operations of State Government	-	-	-	-	-	195,433	-
Nonmajor governmental	-	-	164	164	196	102,663	21
Total Governmental	16	625	1,693	2,334	5,450	337,276	427,302
Major Enterprise Funds:							
Housing Division	-	-	-	-	5	6	-
Water Projects Loans	-	-	-	-	-	394	-
Nonmajor enterprise	-	-	-	-	72	3,400	96
Total Enterprise	-	-	-	-	77	3,800	96
Internal Service	-	-	-	-	422	3,617	7
Total other funds	$ 16	$ 625	$ 1,693	$ 2,334	$ 5,949	$ 344,693	$ 427,405
Fiduciary	$ -	$ -	$ 16	$ 16	$ 1	$ 3,653	$ 27,415
Component Units:							
Nevada System of Higher Education	$ -	$ -	$ -	$ -	$ 4,410	$ 11,465	$ 4,421
Colorado River Commission	-	-	-	-	2	2	-
Total Component Units	$ -	$ -	$ -	$ -	$ 4,412	$ 11,467	$ 4,421

(Note 5 Continued)

	Due To		
	Component Units		
	Nevada System of Higher Education	Colorado River Commission	Total Component Units
Due From			
Major Governmental Funds:			
General	$ 30,507	$ 187	$ 30,694
State Highway	396	-	396
Nonmajor governmental	126,415	-	126,415
Total Governmental	157,318	187	157,505
Nonmajor enterprise	1	-	1
Internal Service	14	-	14
Total other funds	$ 157,333	$ 187	$ 157,520

The balances result from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2008, is shown below (expressed in thousands):

	Transfers Out/To						
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Stabilize the Operations of State Gov't	Nonmajor Governmental	Total Governmental
Transfers In/From							
Major Governmental Funds:							
General	$ -	$ 3,150	$ 44	$ 18,000	$ 194,762	$ 100,924	$ 316,880
State Highway	23,669	-	-	-	-	165	23,834
Consolidated Bond Interest and Redemption	1,413	-	306,968	-	-	11,420	319,801
Stabilize the Operations of State Government	2,000	-	-	-	-	-	2,000
Nonmajor governmental	74,231	4,180	-	42	-	24	78,477
Total Governmental	101,313	7,330	307,012	18,042	194,762	112,533	740,992
Nonmajor enterprise	2,894	-	-	-	-	182	3,076
Internal Service	258		-	-	-	24	282
Total other funds	$ 104,465	$ 7,330	$ 307,012	$ 18,042	$ 194,762	$ 112,739	$ 744,350

(Note 5 Continued)

	Transfers Out/To				
	Major Enterprise Fund				
	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
Transfers In/From					
Major Governmental Funds:					
General	$ 961	$ 21,659	$ 22,620	$ 187	$ 339,687
State Highway	-	-	-	-	23,834
Consolidated Bond Interest and Redemption	-	-	-	-	319,801
Stabilize the Operations of State Government	-	-	-	-	2,000
Nonmajor governmental	-	48	48	140	78,665
Total Governmental	961	21,707	22,668	327	763,987
Nonmajor enterprise	-	-	-	-	3,076
Internal Service	-	-	-	82	364
Total other funds	$ 961	$ 21,707	$ 22,668	$ 409	$ 767,427

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 $195 million from the Stabilize the Operations of State Government ("Rainy Day") fund. The Nevada Legislature approved this transfer during the 24th Special Session (2008) to offset a projected deficit in the General Fund.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of $810 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Assets. The components of restricted assets at June 30, 2008 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
Restricted:			
Cash	$ -	$ -	$ 33,238
Investments	136,309	136,309	-
Total	$ 136,309	$ 136,309	$ 33,238
Restricted for:			
Debt service	$ 136,309	$ 136,309	$ 574
Construction	-	-	25,333
Other purposes	-	-	7,331
Total	$ 136,309	$ 136,309	$ 33,238

Note 7- Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2008, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 112,162	$ 17,467	$ (226)	$ 129,403
Construction in progress	134,927	172,922	(67,192)	240,657
Infrastructure	3,054,495	65,065	-	3,119,560
Rights-of-way	512,610	229	(481)	512,358
Total capital assets, not being depreciated	3,814,194	255,683	(67,899)	4,001,978
Capital assets, being depreciated/amortized				
Buildings	1,139,026	46,337	(136)	1,185,227
Improvements other than buildings	91,914	13,414	-	105,328
Furniture and equipment	385,300	47,834	(60,343)	372,791
Software costs	138,581	12,072	(1,207)	149,446
Total capital assets, being depreciated/amortized	1,754,821	119,657	(61,686)	1,812,792
Less accumulated depreciation/amortization for:				
Buildings	(307,603)	(29,075)	103	(336,575)
Improvements other than buildings	(50,746)	(4,361)	6	(55,101)
Furniture and equipment	(280,782)	(30,006)	55,693	(255,095)
Software costs	(86,147)	(24,432)	1,208	(109,371)
Total accumulated depreciation/amortization	(725,278)	(87,874)	57,010	(756,142)
Total capital assets, being depreciated/amortized, net	1,029,543	31,783	(4,676)	1,056,650
Governmental activities capital assets, net	$ 4,843,737	$ 287,466	$ (72,575)	$ 5,058,628
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 568	$ -	$ -	$ 568
Construction in progress	362	4,409	-	4,771
Total capital assets, not being depreciated	930	4,409	-	5,339
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,009	583	(168)	5,424
Total capital assets, being depreciated	9,029	583	(168)	9,444
Less accumulated depreciation for:				
Buildings	(2,105)	(54)	-	(2,159)
Improvements other than buildings	(534)	(58)	-	(592)
Furniture and equipment	(4,158)	(337)	162	(4,333)
Total accumulated depreciation	(6,797)	(449)	162	(7,084)
Total capital assets, being depreciated, net	2,232	134	(6)	2,360
Business-type activities capital assets, net	$ 3,162	$ 4,543	$ (6)	$ 7,699

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

Governmental activities:		
General government	$	17,312
Education, support services		1,571
Health, social services		13,995
Law, justice, public safety		25,407
Recreation, resource development		5,686
Transportation		14,015
Regulation of business		1,617
Unallocated		992
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets		7,279
Total depreciation/amortization expense - governmental activities	$	87,874
Business-type activities:		
Enterprise	$	449
Total depreciation expense - business-type activities	$	449

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2008, 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	$ 345,647	$ 234,298	$ (196,342)	$ 383,603
Land	64,601	806	-	65,407
Collections	8,796	982	-	9,778
Total capital assets, not being depreciated	419,044	236,086	(196,342)	458,788
Capital assets, being depreciated				
Buildings	1,432,501	214,746	(8,618)	1,638,629
Land and improvements	82,171	6,986	(146)	89,011
Machinery and equipment	281,320	27,083	(14,763)	293,640
Library books and media	102,605	6,447	(903)	108,149
Total capital assets, being depreciated	1,898,597	255,262	(24,430)	2,129,429
Less accumulated depreciation for:				
Buildings	(414,809)	(38,460)	577	(452,692)
Land and improvements	(63,325)	(4,054)	80	(67,299)
Machinery and equipment	(170,247)	(26,963)	12,500	(184,710)
Library books and media	(87,611)	(6,530)	901	(93,240)
Total accumulated depreciation	(735,992)	(76,007)	14,058	(797,941)
Total capital assets, being depreciated, net	1,162,605	179,255	(10,372)	1,331,488
Nevada System of Higher Education activity capital assets, net	$ 1,581,649	$ 415,341	$ (206,714)	$ 1,790,276

Note 8 - Long-Term Obligations

A. Bonds Payable

The State issues general obligation bonds for the acquisition and construction of major capital facilities, buying local governments' bonds in the municipal bond bank fund, protection of natural resources, cultural affairs projects 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, 2008 are comprised of the following (expressed in thousands):

	Fixed Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	2.0-7.0%	$ 1,642,660	$ 1,192,505
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,417,200	717,220
Special obligation bonds:			
Exempt from Constitutional Debt Limitation-Highway Improvement Revenue Bonds	3.5-6.0%	963,925	774,300
Subtotal		4,023,785	2,684,025
Issuance premiums		131,527	100,771
Governmental activities bonds payable		4,155,312	2,784,796
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	2.0-6.5%	145,280	115,805
Special obligation bonds:			
Housing Bonds	2.6-8.02%	1,441,930	886,195
Subtotal		1,587,210	1,002,000
Issuance premiums		2,919	2,090
Business-type activities bonds payable		1,590,129	1,004,090
Total bonds payable		$ 5,745,441	$ 3,788,886

B. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2008 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,964,616	$ 318,639	$ (373,530)	$ 1,909,725	$ 130,245
Special obligation bonds	693,285	129,970	(48,955)	774,300	51,420
Subtotal	2,657,901	448,609	(422,485)	2,684,025	181,665
Issuance premiums	91,543	17,861	(8,633)	100,771	8,956
Total bonds payable	2,749,444	466,470	(431,118)	2,784,796	190,621
Obligations under capital leases	15,955	6,006	(2,070)	19,891	2,380
Compensated absences obligations	97,905	128,548	(127,061)	99,392	66,591
Arbitrage rebate liability	999	154	(578)	575	-
Certificates of participation	60,455	-	(1,135)	59,320	1,290
Governmental activities long-term obligations	$ 2,924,758	$ 601,178	$ (561,962)	$ 2,963,974	$ 260,882
Business-type activities:					
Bonds payable					
General obligation bonds	$ 117,310	$ 5,445	$ (6,950)	$ 115,805	$ 7,080
Special obligation bonds	782,307	141,895	(38,007)	886,195	14,447
Subtotal	899,617	147,340	(44,957)	1,002,000	21,527
Issuance premiums	2,221	25	(156)	2,090	156
Total bonds payable	901,838	147,365	(45,113)	1,004,090	21,683
Compensated absences obligations	1,561	2,118	(2,064)	1,615	1,034
Arbitrage rebate liability	30	27	(8)	49	-
Tuition benefits payable	115,918	5,862	(3,113)	118,667	7,400
Business-type activities long-term obligations	$ 1,019,347	$ 155,372	$ (50,298)	$ 1,124,421	$ 30,117

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

C. Debt Service Requirements for Bonds

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2008, 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
2009	$ 181,665	$ 129,254	$ 21,527	$ 41,684
2010	180,250	119,784	17,268	40,636
2011	189,010	110,839	22,336	39,797
2012	162,195	101,578	19,577	38,661
2013	164,545	93,419	20,336	37,708
2014-2018	749,820	350,023	115,736	172,799
2019-2023	606,005	179,341	171,716	137,611
2024-2028	444,835	49,055	162,631	93,763
2029-2033	3,295	1,112	178,143	56,626
2034-2038	2,405	244	198,275	23,851
2039-2043	-	-	71,705	4,451
2044-2048	-	-	2,750	334
Total	$ 2,684,025	$ 1,134,649	$ 1,002,000	$ 687,921

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

D. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2008, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$ 2,963,124
Less: Bonds and leases payable as of June 30, 2008, subject to limitation	(1,214,991)
Remaining debt capacity	$ 1,748,133

E. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of $1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Twenty-four projects were funded through the Nevada Municipal Bond Bank as of June 30, 2008, and total investments in local governments amounted to $340,445,000.

F. Refunded Debt and Redemptions

In prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2008 is $199,892,000.

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

At June 30, 2008, the amount available to service debt in the Consolidated Bond Interest and Redemption debt service fund is $149,708,068. At June 30, 2008, the amount available to service debt in the Highway Revenue Bonds debt service fund is $34,039,957. At June 30, 2008, the amount available to service the debt in the Municipal Bond Bank special revenue fund is $340,526,732.

(Note 8 Continued)

The amount to be provided by other governments of $140,080,000 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996 the Colorado River Commission (CRC), a component unit responsible for managing Nevada's interest in the water and power resources available from the Colorado River, operated the Southern Nevada Water System (SNWS). In accordance with Chapter 393 of the 1995 Legislature, certain rights, powers, duties and liabilities of SNWS were transferred from the State and CRC to the SNWA effective January 1, 1996. These rights, powers, duties and liabilities included, but were not limited to, the State of Nevada general obligation bonds, the existing water user contracts, the Service Contract between CRC and the Las Vegas Valley Water District, and all other contracts related to the SNWS including contracts for capital improvement. Accordingly, the State records the general obligation bonds previously reported in CRC and an associated amount to be provided by other governments in the government-wide financial statements.

H. Bond Indenture Provisions

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

I. Capital Leases

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2008, include equipment with a historical cost of $9,250,000 with accumulated depreciation of $5,303,000 and building improvements of $11,149,000 capitalized at year end.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2008 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2009	$ 3,163
2010	2,706
2011	2,656
2012	2,158
2013	1,500
2014-2018	7,732
2019-2023	5,277
Total minimum lease payments	25,192
Less: amount representing interest	(5,301)
Obligations under capital leases	$ 19,891

J. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2008, and changes for the fiscal year then ended is presented in Section B of this note.

K. Tuition Benefits Payable

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

APV of the future tuition obligation	$118,667,000
Net assets available	118,102,937
Net assets as a percentage of tuition benefits obligatior	99.52%

The actuarial valuation used an investment yield assumption of 7.50% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
Fall 2009	5.02%	4.80%
Fall 2010	4.96%	5.00%
Fall 2011 and later	6.00%	4.00%

L. Certificates of Participation

In fiscal year 1999, the Nevada Real Property Corporation, a blended component unit, issued $15,000,000 of general obligation certificates of participation at 4.1-5.0% interest to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. Under the certificates of participation financing arrangements, the State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2004, the Nevada Real Property Corporation issued $21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City (near the State capitol buildings). 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, 2008 (expressed in thousands):

Year Ending June 30	Principal	Interest
2009	$ 1,290	$ 2,700
2010	1,370	2,647
2011	1,500	2,591
2012	1,630	2,526
2013	1,780	2,456
2014-2018	11,465	10,966
2019-2023	9,670	8,751
2024-2028	15,160	6,117
2029-2033	15,455	1,955
Total	$ 59,320	$ 40,709

M. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2008, there are twenty-two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $988,822,620.

N. Pledged Revenue

Pledged motor vehicle and special fuel tax - the State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay $774.3 million 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 $1,065.4 million payable through December 2026. Upon completion of eligible projects, federal aid of $225.9 million is expected to be received in fiscal year 2009. For the current year, principal and interest paid was $81,682,385, and total motor vehicle fuel and special fuel tax revenues were $293,941,180.

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. Total principal and interest remaining on single-family bonds is $326.5 million payable through June 2048. For the current year, principal and interest paid on single-family bonds was $16,482,435, and program revenues were $97,108,804.

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. Total principal and interest remaining on multi-unit bonds is $1,202.6 million payable through June 2043. For the current year, principal and interest paid on multi-unit bonds was $59,575,961, and program revenues were $86,822,565.

O. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2008, 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	$ 472,148	$ 11,200	$ (28,557)	$ 454,791	$ 16,679
Issuance premiums	12,057	-	(471)	11,586	471
Total bonds payable	484,205	11,200	(29,028)	466,377	17,150
Obligations under capital leases	12,483	1,027	(2,910)	10,600	3,036
Compensated absences obligations	41,572	32,015	(28,247)	45,340	30,948
Total	$ 538,260	$ 44,242	$ (60,185)	522,317	51,134
Discretely presented component units of the NSHE:					
Capital leases				1,049	332
Compensated absences obligations				12	12
Total				$ 523,378	$ 51,478

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

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2008 (expressed in thousands):

Year Ending June 30	Principal	Interest
2009	$ 17,150	$ 20,689
2010	17,828	20,009
2011	18,820	19,264
2012	18,045	18,544
2013	18,465	17,783
2014-2018	93,663	76,576
2019-2023	84,725	56,023
2024-2028	77,863	36,891
2029-2033	81,537	18,100
2034-2038	38,281	2,167
Total	$ 466,377	$ 286,046

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2009	$ 3,463
2010	2,384
2011	2,111
2012	976
2013	981
2014-2018	1,928
Total minimum lease payments	11,843
Less: amount representing interest	(1,243)
Obligations under capital leases	$ 10,600

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2008, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 110,965	$ -	$ (1,705)	$ 109,260	$ 5,200
Issuance premiums	3,398	-	(247)	3,151	247
Issuance discounts	(20)	-	10	(10)	(10)
Unamortized refunding charges	(5,491)	-	348	(5,143)	(348)
Total bonds payable	108,852	-	(1,594)	107,258	5,089
Compensated absences obligations	254	156	(186)	224	161
Total	$ 109,106	$ 156	$ (1,780)	$ 107,482	$ 5,250

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

Year Ending June 30	Principal	Interest
2009	$ 5,200	$ 5,380
2010	5,490	5,091
2011	5,770	4,792
2012	6,065	4,482
2013	6,400	4,156
2014-2018	38,535	15,212
2019-2023	17,480	7,910
2024-2028	21,955	3,264
2029-2033	2,365	91
Total	$ 109,260	$ 50,378

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, 2008, there were 173 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. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and death 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. 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. Investments that do not have an established market are reported at estimated fair value.

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

(Note 9 Continued)

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, 2008 were as follows:

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

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

	2008	2007	2006
Primary Government	$ 146,754	$ 136,270	$ 128,981
Component Units:			
Colorado River Commission	448	403	369
Nevada System of Higher Education	27,269	24,988	23,114
Total component units	27,717	25,391	23,483
Total reporting entity	$ 174,471	$ 161,661	$ 152,464
Contributions as % of covered payroll	16%	16%	15%
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. Contributions are recognized as revenues in the period in which employee services are performed and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. 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 or issuers with similar credit ratings.

Contributions - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218.2387(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated $370,766 for fiscal years 2007 and 2008, 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 2007, of which $185,383 (half) was recognized as employer contributions in the fiscal year ended June 30, 2007, and 2008. Employee contributions of $61,280 were received in fiscal year 2007, of which, $30,640 (half) was recorded as employee contributions in 2007, and 2008.

Actuarial Information - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the January 1, 2007, actuarial valuation include the following:

(Note 9 Continued)

Actuarial Cost Method:	Entry age normal cost
Amortization Method:	Level dollar closed
Remaining Amortization Period:	18 years
Asset Valuation Method:	Five year smoothed market
Actuarial Assumptions:	
Investment yield	8%
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.
Assumed Mortality Rate:	1983 Group Annuity Mortality Table
Cost of Living (Post-Retirement) Increases:	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

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

Calendar Year	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2006	$ 206	$ 206	100%	$ -
2007	185	185	100%	-
2008	185	185	100%	-

Funded Status and Funding Progress – As of January 1, 2007, the most recent actuarial valuation date, the LRS was 73% funded. The actuarial accrued liability for benefits was $5.9 million, and the actuarial value of assets was $4.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.6 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 409%.

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

C. JRS

Plan Description - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. As of January 1, 2008, the Supreme Court and eight municipalities in Nevada had elected to participate in JRS.

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

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

Option 1 - 2003 Benefit Plan: Benefits, as required by statue, 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 death 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.

(Note 9 Continued)

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.

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 or issuers with similar credit ratings.

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

Actuarial Information – Actuarial valuations of the JRS are prepared annually on a calendar year basis. Significant actuarial assumptions used in the January 1, 2008 valuation include the following:

Actuarial Cost Method:	Entry age normal
Amortization Method:	Level dollar closed
Remaining Amortization Period:	30 years
Asset Valuation Method:	Market value
Actuarial Assumptions:	
Investment yield	8%
Projected salary increases	Base increases of 3% per year Longevity increases of 2% per year after four years, maximum longevity increases of 22%
Retirement Age for Active Members:	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%

Assumed Mortality Rate:	1994 Group Annuity Mortality Table (sex distinct) set forward one year
Cost of Living (Post-Retirement) Increases:	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

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

Calendar Year	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2006	$ 3,471	$ 3,482	100%	$ -
2007	3,423	3,779	110%	-
2008	3,901	4,088	105%	-

Funded Status and Funding Progress – As of January 1, 2008, the most recent actuarial valuation date, the JRS was 65% funded. The actuarial accrued liability for benefits was $62.1 million, and the actuarial value of assets was $40.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of $22.0 million. The covered payroll (annual payroll of active employees covered by the plan) was $11.5 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 multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

D. Other Postemployment Benefits

Plan Description – The State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program ("PEBP") of the State of Nevada ("Retirees' Fund") was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. 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.

Implementation of GASB 45 – This Statement has been implemented prospectively by the State for the fiscal year ended June 30, 2008. Legislation effective July 1, 2007 amended the Nevada Revised Statutes (NRS) making the various changes regarding the management of the Public Employees' Benefits Program. NRS 287.0436 established an irrevocable trust fund, the Retirees' Fund for the purpose of providing retirement benefits other than a pension. The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retiree's Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

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

Method Used to Value Investments – Investments are reported at fair value, which for the Retirees' Fund is determined by the Retirement Benefits Investment Fund.

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, 2007 through April 30, 2008, the rate assessed was 4.29%, from May 1, 2008 through June 30, 2008 the rate assessed was 2.58% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2008, the State and its component units contributed $59,263,078 to the plan, including $39,590,702, which is 100% of the contractually required contribution, and an additional $19,672,376 to prefund benefits. Prior to the establishment of the Retirees' Fund, the State's contributions to the PEBP for the years ended June 30, 2007 and 2006, were $28,479,026, and $28,320,825, respectively, which equaled 100% of the required contributions each year.

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, 2006	$ 21,479	$ 43,980
Claims and changes in estimates	181,281	13,908
Claim payments	(177,678)	(10,068)
Other - deposit and loss fund adjustments	-	(670)
Balance June 30, 2007	25,082	47,150
Claims and changes in estimates	206,650	8,822
Claim payments	(199,098)	(12,170)
Balance June 30, 2008	$ 32,634	$ 43,802

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, 2008. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are fourteen public employers whose employees are covered under the plan. Additionally, all retirees of public employers are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, one hundred nineteen 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. Accidental death and dismemberment, travel accident, long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy. For the year ended June 30, 2008, the loss retention for this policy was $1,500,000. Liabilities in the amount of $35,129,346 as of June 30, 2008 were determined using standard actuarial techniques as estimates for the incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2008.

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. 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 $500,000 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, 2008, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. 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 $12,342,600 to $23,616,300 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, 2008 total liabilities exceeded total assets by $25,725,309. The Fund is liable for approximately $25,700,000 as of June 30, 2008 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 $1,994,781 (expressed in thousands) of restricted net assets for the primary government of which $132,723 (expressed in thousands) is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances, reserved for other and unreserved, designated, reported in nonmajor funds at June 30, 2008, are explained as follows (expressed in thousands):

	General	State Highway	Other Governmental	Total
Fund balances, reserved for other:				
Reserved for prepaid items	$ 1,217	$ 55	$ 147	$ 1,419
Reserved for noncurrent receivables - notes	456	-	37	493
Total fund balances, reserved for other	$ 1,673	$ 55	$ 184	$ 1,912
Fund balances, unreserved, designated, reported in nonmajor:				
Special revenue funds:				
Designated for principal preservation			$ 223	$ 223
Designated for legislatively approved allocations			4,190	4,190
Total special revenue funds			4,413	4,413
Capital project funds:				
Designated for approved capital projects			17,403	17,403
Total fund balances, unreserved, designated, reported in nonmajor funds			$ 21,816	$ 21,816

C. Individual Fund Deficits

Capital Project Fund

Parks Capital Project Construction – The Parks Capital Project Construction Fund accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources. The fund shows a decrease of $7,363 for the fiscal year ended June 30, 2008, resulting in net liabilities (negative net assets) of $7,640 at June 30, 2008.

(Note 11 Continued)

Enterprise Funds

Nevada Magazine - The Nevada Magazine Fund accounts for the operation of the publication, *Nevada Magazine*, which is published to promote tourism. The fund shows a decrease in net assets of $27,966 for the fiscal year ended June 30, 2008, resulting in net liabilities (negative net assets) of $188,334 at June 30, 2008.

Higher Education Tuition Trust - The Higher Education Tuition Trust Fund accounts for the receipts and disbursements related to prepaid tuition contracts that allow the cost of tuition to be paid in advance of enrollment at an institution of higher education. The fund shows a decrease in net assets of $5,856,423 for the fiscal year ended June 30, 2008, resulting in net liabilities (negative net assets) of $564,063 at June 30, 2008.

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 an increase in net assets of $4,158,411 for the year ended June 30, 2008, resulting in net liabilities (negative net assets) of $25,725,309 at June 30, 2008.

Note 12 - Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes.

The following are the primary non-gaming tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.5%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

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

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

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

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

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

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

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

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

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

Other Sources of gaming tax revenues include: Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

Note 13 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The Nevada State Museum and Historical Society of Las Vegas emphasizes Southern Nevada and its relationship to the Mojave Desert in its major collections of 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 encouraging participation in the arts throughout Nevada.

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 claim. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Tort claims are handled in accordance with NRS 41. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not 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, as far as we know. Should a refund be granted, the estimated amount to date is $24.2 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

PERS - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to alternative investments to fund an additional $434.7 million at some future date. Alternative investments consist of acquisitions, industry consolidations, subordinated debt instruments, special situations, and venture capital.

(Note 14 Continued)

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, 2008 amounted to $32.7 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, 2008 (expressed in thousands):

For the Year Ending June 30	Amount
2009	$ 25,355
2010	21,177
2011	17,400
2012	11,097
2013	8,451
2014-2018	11,079
2019-2023	2,396
2024-2028	662
Total	$ 97,617

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, 2008, 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. Rebatable arbitrage is computed as of each installment computation date. The present value of the rebatable arbitrage is $624,000 and has been recorded as a liability in the Statement of Net Assets at June 30, 2008. Future calculations might result in different rebatable arbitrage amounts.

Construction Commitments – As of June 30, 2008, the Nevada Department of Transportation had total contractual commitments of approximately $571.3 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $171.4 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2008, NSHE had entered into various investment agreements with private equity partnerships. Under the terms of certain of these investment agreements, NSHE is obligated to make additional investments in these private equity partnerships of $7,146,000.

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

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

The United States is engaged in a war against terrorism likely to continue to have far-reaching effects on economic activity in the country for an indeterminate period. The long-term impact on the southern Nevada economy and the CRC's operations cannot be predicted at this time, but may be substantial.

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

Note 15 - Subsequent Events

Primary Government

Bonds - The following bonds were sold after June 30, 2008:

General Obligation Bonds - $279,825,000 Series 2008C, General Obligation (Limited Tax), Capital Improvement and Cultural Affairs Bonds, due in annual installments ranging from $12,995,000 to $25,415,000 due on June 1, 2013 through 2027, plus interest at 5.00% payable semi-annually on June 1st and December 1st, commencing December 1, 2008. The Series 2008C Bonds maturing on and after June 1, 2019 will be subject to optional redemption on and after June 1, 2018. The Series 2007A Bonds are subject to the Constitutional Debt Limit.

$13,000,000 Series 2008D General Obligation (Limited Tax), Natural Resources Bonds, due in annual installments ranging from $595,000 to $1,105,000 due on June 1, 2013 through 2028, plus interest ranging from 3.50% to 5.00% payable semi-annually on June 1st and December 1st, commencing December 1, 2008. The Series 2008D Bonds maturing on and after June 1, 2019 will be subject to optional redemption on and after June 1, 2018. The Series 2008D Bonds are not subject to the Constitutional Debt Limit.

$7,500,000 Series 2008E General Obligation (Limited Tax), Open Space, Parks and Cultural Resources Bonds, due in annual installments ranging from $715,000 to $970,000 due on June 1, 2013 through 2021, plus interest ranging from 3.50% to 4.125% payable semi-annually on June 1st and December 1st, commencing December 1, 2008. The Series 2008E Bonds maturing on and after June 1, 2019 will be subject to optional redemption on and after June 1, 2018. The Series 2008E Bonds are subject to the Constitutional Debt Limit.

$3,330,000 Series 2008F General Obligation (Limited Tax), Safe Drinking Water Act Revolving Fund Matching Bonds, due in annual installments ranging from $280,000 to $390,000 due on August 1, 2009 through 2018, plus interest ranging from 3.50% to 4.00% payable semi-annually on February 1st and August 1st, commencing February 1, 2009. The Series 2008F Bonds are not subject to optional redemption prior to their respective maturities. The Series 2008F Bonds are not subject to the Constitutional Debt Limit.

$1,000,000 Series 2008G General Obligation (Limited Tax), Water Pollution Control Revolving Fund Matching Bonds, due in annual installments of $500,000 due on August 1, 2009 through 2010, plus interest at 3.00% payable semi-annually on February1st and August 1st, commencing February 1, 2009. The Series 2008G Bonds are not subject to optional redemption prior to their respective maturities. The Series 2008G Bonds are not subject to the Constitutional Debt Limit.

Line of Credit – During a one-day special session on December 8, 2008, the Nevada Legislature passed AB2, which authorizes the State Treasurer to establish a line of credit on behalf of the State with the Local Government Pooled Investment Fund (Fund) for an amount that does not exceed $160 million. To establish the line of credit, the State Treasurer may, on or before August 31, 2009, sell notes to the Fund. The proceeds from the sale of the notes, less the costs of issuance, must be deposited into the State General Fund and used for the operations of the State. The notes will earn monthly interest at a rate equal to 25 basis points above the monthly rate of earnings of all the investments of money in the Fund, other than the investments in those notes, during the immediately preceding calendar month. The money borrowed from the Fund must be repaid in periodic installments in such a manner that the entire principal amount borrowed is repaid not later than August 31, 2013.

Pending Litigation - The Debt Service Agreement with Lehman Brothers Commercial Bank was terminated on October 24, 2008. US Bank has returned to the State all funds under the contract and has closed the account.

On September 14, 2008, Lehman Brothers Holding Inc. declared bankruptcy. Under the Security Lending Agreement, the State of Nevada owns a corporate note. Also, the Public Employee Retirement Plan held equity and debt obligations of Lehman Brothers Holding Inc. The ultimate value of Lehman debt securities will not be known until the bankruptcy proceedings are completed.

In August and September, 2008, The Las Vegas Metropolitan Police Department (Metro) paid $399,813 out of $1,578,139 in past due amounts. Despite a ruling by the State Supreme Court in Self Insurance Trust Fund's favor, Metro refuses to pay the remaining amount because Metro disputes the eligibility of certain retirees covered by PEBP, the requirement to pay a subsidy for certain retirees covered by the PEBP and the requirement to pay late payment penalties. Self Insurance Trust Fund is exploring all options for collection and expects these premiums to be ultimately collectible. Accordingly, no allowance has been recorded. However, the unpaid balance of $1,238,326 is shown as a noncurrent receivable.

Note 16 - Accounting Changes and Restatements

Fund Balances as of July 1, 2007 have been restated in the Consolidated Bond Interest & Redemption Fund (Debt Service Fund) and the CIP Miscellaneous Fund (Capital Projects Fund) in order to report the activity of the Nevada Real Property Corporation (NRPC) in its own fund. In prior periods, the activity of NRPC was reported within these funds. Based on GASB 14, paragraph 54, we have concluded that the activity of NRPC should be reported as a special revenue fund. Thus, we have added a special revenue fund to the CAFR for the NRPC, and have reduced the beginning fund balances of the Consolidated Bond Interest & Redemption Fund and the CIP Miscellaneous fund by $4,705,057 and $4,223,314, respectively. The beginning fund balance of the NRPC (Special Revenue Fund) has been restated as $8,928,371, the total of the reductions of the beginning fund balances in the two other funds.

The State implemented the Governmental Accounting Standards Board (GASB) Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. This Statement improves the usefulness of financial reporting by requiring that specific relevant disclosures be made to inform financial statement users about the unavailability of future revenues that have been pledged or sold. The required disclosures are presented in Note 8, Section N.

The State implemented prospectively GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This approach is consistent with the one adopted in Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, with modifications to reflect differences between pension benefits and OPEB. As a result of Statement No. 45, the State established a trust fund to account for activity related to postemployment healthcare insurance. The required disclosures are presented in Note 9, Section D.

The State implemented GASB Statement No. 50, Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27. This Statement more closely aligns the financial reporting requirements for pensions with those for OPEB and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The required disclosures are presented in Note 9, Sections A-C.

Required Supplementary Information

Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2008 (Expressed in Thousands)

	General Fund				Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources								
Fund balances, July 1	$ 745,994	$ 745,994	$ 745,994	$ -	$ 348,259	$ 348,259	$ 348,259	$ -
Revenues:								
Sales taxes	1,086,457	984,516	985,740	1,224	-	-	-	-
Gaming taxes, fees, licenses	1,039,751	950,015	937,331	(12,684)	-	-	-	-
Intergovernmental	1,472,320	1,749,796	1,479,824	(269,972)	226,873	238,133	235,822	(2,311)
Other taxes	1,136,922	1,037,100	1,048,450	11,350	339,704	343,328	317,593	(25,735)
Sales, charges for services	177,541	184,420	175,709	(8,711)	29,128	29,936	19,870	(10,066)
Licenses, fees and permits	452,566	458,294	423,196	(35,098)	189,561	191,755	184,155	(7,600)
Interest	53,979	76,320	71,854	(4,466)	9,118	9,121	19,862	10,741
Other	239,982	307,588	238,702	(68,886)	50,181	50,300	44,103	(6,197)
Other financing sources:								
Proceeds from sale of bonds	3,000	17,565	17,565	-	135,000	135,000	134,995	(5)
Transfers	220,259	527,194	817,338	290,144	10,998	52,884	35,043	(17,841)
Reversions from other funds	-	-	10,111	10,111	-	-	-	-
Total sources	6,628,771	7,038,802	6,951,814	(86,988)	1,338,822	1,398,716	1,339,702	(59,014)
Uses of Financial Resources								
Expenditures and encumbrances:								
Constitutional agencies	166,187	177,122	138,829	38,293	-	-	-	-
Finance and administration	90,907	95,279	79,886	15,393	-	-	-	-
Education	2,499,747	2,717,177	2,576,881	140,296	-	-	-	-
Human services	2,549,603	2,684,310	2,490,792	193,518	-	-	-	-
Commerce and industry	179,282	189,042	114,335	74,707	-	-	-	-
Public safety	441,011	521,413	409,048	112,365	200,483	201,542	184,532	17,010
Infrastructure	467,491	537,113	321,640	215,473	824,405	890,007	648,796	241,211
Special purpose agencies	34,386	39,514	31,709	7,805	-	-	-	-
Other financing uses:								
Transfers to other funds	83,740	85,740	85,740	-	87,556	90,305	90,305	-
Reversions to other funds	-	-	4,406	(4,406)	-	-	338	(338)
Projected reversions	(60,000)	(60,000)	-	(60,000)	-	-	-	-
Total uses	6,452,354	6,986,710	6,253,266	733,444	1,112,444	1,181,854	923,971	257,883
Fund balances, June 30	$ 176,417	$ 52,092	$ 698,548	$ 646,456	$ 226,378	$ 216,862	$ 415,731	$ 198,869

Municipal Bond Bank				Stabilize the Operations of State Government			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ -	$ -	$ -	$ -	$ 277,016	$ 277,016	$ 277,016	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
64,210	64,210	41,229	(22,981)	-	400	315	(85)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,000	2,993	2,993	-
-	-	-	-	-	-	-	-
64,210	64,210	41,229	(22,981)	279,016	280,409	280,324	(85)
-	-	-	-	5,614	10,454	1,119	9,335
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,329	1,579	-	1,579
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
64,210	64,210	41,217	22,993	200,000	195,000	195,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
64,210	64,210	41,217	22,993	206,943	207,033	196,119	10,914
$ -	$ -	$ 12	$ 12	$ 72,073	$ 73,376	$ 84,205	$ 10,829

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

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

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the "final budget" column. Therefore, updated revenue estimates available for appropriations as of September 9 are reported instead of the amounts disclosed in the original budget. The September 9, 2008 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, 2008 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	Stabilize the Operations of State Government
Fund balances (budgetary basis) June 30, 2008	$ 698,548	$ 415,731	$ 12	$ 84,205
Adjustments:				
Basis differences:				
Petty cash or outside bank accounts	7,747	136	-	-
Investments not recorded on the budgetary basis	21,298	-	340,445	-
Accrual of certain other receivables	116,997	2,723	10	52
Inventory	-	11,324	-	-
Advances to other funds	9,609	4	-	-
Deferred charges and other assets	-	-	-	-
Accrual of certain accounts payable and other liabilities	(253,377)	-	-	-
Accrual of longevity pay	(1,420)	(216)	-	-
Deferred revenues	(212,083)	-	-	(10)
Encumbrances	7,280	3,541	-	-
Other	5,152	2,031	60	41
Fund balances (GAAP basis) June 30, 2008	$ 399,751	$ 435,274	$ 340,527	$ 84,288

Total fund balance on the budgetary basis in the General Fund at June 30, 2008, 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)	$ 698,548
Restricted funds	(383,686)
Unrestricted fund balance (budgetary basis)	$ 314,862

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

Legislator's Retirement System (LRS)

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

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2003	$ 5,642	$ 4,060	$ 1,582	72%	$ 484	327%
2005	5,862	4,101	1,760	70%	452	389%
2007	5,884	4,324	1,561	73%	382	409%

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

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

Judicial Retirement System (JRS)

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

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2006	$ 49,667	$ 26,090	$ 23,577	53%	$ 9,166	257%
2007	55,009	32,431	22,578	59%	9,088	248%
2008	62,067	40,076	21,991	65%	11,492	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.

The State has adopted the modified approach for reporting infrastructure assets under a single roadway network that includes both roads and bridges. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The 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. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show that the State's policy regarding the condition level of the roadways and bridges has been met.

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

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

Condition Level of the Bridges

Percentage of substandard bridges

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

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

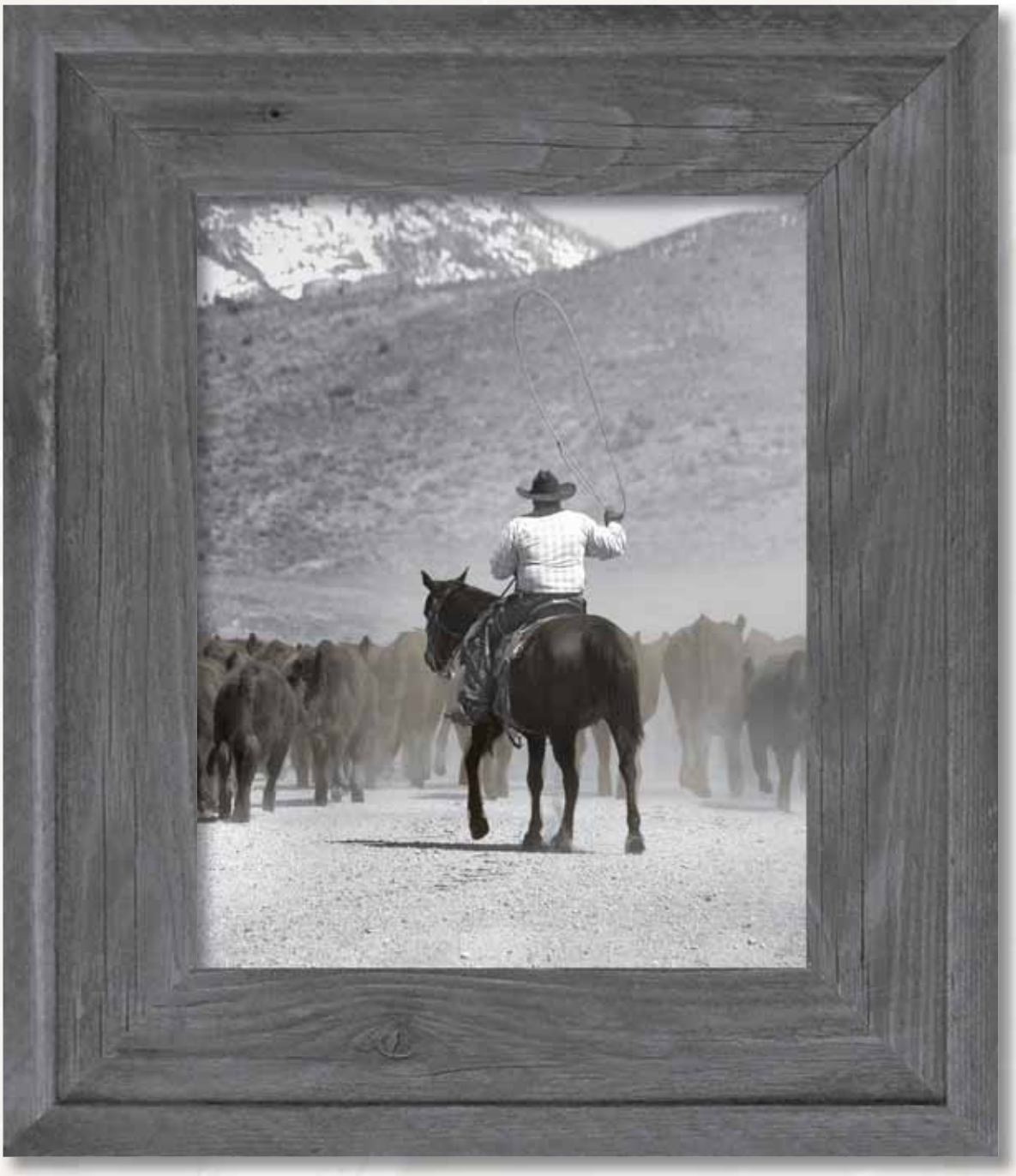
Maintenance and Preservation Costs

(Expressed in Thousands)

	2008	**2007**	**2006**	**2005**	**2004**
Estimated	$ 155,051	$ 243,191	$ 207,751	$ 153,148	$ 338,180
Actual	146,507	218,923	196,080	151,363	288,315

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

SLOW



Combining Statements and Schedules

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Employment Security Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

Regulatory Accounts for receipts and expenditures related to enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of transportation services (NRS 706.1516), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

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

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

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

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

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

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

Tobacco Settlement Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926); fifty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) and ten percent of which is allocated to the Public Health Trust fund, for the purpose of assisting Nevada residents in obtaining and maintaining good health (NRS 439.605).

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

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

Gift Accounts for gifts and grants received by the Commission for the Preservation of Wild Horses (NRS 504.450), the Department of Conservation and Natural Resources (NRS 232.070), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Human Resources (NRS 232.355).

Natural Resources Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

NV Real Property Corp General Fund Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); the office of advocate for customers of public utilities (NRS 228.310); and administration of capital improvement projects (NRS 341.146). It also accounts for appropriations and interest income for support of museums and history (NRS 381.0064); private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031); loans for farm projects (NRS 561.405); fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215); and funding of school improvement programs approved by the Legislature or Interim Finance Committee (NRS 387.032).

Nonmajor Debt Service Fund

Highway Revenue Bonds Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

Nonmajor Capital Projects Funds

Parks Capital Project Construction Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

Capital Improvement Program - Motor Vehicle Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

Capital Improvement Program - Human Resources Accounts for capital improvement projects for the Department of Human Resources (NRS 341.146).

Capital Improvement Program - University System Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

Capital Improvement Program - General State Government Accounts for capital improvement projects for general government (NRS 341.146).

Capital Improvement Program - Prison System Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

Capital Improvement Program - Military Accounts for capital improvement projects for the Department of Military (NRS 341.146).

Capital Improvement Program - Wildlife Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

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

Capital Improvement Program - Miscellaneous Accounts for capital improvement projects which are not directed by the Public Works Board.

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, 2008

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 249,827,413	$ 34,039,957	$ 414,694,234	$ 11,100,812	$ 709,662,416
Cash in custody of other officials	165,048	-	-	-	165,048
Investments	6,370,835	-	-	277,305,911	283,676,746
Collateral on loaned securities	57,856,303	-	5,228,918	3,320,742	66,405,963
Receivables:					
Accounts receivable	25,474,868	-	8,090	-	25,482,958
Taxes receivable	7,647,256	-	-	-	7,647,256
Intergovernmental receivables	6,631,484	-	729,288	588,334	7,949,106
Accrued interest and dividends	12,131	-	-	2,693,085	2,705,216
Notes/loans receivable	36,669	-	-	-	36,669
Other receivables	1,725	-	-	-	1,725
Due from other funds	16,430,676	-	5,026,736	250,831	21,708,243
Due from fiduciary funds	471,281	-	-	-	471,281
Due from component units	11,291	-	-	-	11,291
Inventory	877,790	-	-	-	877,790
Prepaid items	147,374	-	-	-	147,374
Total assets	$ 371,962,144	$ 34,039,957	$ 425,687,266	$ 295,259,715	$ 1,126,949,082
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 12,368,138	$ -	$ 1,738,178	$ -	$ 14,106,316
Accrued payroll and related liabilities	2,949,209	-	-	-	2,949,209
Intergovernmental payables	3,058,576	-	56,568	-	3,115,144
Contracts payable	98,630	-	39,940,974	-	40,039,604
Retention payable	-	-	25,102,416	-	25,102,416
Obligations under securities lending	57,856,303	-	5,228,918	3,320,742	66,405,963
Due to other funds	28,135,251	-	68,219,392	6,308,104	102,662,747
Due to fiduciary funds	21,388	-	-	-	21,388
Due to component units	433,441	-	125,981,362	-	126,414,803
Deferred revenues	24,652,948	-	18,336	19,107	24,690,391
Other liabilities	2,946	-	-	879,816	882,762
Total liabilities	129,576,830	-	266,286,144	10,527,769	406,390,743
Fund balances:					
Reserved for:					
Encumbrances and contracts	809,003	-	141,998,616	-	142,807,619
Inventories	877,790	-	-	-	877,790
Funds held as permanent investments	195,348	-	-	284,710,296	284,905,644
Debt service	-	34,039,957	-	-	34,039,957
Other	184,043	-	-	-	184,043
Unreserved:					
Designated:					
Principal preservation	223,161	-	-	-	223,161
Approved capital projects	-	-	17,402,506	-	17,402,506
Other	4,190,039	-	-	-	4,190,039
Undesignated	235,905,930	-	-	21,650	235,927,580
Total fund balances	242,385,314	34,039,957	159,401,122	284,731,946	720,558,339
Total liabilities and fund balances	$ 371,962,144	$ 34,039,957	$ 425,687,266	$ 295,259,715	$ 1,126,949,082

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

NEVADA

For the Fiscal Year Ended June 30, 2008

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	$ 14,986,311	$ -	$ -	$ -	$ 14,986,311
Property and transfer taxes	24,550,863	-	-	-	24,550,863
Motor and special fuel taxes	-	84,337,795	-	-	84,337,795
Other taxes	36,112,603	-	-	-	36,112,603
Intergovernmental	48,260,851	-	1,976,487	-	50,237,338
Licenses, fees and permits	32,656,409	-	-	-	32,656,409
Sales and charges for services	16,085,813	-	-	-	16,085,813
Interest and investment income	11,511,755	-	16,283	17,847,664	29,375,702
Tobacco settlement income	45,975,956	-	-	-	45,975,956
Land sales	-	-	-	2,502,573	2,502,573
Other	7,645,171	-	104,579	6,318,382	14,068,132
Total revenues	237,785,732	84,337,795	2,097,349	26,668,619	350,889,495
Expenditures					
Current:					
General government	55,504,305	-	388	410,553	55,915,246
Health and social services	68,962,006	-	-	-	68,962,006
Education and support services	864,421	-	-	-	864,421
Law, justice and public safety	17,296,135	-	-	-	17,296,135
Regulation of business	22,116,654	-	-	-	22,116,654
Recreation, resource development	28,786,251	-	-	-	28,786,251
Intergovernmental	72,085,869	-	94,695,632	-	166,781,501
Capital outlay	4,257,056	-	163,702,255	-	167,959,311
Debt service:					
Principal	168,305	48,955,000	-	-	49,123,305
Interest, fiscal charges	14,927	32,727,385	-	-	32,742,312
Debt issuance costs	231,269	-	568,466	-	799,735
Total expenditures	270,287,198	81,682,385	258,966,741	410,553	611,346,877
Excess (deficiency) of revenues over expenditures	(32,501,466)	2,655,410	(256,869,392)	26,258,066	(260,457,382)
Other Financing Sources (Uses)					
Sale of general obligation bonds	36,456,160	-	263,941,064	-	300,397,224
Premium on general obligation bonds	917,074	-	10,725,607	-	11,642,681
Sale of capital assets	479,375	-	-	-	479,375
Transfers in	48,480,758	-	30,184,553	-	78,665,311
Transfers out	(43,162,319)	-	(52,137,077)	(17,438,131)	(112,737,527)
Total other financing sources (uses)	43,171,048	-	252,714,147	(17,438,131)	278,447,064
Net change in fund balances	10,669,582	2,655,410	(4,155,245)	8,819,935	17,989,682
Fund balances, July 1 (as restated)	231,715,732	31,384,547	163,556,367	275,912,011	702,568,657
Fund balances, June 30	$ 242,385,314	$ 34,039,957	$ 159,401,122	$ 284,731,946	$ 720,558,339

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2008

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 12,650,062	$ 12,191,141	$ 11,766,650	$ 8,836,364	$ 3,231,490
Cash in custody of other officials	125	2,700	121,356	-	-
Investments	-	-	-	-	-
Collateral on loaned securities	4,360,979	1,126,501	-	-	966,681
Receivables:					
Accounts receivable	851,247	791,011	121,970	-	-
Taxes receivable	3,920,017	-	-	-	-
Intergovernmental receivables	5,280,250	86,406	-	-	-
Accrued interest and dividends	-	-	-	-	-
Notes/loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	280,779	93,658	63,186	8,047,047	114,041
Due from fiduciary funds	-	-	-	-	-
Due from component units	499	-	5	-	-
Inventory	-	-	403,048	-	-
Prepaid items	3,900	107,972	35,502	-	-
Total assets	$ 27,347,858	$ 14,399,389	$ 12,511,717	$ 16,883,411	$ 4,312,212
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 2,113,155	$ 103,559	$ 422,813	$ 1,045	$ 291
Accrued payroll and related liabilities	1,019,878	656,223	706,297	-	-
Intergovernmental payables	119,910	423	3,222	-	-
Contracts/retentions payable	-	-	98,630	-	-
Obligations under securities lending	4,360,979	1,126,501	-	-	966,681
Due to other funds	1,376,548	577,195	2,768,740	7,500,000	43,666
Due to fiduciary funds	347	2,446	-	-	-
Due to component units	35,500	-	27,063	-	-
Deferred revenues	14,988	860,889	300	350	5,345
Other liabilities	-	-	-	-	-
Total liabilities	9,041,305	3,327,236	4,027,065	7,501,395	1,015,983
Fund balances:					
Reserved for:					
Encumbrances and contracts	109,199	160,938	421,795	-	-
Inventories	-	-	403,048	-	-
Funds held as permanent investments	-	-	-	-	-
Other	3,900	107,972	35,502	-	-
Unreserved:					
Designated:					
Principal preservation	-	-	-	-	-
Other	-	-	-	-	-
Undesignated	18,193,454	10,803,243	7,624,307	9,382,016	3,296,229
Total fund balances	18,306,553	11,072,153	8,484,652	9,382,016	3,296,229
Total liabilities and fund balances	$ 27,347,858	$ 14,399,389	$ 12,511,717	$ 16,883,411	$ 4,312,212

Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal
$ 3,435,066	$ 6,037,342	$ 4,232,325	$ 112,235,505	$ 21,711,133	$ 11,657,701
-	-	-	-	-	-
-	-	-	-	-	-
1,027,579	39,980	2,789,943	33,544,162	-	3,480,030
-	23,699	968,273	22,592,406	-	47,266
520,036	3,207,203	-	-	-	-
6,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
248,556	153,163	134,709	1,764,145	2,628,672	1,729,195
-	-	426,465	-	-	-
-	-	-	-	-	-
-	-	292,868	-	-	-
-	-	-	-	-	-
$ 5,237,237	$ 9,461,387	$ 8,844,583	$ 170,136,218	$ 24,339,805	$ 16,914,192
$ -	$ 2,804,331	$ 338,219	$ 888,108	$ 70,189	$ 33,879
-	78,971	135,568	21,044	-	-
2,399,159	86,301	-	53,095	-	-
-	-	-	-	-	-
1,027,579	39,980	2,789,943	33,544,162	-	3,480,030
38,979	647,726	236,895	2,863,668	11,395,248	12,758
-	-	15,085	1	-	-
-	-	-	370,119	-	-
19,045	137	419,886	22,690,094	-	13,624
-	-	2,743	-	-	-
3,484,762	3,657,446	3,938,339	60,430,291	11,465,437	3,540,291
-	21,624	32,531	6,975	-	24,408
-	-	292,868	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,190,039	-
1,752,475	5,782,317	4,580,845	109,698,952	8,684,329	13,349,493
1,752,475	5,803,941	4,906,244	109,705,927	12,874,368	13,373,901
$ 5,237,237	$ 9,461,387	$ 8,844,583	$ 170,136,218	$ 24,339,805	$ 16,914,192

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 2,939,481	$ 29,415,804	$ -	$ 9,487,349	$ 249,827,413
Cash in custody of other officials	6,771	-	-	34,096	165,048
Investments	256,224	-	4,947,891	1,166,720	6,370,835
Collateral on loaned securities	844,650	8,799,550	-	876,248	57,856,303
Receivables:					
Accounts receivable	2,811	-	-	76,185	25,474,868
Taxes receivable	-	-	-	-	7,647,256
Intergovernmental receivables	85,053	-	-	1,173,775	6,631,484
Accrued interest and dividends	2,975	-	-	9,156	12,131
Notes/loans receivable	-	-	-	36,669	36,669
Other receivables	1,725	-	-	-	1,725
Due from other funds	44,444	390,430	203	738,448	16,430,676
Due from fiduciary funds	-	-	-	44,816	471,281
Due from component units	-	-	-	10,787	11,291
Inventory	-	-	-	181,874	877,790
Prepaid items	-	-	-	-	147,374
Total assets	$ 4,184,134	$ 38,605,784	$ 4,948,094	$ 13,836,123	$ 371,962,144
Liabilities and Fund Balances					
Accounts payable and accruals:					
Accounts payable	$ 12,258	$ 216,358	$ -	$ 5,363,933	$ 12,368,138
Accrued payroll and related liabilities	4,103	-	-	327,125	2,949,209
Intergovernmental payables	82,952	313,514	-	-	3,058,576
Contracts/retentions payable	-	-	-	-	98,630
Obligations under securities lending	844,650	8,799,550	-	876,248	57,856,303
Due to other funds	2,147	332,090	-	339,591	28,135,251
Due to fiduciary funds	-	-	-	3,509	21,388
Due to component units	-	-	-	759	433,441
Deferred revenues	3,058	29,491	-	595,741	24,652,948
Other liabilities	-	-	203	-	2,946
Total liabilities	949,168	9,691,003	203	7,506,906	129,576,830
Fund balances:					
Reserved for:					
Encumbrances and contracts	-	-	-	31,533	809,003
Inventories	-	-	-	181,874	877,790
Funds held as permanent investments	-	-	-	195,348	195,348
Other	-	-	-	36,669	184,043
Unreserved:					
Designated:					
Principal preservation	223,161	-	-	-	223,161
Other	-	-	-	-	4,190,039
Undesignated	3,011,805	28,914,781	4,947,891	5,883,793	235,905,930
Total fund balances	3,234,966	28,914,781	4,947,891	6,329,217	242,385,314
Total liabilities and fund balances	$ 4,184,134	$ 38,605,784	$ 4,948,094	$ 13,836,123	$ 371,962,144

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

For the Fiscal Year Ended June 30, 2008

	Employment Security	Regulatory	Legislative	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Revenues					
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 14,986,311	$ -
Property and transfer taxes	-	-	-	-	-
Other taxes	11,000,458	53,610	-	-	185,255
Intergovernmental	46,524,003	402,387	-	-	-
Licenses, fees and permits	339,689	19,126,104	2,130	-	416,600
Sales and charges for services	518,736	10,428	854,982	-	-
Interest and investment income	932,194	242,286	-	-	454,627
Tobacco settlement income	-	-	-	-	-
Other	1,560,606	487,519	213,538	-	-
Total revenues	60,875,686	20,322,334	1,070,650	14,986,311	1,056,482
Expenditures					
Current:					
General government	260,697	68,178	35,879,001	-	144,510
Health and social services	60,286,837	-	-	-	-
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	21,782,871	-	-	-
Recreation, resource development	-	-	-	-	8,214,376
Intergovernmental	-	-	-	-	409,853
Capital outlay	-	-	741,053	-	-
Debt service:					
Principal	-	-	124,766	-	-
Interest	-	-	11,236	775	-
Debt issuance costs	-	-	-	-	-
Total expenditures	60,547,534	21,851,049	36,756,056	775	8,768,739
Excess (deficiency) of revenues over expenditures	328,152	(1,528,715)	(35,685,406)	14,985,536	(7,712,257)
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Sale of capital assets	462,100	17,275	-	-	-
Transfers in	119	2,480,864	33,350,399	-	-
Transfers out	(985,449)	(496,011)	(1,607,285)	(12,903,994)	(902,277)
Total other financing sources (uses)	(523,230)	2,002,128	31,743,114	(12,903,994)	(902,277)
Net change in fund balances	(195,078)	473,413	(3,942,292)	2,081,542	(8,614,534)
Fund balances, July 1 (as restated)	18,501,631	10,598,740	12,426,944	7,300,474	11,910,763
Fund balances, June 30	$ 18,306,553	$ 11,072,153	$ 8,484,652	$ 9,382,016	$ 3,296,229

Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal	Gift
$ -	$ -	$ -	$ -	$ -	$ -	$ -
24,550,863	-	-	-	-	-	-
-	20,370,002	-	-	-	-	-
-	-	-	-	-	-	-
-	106,476	-	-	-	166,513	1,029,589
-	-	13,868,651	-	-	-	8,046
507,444	6,885	502,560	5,282,365	-	779,826	74,625
-	-	-	45,975,956	-	-	-
-	15,657	17,721	3,168	-	-	390,164
25,058,307	20,499,020	14,388,932	51,261,489	-	946,339	1,502,424
152,406	2,258	159,593	1,930,186	631,735	223,676	49,616
151,242	-	-	8,305,654	-	85,135	133,138
-	-	-	-	-	-	6,647
-	-	12,505,998	-	-	-	-
-	-	-	-	-	-	-
-	18,548,512	-	-	-	-	189,538
24,962,171	-	-	27,509,759	1,000,000	-	1,029,401
-	-	-	-	-	-	-
-	-	43,539	-	-	-	-
-	-	2,916	-	-	-	-
-	-	-	-	-	-	-
25,265,819	18,550,770	12,712,046	37,745,599	1,631,735	308,811	1,408,340
(207,512)	1,948,250	1,676,886	13,515,890	(1,631,735)	637,528	94,084
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	11,379	8,479,757	2,699,643	-	2,510
(197,150)	(3,432,150)	(1,341,835)	(8,904,689)	(7,910,686)	(63,487)	-
(197,150)	(3,432,150)	(1,330,456)	(424,932)	(5,211,043)	(63,487)	2,510
(404,662)	(1,483,900)	346,430	13,090,958	(6,842,778)	574,041	96,594
2,157,137	7,287,841	4,559,814	96,614,969	19,717,146	12,799,860	3,138,372
$ 1,752,475	$ 5,803,941	$ 4,906,244	$ 109,705,927	$ 12,874,368	$ 13,373,901	$ 3,234,966

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

NEVADA

For the Fiscal Year Ended June 30, 2008

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 14,986,311
Property and transfer taxes	-	-	-	24,550,863
Other taxes	-	-	4,503,278	36,112,603
Intergovernmental	-	-	1,334,461	48,260,851
Licenses, fees and permits	-	-	11,469,308	32,656,409
Sales and charges for services	-	-	824,970	16,085,813
Interest and investment income	1,586,648	362,550	779,745	11,511,755
Tobacco settlement income	-	-	-	45,975,956
Other	5,700	2,509,979	2,441,119	7,645,171
Total revenues	1,592,348	2,872,529	21,352,881	237,785,732
Expenditures				
Current:				
General government	414,990	5,646	15,581,813	55,504,305
Health and social services	-	-	-	68,962,006
Education and support services	-	-	857,774	864,421
Law, justice and public safety	-	-	4,790,137	17,296,135
Regulation of business	-	-	333,783	22,116,654
Recreation, resource development	1,833,825	-	-	28,786,251
Intergovernmental	17,163,472	-	11,213	72,085,869
Capital outlay	-	3,516,003	-	4,257,056
Debt service:				
Principal	-	-	-	168,305
Interest	-	-	-	14,927
Debt issuance costs	231,269	-	-	231,269
Total expenditures	19,643,556	3,521,649	21,574,720	270,287,198
Excess (deficiency) of revenues over expenditures	(18,051,208)	(649,120)	(221,839)	(32,501,466)
Other Financing Sources (Uses)				
Sale of general obligation bonds	36,456,160	-	-	36,456,160
Premium on general obligation bonds	917,074	-	-	917,074
Sale of capital assets	-	-	-	479,375
Transfers in	-	-	1,456,087	48,480,758
Transfers out	(688,839)	(3,331,360)	(397,107)	(43,162,319)
Total other financing sources (uses)	36,684,395	(3,331,360)	1,058,980	43,171,048
Net change in fund balances	18,633,187	(3,980,480)	837,141	10,669,582
Fund balances, July 1 (as restated)	10,281,594	8,928,371	5,492,076	231,715,732
Fund balances, June 30	$ 28,914,781	$ 4,947,891	$ 6,329,217	$ 242,385,314

Combining Balance Sheet
Other Nonmajor Governmental Funds

June 30, 2008

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
Assets						
Cash and pooled investments:						
Cash with treasurer	$ 96,438	$ 33,689,776	$ 18,065,400	$170,762,943	$ 58,053,738	$125,982,045
Investments	-	-	-	-	-	-
Collateral on loaned securities	-	-	-	5,222,101	-	-
Receivables:						
Accounts receivable	-	-	-	-	8,090	-
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-	-
Due from other funds	143,762	578,173	1,000,000	2,847,597	206,107	29,474
Total assets	$ 240,200	$ 34,267,949	$ 19,065,400	$178,832,641	$ 58,267,935	$126,011,519
Liabilities and Fund Balances						
Accounts payable and accruals:						
Accounts payable	$ 2,027	$ 468	$ 1,326	$ 1,677,873	$ 16,715	$ 39,583
Intergovernmental payables	-	-	-	-	-	-
Contracts payable	133,172	993,005	5,856,677	14,500,728	3,694,417	13,986,764
Retentions payable	7,641	197,565	524,491	17,098,216	1,208,714	5,916,354
Obligations under securities lending	-	-	-	5,222,101	-	-
Due to other funds	105,000	16,414,622	5,996,550	14,383,223	12,462,447	18,401,936
Due to fiduciary funds	-	-	-	-	-	-
Due to component units	-	-	-	125,932,188	-	-
Deferred revenues	-	-	-	18,312	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	247,840	17,605,660	12,379,044	178,832,641	17,382,293	38,344,637
Fund balances:						
Reserved:						
Encumbrances and contracts	-	16,662,289	6,686,356	-	28,470,964	87,666,882
Funds held as permanent investments	-	-	-	-	-	-
Unreserved:						
Designated for approved capital projects	-	-	-	-	12,414,678	-
Undesignated	(7,640)	-	-	-	-	-
Total fund balances	(7,640)	16,662,289	6,686,356	-	40,885,642	87,666,882
Total liabilities and fund balances	$ 240,200	$ 34,267,949	$ 19,065,400	$178,832,641	$ 58,267,935	$126,011,519

Capital Projects Funds					Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	CIP Miscellaneous	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
$ 7,473,996	$ 547,110	$ 22,788	$ -	$ 414,694,234	$ 11,047,327	$ 53,485	$ 11,100,812
-	-	-	-	-	277,305,911	-	277,305,911
-	-	6,817	-	5,228,918	3,304,742	16,000	3,320,742
-	-	-	-	8,090	-	-	-
-	-	-	-	-	-	-	-
624,444	104,844	-	-	729,288	588,334	-	588,334
-	-	-	-	-	2,693,085	-	2,693,085
7,157	214,154	312	-	5,026,736	250,100	731	250,831
$ 8,105,597	$ 866,108	$ 29,917	$ -	$ 425,687,266	$ 295,189,499	$ 70,216	$ 295,259,715
$ 186	$ -	$ -	$ -	$ 1,738,178	$ -	$ -	$ -
1,500	55,068	-	-	56,568	-	-	-
677,915	98,296	-	-	39,940,974	-	-	-
149,435	-	-	-	25,102,416	-	-	-
-	-	6,817	-	5,228,918	3,304,742	16,000	3,320,742
382,813	72,801	-	-	68,219,392	6,305,594	2,510	6,308,104
-	-	-	-	-	-	-	-
-	49,174	-	-	125,981,362	-	-	-
-	-	24	-	18,336	19,051	56	19,107
-	-	-	-	-	879,816	-	879,816
1,211,849	275,339	6,841	-	266,286,144	10,509,203	18,566	10,527,769
1,921,356	590,769	-	-	141,998,616	-	-	-
-	-	-	-	-	284,680,296	30,000	284,710,296
4,972,392	-	23,076	-	17,410,146	-	-	-
-	-	-	-	(7,640)	-	21,650	21,650
6,893,748	590,769	23,076	-	159,401,122	284,680,296	51,650	284,731,946
$ 8,105,597	$ 866,108	$ 29,917	$ -	$ 425,687,266	$ 295,189,499	$ 70,216	$ 295,259,715

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

For the Fiscal Year Ended June 30, 2008

	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	$ -	$ -	$ -	$ -	$ 213,803	$ -
Interest and investment income	14,920	-	-	-	-	-
Land sales	-	-	-	-	-	-
Other	104,579	-	-	-	-	-
Total revenues	119,499	-	-	-	213,803	-
Expenditures						
Current:						
General government	-	-	-	-	-	-
Intergovernmental	-	-	-	94,695,632	-	-
Capital outlay	300,713	4,116,380	11,308,494	-	22,290,554	119,665,000
Debt service:						
Debt issuance costs	-	49,241	18,777	211,333	67,290	213,539
Total expenditures	300,713	4,165,621	11,327,271	94,906,965	22,357,844	119,878,539
Excess (deficiency) of revenues over expenditures	(181,214)	(4,165,621)	(11,327,271)	(94,906,965)	(22,144,041)	(119,878,539)
Other Financing Sources (Uses)						
Sale of general obligation bonds	-	18,862,815	13,486,222	90,919,614	24,541,858	112,347,369
Premium on general obligation bonds	-	929,062	354,282	3,987,351	1,269,601	4,028,975
Transfers in	173,851	284,817	935,421	-	12,152,176	12,958,751
Transfers out	-	(16,251,986)	(5,983,342)	-	(12,750,008)	(16,750,642)
Total other financing sources (uses)	173,851	3,824,708	8,792,583	94,906,965	25,213,627	112,584,453
Net change in fund balances	(7,363)	(340,913)	(2,534,688)	-	3,069,586	(7,294,086)
Fund balances, July 1 (as restated)	(277)	17,003,202	9,221,044	-	37,816,056	94,960,968
Fund balances, June 30	$ (7,640)	$ 16,662,289	$ 6,686,356	$ -	$ 40,885,642	$ 87,666,882

Capital Projects Funds					Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	CIP Miscellaneous	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
$ 1,594,949	$ 167,735	$ -	$ -	$ 1,976,487	$ -	$ -	$ -
-	-	1,363	-	16,283	17,844,475	3,189	17,847,664
-	-	-	-	-	2,502,573	-	2,502,573
-	-	-	-	104,579	6,318,382	-	6,318,382
1,594,949	167,735	1,363	-	2,097,349	26,665,430	3,189	26,668,619
-	-	388	-	388	409,637	916	410,553
-	-	-	-	94,695,632	-	-	-
3,513,928	2,507,185	-	1	163,702,255	-	-	-
8,286	-	-	-	568,466	-	-	-
3,522,214	2,507,185	388	1	258,966,741	409,637	916	410,553
(1,927,265)	(2,339,450)	975	(1)	(256,869,392)	26,255,793	2,273	26,258,066
3,783,186	-	-	-	263,941,064	-	-	-
156,336	-	-	-	10,725,607	-	-	-
1,145,103	2,534,434	-	-	30,184,553	-	-	-
(400,980)	-	-	(119)	(52,137,077)	(17,435,621)	(2,510)	(17,438,131)
4,683,645	2,534,434	-	(119)	252,714,147	(17,435,621)	(2,510)	(17,438,131)
2,756,380	194,984	975	(120)	(4,155,245)	8,820,172	(237)	8,819,935
4,137,368	395,785	22,101	120	163,556,367	275,860,124	51,887	275,912,011
$ 6,893,748	$ 590,769	$ 23,076	$ -	$ 159,401,122	$ 284,680,296	$ 51,650	$ 284,731,946

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

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance
General Fund Unbudgeted Activity	$ -	$ 6,268,929	$ (6,268,929)
Constitutional Agencies			
Executive Branch			
Office of the Governor	2,564,223	2,448,026	116,197
Governor's Mansion Maintenance	351,978	299,447	52,531
Governor's Office of Consumer Health Assistance	974,686	823,921	150,765
Governor's Office Homeland Security	658,495	502,751	155,744
Governor's Washington Office	267,079	267,079	-
Ethics Commission	660,081	651,010	9,071
High Level Nuclear Waste	8,487,526	6,960,812	1,526,714
Petroleum Overcharge Rebate	224,756	25,000	199,756
Governor's Office Energy Conservation	1,006,930	638,863	368,067
Lieutenant Governor	640,770	614,135	26,635
Attorney General Administrative Account	25,417,284	24,202,639	1,214,645
Attorney General Extradition Coordinator	772,222	749,452	22,770
Attorney General Special Fund	452,333	316,549	135,784
Attorney General Workers' Compensation Fraud	4,421,184	3,629,320	791,864
Attorney General Crime Prevention	282,215	271,339	10,876
Attorney General Medicaid Fraud	3,760,272	1,829,226	1,931,046
Attorney General Violence Against Women Grants	2,976,828	1,335,596	1,641,232
Attorney General Council For Prosecuting Attorneys	335,879	221,069	114,810
Attorney General Victims of Domestic Violence	284,498	258,219	26,279
Private Investigators Licensing Board	1,231,835	631,399	600,436
Attorney General High Tech Crime	829,639	579,706	249,933
Secretary of State	10,793,055	10,162,922	630,133
Secretary of State HAVA Election Reform	8,907,792	2,105,727	6,802,065
Secretary of State Investigations and Enforcements	2,967,790	2,248,912	718,878
Special Services - Secretary of State	6,907,484	5,300,000	1,607,484
Secretary of State Advisory Committee Gift	58	-	58
State Treasurer	2,685,407	2,311,571	373,836
Silicosis and Disabled Pensions	3,949,617	74,668	3,874,949
College Savings Private Entity	200,000	-	200,000
Unclaimed Property	1,281,851	1,098,418	183,433
Controller's Office	4,778,031	4,271,965	506,066
Judicial Branch			
Administrative Office of the Courts	4,227,662	2,474,423	1,753,239
Divison of Planning and Analysis	1,250,234	1,049,957	200,277
Uniform System of Judicial Records	2,905,934	1,599,897	1,306,037
Judicial Education	2,415,355	1,178,696	1,236,659
District Judges' Salary	12,262,451	12,262,451	-
Judicial Travel and Support	558,230	211,321	346,909
District Judge/Surviving Spouse Pension	1,666,900	1,666,900	-
Supreme Court	14,690,906	14,439,091	251,815
Specialty Court	5,802,939	4,074,578	1,728,361
Senior Justice and Senior Judge Program	1,696,008	1,672,411	23,597
Judicial Selection	18,216	16,535	1,681
Legislative Counsel Bureau Disbursement	28,131,944	21,082,799	7,049,145
Law Library Gift Fund	75,030	25,525	49,505
Law Library	1,694,783	1,688,560	6,223
Judicial Discipline	653,713	556,077	97,636
	177,122,103	138,828,962	38,293,141
Finance & Administration			
Administration			
Construction Education Account	486,790	225,734	261,056
Deferred Compensation Committee	468,887	265,447	203,440
Commission For Women	1,504	-	1,504
Special Appropriations	6,105,557	6,031,024	74,533
Judicial College/Juvenile and Family Justice	375,000	375,000	-

	Final Budget	Actual	Variance
Information Technology Division	$ 1,036,089	$ 1,005,699	$ 30,390
Information Technology Projects	16,140,855	5,292,058	10,848,797
Budget and Planning	3,770,140	3,614,814	155,326
Division of Internal Audits	2,235,834	2,180,663	55,171
Graffiti Reward Fund	6,016	-	6,016
Merit Award Board	5,000	225	4,775
Controlled Substance Grants	8,796	-	8,796
Clear Creek Youth Center	19,588	16,391	3,197
Commodity Food Program	11,729,263	9,920,000	1,809,263
Roof Maintenance Reserve	830,638	54,952	775,686
Public Works Administration	1,053,710	1,034,167	19,543
School Plan Checking	601,435	385,058	216,377
Administration - Hearings Division	4,646,251	4,541,143	105,108
Stale Claims	4,203,277	2,536,356	1,666,921
Emergency Fund	504,829	78,473	426,356
Statutory Contingency	3,670,146	1,496,437	2,173,709
Taxation			
Department of Taxation	35,265,880	33,176,539	2,089,341
Personnel			
State Unemployment Compensation	2,113,745	1,386,561	727,184
	95,279,230	73,616,741	21,662,489
Education			
Education			
Drug Abuse Education	1,829,709	1,225,275	604,434
Student Incentive Grants	532,602	521,324	11,278
Distributive School Account	1,270,968,643	1,270,968,642	1
School Health Education - AIDS	587,223	244,591	342,632
School Remediation	73,836,121	55,035,265	18,800,856
Education State Programs	3,364,649	3,105,923	258,726
Career and Technical Education	10,686,092	9,615,437	1,070,655
Gear Up	3,544,812	2,038,594	1,506,218
Gear Up Scholarship Trust	9,375,735	558,618	8,817,117
Continuing Education	5,362,557	5,135,530	227,027
Proficiency Testing	5,011,631	4,983,247	28,384
Other State Education Programs	28,895,415	27,084,689	1,810,726
Education Technology Trust	19,459	-	19,459
Teacher Education and Licensing	2,145,802	1,446,179	699,623
Discretionary Grants - Unrestricted	3,373,878	1,716,169	1,657,709
Discretionary Grants - Restricted	21,493,302	16,546,377	4,946,925
Elementary and Secondary Ed - Title I	120,914,156	96,030,430	24,883,726
Elementary and Secondary Ed Titles II, V & VI	33,764,365	22,914,524	10,849,841
Individuals with Disabilities (IDEA)	81,736,297	66,351,279	15,385,018
Education Staffing Services	663,552	444,194	219,358
Education Support Services	2,895,801	2,502,062	393,739
Incentives for Licensed Educational Personnel	22,942,577	17,629,058	5,313,519
Nutrition Education Programs	79,682,781	77,604,729	2,078,052
Commission on Postsecondary Education	456,020	429,098	26,922
Student Indemnification Account	364,514	97,577	266,937
Cultural Affairs			
Cultural Affairs Administration	1,203,601	1,073,322	130,279
Lost City Museum	582,143	487,282	94,861
LV Springs Preserve Museum Dev	40,599,444	24,077,421	16,522,023
Nevada Historical Society	976,961	799,189	177,772
State Museum, Carson City	1,979,608	1,930,797	48,811
Museums And History	939,151	873,462	65,689
Museum and Historical Society - Las Vegas	1,128,621	1,120,918	7,703
State Railroad Museums	3,233,265	2,596,016	637,249
Archives and Records	956,890	951,240	5,650
Micrographics and Imaging	648,989	433,056	215,933

	Final Budget	Actual	Variance
Nevada State Library	$ 8,322,739	$ 6,697,081	$ 1,625,658
Nevada State Library-Literacy	274,741	252,148	22,593
Nevada Humanities	250,000	250,000	-
Nevada State Library - CLAN	540,042	324,904	215,138
Nevada Arts Council	3,039,673	2,575,939	463,734
Cultural Resource Program	5,374,828	3,651,619	1,723,209
Historic Preservation	2,244,938	1,595,347	649,591
Comstock Historic District	163,845	153,656	10,189
Comstock Historical District Gifts	52	-	52
Nevada System of Higher Education			
Special Projects	5,311,460	3,224,618	2,086,842
Education for Dependent Children	37,270	1,392	35,878
University of Nevada - Reno	184,011,975	181,123,174	2,888,801
School of Medical Sciences	46,869,811	38,167,550	8,702,261
Intercollegiate Athletics UNR	6,763,868	6,760,145	3,723
Statewide Programs - UNR	8,405,103	8,403,232	1,871
University System Administration	15,657,589	15,588,938	68,651
University of Nevada Las Vegas	254,330,546	253,053,167	1,277,379
Intercollegiate Athletics UNLV	8,940,854	8,940,854	-
Agricultural Experiment Station	11,413,216	11,412,653	563
Cooperative Extension Service	11,082,674	11,060,063	22,611
System Computing Center	22,981,780	22,428,976	552,804
UNLV Law School	12,722,466	12,658,707	63,759
National Direct Student Loan Program	50,904	50,904	-
University Press	886,808	880,711	6,097
Anatomical Gift	262,041	75,000	187,041
Statewide Programs - UNLV	1,832,379	1,832,379	-
UNLV Dental School	13,205,339	13,190,873	14,466
Business Center North	2,509,513	2,507,494	2,019
Business Center South	2,131,247	2,131,247	-
Collegiate License Plate Account	250,136	209,283	40,853
Nevada State College at Henderson	18,212,511	17,831,046	381,465
Community College of Southern Nevada	126,272,336	126,272,284	52
Laboratory and Research	2,035,229	2,034,940	289
Great Basin College	18,823,067	18,750,617	72,450
Desert Research Institute	10,719,717	9,810,069	909,648
Western Nevada Community College	24,206,743	24,152,410	54,333
Truckee Meadows Community College	49,973,415	49,888,274	85,141
WICHE Program			
WICHE Administration	369,576	367,844	1,732
	2,717,176,797	2,576,881,052	140,295,745
Human Resources			
Health and Human Services			
Administration	2,993,214	2,551,274	441,940
Grants Management Unit	35,916,150	32,681,274	3,234,876
Problem Gambling	1,916,177	1,390,089	526,088
State and Community Collaboration	855,517	811,783	43,734
Developmental Disabilities	693,294	632,852	60,442
Community Based Services	13,953,818	9,410,057	4,543,761
Family to Family Connections	5,065,480	3,963,588	1,101,892
Aging Services			
Senior Sevices Program	10,842,608	8,353,762	2,488,846
Aging Older Americans Act	20,006,329	15,623,442	4,382,887
Senior Citizens' Property Tax Assistance	5,189,157	5,189,156	1
EPS/Homemaker Programs	3,582,133	3,428,757	153,376
Health Care Financing and Policy			
Intergovernmental Transfer Program	109,843,523	95,572,042	14,271,481
Administration	23,881,070	21,373,719	2,507,351
HIFA Holding Account	455,949	389,856	66,093

	Final Budget	Actual	Variance
Increased Quality of Nursing Care	$ 31,133,988	$ 26,327,114	$ 4,806,874
Nevada Check-Up Program	43,374,480	40,910,324	2,464,156
Nevada Medicaid, Title XIX	1,303,789,377	1,269,129,109	34,660,268
HIFA Medical	2,234,723	1,020,980	1,213,743
Health			
Radiological Health	3,665,595	2,096,573	1,569,022
Cancer Control Registry	1,122,161	655,490	466,671
Alcoholism and Drug Rehabilitation	28,150,283	26,146,239	2,004,044
Vital Statistics	1,660,964	1,436,366	224,598
Consumer Health Protection	2,769,701	2,051,123	718,578
Office of Minority Health	327,674	281,868	45,806
Early Intervention Services	21,324,272	20,617,886	706,386
Immunization Program	5,464,362	4,365,536	1,098,826
WIC Food Supplement	50,271,267	47,848,945	2,422,322
Sexually Transmitted Disease Control	15,969,706	15,337,904	631,802
Health Facilities Hospital Licensing	13,678,032	7,245,371	6,432,661
Health Facilities-Admin Penalty	275,268	23,002	252,266
Public Health Preparedness Program	20,247,334	17,163,388	3,083,946
Communicable Disease Control	5,946,771	5,483,962	462,809
Maternal Child Health Services	7,490,781	6,567,758	923,023
Office of Health Administration	5,323,057	4,315,682	1,007,375
Community Health Services	4,411,748	3,498,079	913,669
Emergency Medical Services	1,435,358	1,292,137	143,221
Welfare			
Welfare Administration	31,294,661	26,979,670	4,314,991
Health Special Appropriations	559,918	492,595	67,323
Temp Assistance for Needy Families	52,823,767	50,425,234	2,398,533
Assistance to Aged and Blind	7,037,888	7,037,888	-
Welfare Field Services	67,165,333	62,230,216	4,935,117
Child Support Enforcement Program	13,152,851	9,274,131	3,878,720
Child Support Federal Reimbursement	25,936,550	21,396,381	4,540,169
Child Assistance and Development	59,086,376	45,487,511	13,598,865
Energy Assistance Program	20,644,940	18,397,679	2,247,261
Mental Health and Developmental Services			
Southern Food Service	1,977,584	1,821,668	155,916
So NV Adult Mental Health Services	110,693,942	103,311,244	7,382,698
No NV Adult Mental Health Services	40,060,541	36,939,411	3,121,130
Mental Health Information System	2,027,845	1,746,510	281,335
Family Preservation Program	2,135,672	2,097,970	37,702
Rural Regional Center	15,684,262	14,884,408	799,854
MHDS Administration	8,512,138	7,649,152	862,986
Desert Regional Center	75,298,282	71,606,869	3,691,413
Sierra Regional Center	34,515,984	33,918,945	597,039
Facility for the Mental Offender	10,297,349	9,833,918	463,431
Alcohol Tax Program	1,396,289	1,089,319	306,970
Rural Clinics	17,261,402	16,682,562	578,840
Child and Family Services			
Community Juvenile Justice Programs	3,488,289	2,567,476	920,813
Washoe County Integration	25,904,931	24,466,314	1,438,617
Clark County Integration	61,272,187	51,052,824	10,219,363
UNITY/SACWIS	6,137,578	5,660,256	477,322
Children, Youth and Family Administration	25,497,885	18,110,218	7,387,667
Youth Alternative Placement	3,648,443	3,648,443	-
Juvenile Correctional Facility	7,749,836	7,402,049	347,787
Child Care Services	1,072,230	917,131	155,099
Caliente Youth Center	7,978,227	7,801,404	176,823
Victims of Domestic Violence	3,869,642	3,230,129	639,513
Childrens Trust Account	1,355,176	532,373	822,803
Rural Child Welfare	18,541,733	17,267,503	1,274,230

	Final Budget	Actual	Variance
Review of Death of Children	$ 347,753	$ 199,434	$ 148,319
Nevada Youth Training Center	10,595,955	10,113,812	482,143
Youth Parole Services	5,949,791	5,506,396	443,395
Farm Account - Youth Training Center	12,136	716	11,420
No NV Child and Adolescent Services	8,075,113	7,415,294	659,819
So NV Child and Adolescent Services	24,119,869	22,585,178	1,534,691
Employment, Training and Rehabilitation			
Blind Business Enterprise Program	5,014,843	1,976,526	3,038,317
Services to the Blind	5,204,882	4,855,034	349,848
Client Assistance Program	203,097	175,683	27,414
Vocational Rehabilitation	20,569,397	15,588,614	4,980,783
Rehabilitation Administration	1,042,605	951,264	91,341
Disability Adjudication	13,720,717	11,715,574	2,005,143
Equal Rights Commission	1,731,638	1,719,373	12,265
Administration	4,260,879	4,093,254	167,625
Research and Analysis	3,446,953	2,754,952	692,001
Information Develoment and Processing	7,886,180	7,446,477	439,703
Other Human Services			
Public Defender	2,584,470	2,351,624	232,846
Indian Affairs Commission	202,705	197,331	5,374
	2,684,310,035	2,490,792,424	193,517,611
Commerce & Industry			
Economic Development and Tourism			
Economic Development and Diversification	3,236,956	950,642	2,286,314
Commission on Economic Development	6,484,602	5,766,881	717,721
Nevada Film Office	1,114,092	894,013	220,079
Rural Community Development	3,356,988	2,331,670	1,025,318
Procurement Outreach Program	552,998	510,478	42,520
Minerals			
Minerals	3,568,641	2,007,128	1,561,513
Bond Reclamation	4,709,820	183,481	4,526,339
Agriculture			
Nevada Beef Council	290,020	257,775	32,245
Gas Pollution Standards	630,377	367,431	262,946
Weed Abatement and Control	211,367	60,041	151,326
Plant Industry	2,556,825	2,497,465	59,360
Grade and Certification of Ag Products	173,336	90,744	82,592
Garlic and Onion Research Promotion	124,605	14,284	110,321
Agricultural Registration/Enforcement	2,767,867	1,431,335	1,336,532
Livestock Inspection	1,766,526	1,059,972	706,554
Marijuana Health Registry	117,245	51,725	65,520
USDA CCC	24,465	15,536	8,929
Agriculture License Plates	28,605	26,000	2,605
Veterinary Medical Services	1,813,600	1,536,018	277,582
Weights and Measures	1,889,318	1,686,749	202,569
Noxious Weed and Insect Control	1,168,812	535,357	633,455
Agriculture Administration	1,895,510	1,785,307	110,203
Rangeland Resources Commission	216,603	21,370	195,233
Morman Cricket and Grasshoppers	1,318,152	290,848	1,027,304
Predatory Animal and Rodent Control	1,190,459	1,152,511	37,948
Nevada Jr Livestock Show Board	35,824	35,381	443
Gaming Control			
Gaming Control Board	45,939,369	43,579,471	2,359,898
Gaming Control Federal Forfeiture	598,479	2,220	596,259
Gaming Control - Forfeiture Account	566,792	1,411	565,381
Gaming Control - Other State Forfeiture	637,831	137,642	500,189
Federal Forfeiture Treasury	408,337	-	408,337
Gaming Commission	418,031	387,563	30,468

	Final Budget	Actual	Variance
Business and Industry			
Business and Industry Administration	$ 1,253,589	$ 1,168,498	$ 85,091
Industrial Development Bonds	1,489,883	149,344	1,340,539
Insurance Regulation	7,125,772	6,857,827	267,945
Captive Insurers	2,818,912	1,047,560	1,771,352
Insurance Recovery	652,005	612,005	40,000
Insurance Education and Research	1,669,254	700,662	968,592
Nat. Assoc. of Insurance Commissioners	64,709	35,918	28,791
Insurance Cost Stabilization	389,749	164,859	224,890
Consumer Affairs Restitution	100,967	32,249	68,718
Consumer Affairs Recovery Acct	253,106	7,056	246,050
Consumer Affairs	1,665,739	1,462,910	202,829
Special Housing Assistance	1,000,000	940,310	59,690
Low Income Housing Trust Fund	41,663,534	11,132,590	30,530,944
Weatherization	5,881,933	4,525,843	1,356,090
Employee Management Relations Board	225,180	224,406	774
Common Interest Communities	4,322,475	1,544,968	2,777,507
Real Estate Administration	4,016,498	3,296,096	720,402
Athletic Commission	971,301	697,130	274,171
Labor Commissioner	1,530,764	1,451,193	79,571
Division of Mortgage Lending	11,992,025	3,247,370	8,744,655
Attorney for Injured Workers	3,428,191	3,107,058	321,133
Financial Institutions Investigations	770,938	46,494	724,444
Financial Institutions	5,672,696	2,201,798	3,470,898
Financial Institutions Audit	269,835	12,361	257,474
	189,041,507	114,334,954	74,706,553
Public Safety			
Corrections			
Prison Medical Care	42,761,016	42,629,397	131,619
Director's Office	21,116,868	20,843,897	272,971
Correctional Programs	7,051,055	6,368,359	682,696
So Nevada Correctional Center	12,344,989	11,899,706	445,283
Warm Springs Correctional Center	7,113,083	7,087,874	25,209
No Nevada Correctional Center	25,097,309	24,910,585	186,724
Nevada State Prison	18,742,934	18,656,644	86,290
Stewart Conservation Camp	1,740,116	1,730,604	9,512
Pioche Conservation Camp	1,559,665	1,555,764	3,901
Northern Nevada Restitution Center	1,086,248	1,037,969	48,279
Indian Springs Conservation Camp	2,252,196	2,199,144	53,052
Southern Desert Correctional Center	21,059,275	20,996,422	62,853
Wells Conservation Camp	1,233,270	1,207,862	25,408
Humboldt Conservation Camp	1,395,487	1,380,848	14,639
Ely Conservation Camp	1,359,081	1,354,209	4,872
Jean Conservation Camp	1,694,873	1,642,999	51,874
Silver Springs Conservation Camp	1,256,328	1,232,635	23,693
Ely State Prison	27,031,710	26,983,628	48,082
Carlin Conservation Camp	1,269,804	1,220,313	49,491
Tonopah Conservation Camp	1,222,149	1,147,193	74,956
Lovelock Correctional Center	24,400,413	24,131,606	268,807
Southern Nevada Women's Correctional Center	10,355,383	10,328,055	27,328
High Desert State Prison	34,075,063	33,795,308	279,755
Casa Grande Transitional Housing	4,206,823	4,102,873	103,950
Public Safety			
Emergency Management Division	4,850,851	3,293,238	1,557,613
Emergency Mgmt Assistance Grant	92,359,454	20,513,661	71,845,793
Parole and Probation	47,831,113	46,562,431	1,268,682
Division of Investigations	6,230,026	5,942,964	287,062
Narcotics Control	4,178,387	3,753,843	424,544

	Final Budget	Actual	Variance
Parolee Loan Account	$ 1,945	$ 1,500	$ 445
Training Division	1,663,209	1,486,856	176,353
Parole Board	2,376,617	1,963,949	412,668
Fire Marshal	3,631,442	3,146,950	484,492
Traffic Safety	7,520,711	3,804,856	3,715,855
Highway Safety Plan and Administration	3,116,596	1,834,515	1,282,081
K-9 Program	398,668	26,874	371,794
Forfeitures	4,082,104	1,090,584	2,991,520
Justice Assistance Account	4,828,763	2,210,618	2,618,145
Justice Assistance Grant	3,940,742	2,578,794	1,361,948
Criminal History Repository	26,113,341	16,736,925	9,376,416
Child Volunteer Background Checks Trust	25,000	18,892	6,108
Contingency Account for Haz Mat	1,059,917	531,823	528,094
Home Disaster Assistance	4,940,613	663,675	4,276,938
Public Safety, One Shots	13,810,010	10,665,178	3,144,832
Justice Grant	451,856	433,687	18,169
Dignitary Protection	1,166,301	1,131,922	34,379
Peace Officers Standards & Training			
Peace Officers Standards & Training	3,650,646	3,120,260	530,386
Motor Vehicles			
Motor Vehicle Pollution Control	11,759,463	9,090,495	2,668,968
	521,412,913	409,048,384	112,364,529
Infrastructure			
Wildlife			
Wildlife Administration	31,693,084	25,169,683	6,523,401
Wildlife Trout Stamp Program	7,547,588	3,845,041	3,702,547
Wildlife Boating Program	7,781,410	5,537,335	2,244,075
Wildlife Heritage	6,404,367	721,861	5,682,506
Wildlife Obligated Reserve	5,012,945	1,965,798	3,047,147
Wildlife Habitat Mitigation	811,071	200,528	610,543
Conservation and Natural Resources			
State Environmental Commission	69,612	50,713	18,899
Administration	6,254,797	6,235,995	18,802
Water Resources Legal Cost	459,470	113,020	346,450
Tahoe Regional Planning Agency	10,469,629	1,889,335	8,580,294
Division of Conservation Districts	677,973	558,802	119,171
Parks Federal Grant Programs	6,740,573	1,663,192	5,077,381
State Parks	17,788,810	14,581,768	3,207,042
Maintenance of State Parks	1,879,378	357,351	1,522,027
Coyote Srings Groundwater Basin	34,708	481	34,227
Flood Control Revenue Fund	252,517	-	252,517
USGS Co-Op	968,169	567,087	401,082
Groundwater Recharge Projects	282,667	29,692	252,975
Water Right Surveyors	51,714	5,440	46,274
Water Rights Support Fund	555,848	206,473	349,375
Well Driller's Licenses	50,223	20,907	29,316
Water Resources	7,149,014	6,631,896	517,118
State Engineer Revenue	145,432	91,470	53,962
Little Humboldt River	247,257	68,319	178,938
Quinn River Distribution	31,943	688	31,255
Adjudication Emergency	16,000	-	16,000
Steptoe Valley Water Basin	11,277	2,852	8,425
Diamond Valley Ground Water	16,876	3,956	12,920
Dixie Creek/10 Mi Ground Water	9,000	-	9,000
Churchill Valley Ground Water	6,577	4,735	1,842
Colorado River Valley	25,532	1,770	23,762
Washoe Valley Ground Water	8,498	5,256	3,242
Las Vegas Basin Water District	3,433,994	894,843	2,539,151
Muddy River Surface Water	28,348	6,974	21,374

	Final Budget	Actual	Variance
Flood Repairs and Disaster Relief	$ 50,000	$ -	$ 50,000
Channel Clearance	400,673	103,251	297,422
Pahranagat Lake	51,739	31,166	20,573
Pahrump Artesian Basin	59,902	18,869	41,033
Boulder Flat Ground Water	87,466	7,724	79,742
Dayton Valley Ground Water	8,860	4,869	3,991
Mason Valley Ground Water	75,573	12,831	62,742
Humboldt Water District	335,814	176,203	159,611
Water District Revenue Fund	36,349	6,349	30,000
Smith Valley Artesian Basin	40,653	11,528	29,125
Currant Creek	5,253	1	5,252
Duckwater Creek	22,190	14,252	7,938
Paradise Valley Ground Water	29,198	3,057	26,141
Upper White River	15,140	155	14,985
Muddy River Springs	27,483	5,755	21,728
Kingston Creek	5,757	5	5,752
Warm Springs/Winnemucca Creek	24,544	4,431	20,113
Eagle Valley	65,472	21,374	44,098
Carson Valley Ground Water	57,335	19,746	37,589
Fish Lake Valley Artesian	9,787	4,988	4,799
Carico Creek	443	-	443
Lemmon Valley	82,332	18,621	63,711
Truckee Meadows/Sun Valley	83,372	32,616	50,756
Antelope Middle Reese River	42,313	3,020	39,293
Warm Springs Ground Water	33,956	5,013	28,943
Lower Moapa Valley Groundwater	2,860	-	2,860
Honey Lake Valley	10,716	909	9,807
Whirlwind Valley	14,767	276	14,491
Crescent Water Groundwater	22,662	1,071	21,591
Pumpernickel Valley	34	-	34
Clovers Area Groundwater	41,899	4,542	37,357
Cold Springs Valley	20,333	2,576	17,757
Imlay Ground Water	24,306	1,059	23,247
Kelly Creek Ground Water	37,691	5,440	32,251
Lower Reese River Valley	53,270	2,678	50,592
Maggie Creek	55,357	7,441	47,916
North Fork Ground Water	19,642	1,810	17,832
Pleasant Valley	5,691	2,184	3,507
Forestry	16,579,939	10,736,300	5,843,639
Forest Fire Suppression/Emergency Response	15,893,979	10,876,971	5,017,008
Forestry Honor Camps	12,832,168	12,068,019	764,149
Forestry Inter-Gov Agreements	3,684,324	3,010,000	674,324
Tahoe License Plates	2,127,409	391,592	1,735,817
Mt. Charleston License Plates	308,312	-	308,312
Nevada Tahoe Regional Planning Agency	1,796	437	1,359
State Lands	2,272,520	2,162,065	110,455
State Lands Revolving Account	60,836	45	60,791
Tahoe Bond Sale	460,126	25,139	434,987
Tahoe Mitigation	2,299,590	33,695	2,265,895
Nevada Natural Heritage	1,303,016	859,465	443,551
AB9/Q1 Bonds	87,707,773	42,343,887	45,363,886
Storage Tank Management	808,427	-	808,427
Environmental Protection Administration	5,294,230	3,545,283	1,748,947
Chemical Hazard Prevention	979,733	353,216	626,517
Reclamation Surety Account	1,814,926	-	1,814,926
Air Quality Management Account	7,323,633	1,663,887	5,659,746
Air Quality	7,659,854	5,375,905	2,283,949
Water Pollution Control	7,163,165	3,685,410	3,477,755
Water Quality Planning	8,409,707	3,423,254	4,986,453

	Final Budget	Actual	Variance
Safe Drinking Water Regulatory Program	$ 2,953,505	$ 2,270,585	$ 682,920
Waste Management and Federal Facilities	19,242,827	10,684,618	8,558,209
Mining Regulation/Reclamation	4,893,750	2,254,106	2,639,644
Interim Fluid Management Trust	1,245,108	-	1,245,108
Hazardous Waste Management	24,191,985	4,744,274	19,447,711
Hazardous Waste - Beatty Site	10,419,503	-	10,419,503
Water Planning - Capital Improvement	303,777	202,355	101,422
Infrastructure			
AB544 Highway Projects	170,000,000	128,959,950	41,040,050
	537,113,051	321,639,529	215,473,522
Special Purpose Agencies			
Veterans' Affairs			
Commissioner for Veterans' Affairs	2,577,427	2,498,211	79,216
Veterans' Home Account	16,237,323	15,244,668	992,655
Veterans' Gifts And Donations	233,114	63,958	169,156
Veterans' Home Donation	114,690	71,056	43,634
Gift Account for Veterans	385,000	9,718	375,282
Office of Military			
Military	18,951,169	13,496,859	5,454,310
Adjutant General Construction	35,408	-	35,408
National Guard Benefits	45,250	39,780	5,470
Patriot Relief Account	870,300	229,833	640,467
Civil Air Patrol	64,285	54,431	9,854
	39,513,966	31,708,514	7,805,452
Appropriated Transfers to Other Funds			
Legislative Fund	34,142,119	34,142,119	-
Contingency Fund	8,843,240	8,843,240	-
Attorney General Fund - Consumer Advocate	1,514,928	1,514,928	-
Stabilize the Operations of State Government	2,000,000	2,000,000	-
Highway Fund	275,928	275,928	-
Healthy Nevada Fund	383,319	383,319	-
WICHE Loan and Stipend Fund	703,450	703,450	-
Capital Project Funds	37,846,973	37,846,973	-
Internal Service Funds	30,112	30,112	-
	85,740,069	85,740,069	-
Reversions to Other Funds			
Reversion to Highway Fund	-	195,639	(195,639)
Reversion to Stabilization Fund	-	743,390	(743,390)
Reversion to Capital Projects Fund	-	119	(119)
Reversion to Workers' Comp & Safety Fund	-	812,892	(812,892)
Reversion to Healthy Nevada Fund	-	364,148	(364,148)
Reversion to Contingency Fund	-	2,290,241	(2,290,241)
	-	4,406,429	(4,406,429)
Projected Reversions	(60,000,000)	-	(60,000,000)
Total General Fund	$ 6,986,709,671	$ 6,253,265,987	$ 733,443,684

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

NEVADA

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance
State Highway			
Finance & Administration			
Unbudgeted Activity	$ -	$ 135,397	$ (135,397)
Appropriations to Other Funds	5,967,624	5,967,624	-
Infrastructure			
Transportation Administration	600,153,256	553,732,932	46,420,324
Bond Construction	285,650,074	94,643,385	191,006,689
AB595 Revenue Rental Car Tax	3,750,000	-	3,750,000
Public Safety			
Aviation Trust Fund	453,267	284,319	168,948
Bicycle Safety Program	311,178	142,254	168,924
Motorcycle Safety Program	841,330	446,701	394,629
Director's Office - Public Safety	1,392,307	1,356,454	35,853
Internal Affairs	647,693	591,505	56,188
Records Search	11,560,295	10,456,938	1,103,357
Highway Patrol	65,657,609	63,335,110	2,322,499
Administrative Services	2,075,552	1,912,537	163,015
DMV Motor Vehicle Info Technology	11,347,787	9,303,933	2,043,854
Motor Carrier	4,677,209	4,333,840	343,369
PS Highway Safety Grants Account	2,855,240	1,265,279	1,589,961
Emergency Response Commission	2,813,601	1,435,223	1,378,378
Verification of Insurance	3,426,565	2,769,377	657,188
Hearings - DMV & PS	1,177,636	1,143,306	34,330
Public Safety Technology Division	8,456,064	7,876,850	579,214
DMV Field Services	46,158,122	42,378,422	3,779,700
Compliance Enforcement	5,034,218	4,852,462	181,756
Central Services	14,838,298	13,578,696	1,259,602
Management Services	1,428,663	1,402,485	26,178
Director's Office - DMV	5,601,589	5,580,203	21,386
DMV Real ID	100,000	100,000	-
Administrative Services	11,140,658	10,608,342	532,316
Debt Service Transfers			
Debt Service	84,337,795	84,337,795	-
Total	1,181,853,630	923,971,369	257,882,261
Municipal Bond Bank			
Constitutional Agencies			
Municipal Bond Bank Revenue	64,210,006	41,216,938	22,993,068
Total	64,210,006	41,216,938	22,993,068
Stabilize the Operations of State Government			
Constitutional Agencies			
Disaster Relief	10,453,992	577,595	9,876,397
Emergency Assistance	1,578,852	541,101	1,037,751
Stabilization of State Government	195,000,000	195,000,000	-
Total	207,032,844	196,118,696	10,914,148
Employment Security			
Human Services			
Claimant Employment Program	23,786,179	13,183,105	10,603,074
Employment Security	53,063,949	47,436,514	5,627,435
Employment Security Special Fund	11,152,301	1,546,701	9,605,600
Total	88,002,429	62,166,320	25,836,109
Regulatory			
Commerce & Industry			
Manufactured Housing	3,269,154	1,445,592	1,823,562
Real Estate Education & Research	2,213,594	688,202	1,525,392
Real Estate Recovery	1,074,920	744,920	330,000
Mobile Home Parks	390,492	210,681	179,811
Mfg Housing-Education/Recovery	715,812	87,776	628,036
Regulatory Fund	13,477,831	9,784,821	3,693,010
Administrative Fines	100,000	79,775	20,225

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance
Transportation Services Authority	$ 2,855,860	$ 2,734,641	$ 121,219
TSA Administrative Fines	405,874	168,845	237,029
Taxicab Authority	8,620,339	6,155,021	2,465,318
Dairy Commission	1,838,918	1,221,514	617,404
Total	34,962,794	23,321,788	11,641,006
Legislative			
Constitutional Agencies			
Nevada Legislative Interim	622,462	548,067	74,395
Legislative Counsel Bureau	46,507,356	38,849,132	7,658,224
Audit Contingency Account	289,100	289,100	-
Total	47,418,918	39,686,299	7,732,619
Higher Education Capital Construction			
Finance & Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	10,404,769	10,404,769	-
Total	15,404,769	15,404,769	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	26,370,198	9,526,506	16,843,692
Total	26,370,198	9,526,506	16,843,692
Hospital Care to Indigent Persons			
Finance & Administration			
Supplemental Fund - Indigents	27,483,081	25,484,588	1,998,493
Total	27,483,081	25,484,588	1,998,493
Tourism Promotion			
Commerce & Industry			
Tourism Development	346,395	-	346,395
Commission on Tourism	25,663,628	21,878,750	3,784,878
Total	26,010,023	21,878,750	4,131,273
Offenders' Store			
Public Safety			
Offenders' Store Fund	18,563,850	14,485,919	4,077,931
Inmate Welfare Account	4,459,894	3,239,503	1,220,391
Total	23,023,744	17,725,422	5,298,322
Tobacco Settlement			
Constitutional Agencies			
Millennium Scholarship Fund	55,748,748	26,043,996	29,704,752
Millennium Scholarship Administration	448,632	382,992	65,640
Trust Fund for Healthy Nevada	58,047,559	17,394,894	40,652,665
Trust Fund for Public Health	39,603,511	1,219,398	38,384,113
Human Services			
Healthy Nevada Fund	7,713,952	5,541,319	2,172,633
Public Health Tobacco Fund	1,463,951	1,219,398	244,553
Healthy Nevada Fund Administration	14,565,419	11,837,662	2,727,757
Total	177,591,772	63,639,659	113,952,113
Contingency			
Constitutional Agencies			
Interim Finance Committee	28,356,828	18,107,735	10,249,093
Total	28,356,828	18,107,735	10,249,093
Care of Sites for Radioactive Waste Disposal			
Human Services			
Radioactive Material Disposal	13,414,070	173,031	13,241,039
Total	13,414,070	173,031	13,241,039
Gift			
Education			
Education Gift Fund	14,471	500	13,971
Library & Archives Gift Fund	87,872	6,147	81,725

	Final Budget	Actual	Variance
Human Services			
RRC Gift Fund	$ 13,469	$ -	$ 13,469
SNAMHS Gift Fund	18,508	5,619	12,889
Settlement Funds	134,324	14,291	120,033
Health Division Gifts	25,796	2,897	22,899
Transition from Foster Care	2,543,496	1,094,067	1,449,429
Aging Services Gift	342,593	10,316	332,277
Summit View Commissary	18,758	7,914	10,844
Disability Services Gift	2,067	30	2,037
CBS Washoe Gift Fund	14,655	-	14,655
Indian Commission Gift Acct	7,143	1,500	5,643
Hospital Gift Fund	284,172	5,111	279,061
NNMRS Gift Fund	9,650	-	9,650
Blind Gift Fund	133,164	2,637	130,527
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	5,650	-	5,650
Henry Woods Christmas Fund	8,426	2,426	6,000
Nevada Children's Gift Account	559,272	10,400	548,872
CYC Gift Fund	7,365	1,124	6,241
Youth Training Center Gift Fund	30,975	-	30,975
People with Disabilities	41,475	-	41,475
DRC Gift Fund	14,293	-	14,293
Infrastructure			
Heil Wild Horse Bequest	373,744	150,115	223,629
Park Gift & Grants	232,836	39,374	193,462
Total	4,934,061	1,354,468	3,579,593
Natural Resources			
Infrastructure			
Grants To Water Purveyors	36,291,400	21,270,319	15,021,081
Erosion Control Bond Q12	1,046,765	494,401	552,364
Protect Lake Tahoe	19,051,730	1,872,830	17,178,900
Total	56,389,895	23,637,550	32,752,345
Miscellaneous			
Constitutional Agencies			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	5,809,221	4,223,017	1,586,204
Unfair Trade Practices	750,000	654,627	95,373
Commerce & Industry			
Lot Rent Trust Subsidy	481,432	367,264	114,168
Rural Rehabilitation Trust	223,158	-	223,158
Education			
Museums & History Trust Fund	332,685	11,650	321,035
Museums & History Board Trust	16,281	16,074	207
Museums Administrator Trust	57,804	45,963	11,841
Nevada Historical Society Trust	354,977	227,531	127,446
Nevada State Museum Trust	750,469	590,612	159,857
Nevada Railroad Museum Trust	349,874	201,970	147,904
Lost City Museum Trust	168,412	127,412	41,000
Las Vegas Museum and Trust	76,437	56,283	20,154
Finance & Administration			
Public Works Inspection	8,653,964	6,574,170	2,079,794
Public Works Retention Payment	923,897	772,041	151,856
Victims of Crime	10,950,615	8,401,101	2,549,514
Special Projects			
School Improvement	4,082	3,981	101
Total	29,903,433	22,273,696	7,629,737
Total Special Revenue Funds	$ 2,052,362,495	$ 1,505,687,584	$ 546,674,911

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

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			**Regulatory**		
Fund balances, July 1	$ 18,251,302	$ 18,251,302	$ -	$ 10,549,592	$ 10,549,592	$ -
Revenues:						
Federal	52,179,218	46,524,003	(5,655,215)	455,211	402,387	(52,824)
Other taxes	-	-	-	10,615,336	10,659,587	44,251
Sales and charges for service	759,140	585,740	(173,400)	5,289,188	5,278,896	(10,292)
Licenses, fees and permits	379,998	339,689	(40,309)	3,748,608	3,249,844	(498,764)
Interest	801,518	720,553	(80,965)	186,942	186,941	(1)
Other	14,698,191	12,574,491	(2,123,700)	651,265	538,182	(113,083)
Other financing sources:						
Transfer from other funds	933,062	871,801	(61,261)	3,333,327	3,441,932	108,605
Total sources	$ 88,002,429	$ 79,867,579	$ (8,134,850)	$ 34,829,469	$ 34,307,361	$ (522,108)
	Legislative			**Higher Education Capital Construction**		
Fund balances, July 1	$ 11,441,869	$ 11,441,869	$ -	$ -	$ -	$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	14,986,311	14,986,311	-
Sales, charges for services	807,000	854,272	47,272	-	-	-
Licenses, fees and permits	2,500	2,130	(370)	-	-	-
Other	482,425	451,417	(31,008)	-	-	-
Other financing sources:						
Transfer from other funds	34,685,124	34,623,574	(61,550)	-	-	-
Total sources	$ 47,418,918	$ 47,373,262	$ (45,656)	$ 14,986,311	$ 14,986,311	$ -
	Cleaning Up Petroleum Discharges			**Hospital Care to Indigent Persons**		
Fund balances, July 1	$ 11,770,098	$ 11,770,098	$ -	$ 2,037,472	$ 2,037,472	$ -
Revenues:						
Other taxes	13,500,000	185,255	(13,314,745)	25,190,709	24,550,863	(639,846)
Sales, charges for services	100	-	(100)	-	-	-
Licenses, fees and permits	550,000	416,600	(133,400)	-	-	-
Interest	450,000	413,862	(36,138)	254,900	377,287	122,387
Other	100,000	-	(100,000)	-	174,025	174,025
Total sources	$ 26,370,198	$ 12,785,815	$(13,584,383)	$ 27,483,081	$ 27,139,647	$ (343,434)
	Tourism Promotion			**Offenders' Store**		
Fund balances, July 1	$ 5,422,574	$ 5,422,574	$ -	$ 4,144,167	$ 4,144,167	$ -
Revenues:						
Other taxes	20,258,705	19,076,477	(1,182,228)	-	-	-
Sales, charges for services	-	-	-	14,388,028	13,870,158	(517,870)
Licenses, fees and permits	98,214	106,151	7,937	-	-	-
Interest	17,103	6,210	(10,893)	398,737	376,488	(22,249)
Other	13,427	15,657	2,230	1,159,309	911,438	(247,871)
Other financing sources:						
Transfer from other funds	200,000	-	(200,000)	2,933,503	2,933,503	-
Total sources	$ 26,010,023	$ 24,627,069	$ (1,382,954)	$ 23,023,744	$ 22,235,754	$ (787,990)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			**Contingency**		
Fund balances, July 1	$ 95,410,813	$ 95,410,813	$ -	$ 19,338,499	$ 19,338,499	$ -
Revenues:						
Interest	4,033,008	4,033,008	-	-	-	-
Other	45,992,147	45,992,147	-	-	-	-
Other financing sources:						
Transfer from other funds	32,155,802	26,945,219	(5,210,583)	9,018,329	11,317,074	2,298,745
Total sources	$ 177,591,770	$ 172,381,187	$ (5,210,583)	$ 28,356,828	$ 30,655,573	$ 2,298,745
	Care of Sites for Radioactive Waste Disposal			**Gift**		
Fund balances, July 1	12,633,914	12,633,914	-	2,723,956	2,723,956	-
Revenues:						
Sales, charges for services	-	-	-	12,480	8,046	(4,434)
Licenses, fees and permits	166,513	166,513	-	1,476,431	1,029,589	(446,842)
Interest	613,642	613,642	-	168,564	135,809	(32,755)
Other	-	-	-	546,630	398,804	(147,826)
Other financing sources:						
Transfer from other funds	-	-	-	6,000	2,510	(3,490)
Total sources	$ 13,414,069	$ 13,414,069	$ -	$ 4,934,061	$ 4,298,714	$ (635,347)
	Natural Resources			**Miscellaneous**		
Fund balances, July 1	$ 14,030,499	$ 14,030,499	$ -	$ 4,141,833	$ 4,141,833	$ -
Revenues:						
Federal	-	-	-	2,138,000	1,334,461	(803,539)
Other taxes	-	-	-	2,791,715	2,780,941	(10,774)
Sales, charges for services	-	-	-	928,280	880,642	(47,638)
Licenses, fees, permits	-	-	-	13,764,989	12,715,545	(1,049,444)
Interest	1,487,411	1,121,512	(365,899)	1,081,762	914,704	(167,058)
Other	5,700	5,700	-	3,480,539	3,138,350	(342,189)
Other financing sources:						
Proceeds from sale of bonds	40,817,699	37,141,965	(3,675,734)	-	-	-
Transfers from other funds	48,586	-	(48,586)	1,576,314	1,577,484	1,170
Total sources	$ 56,389,895	$ 52,299,676	$ (4,090,219)	$ 29,903,432	$ 27,483,960	$(2,419,472)
	Total Nonmajor Special Revenue Funds					
Fund balances, July 1	$ 211,896,588	$ 211,896,588	$ -			
Revenues:						
Gaming taxes, fees, licenses	14,986,311	14,986,311	-			
Federal	54,772,429	48,260,851	(6,511,578)			
Other taxes	72,356,465	57,253,123	(15,103,342)			
Sales, charges for services	22,184,216	21,477,754	(706,462)			
Licenses, fees and permits	20,187,253	18,026,061	(2,161,192)			
Interest	9,493,587	8,900,016	(593,571)			
Other	67,129,633	64,200,211	(2,929,422)			
Other financing sources:						
Proceeds from sale of bonds	40,817,699	37,141,965	(3,675,734)			
Transfer from other funds	84,890,047	81,713,097	(3,176,950)			
Total sources	$ 598,714,228	$ 563,855,977	$(34,858,251)			

Nonmajor Enterprise Funds

Workers' Compensation and Safety Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

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

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

Forestry Nurseries Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

Prison Industry Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

Nevada Magazine Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

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

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

Marlette Lake Water System Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

Combining Statement of Net Assets
Nonmajor Enterprise Funds

June 30, 2008

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 31,208,648	$ 750,223	$ 10,992,728	$ 203,198
Cash in custody of other officials	152	-	45,993	100
Collateral on loaned securities	9,324,644	-	-	-
Receivables:				
Accounts receivable	1,700,545	775,596	197,610	14,335
Intergovernmental receivables	420,942	-	-	-
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Trades pending settlement	-	-	-	-
Due from other funds	1,347,664	-	469	160,884
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	262,395
Prepaid expenses	-	-	88,160	-
Total current assets	44,002,595	1,525,819	11,324,960	640,912
Noncurrent assets:				
Investments	-	-	-	-
Receivables:				
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Notes/loans receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,189,629	-	116,424	109,407
Construction in progress	-	-	-	387,223
Less accumulated depreciation	(1,522,731)	-	(49,299)	(102,766)
Total noncurrent assets	666,898	-	67,125	393,864
Total assets	44,669,493	1,525,819	11,392,085	1,034,776
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	339,722	261,300	257,642	4,572
Accrued payroll and related liabilities	533,742	-	-	24,771
Interest payable	-	-	-	-
Intergovernmental payables	11,544	-	375	-
Trades pending settlement	-	-	-	-
Obligations under securities lending	9,324,644	-	-	-
Due to other funds	35,802	221,569	1,674,260	38,063
Due to fiduciary funds	15	-	-	774
Due to component units	-	-	-	-
Deferred revenues	-	-	9,140,682	-
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	710,370	-	-	3,043
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Total current liabilities	10,955,839	482,869	11,072,959	71,223
Noncurrent liabilities:				
Advances from general fund	-	-	-	498,745
Compensated absences	352,984	-	-	294
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Arbitrage rebate liability	-	-	-	-
Total noncurrent liabilities	352,984	-	-	499,039
Net Assets	11,308,823	482,869	11,072,959	570,262
Net Assets				
Invested in capital assets, net of related debt	666,898	-	67,125	393,864
Restricted for workers' compensation	32,693,772	-	-	-
Restricted for regulation of business	-	1,042,950	2,000	-
Unrestricted (deficit)	-	-	250,001	70,650
Total net assets	$ 33,360,670	$ 1,042,950	$ 319,126	$ 464,514

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
$ 2,734,869	$ 140,226	$ 215,398	$ 1,864,751	$ 4,299,227	$ 52,409,268
-	5,695	-	676,592	-	728,532
812,891	-	-	532,905	-	10,670,440
759,161	98,121	-	-	-	3,545,368
188,233	-	-	-	319,424	928,599
-	-	-	4,500,000	-	4,500,000
-	-	77,102	473,375	-	550,477
-	-	-	6,409,304	-	6,409,304
144,078	16,335	-	21,236	2,595	1,693,261
16,112	-	-	-	-	16,112
275	-	-	-	-	275
1,415,391	23,834	-	-	-	1,701,620
-	1,963	-	-	-	90,123
6,071,010	286,174	292,500	14,478,163	4,621,246	83,243,379
-	-	-	99,031,043	-	99,031,043
-	-	-	13,267,489	-	13,267,489
-	-	327,855	-	-	327,855
-	-	1,515,469	-	-	1,515,469
-	-	-	-	101,367	101,367
15,000	-	-	-	-	15,000
153,140	-	-	-	414,672	567,812
2,890,227	-	-	-	498,613	3,388,840
-	-	-	-	630,647	630,647
971,233	-	-	15,295	1,595,894	4,997,882
-	-	-	-	4,384,540	4,771,763
(2,683,961)	-	-	(7,785)	(2,352,316)	(6,718,858)
1,345,639	-	1,843,324	112,306,042	5,273,417	121,896,309
7,416,649	286,174	2,135,824	126,784,205	9,894,663	205,139,688
92,609	109,728	65,804	196,731	131,237	1,459,345
62,860	23,943	-	5,561	10,445	661,322
-	-	-	-	60,304	60,304
107	-	-	-	316	12,342
-	-	-	6,750,305	-	6,750,305
812,891	-	-	532,905	-	10,670,440
42,059	2,001	180,230	1,183,600	21,639	3,399,223
94,812	-	-	-	-	95,601
56	-	-	1,331	-	1,387
206,817	300,346	-	-	-	9,647,845
11,212	-	-	-	2,200	13,412
111,091	24,275	-	7,428	16,120	872,327
-	-	-	7,400,000	-	7,400,000
-	-	-	-	101,710	101,710
1,434,514	460,293	246,034	16,077,861	343,971	41,145,563
-	-	-	-	41,560	540,305
64,488	14,215	-	3,407	13,498	448,886
-	-	-	111,267,000	-	111,267,000
-	-	-	-	7,507,656	7,507,656
-	-	-	-	14,886	14,886
64,488	14,215	-	111,270,407	7,577,600	119,778,733
1,499,002	474,508	246,034	127,348,268	7,921,571	160,924,296
1,330,639	-	-	7,510	865,844	3,331,880
-	-	-	-	-	32,693,772
-	-	-	-	-	1,044,950
4,587,008	(188,334)	1,889,790	(571,573)	1,107,248	7,144,790
$ 5,917,647	$ (188,334)	$ 1,889,790	$ (564,063)	$ 1,973,092	$ 44,215,392

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

For the Fiscal Year Ended June 30, 2008

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	$ -	$ -	$ -	$ 1,678,328
Assessments	31,007,062	-	-	-
Charges for services	711	-	14,657,292	-
Rental income	-	-	-	-
Interest income on loans	-	-	-	-
Licenses, fees and permits	412,806	6,118,296	-	-
Fines	2,565,744	-	-	-
Other	1,626,747	-	-	3,945
Total operating revenues	35,613,070	6,118,296	14,657,292	1,682,273
Operating Expenses				
Salaries and benefits	14,153,370	-	-	167,497
Operating	3,920,739	5,320,616	3,811,797	92,421
Claims and benefits expense	7,393,115	-	-	-
Materials or supplies used	-	-	-	1,384,060
Depreciation	195,082	-	26,019	6,664
Total operating expenses	25,662,306	5,320,616	3,837,816	1,650,642
Operating income (loss)	9,950,764	797,680	10,819,476	31,631
Nonoperating Revenues (Expenses)				
Interest and investment income	1,761,919	-	-	-
Interest expense	(502,631)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,066,299	-	-	14,981
Gain (loss) on disposal/sale of assets	18,900	-	-	-
Arbitrage rebate	-	-	-	-
Total nonoperating revenues (expenses)	3,344,487	-	-	14,981
Income (loss) before transfers	13,295,251	797,680	10,819,476	46,612
Transfers				
Transfers in	-	-	4,103	-
Transfers out	(10,782,504)	-	(10,849,673)	-
Change in net assets	2,512,747	797,680	(26,094)	46,612
Net assets, July 1	30,847,923	245,270	345,220	417,902
Net assets, June 30	$ 33,360,670	$ 1,042,950	$ 319,126	$ 464,514

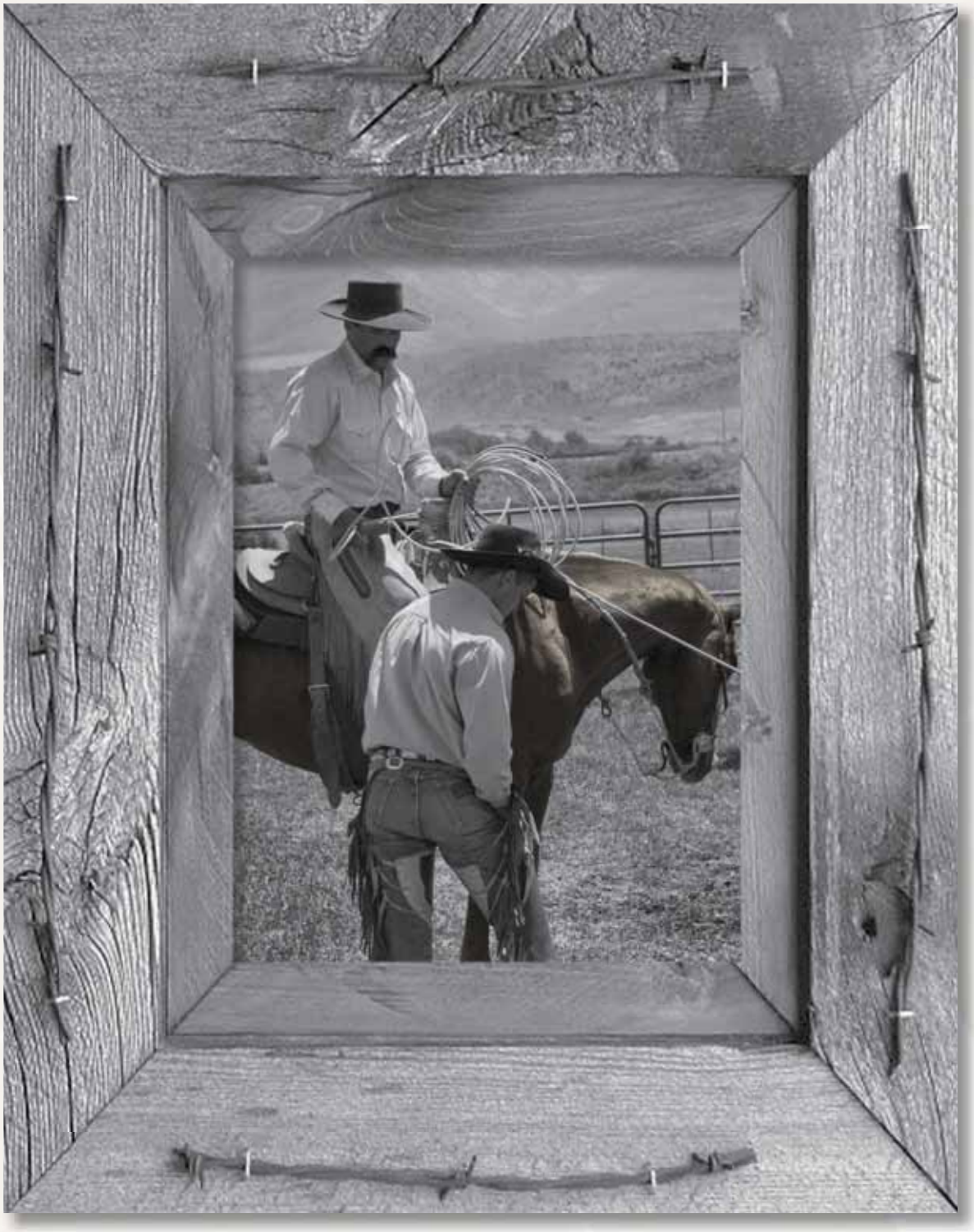
Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
$ 4,929,913	$ 966,645	$ -	$ 4,353,045	$ 680,783	$ 12,608,714
-	-	-	-	-	31,007,062
556,129	849,949	-	7,608	-	16,071,689
242,277	-	-	-	1,100	243,377
-	-	45,644	-	-	45,644
-	-	-	-	-	6,531,102
-	-	-	-	-	2,565,744
1,109,208	2,973	1,503	44,300	591,064	3,379,740
6,837,527	1,819,567	47,147	4,404,953	1,272,947	72,453,072
2,035,731	641,143	-	147,887	165,000	17,310,628
2,302,744	459,335	773,543	708,653	108,162	17,498,010
-	-	-	7,249,559	-	14,642,674
1,932,771	928,902	-	-	-	4,245,733
140,662	-	-	3,466	62,580	434,473
6,411,908	2,029,380	773,543	8,109,565	335,742	54,131,518
425,619	(209,813)	(726,396)	(3,704,612)	937,205	18,321,554
151,978	-	-	(4,339,825)	-	(2,425,928)
(41,983)	-	-	-	(84,342)	(628,956)
-	-	-	-	(1,291)	(1,291)
-	-	-	-	-	2,081,280
-	-	-	-	-	18,900
-	-	-	-	(14,886)	(14,886)
109,995	-	-	(4,339,825)	(100,519)	(970,881)
535,614	(209,813)	(726,396)	(8,044,437)	836,686	17,350,673
-	181,847	702,272	2,188,014	-	3,076,236
(32,167)	-	(43,100)	-	-	(21,707,444)
503,447	(27,966)	(67,224)	(5,856,423)	836,686	(1,280,535)
5,414,200	(160,368)	1,957,014	5,292,360	1,136,406	45,495,927
$ 5,917,647	$ (188,334)	$ 1,889,790	$ (564,063)	$ 1,973,092	$ 44,215,392

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2008

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	$ 35,788,009	$ 6,218,431	$ 17,165,117	$ 225,137
Receipts for interfund services provided	76,262	1,800	-	1,488,565
Receipts of principal on loans and notes	-	-	-	-
Receipts of interest on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(10,076,049)	(5,000,149)	(4,154,527)	(306,346)
Payments to employees	(13,280,438)	-	-	(164,838)
Payments for interfund services used	(1,888,285)	(986,987)	(68,048)	(1,284,237)
Payments to component units	-	-	-	-
Purchase of loans and notes	-	-	-	-
Net cash provided by (used for) operating activities	10,619,499	233,095	12,942,542	(41,719)
Cash flows from noncapital financing activities				
Grant receipts	1,645,357	-	-	31,334
Transfers and advances from other funds	-	-	4,025	-
Transfers and advances to other funds	(11,234,855)	-	(10,538,174)	-
Net cash provided by (used for) noncapital financing activities	(9,589,498)	-	(10,534,149)	31,334
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Proceeds from sale of capital assets	18,900	-	-	-
Purchase of capital assets	(445,708)	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Construction	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(426,808)	-	-	-
Cash flows from investing activities				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends received	1,396,932	-	-	-
Net cash provided by (used for) investing activities	1,396,932	-	-	-
Net increase (decrease) in cash	2,000,125	233,095	2,408,393	(10,385)
Cash and cash equivalents, July 1	29,208,675	517,128	8,630,328	213,683
Cash and cash equivalents, June 30	$ 31,208,800	$ 750,223	$ 11,038,721	$ 203,298
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ 9,950,764	$ 797,680	$ 10,819,476	$ 31,631
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	195,082	-	26,019	6,664
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	251,201	(34,864)	(55,829)	8,317
Decrease (increase) in inventory, deferred charges, other assets	-	-	(31,028)	(90,686)
Increase (decrease) in accounts payable, accruals, other liabilities	222,452	(529,721)	2,183,904	2,355
Total adjustments	668,735	(564,585)	2,123,066	(73,350)
Net cash provided by (used for) operating activities	$ 10,619,499	$ 233,095	$ 12,942,542	$ (41,719)
Noncash investing, capital and financing activities				
Gain (loss) on disposal of assets	$ 18,900	$ -	$ -	$ -
Advance for capital asset acquisition	-	-	-	524,995
Construction completed or in progress	-	-	-	387,223
Increase (decrease) in fair value of investments	(65,793)	-	-	-

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
$ 4,081,874	$ 1,159,350	$ 54,318	$ 6,452,393	$ 1,121,828	$ 72,266,457
3,065,183	665,469	-	36,902	-	5,334,181
-	-	246,113	-	-	246,113
-	-	89,713	-	-	89,713
(2,640,706)	(1,267,138)	(616,495)	(2,634,937)	(100,271)	(26,796,618)
(2,011,002)	(640,514)	-	(150,147)	(166,535)	(16,413,474)
(2,048,583)	(93,723)	-	(138,031)	(5,454)	(6,513,348)
(3,992)	(59)	(138,250)	(2,424,051)	(554)	(2,566,906)
-	-	(329,807)	-	-	(329,807)
442,774	(176,615)	(694,408)	1,142,129	849,014	25,316,311
-	-	-	-	-	1,676,691
-	167,520	819,267	2,188,014	-	3,178,826
(32,167)	-	(160,235)	(2,188,014)	-	(24,153,445)
(32,167)	167,520	659,032	-	-	(19,297,928)
-	-	-	-	5,390,252	5,390,252
-	-	-	-	-	18,900
(29,500)	-	-	(5,295)	(36,395)	(516,898)
-	-	-	-	(56,024)	(56,024)
-	-	-	-	(103,938)	(103,938)
-	-	-	-	(4,075,022)	(4,075,022)
(29,500)	-	-	(5,295)	1,118,873	657,270
-	-	-	176,835,417	-	176,835,417
-	-	-	(180,782,866)	-	(180,782,866)
109,995	-	-	3,512,116	-	5,019,043
109,995	-	-	(435,333)	-	1,071,594
491,102	(9,095)	(35,376)	701,501	1,967,887	7,747,247
2,243,767	155,016	250,774	1,839,842	2,331,340	45,390,553
$ 2,734,869	$ 145,921	$ 215,398	$ 2,541,343	$ 4,299,227	$ 53,137,800
$ 425,619	$ (209,813)	$ (726,396)	$ (3,704,612)	$ 937,205	$ 18,321,554
140,662	-	-	3,466	62,580	434,473
-	-	(7,754)	-	-	(7,754)
228,386	75,028	44,338	2,084,342	(151,119)	2,449,800
(321,151)	44,955	-	-	-	(397,910)
(30,742)	(86,785)	(4,596)	2,758,933	348	4,516,148
17,155	33,198	31,988	4,846,741	(88,191)	6,994,757
$ 442,774	$ (176,615)	$ (694,408)	$ 1,142,129	$ 849,014	$ 25,316,311
$ -	$ -	$ -	$ -	$ -	$ 18,900
-	-	-	-	-	524,995
-	-	-	-	-	387,223
(3,535)	-	-	(7,935,597)	-	(8,004,925)



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, 2008

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 94,325,798	$ 3,748,568	$ 616,362	$ 787,333
Cash in custody of other officials	-	-	-	-
Collateral on loaned securities	26,508,050	-	-	-
Receivables:				
Accounts receivable	1,735,995	1,600	11,954	-
Intergovernmental receivables	4,116,210	510	1,463	6,169
Notes receivable	-	-	-	-
Due from other funds	1,103,125	204,776	429,455	786,359
Due from fiduciary funds	-	-	1,097	-
Due from component units	3,785,626	-	18,327	2,704
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Total current assets	131,574,804	3,955,454	1,078,658	1,582,565
Noncurrent assets:				
Intergovernmental receivables	1,238,326	-	-	-
Notes receivable	-	-	-	-
Due from component units	585,348	-	-	-
Capital assets:				
Land	-	20,400	-	-
Buildings	-	2,268,068	1,037,144	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	410,636	725,389	13,669,695	1,010,304
Software costs	-	-	-	-
Construction in progress	-	-	-	-
Less accumulated depreciation/amortization	(339,399)	(2,031,266)	(9,567,373)	(851,160)
Total noncurrent assets	1,894,911	1,273,807	5,139,466	581,595
Total assets	133,469,715	5,229,261	6,218,124	2,164,160
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	3,943,201	428,843	126,129	74,126
Accrued payroll and related liabilities	76,582	250,487	31,079	41,849
Intergovernmental payables	-	7,682	515	-
Bank overdraft	6,531,140	-	-	-
Obligations under securities lending	26,508,050	-	-	-
Due to other funds	27,385	88,003	398,950	66,058
Due to fiduciary funds	1,386	4,362	580	-
Due to component units	-	-	-	-
Deferred revenues	192,991	-	-	-
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	72,653	392,168	52,749	58,616
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	37,353,388	1,171,545	610,002	240,649
Noncurrent liabilities:				
Advances:				
Advances from general fund	-	312,520	31,013	168,987
Advances from special revenue fund	-	-	2,222	-
Advances from debt service fund	-	-	-	-
Reserve for losses	32,634,000	-	-	-
Compensated absences	32,549	224,922	49,872	25,426
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	32,666,549	537,442	83,107	194,413
Total liabilities	70,019,937	1,708,987	693,109	435,062
Net Assets				
Invested in capital assets, net of related debt	71,237	1,273,807	5,139,466	581,595
Unrestricted (deficit)	63,378,541	2,246,467	385,549	1,147,503
Total net assets	$ 63,449,778	$ 3,520,274	$ 5,525,015	$ 1,729,098

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 18,482,030	$ 430,542	$ 3,108,370	$ 1,101,512	$ 4,323,136	$ 249,297	$ 127,172,948
-	-	-	-	100	-	100
-	-	-	-	-	-	26,508,050
18,138	-	-	-	18,332	17,924	1,803,943
69,371	-	-	4,896	86,165	-	4,284,784
10,000	-	-	-	-	-	10,000
133,118	94,008	552,825	48,569	2,377,030	220,497	5,949,762
-	-	-	-	-	-	1,097
6,145	-	12,307	-	1,697	109	3,826,915
-	-	-	7,740	-	280,948	288,688
-	-	6,530	-	5,602	-	12,132
18,718,802	524,550	3,680,032	1,162,717	6,812,062	768,775	169,858,419
-	-	-	-	-	-	1,238,326
110,000	-	-	-	-	-	110,000
-	-	-	-	-	-	585,348
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	3,410,986	21,619,036
-	-	-	-	-	-	713,667
30,475	65,392	200,567	191,688	29,705,526	4,035,093	50,044,765
-	-	15,323,810	-	-	-	15,323,810
-	-	-	-	-	201,341	201,341
(23,271)	(51,938)	(11,801,739)	(296,736)	(23,844,033)	(3,566,293)	(52,373,208)
117,204	13,454	3,722,638	130,506	20,639,331	4,081,127	37,594,039
18,836,006	538,004	7,402,670	1,293,223	27,451,393	4,849,902	207,452,458
591,208	951	198,999	13,014	681,030	72,905	6,130,406
28,528	42,052	236,958	76,463	416,250	34,857	1,235,105
129	-	-	-	752	348	9,426
-	-	-	-	-	-	6,531,140
-	-	-	-	-	-	26,508,050
75,946	59,262	1,848,719	63,141	989,595	522	3,617,581
-	-	1	-	-	878	7,207
6,733	-	7,552	-	-	-	14,285
-	-	-	-	70,589	-	263,580
-	-	-	48,500	-	-	48,500
37,206	49,752	337,649	137,277	734,193	101,639	1,973,902
-	-	-	-	514,720	-	514,720
-	-	-	-	1,330,324	5,468	1,335,792
739,750	152,017	2,629,878	338,395	4,737,453	216,617	48,189,694
-	-	2,999,827	143,840	1,590,482	-	5,246,669
-	-	-	-	-	-	2,222
-	-	-	-	1,807,639	-	1,807,639
43,801,933	-	-	-	-	-	76,435,933
19,632	15,950	203,990	101,023	348,489	94,206	1,116,059
-	-	-	-	8,325,694	-	8,325,694
-	-	-	-	3,427,794	-	3,427,794
43,821,565	15,950	3,203,817	244,863	15,500,098	94,206	96,362,010
44,561,315	167,967	5,833,695	583,258	20,237,551	310,823	144,551,704
7,204	13,454	3,722,638	130,506	7,040,799	4,075,659	22,056,365
(25,732,513)	356,583	(2,153,663)	579,459	173,043	463,420	40,844,389
$ (25,725,309)	$ 370,037	$ 1,568,975	$ 709,965	$ 7,213,842	$ 4,539,079	$ 62,900,754

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

For the Fiscal Year Ended June 30, 2008

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Operating Revenues				
Net premium income	$ 268,984,217	$ -	$ -	$ -
Sales	-	-	17,745	-
Charges for services	-	1,412,753	-	7,005,992
Rental income	-	15,866,261	4,528,897	-
Other	2,581,365	3,446	2,266	-
Total operating revenues	271,565,582	17,282,460	4,548,908	7,005,992
Operating Expenses				
Salaries and benefits	2,144,081	6,032,790	842,184	1,011,418
Operating	2,745,962	9,768,102	2,289,454	5,644,138
Claims expense	206,649,489	-	-	-
Materials or supplies used	-	-	337,174	-
Depreciation	32,238	80,181	1,710,505	95,552
Amortization	-	-	-	-
Insurance premiums	79,033,566	-	-	-
Total operating expenses	290,605,336	15,881,073	5,179,317	6,751,108
Operating income (loss)	(19,039,754)	1,401,387	(630,409)	254,884
Nonoperating Revenues (Expenses)				
Interest and investment income	4,638,216	-	-	-
Interest expense	(1,274,876)	-	-	(8)
Gain (loss) on disposal of assets	-	935	183,122	(3,667)
Total nonoperating revenues (expenses)	3,363,340	935	183,122	(3,675)
Income (loss) before transfers	(15,676,414)	1,402,322	(447,287)	251,209
Transfers				
Transfers in	-	-	29,801	-
Transfers out	-	(40,000)	(186,996)	-
Change in net assets	(15,676,414)	1,362,322	(604,482)	251,209
Net assets, July 1	79,126,192	2,157,952	6,129,497	1,477,889
Net assets, June 30	$ 63,449,778	$ 3,520,274	$ 5,525,015	$ 1,729,098

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 21,499,238	$ -	$ -	$ -	$ -	$ -	$ 290,483,455
-	-	-	2,432	-	3,121,659	3,141,836
-	1,257,053	12,098,850	3,181,046	23,563,530	-	48,519,224
-	-	-	1,813	559,518	-	20,956,489
316,199	-	29,685	455	-	16,115	2,949,531
21,815,437	1,257,053	12,128,535	3,185,746	24,123,048	3,137,774	366,050,535
680,133	1,149,564	6,228,789	2,090,078	11,064,603	1,703,195	32,946,835
3,216,497	133,219	3,746,685	725,935	9,416,712	810,033	38,496,737
8,821,897	-	-	-	-	-	215,471,386
-	-	-	3,194	-	848,040	1,188,408
836	4,277	12,839	9,393	3,464,794	335,591	5,746,206
-	-	1,532,381	-	-	-	1,532,381
4,930,905	-	-	-	-	-	83,964,471
17,650,268	1,287,060	11,520,694	2,828,600	23,946,109	3,696,859	379,346,424
4,165,169	(30,007)	607,841	357,146	176,939	(559,085)	(13,295,889)
93,242	-	-	-	-	-	4,731,458
-	-	-	(6,963)	(111,797)	(1,396)	(1,395,040)
-	-	(2,090)	-	(42,723)	(3,235)	132,342
93,242	-	(2,090)	(6,963)	(154,520)	(4,631)	3,468,760
4,258,411	(30,007)	605,751	350,183	22,419	(563,716)	(9,827,129)
-	-	-	81,714	251,744	-	363,259
(100,000)	-	-	-	(81,714)	-	(408,710)
4,158,411	(30,007)	605,751	431,897	192,449	(563,716)	(9,872,580)
(29,883,720)	400,044	963,224	278,068	7,021,393	5,102,795	72,773,334
$ (25,725,309)	$ 370,037	$ 1,568,975	$ 709,965	$ 7,213,842	$ 4,539,079	$ 62,900,754

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2008

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	$ 54,818,223	$ 91,534	$ 49,188	$ 45,748
Receipts for interfund services provided	150,720,286	17,197,631	4,350,341	7,190,600
Receipts from component units	67,172,821	951	91,499	10,960
Payments to suppliers, other governments and beneficiaries	(276,432,038)	(10,049,207)	(1,268,219)	(5,303,748)
Payments to employees	(2,028,588)	(5,707,398)	(783,440)	(951,769)
Payments for interfund services used	(1,085,970)	(1,277,243)	(1,121,966)	(314,114)
Payments to component units	-	(2,947)	-	-
Net cash provided by (used for) operating activities	(6,835,266)	253,321	1,317,403	677,677
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	-	-	-
Transfers and advances to other funds	-	(67,663)	-	-
Net cash provided by (used for) noncapital financing activities	-	(67,663)	-	-
Cash flows from capital and related financing activities				
Transfers from (reversions to) other funds	-	-	(344,179)	-
Proceeds from sale of capital assets	-	-	224,661	52
Purchase of capital assets	(44,108)	(17,587)	(2,715,446)	-
Principal paid on capital debt	-	(110,570)	(53,411)	(21,122)
Interest paid on capital debt	-	-	-	(8)
Net cash provided by (used for) capital and related financing activities	(44,108)	(128,157)	(2,888,375)	(21,078)
Cash flows from investing activities				
Interest and dividends received	3,541,647	-	-	-
Net cash provided by (used for) investing activities	3,541,647	-	-	-
Net increase (decrease) in cash	(3,337,727)	57,501	(1,570,972)	656,599
Cash and cash equivalents, July 1	97,663,525	3,691,067	2,187,334	130,734
Cash and cash equivalents, June 30	$ 94,325,798	$ 3,748,568	$ 616,362	$ 787,333
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ (19,039,754)	$ 1,401,387	$ (630,409)	$ 254,884
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	32,238	80,181	1,710,505	95,552
Amortization	-	-	-	-
Decrease (increase) in accrued interest and receivables	2,598,671	7,655	(57,880)	241,316
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	-
Increase (decrease) in accounts payable, accruals, other liabilities	9,573,579	(1,235,902)	295,187	85,925
Total adjustments	12,204,488	(1,148,066)	1,947,812	422,793
Net cash provided by (used for) operating activities	$ (6,835,266)	$ 253,321	$ 1,317,403	$ 677,677
Noncash investing, capital and financing activities				
Capital assets leased or acquired	$ -	$ -	$ -	$ -
Gain (loss) on disposal of assets	-	935	183,122	(3,667)
Construction completed or in progress	-	-	-	-
Increase (decrease) in fair value of investments	(63,501)	-	-	-

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 663,918	$ -	$ 1,742	$ -	$ -	$ 278,941	$ 55,949,294
21,143,065	1,219,899	11,386,880	3,213,920	24,455,649	2,962,419	243,840,690
356,372	-	175,023	6,785	-	-	67,814,411
(9,196,527)	(24,727)	(1,355,329)	(775,995)	(8,602,061)	(1,299,667)	(314,307,518)
(630,219)	(1,087,818)	(5,924,235)	(1,980,886)	(10,551,162)	(1,644,999)	(31,290,514)
(10,483,274)	(165,957)	(2,389,509)	(600,217)	(1,814,107)	(475,408)	(19,727,765)
(62,290)	-	(14,094)	-	(83,402)	-	(162,733)
1,791,045	(58,603)	1,880,478	(136,393)	3,404,917	(178,714)	2,115,865
3,988,592	-	-	81,714	121,942	-	4,192,248
(109,712)	-	-	(58,116)	(81,714)	-	(317,205)
3,878,880	-	-	23,598	40,228	-	3,875,043
-	-	-	-	-	-	(344,179)
-	-	-	-	-	-	224,713
(8,040)	(6,990)	(36,917)	-	(1,360,513)	(38,513)	(4,228,114)
-	-	(1,644,795)	-	(2,184,188)	(12,107)	(4,026,193)
-	-	-	(6,963)	(111,611)	(1,396)	(119,978)
(8,040)	(6,990)	(1,681,712)	(6,963)	(3,656,312)	(52,016)	(8,493,751)
93,242	-	-	-	-	-	3,634,889
93,242	-	-	-	-	-	3,634,889
5,755,127	(65,593)	198,766	(119,758)	(211,167)	(230,730)	1,132,046
12,726,903	496,135	2,909,604	1,221,270	4,534,403	480,027	126,041,002
$ 18,482,030	$ 430,542	$ 3,108,370	$ 1,101,512	$ 4,323,236	$ 249,297	$ 127,173,048
$ 4,165,169	$ (30,007)	$ 607,841	$ 357,146	$ 176,939	$ (559,085)	$ (13,295,889)
836	4,277	12,839	9,393	3,464,794	335,591	5,746,206
-	-	1,532,381	-	-	-	1,532,381
347,918	(37,154)	(564,890)	34,959	262,130	103,586	2,936,311
-	-	(6,530)	3,194	(5,602)	-	(8,938)
(2,722,878)	4,281	298,837	(541,085)	(493,344)	(58,806)	5,205,794
(2,374,124)	(28,596)	1,272,637	(493,539)	3,227,978	380,371	15,411,754
$ 1,791,045	$ (58,603)	$ 1,880,478	$ (136,393)	$ 3,404,917	$ (178,714)	$ 2,115,865
$ -	$ -	$ -	$ -	$ 3,076,395	$ -	$ 3,076,395
-	-	(2,090)	-	(42,723)	(3,235)	132,342
-	-	-	-	(2,227,039)	-	(2,227,039)
-	-	-	-	-	-	(63,501)

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 287.04064).

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).

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, 2008

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	$ -	$ -	$ -	$ 1,754,604	$ 1,754,604
Cash in custody of other officials	377,383,481	12,293	78,548	-	377,474,322
Investments:					
Investments	-	-	-	19,164,902	19,164,902
Fixed income securities	6,557,248,763	1,347,715	11,732,606	-	6,570,329,084
Marketable equity securities	9,147,115,146	2,814,933	23,898,419	-	9,173,828,498
International securities	4,586,140,392	223,306	1,989,409	-	4,588,353,107
Mortgage loans	8,837	-	-	-	8,837
Real estate	1,179,621,748	-	-	-	1,179,621,748
Alternative investments	539,741,424	-	-	-	539,741,424
Collateral on loaned securities	2,872,321,923	-	-	285,845	2,872,607,768
Receivables:					
Accrued interest and dividends	88,430,550	6,967	60,651	-	88,498,168
Trades pending settlement	197,657,567	2,153	41,631	-	197,701,351
Intergovernmental receivables	84,091,069	-	131,342	257,529	84,479,940
Contributions receivable	-	-	-	-	-
Due from other funds	-	-	-	66,781	66,781
Due from fiduciary funds	14,890,881	-	-	-	14,890,881
Due from component units	-	-	-	4,421,488	4,421,488
Other assets	1,676,282	-	-	-	1,676,282
Furniture and equipment	31,663,385	-	-	-	31,663,385
Accumulated depreciation	(27,063,157)	-	-	-	(27,063,157)
Total assets	25,650,928,291	4,407,367	37,932,606	25,951,149	25,719,219,413
Liabilities					
Accounts payable and accruals:					
Accounts payable	11,409,146	2,517	12,054	-	11,423,717
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	569,187,593	6,452	61,647	-	569,255,692
Bank overdraft	-	-	-	-	-
Obligations under securities lending	2,872,321,923	-	-	285,845	2,872,607,768
Due to other funds	1,097	-	-	-	1,097
Due to fiduciary funds	-	-	-	513	513
Total liabilities	3,452,919,759	8,969	73,701	286,358	3,453,288,787
Net Assets					
Held in trust for:					
Employees' pension benefits	22,198,008,532	4,398,398	37,858,905	-	22,240,265,835
OPEB benefits	-	-	-	25,664,791	25,664,791
Individuals, organizations and other governments	-	-	-	-	-
Total net assets	$ 22,198,008,532	$ 4,398,398	$ 37,858,905	$ 25,664,791	$ 22,265,930,626

Investment Trust Funds			Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
$ -	$ -	$ -	$ 5,164,819	$ -	$ 5,164,819
-	-	-	-	4,379,319	4,379,319
854,926,780	346,496,122	1,201,422,902	-	4,733,355,639	4,733,355,639
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,373,106	2,507,500	7,880,606	-	1,702,637	1,702,637
-	-	-	-	53,643	53,643
-	-	-	-	-	-
-	-	-	-	5,434,614	5,434,614
-	-	-	255,198	-	255,198
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
860,299,886	349,003,622	1,209,303,508	5,420,017	4,744,925,852	4,750,345,869
-	134,872	134,872	131,608	1,705,740	1,837,348
1,731,917	-	1,731,917	7,327	-	7,327
-	-	-	-	1,896,194	1,896,194
-	-	-	-	4,368,864	4,368,864
-	-	-	-	15,000	15,000
-	-	-	-	-	-
3,005,762	-	3,005,762	646,796	-	646,796
-	-	-	27,486	-	27,486
4,737,679	134,872	4,872,551	813,217	7,985,798	8,799,015
-	-	-	-	-	-
-	-	-	-	-	-
855,562,207	348,868,750	1,204,430,957	4,606,800	4,736,940,054	4,741,546,854
$ 855,562,207	$ 348,868,750	$ 1,204,430,957	$ 4,606,800	$ 4,736,940,054	$ 4,741,546,854

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, 2008

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
Contributions:					
Employer	$ 1,167,392,913	$ 185,383	$ 6,520,615	$ 59,263,078	$ 1,233,361,989
Plan members	88,013,888	30,640	-	-	88,044,528
Participants	-	-	-	-	-
Repayment and purchase of service	43,287,531	-	66,105	-	43,353,636
Total contributions	1,298,694,332	216,023	6,586,720	59,263,078	1,364,760,153
Investment income:					
Net increase (decrease) in fair value of investments	(1,452,221,839)	(254,458)	(2,142,232)	(503,438)	(1,455,121,967)
Interest, dividends	654,853,462	57,393	443,007	257,198	655,611,060
Securities lending income	176,117,382	-	-	93,403	176,210,785
Other	62,429,450	-	-	-	62,429,450
	(558,821,545)	(197,065)	(1,699,225)	(152,837)	(560,870,672)
Less investment expense:					
Cost of securities lending	(156,333,294)	-	-	(87,799)	(156,421,093)
Other	(27,918,718)	(1,580)	(11,658)	-	(27,931,956)
Net investment income	(743,073,557)	(198,645)	(1,710,883)	(240,636)	(745,223,721)
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,381,398	38,053	749	-	2,420,200
Total other	2,381,398	38,053	749	-	2,420,200
Total additions	558,002,173	55,431	4,876,586	59,022,442	621,956,632
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,033,191,346	431,467	2,378,061	33,357,651	1,069,358,525
Refunds	16,822,873	7,339	-	-	16,830,212
Contribution distributions	2,615,779	-	-	-	2,615,779
Dividends to investors	-	-	-	-	-
Administrative expense	8,723,601	37,184	57,263	-	8,818,048
Total deductions	1,061,353,599	475,990	2,435,324	33,357,651	1,097,622,564
Change in net assets	(503,351,426)	(420,559)	2,441,262	25,664,791	(475,665,932)
Net assets, July 1 (as restated)	22,701,359,958	4,818,957	35,417,643	-	22,741,596,558
Net assets, June 30	$22,198,008,532	$ 4,398,398	$ 37,858,905	$ 25,664,791	$22,265,930,626

Investment Trust Funds			Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	19,598,507	1,642,520,685	1,662,119,192
-	-	-	-	-	-
-	-	-	19,598,507	1,642,520,685	1,662,119,192
(307,436)	7,699,066	7,391,630	-	(449,556,220)	(449,556,220)
30,900,296	15,384,014	46,284,310	-	130,577,268	130,577,268
5,560,045	-	5,560,045	-	-	-
-	-	-	-	-	-
36,152,905	23,083,080	59,235,985	-	(318,978,952)	(318,978,952)
(5,359,493)	-	(5,359,493)	-	-	-
-	(568,185)	(568,185)	-	-	-
30,793,412	22,514,895	53,308,307	-	(318,978,952)	(318,978,952)
1,196,598,500	8,000,659	1,204,599,159	-	-	-
29,704,916	-	29,704,916	-	-	-
-	-	-	-	-	-
1,226,303,416	8,000,659	1,234,304,075	-	-	-
1,257,096,828	30,515,554	1,287,612,382	19,598,507	1,323,541,733	1,343,140,240
1,078,929,359	51,034,284	1,129,963,643	-	630,943,737	630,943,737
-	-	-	19,354,340	-	19,354,340
-	-	-	-	-	-
-	-	-	-	-	-
30,965,090	-	30,965,090	-	-	-
135,758	-	135,758	-	19,475,947	19,475,947
1,110,030,207	51,034,284	1,161,064,491	19,354,340	650,419,684	669,774,024
147,066,621	(20,518,730)	126,547,891	244,167	673,122,049	673,366,216
708,495,586	369,387,480	1,077,883,066	4,362,633	4,063,818,005	4,068,180,638
$ 855,562,207	$ 348,868,750	$ 1,204,430,957	$ 4,606,800	$ 4,736,940,054	$ 4,741,546,854

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2008

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 12,888,119	$ 48,548,929	$ 25,314,845	$ -
Cash in custody of other officials	-	81,084,414	3,299,095	5,156,705
Investments	-	145,908,926	-	-
Collateral on loaned securities	492,118	-	-	-
Receivables:				
Taxes receivable	12,170,538	-	-	-
Other receivables	-	-	34,925,506	-
Due from other funds	424,894,894	558,330	738,411	-
Due from fiduciary funds	12,496,546	-	-	-
Total assets	$ 462,942,215	$ 276,100,599	$ 64,277,857	$ 5,156,705
Liabilities				
Accounts payable and accruals:				
Accrued payroll and related liabilities	$ -	$ -	$ -	$ -
Intergovernmental payables	462,449,697	-	46,905,598	-
Obligations under securities lending	492,118	-	-	-
Due to fiduciary funds	-	-	12,496,546	-
Other liabilities:				
Deposits	-	276,062,671	4,680,791	-
Other liabilities	400	37,928	194,922	5,156,705
Total liabilities	$ 462,942,215	$ 276,100,599	$ 64,277,857	$ 5,156,705

Child Welfare Trust	Restitution Trust	Veterans' Custodial	State Payroll	Total
$ 34,930	$ 1,591,936	$ 911,292	$ 14,081,921	$ 103,371,972
-	-	-	-	89,540,214
-	-	-	-	145,908,926
10,449	-	738,708	-	1,241,275
-	-	-	-	12,170,538
3,810	-	-	-	34,929,316
1,052	1,551	33,242	856,285	427,083,765
-	27,486	-	-	12,524,032
$ 50,241	$ 1,620,973	$ 1,683,242	$ 14,938,206	$ 826,770,038

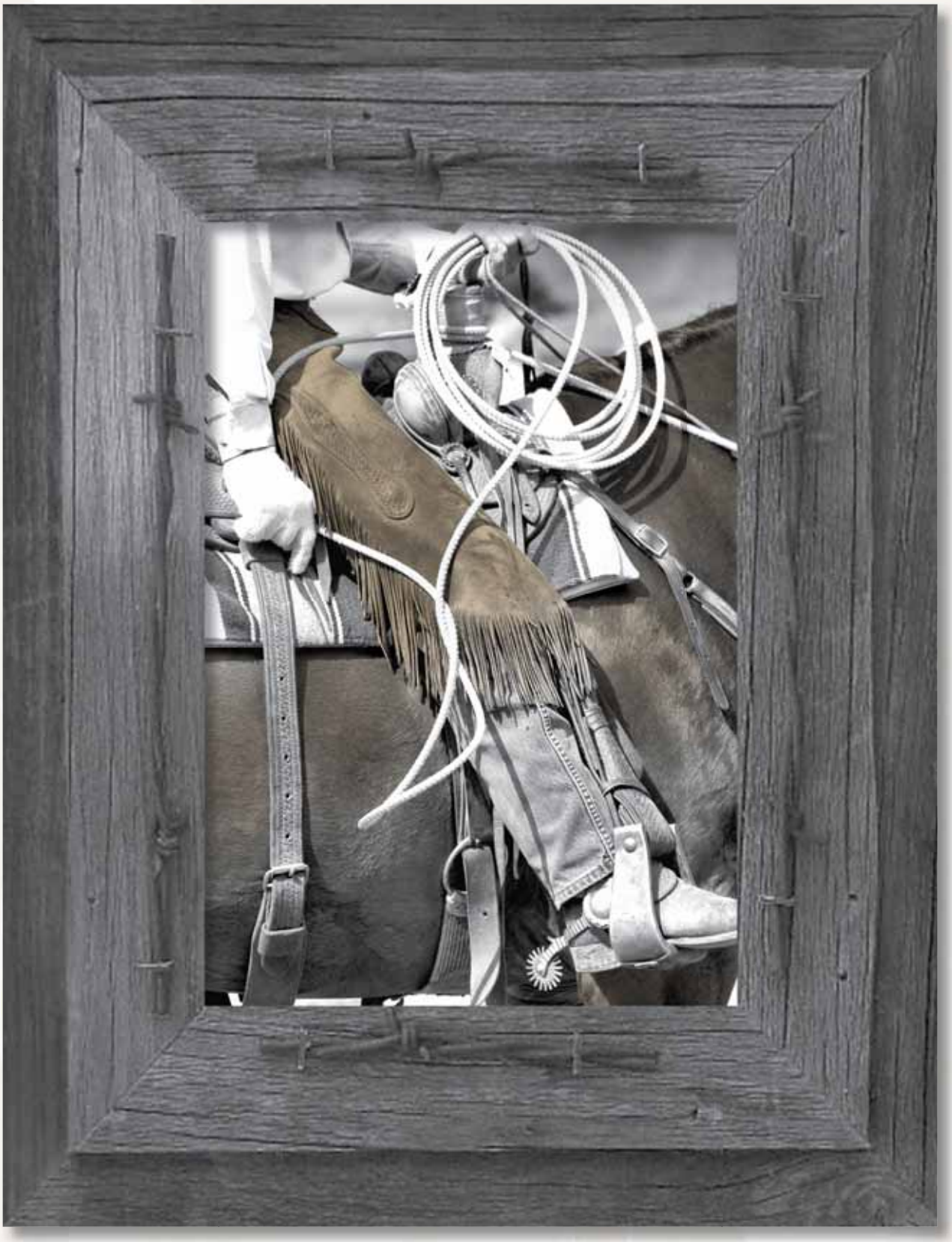
$ -	$ -	$ -	$ 47,325	$ 47,325
8,522	-	-	-	509,363,817
10,449	-	738,708	-	1,241,275
-	-	-	14,890,881	27,387,427
-	-	-	-	280,743,462
31,270	1,620,973	944,534	-	7,986,732
$ 50,241	$ 1,620,973	$ 1,683,242	$ 14,938,206	$ 826,770,038

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Intergovernmental				
Assets				
Cash with treasurer	$ 18,397,392	$ 3,041,757,540	$ 3,047,266,813	$ 12,888,119
Collateral on loaned securities	896,916	492,118	896,916	492,118
Taxes receivable	14,883,267	31,090,093	33,802,822	12,170,538
Due from other funds	452,346,224	424,894,894	452,346,224	424,894,894
Due from fiduciary funds	13,318,593	12,496,546	13,318,593	12,496,546
Total assets	$ 499,842,392	$ 3,510,731,191	$ 3,547,631,368	$ 462,942,215
Liabilities				
Intergovernmental payables	$ 498,944,226	$ 3,550,309,902	$ 3,586,804,431	$ 462,449,697
Obligations under securities lending	896,916	492,118	896,916	492,118
Other liabilities	1,250	400	1,250	400
Total liabilities	$ 499,842,392	$ 3,550,802,420	$ 3,587,702,597	$ 462,942,215
State Agency Fund for Bonds				
Assets				
Cash with treasurer	$ 45,593,458	$ 7,440,585	$ 4,485,114	$ 48,548,929
Cash in custody of other officials	80,356,466	13,335,560	12,607,612	81,084,414
Investments	123,842,754	54,991,515	32,925,343	145,908,926
Due from other funds	-	558,330	-	558,330
Total assets	$ 249,792,678	$ 76,325,990	$ 50,018,069	$ 276,100,599
Liabilities				
Deposits	$ 249,758,146	$ 75,283,544	$ 48,979,019	$ 276,062,671
Other liabilities	34,532	3,396	-	37,928
Total liabilities	$ 249,792,678	$ 75,286,940	$ 48,979,019	$ 276,100,599
Motor Vehicle				
Assets				
Cash with treasurer	$ 22,142,814	$ 1,107,724,535	$ 1,104,552,504	$ 25,314,845
Cash in custody of other officials	2,861,540	475,555	38,000	3,299,095
Other receivables	41,635,446	75,621,522	82,331,462	34,925,506
Due from other funds	987,689	738,411	987,689	738,411
Total assets	$ 67,627,489	$ 1,184,560,023	$ 1,187,909,655	$ 64,277,857
Liabilities				
Intergovernmental payables	$ 49,874,486	$ 1,164,317,506	$ 1,167,286,394	$ 46,905,598
Due to other funds	25,110	-	25,110	-
Due to fiduciary funds	13,318,593	12,496,546	13,318,593	12,496,546
Deposits	4,162,890	741,144	223,243	4,680,791
Other liabilities	246,410	-	51,488	194,922
Total liabilities	$ 67,627,489	$ 1,177,555,196	$ 1,180,904,828	$ 64,277,857
Child Support Disbursement				
Assets				
Cash in custody of other officials	$ 4,014,801	$ 184,420,708	$ 183,278,804	$ 5,156,705
Total assets	$ 4,014,801	$ 184,420,708	$ 183,278,804	$ 5,156,705
Liabilities				
Other liabilities	$ 4,014,801	$ 184,722,227	$ 183,580,323	$ 5,156,705
Total liabilities	$ 4,014,801	$ 184,722,227	$ 183,580,323	$ 5,156,705
Child Welfare Trust				
Assets				
Cash with treasurer	$ 656,758	$ 192,185	$ 814,013	$ 34,930
Collateral on loaned securities	356,324	10,449	356,324	10,449
Other receivables	3,589	3,870	3,649	3,810
Due from other funds	14,536	1,052	14,536	1,052
Total assets	$ 1,031,207	$ 207,556	$ 1,188,522	$ 50,241
Liabilities				
Intergovernmental payables	$ 3,965	$ 8,522	$ 3,965	$ 8,522
Obligations under securities lending	356,324	10,449	356,324	10,449
Other liabilities	670,918	185,282	824,930	31,270
Total liabilities	$ 1,031,207	$ 204,253	$ 1,185,219	$ 50,241

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Restitution Trust				
Assets				
Cash with treasurer	$ 3,034,747	$ 4,510,565	$ 5,953,376	$ 1,591,936
Due from other funds	2,912	1,551	2,912	1,551
Due from fiduciary funds	24,453	27,486	24,453	27,486
Total assets	$ 3,062,112	$ 4,539,602	$ 5,980,741	$ 1,620,973
Liabilities				
Other liabilities	$ 3,062,112	$ 4,678,131	$ 6,119,270	$ 1,620,973
Total liabilities	$ 3,062,112	$ 4,678,131	$ 6,119,270	$ 1,620,973
Veterans Custodial				
Assets				
Cash with treasurer	$ 1,706,542	$ 1,012,781	$ 1,808,031	$ 911,292
Collateral on loaned securities	925,883	738,708	925,883	738,708
Due from other funds	29,260	33,242	29,260	33,242
Total assets	$ 2,661,685	$ 1,784,731	$ 2,763,174	$ 1,683,242
Liabilities				
Obligations under securities lending	$ 925,883	$ 738,708	$ 925,883	$ 738,708
Other liabilities	1,735,802	1,026,415	1,817,683	944,534
Total liabilities	$ 2,661,685	$ 1,765,123	$ 2,743,566	$ 1,683,242
State Payroll				
Assets				
Cash with treasurer	$ 19,848,216	$ 519,109,660	$ 524,875,955	$ 14,081,921
Due from other funds	811,794	856,285	811,794	856,285
Total assets	$ 20,660,010	$ 519,965,945	$ 525,687,749	$ 14,938,206
Liabilities				
Accrued payroll and related liabilities	$ 10,427	$ 326,875,915	$ 326,839,017	$ 47,325
Due to fiduciary funds	20,649,581	205,951,002	211,709,702	14,890,881
Other liabilities	2	-	2	-
Total liabilities	$ 20,660,010	$ 532,826,917	$ 538,548,721	$ 14,938,206
Totals - All Agency Funds				
Assets				
Cash with treasurer	$ 111,379,927	$ 4,681,747,851	$ 4,689,755,806	$ 103,371,972
Cash in custody of other officials	87,232,807	198,231,823	195,924,416	89,540,214
Investments	123,842,754	54,991,515	32,925,343	145,908,926
Collateral on loaned securities	2,179,123	1,241,275	2,179,123	1,241,275
Taxes receivable	14,883,267	31,090,093	33,802,822	12,170,538
Other receivables	41,639,035	75,625,392	82,335,111	34,929,316
Due from other funds	454,192,415	427,083,765	454,192,415	427,083,765
Due from fiduciary funds	13,343,046	12,524,032	13,343,046	12,524,032
Total assets	$ 848,692,374	$ 5,482,535,746	$ 5,504,458,082	$ 826,770,038
Liabilities				
Accrued payroll and related liabilities	$ 10,427	$ 326,875,915	$ 326,839,017	$ 47,325
Intergovernmental payables	548,822,677	4,714,635,930	4,754,094,790	509,363,817
Obligations under securities lending	2,179,123	1,241,275	2,179,123	1,241,275
Due to other funds	25,110	-	25,110	-
Due to fiduciary funds	33,968,174	218,447,548	225,028,295	27,387,427
Deposits	253,921,036	76,024,688	49,202,262	280,743,462
Other liabilities	9,765,827	190,615,851	192,394,946	7,986,732
Total liabilities	$ 848,692,374	$ 5,527,841,207	$ 5,549,763,543	$ 826,770,038



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.

Tables	Pages
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.

NEVADA

Table 1 - Net Assets by Component

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

	2002	2003	2004	2005	2006	2007	2008
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
Restricted	402,535	432,125	484,164	663,901	675,966	613,375	697,168
Unrestricted (deficit) **(a)**	(31,969)	(161,833)	(153,370)	303,704	504,541	623,787	289,123
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
Business-type Activities							
Invested in capital assets, net of related debt	$ 2,659	$ 3,059	$ 3,047	$ 2,906	$ 2,824	$ 2,783	$ 3,393
Restricted	826,190	801,846	821,829	956,895	1,143,248	1,293,737	1,297,613
Unrestricted	8,009	8,029	8,475	8,470	6,428	9,441	10,206
Total business-type activities net assets	$ 836,858	$ 812,934	$833,351	$ 968,271	$ 1,152,500	$ 1,305,961	$ 1,311,212
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
Restricted	1,228,725	1,233,971	1,305,993	1,620,796	1,819,214	1,907,112	1,994,781
Unrestricted (deficit) **(a)**	(23,960)	(153,804)	(144,895)	312,174	510,969	633,228	299,329
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

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

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

Table 2 - Changes in Net Assets

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

	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	$ 209,074	$ 226,761	$ 226,585	$ 304,926	$ 349,224	$ 421,291	$ 439,682
Health and social services **(c)**	1,604,205	1,817,001	1,888,806	2,082,562	2,198,551	2,340,884	2,454,843
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
Law, justice and public safety	448,082	444,774	485,480	535,371	578,049	624,149	650,657
Regulation of business	81,800	81,674	86,318	92,240	101,857	104,385	114,786
Transportation	356,692	394,489	474,416	665,315	508,569	680,281	576,815
Recreation and resource development	115,082	124,426	132,106	157,881	156,933	173,037	167,627
Interest on long-term debt	121,092	112,096	130,902	141,154	132,969	150,486	146,312
Unallocated depreciation	1,144	1,152	1,315	1,441	1,513	720	992
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
Business-type activities:							
Unemployment insurance	407,241	377,395	334,065	238,386	239,232	296,784	439,632
Housing	76,904	71,927	60,250	53,011	45,397	46,152	43,953
Water loans	4,930	4,715	5,856	7,710	8,226	7,885	6,836
Workers' compensation and safety	19,581	19,274	20,685	21,004	23,991	25,381	26,258
Higher education **(a)**	-	-	-	11,496	18,940	10,504	8,109
Other	12,695	13,134	13,021	14,706	15,601	16,424	20,496
Total business-type activities expenses	521,351	486,445	433,877	346,313	351,387	403,130	545,284
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

Program Revenues							
Governmental activities:							
Charges for services:							
General government	$ 146,391	$ 153,108	$ 181,530	$ 200,390	$ 226,191	$ 254,947	$ 254,198
Health and social services	106,846	134,847	127,743	133,651	138,675	125,915	147,785
Law, justice and public safety	187,717	195,259	214,363	261,254	242,262	256,015	257,355
Other	92,005	81,480	114,516	142,430	162,028	148,959	135,034
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
Capital grants and contributions	2,260	8,535	9,320	7,795	27,080	16,010	21,871
Total governmental activities program revenues	1,819,672	2,073,078	2,285,545	2,574,772	2,644,327	2,827,207	2,798,558
Business-type activities:							
Charges for services:							
Housing	61,682	54,854	41,183	34,931	33,589	32,372	30,721
Workers' compensation and safety	22,694	20,703	32,385	33,892	25,593	36,037	35,632
Other	21,832	21,659	26,239	27,534	30,611	34,635	40,874
Operating grants and contributions	179,379	131,771	98,469	83,672	111,598	99,546	88,335
Total business-type activities program revenues	285,587	228,987	198,276	180,029	201,391	202,590	195,562
Total primary government program revenues	$ 2,105,259	$ 2,302,065	$ 2,483,821	$ 2,754,801	$ 2,845,718	$ 3,029,797	$ 2,994,120
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)
Business-type activities	(235,764)	(257,458)	(235,601)	(166,284)	(149,996)	(200,540)	(349,722)
Total primary government net expense	$ (2,716,799)	$ (2,826,008)	$ (3,039,846)	$ (3,289,881)	$ (3,363,570)	$ (4,123,192)	$ (4,484,609)
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
Gaming taxes	697,482	735,652	834,791	900,261	1,003,111	1,029,044	1,011,506
Modified business taxes **(b)**	-	-	161,650	226,924	255,252	282,729	297,161
Insurance premium taxes	156,347	173,993	194,218	215,353	238,297	261,378	256,847
Property and transfer taxes **(b)**	99,234	95,808	204,866	287,410	318,941	296,498	280,896
Motor and special fuel taxes	242,670	253,951	269,131	281,726	297,383	300,182	297,087
Other taxes	258,863	271,169	350,185	362,797	398,460	427,109	425,250
Investment earnings	35,839	26,712	10,996	25,238	87,729	143,013	105,075
Other	147,228	181,267	205,597	162,869	86,371	99,476	116,082
Contributions to permanent fund	8,759	15,952	31,693	44,598	76,553	12,208	8,801
Special item	-	8,485	-	-	(276,773)	-	-
Transfers	19,238	16,791	17,339	17,620	31,373	18,740	19,592
Total governmental activities	2,390,059	2,540,671	3,136,153	3,524,419	3,614,636	4,019,833	3,920,038
Business-type activities:							
Other taxes	240,608	250,325	273,357	320,622	365,598	372,741	374,565
Other	2	-	-	-	-	-	-
Transfers	(19,238)	(16,791)	(17,339)	(17,620)	(31,373)	(18,740)	(19,592)
Total business-type activities	221,372	233,534	256,018	303,002	334,225	354,001	354,973
Total primary government	$ 2,611,431	$ 2,774,205	$ 3,392,171	$ 3,827,421	$ 3,948,861	$ 4,373,834	$ 4,275,011
Change in Net Assets							
Governmental activities	$ (90,976)	$ (27,879)	$ 331,908	$ 400,822	$ 401,062	$ 97,181	$ (214,849)
Business-type activities	(14,392)	(23,924)	20,417	136,718	184,229	153,461	5,251
Total primary government	$ (105,368)	$ (51,803)	$ 352,325	$ 537,540	$ 585,291	$ 250,642	$ (209,598)

Notes: The State did not begin reporting government-wide statements until it implemented GASB Statement 34 in fiscal year 2002.
(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.
(c) The increase in health and social services expenses from FY02 to FY03 was primarily due to the effects of the September 11, 2001 terrorist attacks, resulting in an increase in unemployment and an increase in Medicaid caseload.

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Table 3 - Fund Balances of Governmental Funds

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

	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved	$ 43,256	$ 68,540	$ 66,523	$ 65,656	$ 35,336	$ 17,585	$ 15,088
Unreserved	7,492	40,981	275,586	474,342	486,160	427,506	384,663
Total General fund	$ 50,748	$ 109,521	$ 342,109	$ 539,998	$ 521,496	$ 445,091	$ 399,751
All Other Governmental Funds							
Reserved	$ 1,474,192	$ 1,384,530	$ 651,738	$ 798,715	$ 1,004,407	$ 1,244,430	$ 1,311,024
Unreserved, reported in:							
Special revenue funds	383,769	260,297	1,156,797	1,225,603	1,038,753	771,887	403,715
Capital projects funds	51,352	71,137	41,871	46,316	39,365	87,057	17,402
Permanent funds	21	22	22	21	21	22	22
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

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

Table 4 - Changes in Fund Balances of Governmental Funds

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

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

Expenditures							
General government	108,507	99,406	121,169	163,100	183,194	230,011	212,659
Health and social services	1,536,696	1,737,677	1,822,074	2,021,152	2,060,371	2,220,212	2,298,239
Education and support services	43,051	47,976	15,616	27,692	39,021	39,257	45,240
Law, justice and public safety	412,317	428,549	450,956	480,922	530,247	583,601	617,151
Regulation of business	75,189	78,247	86,396	88,995	95,467	100,119	104,844
Transportation	418,870	499,450	674,837	691,328	706,543	776,852	612,493
Recreation and resource development	95,869	99,085	113,081	121,385	134,841	144,245	166,347
Intergovernmental	1,425,361	1,534,952	1,814,582	1,917,752	2,104,075	2,502,222	2,634,976
Capital outlay	18,404	22,294	43,473	88,882	114,226	71,999	167,959
Debt service:							
Principal	109,167	90,145	115,468	136,263	296,771	348,072	424,971
Interest, fiscal charges	119,488	119,860	127,740	137,058	120,683	137,972	143,181
Debt issuance costs	994	872	3,815	3,844	1,116	3,167	2,440
Advance escrow payment	-	-	762	-	-	-	-
Arbitrage payment	611	200	562	-	74	-	-
Total expenditures	4,364,524	4,758,713	5,390,531	5,878,373	6,386,629	7,157,729	7,430,500
Excess (deficiency) of revenues over (under) expenditures	(285,779)	(245,477)	(80,533)	52,712	(7,280)	(478,635)	(916,865)
Other Financing Sources (Uses)							
Capital leases	1,488	3,538	1,073	1,113	4,143	8,487	2,926
Sale of general obligation bonds	112,107	68,890	375,702	293,921	231,623	387,155	448,379
Premium on general obligation bonds	2,860	1,631	35,228	51,003	9,703	17,635	17,861
Sale of certificates of participation	-	-	21,550	22,435	-	5,760	-
Premium (discount) on certificates of participation	-	-	555	(37)	-	(78)	-
Sale of capital assets	50	17,881	731	23,350	166	646	11,489
Sale of general obligation refunding bonds	19,961	13,135	80,791	677,231	-	118,346	-
Payment to refunded bond agent	(19,961)	(13,135)	(84,237)	(718,919)	-	(122,039)	-
Transfers in	253,220	398,068	341,819	436,899	380,858	587,137	763,988
Transfers out	(232,756)	(379,105)	(325,650)	(421,592)	(349,050)	(579,970)	(744,350)
Total other financing sources (uses)	136,969	110,903	447,562	365,404	277,443	423,079	500,293
Special Item							
One-time tax rebate	-	-	-	-	(276,773)	-	-
Net change in fund balances	$ (148,810)	$ (134,574)	$ 367,029	$ 418,116	$ (6,610)	$ (55,556)	$ (416,572)
Total expenditures	$ 4,364,524	$ 4,758,713	$ 5,390,531	$ 5,878,373	$ 6,386,629	$ 7,157,729	$ 7,430,500
Less: Capitalized assets included in the functional categories	115,886	146,293	273,824	177,863	387,287	245,032	295,926
Total noncapital expenditures	$ 4,248,638	$ 4,612,420	$ 5,116,707	$ 5,700,510	$ 5,999,342	$ 6,912,697	$ 7,134,574
Total debt service expenditures	$ 230,260	$ 211,077	$ 248,347	$ 277,165	$ 418,644	$ 489,211	$ 570,592
Debt service expenditures as a percentage of noncapital expenditures	5.42%	4.58%	4.85%	4.86%	6.98%	7.08%	8.00%

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

(a) 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 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Taxable Sales by County:										
Carson City	$ 740,961	$ 753,186	$ 824,013	$ 888,249	$ 861,278	$ 913,495	$ 979,049	$1,021,210	$ 991,893	$ 919,266
Churchill	221,899	223,954	216,392	220,744	226,398	240,352	280,304	331,338	306,426	294,411
Clark	19,920,298	21,327,334	22,629,122	22,835,362	24,535,344	28,075,636	32,430,309	35,604,392	36,262,388	35,930,374
Douglas	454,360	508,005	573,497	565,974	646,960	750,928	805,334	815,590	765,218	691,609
Elko	723,398	781,708	773,158	714,949	700,491	757,714	857,707	1,029,763	1,193,449	1,148,379
Esmeralda	10,862	9,431	5,705	5,349	5,472	7,575	8,707	8,598	16,523	12,645
Eureka	180,454	184,930	142,184	140,199	153,837	162,155	194,943	315,450	501,077	328,505
Humboldt	366,956	330,884	307,041	312,273	306,695	332,605	386,364	483,366	474,811	508,713
Lander	98,016	86,670	71,903	62,927	48,072	55,421	157,114	170,539	280,378	228,213
Lincoln	22,422	25,339	22,086	22,026	35,946	24,131	30,023	31,529	15,398	26,967
Lyon	201,850	213,808	254,695	251,497	274,983	323,078	390,743	441,896	375,523	385,591
Mineral	41,330	40,741	32,621	28,821	30,867	36,424	31,532	33,445	35,679	38,843
Nye	280,802	280,205	296,517	291,330	309,420	366,330	477,921	522,296	540,377	473,291
Pershing	72,813	45,958	61,175	56,962	54,274	54,925	56,847	62,992	68,332	67,279
Storey	42,735	37,618	57,915	40,518	38,504	54,571	85,416	109,411	204,717	121,244
Washoe	4,679,516	4,966,613	5,194,146	5,280,706	5,475,602	6,003,368	6,660,263	7,245,525	7,202,641	6,823,701
White Pine	109,585	75,247	64,994	68,065	70,754	80,819	127,928	175,147	192,877	197,818
Total	$ 28,168,257	$ 29,891,631	$ 31,527,164	$ 31,785,951	$ 33,774,897	$ 38,239,527	$ 43,960,504	$ 48,402,487	$ 49,427,707	$ 48,196,849
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 1999			Fiscal Year 2008		
	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	$ 4,659,429	16.5%	$ 93,189	$ 7,209,818	15.0%	$ 144,196
Motor vehicle and parts dealers	3,695,563	13.1%	73,911	5,142,865	10.7%	102,857
General merchandise stores	2,354,404	8.4%	47,088	4,319,937	9.0%	86,399
Merchant wholesalers, durable goods	1,880,215	6.7%	37,604	3,699,777	7.7%	73,996
Clothing and clothing accessories stores	1,106,384	3.9%	22,128	3,111,201	6.5%	62,224
Building material, garden equipment, supplies	1,924,308	6.8%	38,486	2,212,801	4.6%	44,256
Health and personal care stores	-	-	-	2,132,010	4.4%	42,640
Food and beverage stores	1,214,599	4.3%	24,292	1,739,557	3.6%	34,791
Rental and leasing services	-	-	-	1,731,255	3.6%	34,625
Accommodation	-	-	-	1,713,997	3.6%	34,280
Miscellaneous retail	2,990,128	10.6%	59,803	-	-	-
Furniture and home furnishings stores	1,560,337	5.5%	31,207	-	-	-
Business services	1,062,854	3.8%	21,257	-	-	-
Total	$ 22,448,221	79.6%	$ 448,965	$ 33,013,218	68.7%	$ 660,264

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

	2002	2003	2004	2005	2006	2007	2008
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
Highway revenue bonds	91,935	83,505	238,265	380,945	541,680	693,285	774,300
Obligations under capital leases	5,402	7,152	8,236	7,712	9,866	15,955	19,891
Certificates of participation	14,395	13,765	34,655	56,400	55,680	60,455	59,320
Total governmental activities	2,297,530	2,282,640	2,567,705	2,738,850	2,682,984	2,734,311	2,763,236
Business-type Activities							
General obligation bonds	1,370,660	1,238,573	1,090,617	983,421	864,320	899,617	1,002,000
Total primary government	$ 3,668,190	$ 3,521,213	$ 3,658,322	$ 3,722,271	$ 3,547,304	$ 3,633,928	$ 3,765,236
Debt as a Percentage of Personal Income	5.70%	5.28%	5.11%	4.72%	4.09%	3.93%	3.63%
Amount of Debt per Capita	$ 1,751	$ 1,624	$ 1,632	$ 1,595	$ 1,469	$ 1,456	$ 1,468

Note: Details regarding the State's debt can be found in the notes to the financial statements.
The State did not begin reporting government-wide statements until the implementation of GASB Statement 34 in fiscal year 2002.
See table 11 for personal income and population data.
Debt as a Percentage of Personal Income percentage is based on prior year Personal Income.
Amount of Debt per Capita is based on prior year Population.

Table 8 - Ratios of General Bonded Debt Outstanding

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Bonded Debt Outstanding										
General obligation bonds	$ 2,095,549	$ 2,122,631	$ 2,204,316	$ 2,185,798	$ 2,178,218	$ 2,286,549	$ 2,293,793	$ 2,075,758	$ 1,964,616	$ 1,909,725
Certificates of participation	15,000	15,000	15,000	14,395	13,765	13,105	12,415	11,695	10,940	10,155
Water projects bonds **(a)**	-	-	-	57,625	54,410	120,530	120,455	120,782	117,355	110,286
Housing bonds	1,015,211	1,153,232	1,276,954	1,313,035	1,184,163	970,087	862,966	745,780	782,307	886,195
Total	3,125,760	3,290,863	3,496,270	3,570,853	3,430,556	3,390,271	3,289,629	2,954,015	2,875,218	2,916,361
Less: amounts restricted to repaying principal	79,396	92,393	100,891	105,685	107,448	110,906	110,467	125,884	129,087	136,309
Net general bonded debt	$ 3,046,364	$ 3,198,470	$ 3,395,379	$ 3,465,168	$ 3,323,108	$ 3,279,365	$ 3,179,162	$ 2,828,131	$ 2,746,131	$ 2,780,052
Actual Taxable Property Value	$116,612,869	$131,125,648	$142,140,708	$151,267,821	$165,053,522	$179,822,444	$198,569,862	$245,075,283	$327,140,473	$383,571,013
Percentage of Actual Taxable Value of Property	2.61%	2.44%	2.39%	2.29%	2.01%	1.82%	1.60%	1.15%	0.84%	0.72%
Debt Per Capita (b)	$ 1,574	$ 1,585	$ 1,621	$ 1,598	$ 1,482	$ 1,406	$ 1,316	$ 1,133	$ 1,071	N/A

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

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

(b) See Table 11 for population data.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	$ 934,106	$ 1,011,490	$ 1,075,731	$ 1,172,317	$ 1,276,838	$ 1,408,688	$ 1,743,736	$ 2,339,593	$ 2,756,849	$ 2,963,124
Total debt applicable to limit	666,234	709,490	777,902	804,860	825,082	925,183	944,732	920,737	1,015,375	1,214,991
Legal debt margin	$ 267,872	$ 302,000	$ 297,829	$ 367,457	$ 451,756	$ 483,505	$ 799,004	$ 1,418,856	$ 1,741,474	$ 1,748,133
Legal debt margin as a percentage of the debt limit	28.68%	29.86%	27.69%	31.34%	35.38%	34.32%	45.82%	60.65%	63.17%	59.00%

Computation of Legal Debt Margin at June 30, 2008:

Assessed value of taxable property at June 30, 2008 (a)		$ 148,156,208
Debt limitation (2% of assessed value)		$ 2,963,124
General Obligation Bonds subject to limit	$ 1,184,945	
Leases	19,891	
Certificates of participation	59,320	
Less obligations exempt from debt margin:		
Lease revenue certificates of participation	(49,165)	
Debt subject to debt limitation		(1,214,991)
Legal debt margin at June 30, 2008		$ 1,748,133

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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	$ 213,540	$ 235,744	$ 232,974	$ 239,365	$ 250,740	$ 265,964	$ 278,641	$ 294,348	$ 297,142	$ 293,941
Debt service										
Principal	$ 17,700	$ -	$ -	$ 8,065	$ 8,430	$ 21,675	$ 30,665	$ 30,710	$ 41,125	$ 48,955
Interest	1,239	-	2,254	4,806	4,394	11,712	18,719	23,739	30,106	32,727
Total	$ 18,939	$ -	$ 2,254	$ 12,871	$ 12,824	$ 33,387	$ 49,384	$ 54,449	$ 71,231	$ 81,682
Coverage **(c)**	11.28	N/A	103.36	18.60	19.55	7.97	5.64	5.41	4.17	3.60
Mortgage Revenue Bonds										
Revenue **(a)**	$ 183,441	$ 123,773	$ 167,700	$ 206,589	$ 312,431	$ 335,062	$ 251,806	$ 435,332	$ 355,328	$ 129,286
Expenses **(b)**	9,552	9,014	9,315	11,835	8,770	10,335	9,512	6,720	4,595	4,368
Net available revenues	$ 173,889	$ 114,759	$ 158,385	$ 194,754	$ 303,661	$ 324,727	$ 242,294	$ 428,612	$ 350,733	$ 124,918
Debt service										
Principal	$ 79,680	$ 105,187	$ 69,511	$ 187,664	$ 257,702	$ 297,681	$ 155,791	$ 136,186	$ 51,003	$ 37,897
Interest	58,154	63,406	65,749	67,796	63,235	50,034	42,298	38,644	37,002	38,051
Total	$ 137,834	$ 168,593	$ 135,260	$ 255,460	$ 320,937	$ 347,715	$ 198,089	$ 174,830	$ 88,005	$ 75,948
Coverage **(c)**	1.26	0.68	1.17	0.76	0.95	0.93	1.22	2.45	3.99	1.64

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population										
Nevada	1,853,191	1,934,718	2,018,214	2,094,827	2,167,867	2,241,700	2,332,898	2,414,807	2,495,529	2,565,382
Percentage change	5.0%	4.4%	4.3%	3.8%	3.5%	3.4%	4.1%	3.5%	3.3%	2.8%
United States	275,854,104	279,040,168	282,193,477	285,107,923	287,984,799	290,850,005	293,656,842	296,410,404	299,398,484	301,621,157
Percentage change	1.2%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	1.0%	0.7%
Total Personal Income										
Nevada *(in millions)*	52,371	56,462	61,428	64,367	66,632	71,606	78,822	86,650	92,557	103,847
Percentage change	10.8%	7.8%	8.8%	4.8%	3.5%	7.5%	10.1%	9.9%	6.8%	12.2%
United States *(in millions)*	7,415,709	7,796,137	8,422,074	8,716,992	8,872,871	9,157,257	9,705,504	10,251,639	10,860,917	11,645,882
Percentage change	7.0%	5.1%	8.0%	3.5%	1.8%	3.2%	6.0%	5.6%	5.9%	7.2%
Per Capita Personal Income										
Nevada	28,260	29,184	30,437	30,727	30,736	31,943	33,787	35,883	37,089	40,480
Percentage change	5.5%	3.3%	4.3%	1.0%	0.0%	3.9%	5.8%	6.2%	3.4%	9.1%
United States	26,883	27,939	29,845	30,574	30,810	31,484	33,050	34,586	36,276	38,611
Percentage change	5.8%	3.9%	6.8%	2.4%	0.8%	2.2%	5.0%	4.6%	4.9%	6.4%
Labor Force and Employment										
Nevada Labor Force	982,065	1,022,584	1,064,015	1,102,370	1,124,629	1,148,519	1,177,558	1,218,525	1,295,085	1,335,852
Unemployed	43,403	43,615	47,943	58,459	62,729	58,810	51,212	49,002	54,217	64,380
Unemployment Rate	4.4%	4.3%	4.5%	5.3%	5.6%	5.1%	4.3%	4.0%	4.2%	4.8%
United States Labor Force	137,673,000	139,368,000	142,583,000	143,734,000	144,863,000	146,510,000	147,401,000	149,320,000	151,428,000	153,124,000
Unemployed	6,210,000	5,880,000	5,692,000	6,801,000	8,378,000	8,774,000	8,149,000	7,591,000	7,001,000	7,078,000
Unemployment Rate	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%

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

	Calendar Year 1998			Calendar Year 2007		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Employer:						
Clark County School District	22,500 - 22,999	1	2.32%	39,500 - 39,999	1	2.98%
State of Nevada	17,500 - 17,999	2	1.81%	21,500 - 21,999	2	1.63%
Clark County	7,000 - 7,499	4	0.74%	19,500 - 19,999	3	1.48%
Bellagio LLC	-		-	9,000 - 9,499	4	0.69%
Wynn Las Vegas LLC	-		-	8,500 - 8,999	5	0.65%
MGM Grand Hotel-Casino	8,500 - 8,999	3	0.89%	8,500 - 8,999	6	0.65%
Washoe County School District	6,500 - 6,999	6	0.69%	8,500 - 8,999	7	0.65%
Mandalay Bay Resort and Casino	-		-	6,500 - 6,999	8	0.51%
University of Nevada-Las Vegas	4,500 - 4,999	7	0.48%	6,000 - 6,499	9	0.47%
Caesars Palace	4,500 - 4,999	8	0.48%	5,500 - 5,999	10	0.43%
Mirage Casino - Hotel	6,500 - 6,999	5	0.69%	-		-
Luxor	4,500 - 4,999	9	0.48%	-		-
Las Vegas Hilton Corporation	3,500 - 3,999	10	0.38%	-		-
Total	85,500 - 90,490		8.96%	133,000 - 137,990		10.14%

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public School Enrollment										
Primary (K - 6)	189,755	198,863	207,039	211,260	217,488	223,973	229,419	201,465	239,418	240,453
Secondary (7 - 12)	135,855	141,843	149,775	158,225	167,926	177,245	183,833	189,501	193,822	196,325
Total	325,610	340,706	356,814	369,485	385,414	401,218	413,252	390,966	433,240	436,778
Public Higher Education Enrollment										
Universities:										
University of Nevada, Reno	9,881	9,898	10,804	11,668	11,965	12,451	12,660	12,444	12,429	12,709
University of Nevada, Las Vegas	15,428	15,093	16,232	17,777	18,639	20,077	20,569	20,180	20,007	20,297
State College:										
Nevada State College at Henderson	-	-	-	116	330	856	1,017	1,310	1,418	1,340
Community Colleges:										
College of Southern Nevada	15,215	14,410	15,266	16,532	17,716	17,676	18,234	18,320	19,501	20,906
Great Basin College	1,252	1,322	1,208	1,251	1,436	1,356	1,353	1,584	1,613	1,781
Truckee Meadows Community College	4,867	5,032	4,889	5,324	5,559	5,953	6,213	6,210	6,454	6,800
Western Nevada College	2,045	2,037	2,128	2,164	2,180	2,288	2,410	2,463	2,427	2,438
Total	48,688	47,792	50,527	54,832	57,825	60,657	62,456	62,511	63,849	66,271

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Function										
General government	2,168	1,391	1,423	1,449	1,421	1,470	1,513	1,536	1,558	1,570
Health and social services	4,316	4,456	4,425	4,495	4,562	5,044	4,992	5,364	5,773	6,145
Education and support services	2,893	3,063	3,310	6,863	7,240	7,092	7,762	8,118	8,670	9,030
Law, justice and public safety	4,687	4,809	5,148	5,210	4,995	5,244	5,449	5,654	5,946	5,924
Regulation of business	1,217	1,251	1,261	1,259	1,217	1,298	1,315	1,331	1,412	1,390
Transportation	1,629	1,642	1,703	1,720	1,757	1,798	1,783	1,771	1,792	1,829
Recreation and resource development	1,078	1,353	1,369	1,398	1,417	1,425	1,455	1,479	1,403	985
Total	17,988	17,965	18,639	22,394	22,609	23,371	24,269	25,253	26,554	26,873

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

Note: Education and support services data is revised for 2002 through 2007 with updates from Nevada System of Higher Education.

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Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Department of Taxation										
Number of sales and use tax audits	2,429	1,768	1,413	1,796	1,825	1,377	1,643	1,668	1,994	N/A
Public Employees Benefits Program										
Number of plan participants	27,996	28,145	30,196	30,889	31,328	31,042	33,395	35,049	38,936	42,049
Generic drug utilization **(b)**	N/A	N/A	43%	43%	52%	52%	59%	59%	N/A	N/A
Department of Administration										
Square feet of non-state owned space leased **(b)**	1,305,104	1,305,104	1,391,463	1,391,463	1,376,534	1,376,534	1,377,525	1,377,525	N/A	N/A
Job applications processed	25,369	37,382	21,641	27,536	39,635	48,089	36,317	54,378	92,353	66,041
Health and Social Services										
Department of Education, Training & Rehabilitation										
Vocational Rehabilitation clients entering full-time employment with insurance **(b)**	78%	78%	79%	79%	65%	65%	48%	48%	N/A	N/A
Career Enhancement Program clients entering employment **(b)**	85%	85%	60%	60%	91%	91%	84%	84%	N/A	N/A
Health Care Financing & Policy										
Nevada Medicaid - average monthly eligibles	98,624	99,412	117,629	141,681	163,784	172,779	176,418	172,685	168,197	180,369
NV Check-Up Program - average monthly enrollment **(b)**	N/A	N/A	22,414	22,414	25,025	25,025	27,492	27,492	N/A	N/A
Health Division										
Women, Infants and Children Program participants (FFY)	437,303	454,307	476,920	482,421	520,463	538,857	567,076	602,100	602,784	711,018
Welfare Division										
Average monthly number of TANF recipients	21,900	16,661	18,123	28,809	31,034	24,956	21,748	19,880	17,706	21,022
Average monthly number of Mental Health clients	N/A	N/A	13,187	14,354	16,390	16,616	14,981	14,655	13,249	14,582
Average monthly number of Mental Health inpatients	N/A	N/A	146	155	142	153	182	198	246	265
Average monthly number of Food Stamp recipients	63,505	61,490	70,016	91,216	106,966	119,750	122,042	118,474	119,596	137,589
Average monthly number of Developmental Services clients	2,161	2,458	2,782	3,054	3,225	3,522	3,888	4,057	4,387	4,672
Percent of current child support owed that is collected **(b)**	41%	41%	46%	46%	47%	47%	46%	46%	N/A	N/A
TANF recipient children receiving child care **(b)**	N/A	N/A	17,325	17,325	15,843	15,843	17,977	17,977	N/A	N/A
Non-TANF children receiving child care **(b)**	N/A	N/A	106,779	106,779	44,998	44,998	104,463	104,463	N/A	N/A
Applications for energy assistance received **(b)**	9,637	9,637	20,076	20,076	19,081	19,081	24,846	24,846	N/A	N/A
Households served with energy assistance **(b)**	7,844	7,844	15,665	15,665	15,986	15,986	14,552	14,552	N/A	N/A
Education and Support Services										
Nevada Department of Education **(a)**										
Percent of occupational education students receiving a diploma **(b)**	85%	85%	N/A	N/A	89%	89%	88%	88%	N/A	N/A
Percent of public schools participating in the Nat'l School Lunch Program **(b)**	73%	73%	85%	85%	93%	93%	94%	94%	N/A	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program **(b)**	39%	39%	42%	42%	34%	34%	41%	41%	N/A	N/A
Number of meals served in the Children & Adult Food Care Program **(b)**	N/A	N/A	3,243,965	3,243,965	4,297,850	4,297,850	4,256,701	4,256,701	N/A	N/A
Number of special education students receiving a high school diploma **(b)**	422	422	492	492	675	675	503	503	N/A	N/A
Percent of elementary students identified as being at risk receiving supplemental instruction from Title I funds **(b)**, actual beginning 2006	50%	50%	52%	52%	60%	60%	5,389	5,389	N/A	N/A
Department of Cultural Affairs										
Volumes (excludes documents and microfilm)	61,297	62,790	64,451	66,140	69,361	73,005	76,527	76,527	79,917	N/A
Government publications (U.S., Nevada and California)	595,701	624,408	677,500	683,384	741,573	771,258	779,194	798,013	813,142	N/A

Law, Justice and Public Safety										
The Supreme Court of Nevada										
Cases filed **(c)**	1,885	1,803	1,784	1,711	1,848	1,885	2,049	2,171	2,124	N/A
Cases disposed **(c)**	2,073	2,083	2,001	1,866	1,651	1,949	1,994	2,387	1,976	N/A
Number of opinions written **(c)**	63	123	80	97	68	105	90	121	61	N/A
Nevada Department of Corrections										
Total admissions **(c)**	4,472	4,915	4,666	4,843	5,337	5,574	5,741	6,292	6,016	N/A
Total releases **(c)**	4,536	4,360	4,540	4,734	4,873	4,708	5,455	5,162	5,308	N/A
In-house population at year-end **(c)**	9,227	9,785	9,959	10,081	10,550	11,427	11,740	12,816	12,967	N/A
Department of Public Safety, Highway Patrol Division										
Total number of DUI arrests	4,002	4,185	3,997	N/A	3,778	3,687	3,803	4,264	5,093	4,720
Total number of safety inspections	14,539	N/A	13,610	N/A	16,560	20,627	20,800	24,714	24,227	22,669
Department of Motor Vehicles										
Motor vehicle registrations	776,438	1,133,264	1,489,555	1,488,540	1,543,514	1,790,456	1,884,816	2,262,743	2,351,581	2,345,500
Regulation of Business										
Nevada Gaming Commission										
Licenses issued & active at fiscal year-end	2,741	2,814	2,806	2,846	2,829	2,913	2,905	2,924	2,961	2,933
Licensed devices at fiscal year-end:										
Games	5,945	6,056	6,102	6,002	5,998	6,040	6,188	6,232	6,133	6,135
Tables	541	515	469	388	473	540	760	1,098	1,102	1,001
Slots	205,726	209,642	213,191	212,493	209,976	205,041	204,213	207,569	202,362	198,080
Department of Business and Industry										
Units of affordable housing produced **(b)**	350	350	350	350	263	263	236	236	N/A	N/A
Taxicab Authority notices of violation issued **(b)**	2,229	2,229	4,077	4,077	4,046	4,046	3,290	3,290	N/A	N/A
Taxicab Authority vehicle inspections made **(b)**	5,125	5,125	7,147	7,147	6,836	6,836	6,627	6,627	N/A	N/A
Number of worksite safety & health inspections	896	1,640	3,269	3,651	3,520	3,070	2,753	2,594	2,399	2,566
Number of boiler and elevator inspections	N/A	9,917	12,889	19,702	20,020	20,105	20,535	20,606	18,323	19,233
Insurance license and renewal applications processed **(b)**	14,416	14,416	23,911	23,911	30,621	30,621	41,646	41,646	N/A	N/A
Transportation										
Nevada Department of Transportation										
Miles of highways - rural **(c)**	4,899	4,901	4,899	4,898	4,900	4,900	4,694	4,741	4,757	4,736
Miles of highways - urban **(c)**	557	556	548	549	549	549	705	658	665	662
Recreation and Resource Development										
Commission on Tourism										
Inquiries from advertising campaign **(b)**	272,332	272,332	177,350	177,350	194,727	194,727	308,790	308,790	N/A	N/A
Tourism web site visitors **(b)**	642,226	642,226	1,033,601	1,033,601	1,345,708	1,345,708	1,687,745	1,687,745	N/A	N/A
Commission on Economic Development										
Number of projects requesting Community Development Block Grants **(b)**	53	53	53	53	43	43	57	57	N/A	N/A
Number of projects funded **(b)**	40	40	40	40	28	28	27	27	N/A	N/A
Department of Conservation and Natural Resources										
Percent of human caused wildland fires in NDF's jurisdiction investigated **(b)**	N/A	N/A	96%	96%	100%	100%	97%	97%	N/A	N/A
Number of State Park users **(c)**	3,229,043	5,491,935	3,315,158	3,305,115	3,296,020	3,219,061	3,207,537	3,215,606	N/A	N/A
Number of State Park users per FTE employees **(b)**	27,091	27,091	23,940	23,940	26,054	26,054	24,391	24,391	N/A	N/A
Number of State Park users per arrest **(b),** actual beginning 2005	127,149	127,149	139,495	139,495	131,749	131,749	50,027	54,920	66,552	49,301

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.

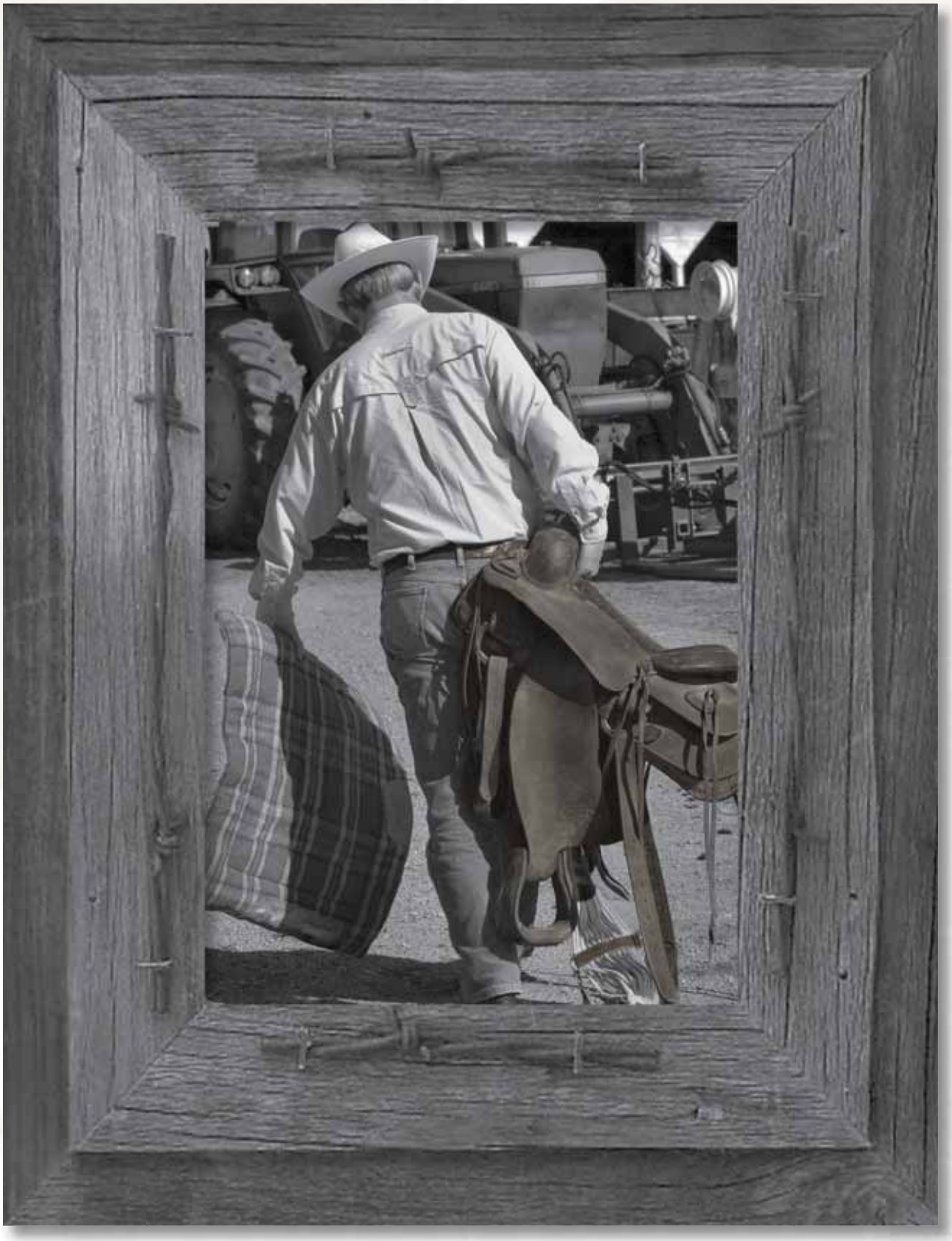
Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
State owned office space (square feet)	131,561	134,295	132,975	138,011	138,011	146,045	142,733	214,747	215,867	201,688
Vehicles (motor pool)	708	743	762	816	756	789	741	824	790	849
Health and Social Services										
State owned office space (square feet)	89,023	86,712	86,712	77,668	77,668	93,509	93,509	122,415	52,626	33,093
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	0	0	0	1	1	1	1	1	1	1
Youth correctional centers	2	2	2	2	2	3	3	3	3	3
Vehicles	253	253	254	272	267	249	251	241	240	225
Education and Support Services										
State owned office space (square feet)	19,767	19,767	19,767	19,767	19,767	19,767	19,767	28,200	28,200	28,200
Number of State museums	6	6	6	6	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)	378,220	383,308	383,308	385,428	400,108	459,331	478,724	550,648	540,125	596,564
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	20	21	20	20	20	20	21	21	19
Vehicles	899	956	915	1,022	1,049	1,020	1,065	1,091	1,067	1,172
Regulation of Business										
State owned office space (square feet)	82,081	74,470	74,470	77,954	77,954	72,259	71,811	107,547	107,547	107,547
Vehicles	297	208	207	240	238	250	283	279	285	292
Transportation										
State owned office space (square feet)	179,948	179,948	179,948	179,948	179,948	179,948	179,948	184,988	251,658	251,658
NDOT lane miles	13,226	13,199	13,220	13,203	13,196	13,199	13,199	13,087	13,131	13,137
NDOT bridges	1,023	1,008	1,004	994	1,005	997	1,015	1,025	1,045	1,092
NDOT vehicles	769	793	791	812	758	803	829	872	864	901
NDOT heavy equipment	1,750	1,732	1,751	1,751	1,814	1,802	1,826	1,875	1,900	1,913
NDOT maintenance stations (staffed)	45	45	45	45	45	45	45	41	51	48
Recreation and Resource Development										
State owned office space (square feet)	33,042	33,042	33,042	26,965	26,965	36,593	36,593	146,982	137,353	139,874
Number of State Parks	25	25	25	25	25	25	25	26	24	25
Acres of State Parks	132,587	132,590	132,590	132,590	132,590	132,800	132,800	132,800	132,800	132,117
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	10	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	111,533	117,959	117,959	117,959	117,959	117,959	117,959	117,959	117,959	117,959
Vehicles	887	895	911	913	940	927	1,007	998	803	811

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.



Compliance Section

KAFOURY ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada (the State), as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements and have issued our report thereon dated December 12, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance Internal Service Fund, the Pension and Other Employee Benefit Trust Funds, and Nevada College Savings Plan – Private Purpose Trust Fund, as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance Internal Service Fund, the Pension and Other Employee Benefit Trust Funds, and the Nevada College Savings Plan – Private Purpose Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the State's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State's financial statements that is more than inconsequential will not be prevented or detected by the State's internal control.

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

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

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Kafoury, Armstrong & Co.

Reno, Nevada
December 12, 2008