

# STATE OF NEVADA

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2000

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**Office of State Controller**  
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State Controller

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

December 15, 2000

I am pleased to present the Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2000. This is my second financial report since being elected Nevada State Controller. Responsibility for the accuracy, completeness and fairness of this financial presentation rests with my office. I am confident the information reported is accurate in all material respects and is reported in a manner which fairly presents the financial position and results of operations of the State. The report also includes all disclosures necessary to enable the reader to gain an understanding of Nevada's financial activities.

The Comprehensive Annual Financial Report is presented in three sections: Introduction, Financial and Statistical. The Introductory Section includes this letter, our government organization chart, major initiatives and a report on our economic outlook. The Financial Section includes the independent auditor's reports, the general purpose financial statements and the combining, individual fund and account group statements and schedules. Trend information on fiscal, social and demographic measures on a multi-year basis is included in the Statistical Section.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB). The independent accounting firm of Kafoury, Armstrong & Co. has also audited the accompanying financial statements in accordance with generally accepted governmental auditing standards and their opinion appears in the Financial Section. We received an unqualified opinion on the general-purpose financial statements this year.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Reporting Entity** - Nevada, nicknamed the “Silver State” due to the vast quantities of silver mined from the Comstock Lode in the 1800s, is bordered by California, Oregon, Idaho, Utah and Arizona. The State lies in the Great Basin, an arid region east of the Sierra Nevada Mountains where the average annual rainfall is less than ten inches. Approximately 87.2 percent of our 110,000 square miles of valleys and north-south mountain ranges is under federal ownership.

The economy and tax base of the State 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 experienced one of the fastest rates of population growth in the nation. The 1990 census showed a 55% increase over 1980 and the 2000 forecast of 2.06 million people indicates Nevada’s population has grown almost 67% since 1990.

The State operates under a constitution, ratified in 1864, that provides for a full range of services. These services include education, health and social services, highway maintenance and construction, law enforcement, judicial, public safety, business regulation and resource development. State agencies and entities included in this report are those for which the State is considered financially accountable. There are several occupational licensing boards where the State’s accountability is limited to State officials making appointments to the licensing boards. The State does not exercise financial or administrative control over these boards, so they are excluded from this report.

The following State agencies issue independent financial reports:

- Colorado River Commission
- Department of Museums, Library and Arts’ Museums and History Fund
- Housing Division
- Legislative Counsel Bureau’s Legislative and Contingency Funds
- Legislators’ Retirement System
- Public Employees’ Retirement System
- Public Employees’ Benefits Program Self-Insurance Fund
- Risk Management’s Insurance Premiums Trust Fund
- University and Community College System of Nevada

Copies of these independently audited reports are available upon request from the State agency.

**Internal Controls** - State management is responsible for designing and encouraging adherence to policies and controls that safeguard resources. Internal controls are designed to provide reasonable, but not absolute assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition;
- The reliability of the financial records in preparing financial statements and maintaining accountability of assets.

Such controls require judgment by management that the costs of controls should not exceed benefits derived.

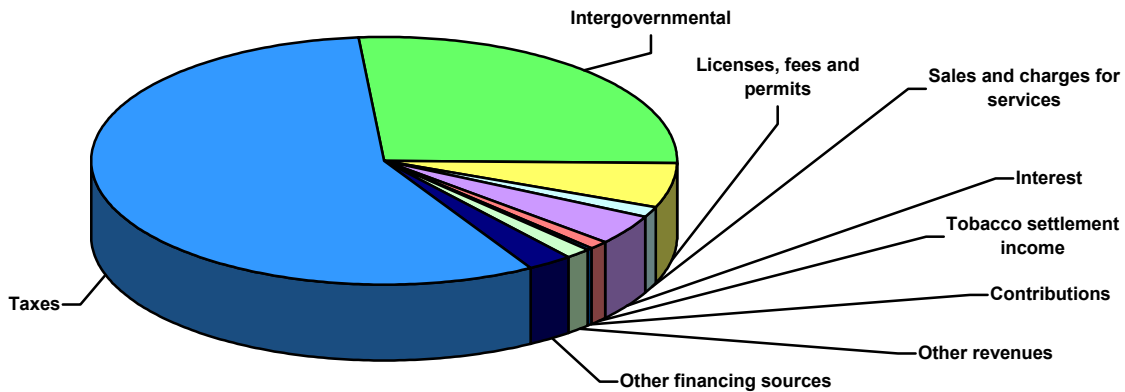
In addition to internal controls, the State also maintains budgetary controls to ensure compliance with the biennial financial plan as enacted by the Legislature through the appropriation and authorized expenditure acts. Budgetary controls also contain a system of encumbering purchase orders to ensure appropriations are not exceeded.

**General Government Functions** - The following schedule presents a summary of revenues and other financing sources for the fiscal years ended June 30, 2000 and 1999 of the general fund, special revenue funds, debt service funds, capital projects funds and expendable trust funds (expressed in thousands). Net transfers from, and to, other funds are included as other financing sources.

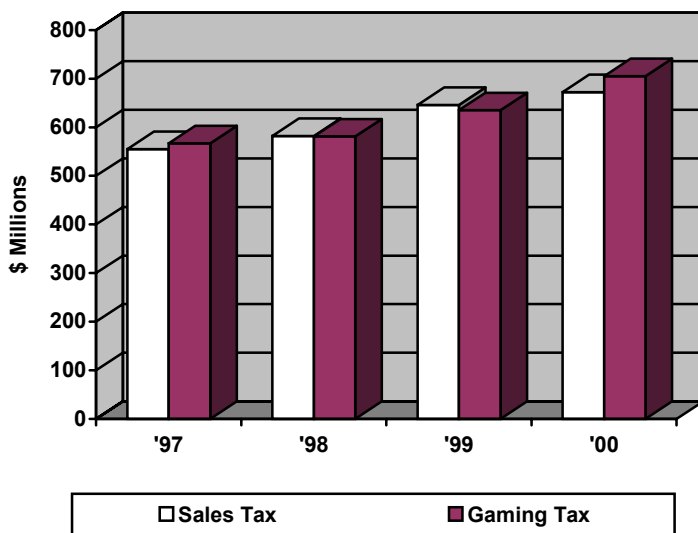
### Revenues and Other Financing Sources

(Expressed in thousands)

	2000		1999		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 2,329,311	57.0%	\$ 2,143,301	50.7%	\$ 186,010	8.7%
Intergovernmental	1,084,807	26.6	1,036,944	24.6	47,863	4.6
Licenses, fees and permits	237,798	5.8	222,274	5.3	15,524	7.0
Sales and charges for services	53,485	1.3	55,298	1.3	(1,813)	-3.3
Interest	159,403	3.9	164,919	3.9	(5,516)	-3.3
Tobacco settlement income	49,917	1.2	-	0.0	49,917	100.0
Contributions	15,595	0.4	-	0.0	15,595	100.0
Other revenues	55,387	1.4	45,855	1.1	9,532	20.8
Other financing sources	99,045	2.4	555,196	13.1	(456,151)	-82.2
	<u>\$ 4,084,748</u>	<u>100.0%</u>	<u>\$ 4,223,787</u>	<u>100.0%</u>	<u>\$ (139,039)</u>	<u>-3.3</u>



The increase in taxes was due to growth in the economy and population, rather than new State taxes or increased tax rates. Taxes represent almost 60% of the resources available to the State for general government functions with sales taxes and gaming taxes comprising approximately 59% of the total taxes. The following chart graphically depicts sales and gaming taxes over the past four years.



The chart shows that sales taxes have increased 21% over the past four years while gaming taxes have increased 24%. Sales tax growth decreased in 2000 to 5%, compared with a 11% growth rate in 1999. Gaming tax growth increased to 11% over a 9% growth rate in 1999.

The third largest financing source, intergovernmental revenues, is predominantly federal funds. Interest derived from the investment of idle cash remained constant. Other financing sources show a decrease, due primarily to a decrease in proceeds from the sale of bonds. This was anticipated because debt financing does not occur on a uniform basis. Table II in the statistical section shows a ten-year time profile of resources for general government.

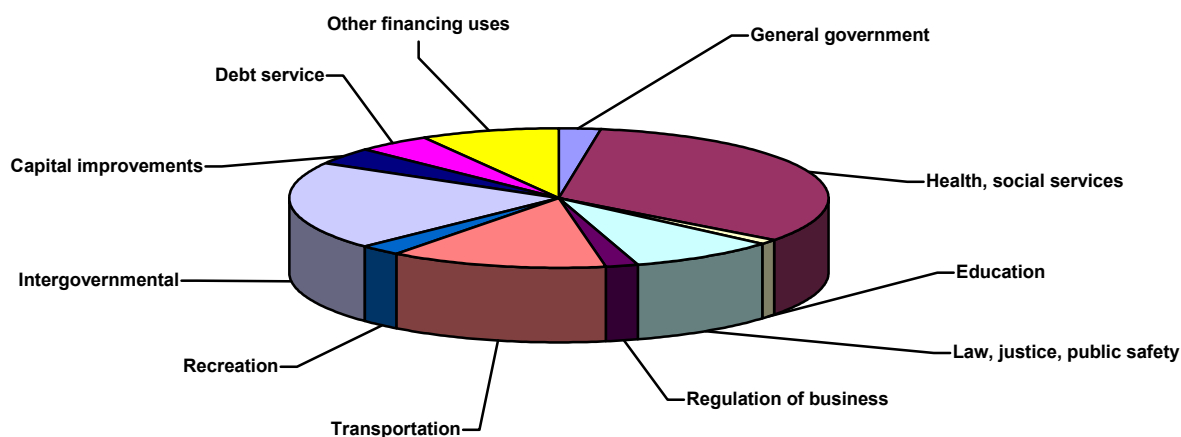
A new financing source in 2000 is tobacco settlement income, which represents the proceeds to the State of Nevada from settlement agreements with and civil actions against, manufacturers of tobacco products. These revenues are allocated 40% to Millennium Scholarship Fund, 50% to Healthy Nevada Fund and 10% to Public Health Trust. Another new financing source is contributions to the Higher Education Tuition Trust, which allows the cost of tuition to be paid in advance of enrollment at an institution of higher education.

The following schedule presents a summary of general funds, special revenue funds, debt service funds, capital project funds and expendable trust funds expenditures and other financing uses for the fiscal years ended June 30, 2000 and 1999. Net transfers to and from the University System are the other financing uses.

### Expenditures and Other Financing Uses

(Expressed in thousands)

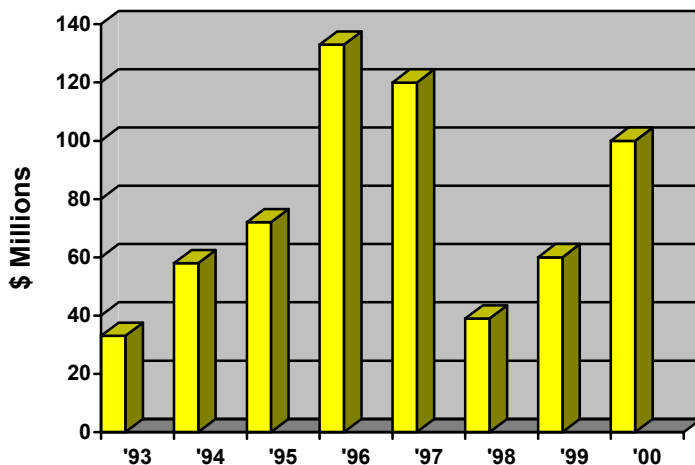
	2000		1999		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 103,402	2.5%	\$ 111,116	2.9	\$ (7,714)	-6.9%
Health, social services	1,353,839	32.9	1,236,991	32.2	116,848	9.4
Education	44,532	1.1	42,027	1.1	2,505	6.0
Law, justice, public safety	361,041	8.8	338,518	8.8	22,523	6.7
Regulation of business	87,057	2.0	82,127	2.0	4,930	6.0
Transportation	537,748	13.1	433,118	11.3	104,630	24.2
Recreation	93,795	2.3	85,378	2.2	8,417	9.9
Intergovernmental	856,294	20.8	854,172	22.2	2,122	0.2
Capital improvements	150,095	3.6	67,327	1.8	82,768	122.9
Debt service	183,114	4.4	192,433	5.0	(9,319)	-4.8
Other financing uses	348,110	8.5	402,384	10.5	(54,274)	-13.5
	<u>\$ 4,119,027</u>	<u>100.0%</u>	<u>\$ 3,845,591</u>	<u>100.0%</u>	<u>\$ 273,436</u>	<u>7.1</u>



Expenditures for general governmental functions decreased by nearly 7% over 1999, as shown in the preceding table. This is primarily due to \$10 million in costs related to the 1999 legislative session that were not required in 2000. Expenditures for transportation increased by \$105 million primarily due to additional construction projects in 2000.

Swings in capital improvement expenditures occur because of the biennial cycle of the Legislature and their subsequent authorization of projects. The 5% decrease in debt service was anticipated. The other financing uses consist of net transfers to the University System (a component unit). Student enrollment in the University System increased by 1% last year.





An important indicator of fiscal health is “unallocated reserves”, which include the undesignated fund balance in the General Fund and the “rainy day” fund balance. The accompanying chart depicts those balances. Table III, in the statistical section, provides a ten-year comparison. The “rainy-day” fund balance increased to \$147 million while the General Fund’s undesignated fund balance increased by \$21.7 million, resulting in a combined balance of \$100 million in 2000.

**Proprietary Operations - Internal Service Funds** - The internal service funds charge and recover costs from State agencies for services such as building maintenance, printing, insurance, data processing and motor pool. Rates charged to State agencies for the operation of internal service funds are adjusted in following years to offset gains and losses. In 2000, these funds showed a net gain of \$1,120,802. Laws enacted by the 1999 Legislature and management efficiencies are proving effective in reducing the deficit in the Self-Insurance Fund, which peaked at \$13,095,041 on June 30, 1998. The Self-Insurance Fund had a net income of \$324,093 for the year, reducing the fund deficit to \$715,992.

**Proprietary Operations - Enterprise Funds** - The enterprise funds primarily reflect the activities of:

- The Colorado River Commission (CRC) consists of two funds. The Power Marketing Fund provides for the purchasing and selling of electrical power from Nevada’s share of the generating facilities at Hoover Dam and other power marketing related activities. The Power Delivery Fund provides for the construction and operation of certain electric power transmission and distribution facilities to serve the planned expansion of the Southern Nevada Water System.
- The Housing Division, which provides low interest loans to low and moderate income households.

Combined assets of enterprise funds increased by nearly \$175 million in 2000, with a corresponding increase in combined liabilities of \$165 million, resulting in a net addition to fund equity of nearly \$10 million. The Employers Insurance Company of Nevada became a private company in the year 2000, so this entity is no longer reported as an enterprise fund of the State of Nevada.

**Pension Trust Operations** - The Public Employees’ Retirement System (PERS) covers most public employees of the State and its’ political subdivisions, as well as other public employees. PERS net assets held in trust for pension benefits increased \$1,136 million in 2000 and PERS unfunded accrued liability, using the entry age normal cost method, decreased \$69 million to \$2,290 million on June 30, 2000. The funded ratio increased from 82.5% in 1999, to 84.7% in 2000. Under the present plan and actuarial method, the unfunded liability is being amortized over a period of 24 years from July 1, 2000. Additional information is available in the separately issued financial statements of the PERS Actuarial Section.

**Debt Administration** - The bond ratings from Moody’s Investor Service and Standard and Poor’s were at Aa2 and AA respectively. These ratings reflect a good economic base and sound financial management. On June 30, 2000, outstanding bonded debt was (*expressed in thousands*):

General Obligation Bonds	\$ 2,261,376
Mortgage Revenue Bonds	1,153,231
	<u>\$ 3,414,607</u>

Only \$687 million of the \$2,261 million general obligation bonds are paid through a tax levy on property. The remaining \$1,574 million are serviced through user fees from enterprise fund operations, slot machine taxes and revenues from local governments for the municipal bond bank and the water pollution control bonds.



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. As of June 30, 2000, the debt limit and remaining capacity were as follows (*expressed in millions*):

Debt limit (2% of assessed value)	\$ 1,011.5
Less: Bonds and leases payable	<u>709.5</u>
Remaining debt capacity	<u><u>\$ 302.0</u></u>

Exempt from this limit are debts incurred for the protection, preservation and development of natural resources.

New bonds sold during the 2000 fiscal year were (*expressed in thousands*):

General Obligation Capital Improvement and Cultural Affairs	09/01/1999A	\$ 74,000
General Obligation Safe Drinking Water	09/01/1999B	5,430
General Obligation Water Pollution	09/01/1999C	1,320
General Obligation Natural Resources	09/01/1999D	5,000
General Obligation Natural Resources	09/01/1999E	7,710
General Obligation CRC Power Delivery	10/01/1999A	25,730
Housing Single Family Refunding 1999 Issue C	8/27/1999	25,000
Housing Single Family Refunding 1999 Issue D	11/5/1999	35,000
Housing Single Family Refunding 2000 Issue A	3/23/2000	30,000
Housing Single Family Refunding 2000 Issue B	4/27/2000	35,000
Housing Multi-unit Diamond Creek	8/27/1999	19,495
Housing Multi-unit Shepherd Hills	10/21/1999	9,415
Housing Multi-unit Bonanza Gardens	11/5/1999	6,100
Housing Multi-unit Parkway at Silverado	11/22/1999	14,950
Housing Multi-unit Apache Pines	11/30/1999	13,900
Housing Multi-unit Palo Verde	12/1/1999	3,458
Housing Multi-unit Whispering Palms	3/23/2000	9,615
Housing Multi-unit Summerhill	4/27/2000	10,200
Housing Multi-unit City Center	6/28/2000	11,350
Housing Multi-unit Horizon Pines	6/29/2000	8,750

**Capital Projects** - To keep pace with the demands of a growing population and economy, the State has a substantial capital project program. The following is a summary of major projects in process or approved during 2000 (*expressed in millions*):

	<i>Expended by June 30, 2000</i>	<i>Total Budget</i>
High Desert State Prison, Phase I, Indian Springs	\$84.3	\$90.5
High Desert State Prison, Phase II, Indian Springs	32.4	45.7
Integrated Financial System	26.3	30.1
Southern Nevada Veterans Home, Las Vegas	12.2	20.9
Juvenile Treatment Facility, unincorporated Clark County	14.4	14.7
Nevada Highway Patrol Office Building, Las Vegas	0.0	10.8
Nevada National Guard State Command Complex, Carson City	0.0	10.8
National Mental Health Institute Hospital, Sparks	7.6	10.0

Not shown in the capital project funds, or in the general fixed assets account group, are the efforts of the Department of Transportation in improving and maintaining our highway infrastructure. During fiscal year 2000, the Department of Transportation awarded \$240 million in highway contracts. These contracts included the repair, replacement and rehabilitation of bridges, safety projects of railroad crossings and traffic signal systems and reconstruction and new construction on Nevada's highways.

**University and Community College System of Nevada Funds (University System)** - An elected eleven-member Board of Regents supervises the operation of the University System, comprised of two universities, four community colleges and a research institute. Revenues in the current operating funds increased by \$94 million to \$472 million. Expenditures and mandatory transfers of current operating funds were recorded at \$748 million, an increase of \$58 million. State support decreased \$55 million to \$349 million. Enrollment data is available in Table XVII of the Statistical Section.

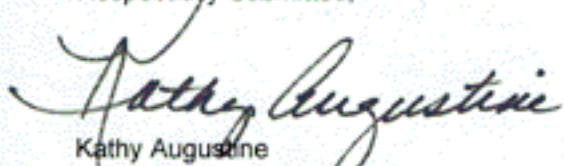
**Cash Management** - Cash, temporarily idle, is invested by the State Treasurer. All cash except for monies in pension trust funds, Unemployment Compensation Fund, statute or Board of Finance approved State agency outside bank accounts and the University System are combined in the State Treasurer's investment pool. Uncommitted balances are invested in collateralized repurchase agreements, bankers acceptances (only those eligible for discount with the Federal Reserve), commercial paper issued by U.S. corporations (rated A-1, P-1 or better) corporate bonds issued by U.S. corporations (rated A or better) and securities of the U.S. government with most maturities ranging from one day to five years.

The State Treasurer also operates a separate investment pool for local governments to take advantage of the greater interest earnings through pooled investments. The type of securities purchased and the investment policies are similar, but somewhat more restrictive than those of the State pool.

**Risk Management** - The State is self-financed against certain property and liability claims. The Public Employees' Benefit Program manages the Self-Insurance Fund for group health insurance. Revenues are generated through charges to employees and departments to pay for contracted insurance and self-funded plans. The Risk Management Division manages the Insurance Premiums Trust Fund to provide fidelity, property and workers' compensation coverages. The Insurance Premiums Trust Fund is self-insured for general, civil and vehicle liability.

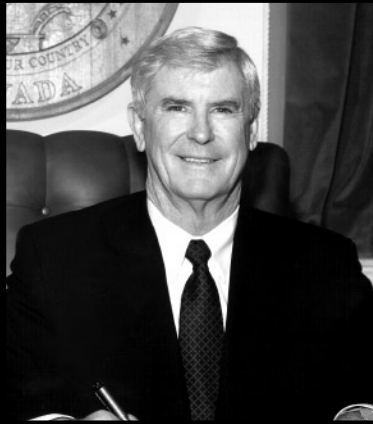
**Conclusion** - This report shows my commitment to inform and clearly demonstrate the financial condition of the State of Nevada to our citizenry and the financial community. Considerable effort and cooperation has been exhibited by all State agencies, the Legislature and the Judicial Branch of government. Without their efforts, this financial report could not have been produced. I extend my sincere appreciation to the leaders in State government for their stewardship, especially John P. Comeaux, Director, Department of Administration, and William D. Anderson, Economist, State of Nevada Budget and Planning Division, for their contribution of the major initiatives and economic review and outlook sections. I would also like to commend the efforts of our auditors, Kafoury, Armstrong & Co.

Respectfully Submitted,



Kathy Augustine  
Nevada State Controller

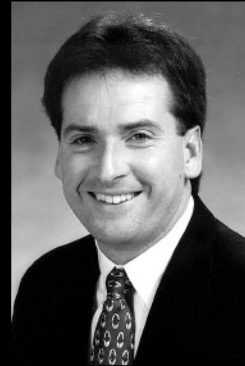
# State Of Nevada Constitutional Officers



Kenny C. Guinn  
Governor



Dean Heller



Brian Krolicki  
Treasurer



Lorraine Hunt  
Lieutenant Governor

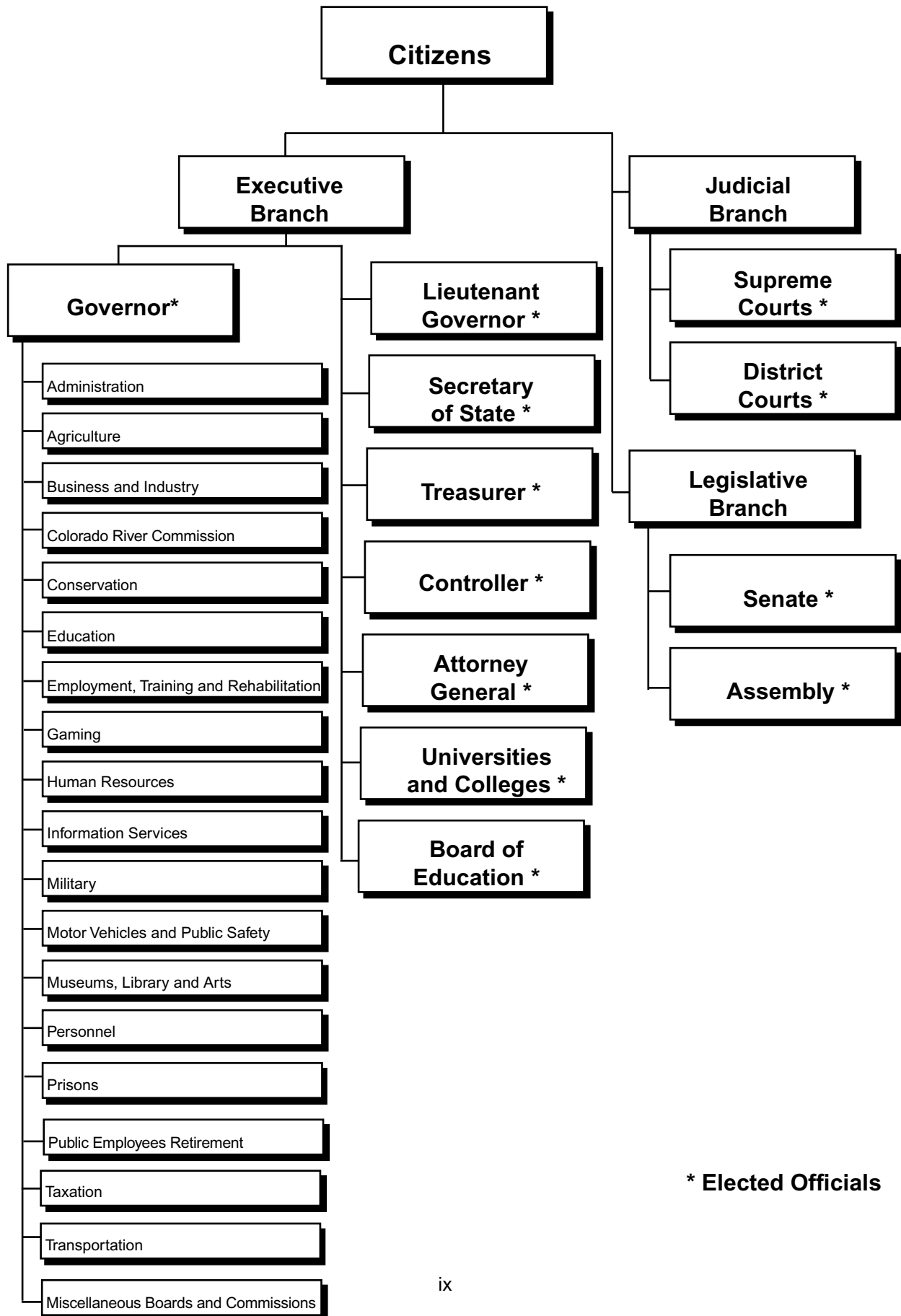


Kathy Augustine  
Controller



Frankie Sue Del Papa  
Attorney General

# Nevada State Government



## **MAJOR INITIATIVES**

John P. Comeaux  
Director, Department of Administration

During the past year, Governor Guinn launched major undertakings in long-range planning, a fundamental review of state government, and created a prescription medicine subsidy program for senior citizens. In addition, initiatives begun in previous years came to fruition.

## **NEW INITIATIVES**

### **Long-Range Planning**

The Executive Branch has begun long-range planning, both for operations and for capital construction. The operational plans cover the next ten years, and include forecasts of major caseloads (i.e. school enrollments, Medicaid, prison population) and other requirements, as well as forecasts of existing general revenues. The Governor presented the results of the preliminary forecasts to the public in May and to Legislative leadership in July.

The capital plan covers ten years and presents estimated construction needs based on university and community college enrollments, prison population growth, and major maintenance and renovation. The plan also includes new office buildings, spread over the decade, which will reduce payments for leased space. Total capital spending fits within forecasts of available debt and cash.

These plans will be frequently updated and will provide decision makers with valuable information concerning anticipated needs and resources.

### **Senior Rx and Other Health Initiatives**

The state unveiled SenioRx, insurance coverage for seniors' prescription medicine. Tobacco settlement funds subsidize the premium, based on seniors' income. The tobacco settlement also funds grants to help Nevada seniors live independently by providing services such as respite care, relief for caregivers, transportation options, and alternatives to institutional placement through support for living at home. And the Task Force for the Fund for a Healthy Nevada has awarded grants to promote tobacco cessation and to health programs for children and disabled persons.

### **Fundamental Review**

The Governor launched a fundamental review of all of state government, asking:

- What is the proper role of state government?
- What services must we provide?
- What is the most efficient way to provide those services?
- What is the best way to pay for them?

The Fundamental Review panel studied over 100 suggestions to streamline state government, some of which can be implemented by the Governor, some of which will require Legislative action.

## **FOLLOW-UP ON PREVIOUS YEAR'S INITIATIVES**

### **Workers' Compensation**

The Employers Insurance Company of Nevada (EICON) became a private mutual insurance company January 1, 2000, resulting in 1,036 fewer state employees. Before this change EICON operated as a separate self-supporting agency of the State, which provided insurance to employers against liability for worker's compensation claims.

### **Millennium Scholarship**

The first beneficiaries of the Millennium Scholarship program enrolled in college this fall. High school graduates with a B average or better can apply for the scholarship up to eight years after graduating from a Nevada high school, and use it in Nevada state community colleges and universities. Aiming to increase the number of Nevada students who go on to college, the program is funded by revenue from the tobacco settlement.

### **Higher Education Funding Formulas**

The Committee to Study the Funding of Higher Education in Nevada adopted new funding formulas designed to recognize major costs not directly addressed before, and to correct previous geographic inequities. These formulas will be used in the 2001-2003 Executive Budget.

### **Technology**

Nevada continued rolling out several major information technology systems:

1. The Integrated Financial System project team reached several milestones during FY 2000, including:
  - Implementation of fixed asset accounting
  - Implementation of accounts receivable and invoicing module
  - Deployment of desktop software to selected state agencies
  - Prototype for human resources data warehouse
  - Improvements to federal highway billing modules
  - Continuing development of management reports
2. Welfare completed conversion of all cases to the integrated management system NOMADS (Nevada Operations of Multi-Automated Data Systems). During this effort, child support collections increased and the food stamp error rate decreased. NOMADS is now going through federal certification.
3. Child and Family Services implemented its new system, UNITY, improving the quality of information that the division can use for program planning and implementation, and allowing the division's many programs to collaborate on cases electronically.
4. Motor Vehicles' Project Genesis covers both Drivers' License and Registration. It also allows Nevadans to register their vehicles and/or renew their drivers' licenses via the Internet or through an interactive phone program.

The State of Nevada is proud of its progress in education, health, information systems, revamping and slimming state government, and long-range fiscal planning.



# ECONOMIC REVIEW AND OUTLOOK

William D. Anderson  
Economist, State of Nevada Budget and Planning Division

## INTRODUCTION

Economic conditions in Nevada remain solid. Regardless of the measure used, Nevada ranks at or near the top in comparison with all other states when it comes to the health of the economy. Job growth remains strong and personal incomes continue to grow. Gaming win and visitor volume growth suggest that the recent round of well-publicized expansions on the Las Vegas Strip have been successfully absorbed. Partly as a result of the strong economy, State finances remain healthy. The State's two largest revenue sources—sales and gaming taxes—each turned in impressive gains of late.

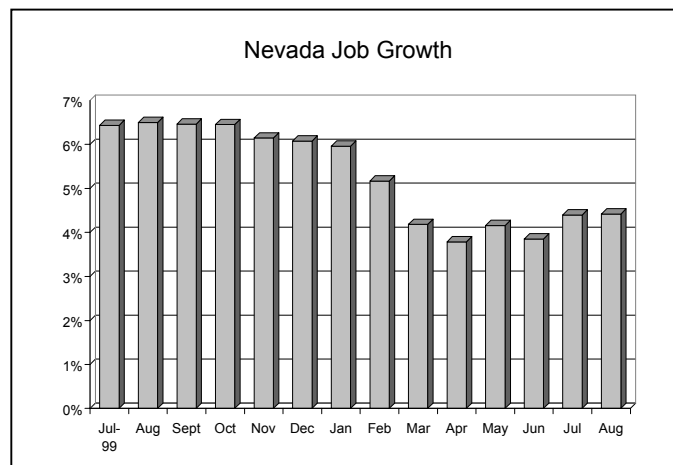
Nationally, the long-running economic expansion, which officially began in March 1991, shows few signs of ending anytime soon. Employers continue to add to payrolls, consumers continue to spend, and federal finances have strengthened.

Although growth may moderate a bit, the next year should bring a continuation of the general pattern of good news on the economic front.

## REVIEW

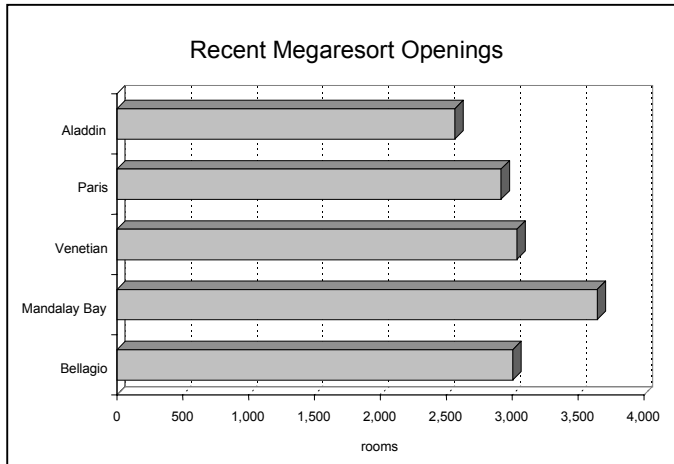
Perhaps the most-watched barometer of economic health at the state and local level is labor market trends. Despite a possible slowing in recent months, the news in Nevada remains extremely positive (Chart 1). During the first half of FY 2000, job growth hovered in the 6%-range. During the second half of the year, and into the first months of FY 2001, growth has "eased", but only to around 4%. Other measures of the economy's health, such as personal income, spending, and consumption also point to strong economic fundamentals.

Chart 1

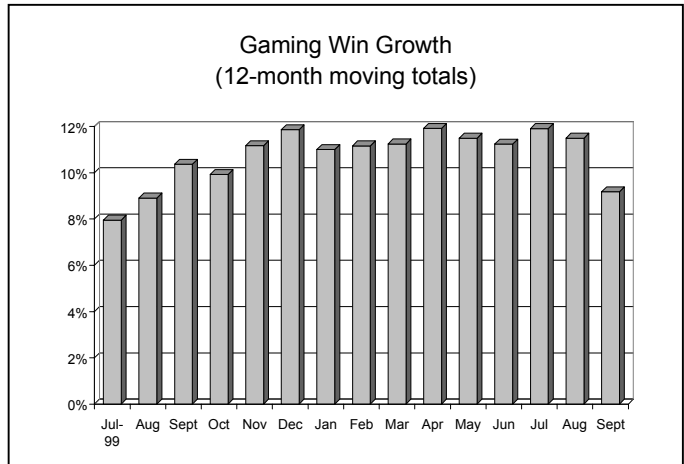


There are a number of different factors which account for the recent continuation of Nevada's phenomenal economic performance. Perhaps the most important factor concerns the success of a series of megaresort-type openings which have occurred on the Las Vegas Strip since late-1998 (Chart 2). These new properties brought an additional 15,200 new rooms to Nevada.

**Chart 2**



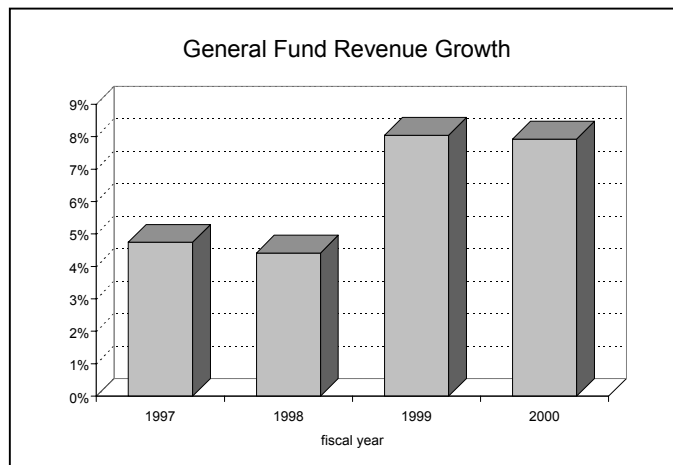
**Chart 3**



Partly as a result, visitor volume in Las Vegas has boomed. During calendar year 1999, more than 33.8 million visitors came to southern Nevada. This translates into a gain of 10.4% from a year ago. Although easing a bit, growth remains in the 7%-range. This strong growth is reflected in gaming activity (Chart 3). For the past several months, gaming win growth has been running at or near 10% (12-month moving total basis).

Taken as a whole, these favorable economic trends—solid job growth and a surge in gaming and tourism activity, to name but two—have resulted in an improvement in the State’s fiscal position. In FY 1997 and FY 1998, General Fund revenue growth came in between 4% and 5%. During the past two years, growth has been roughly double that pace (Chart 4).

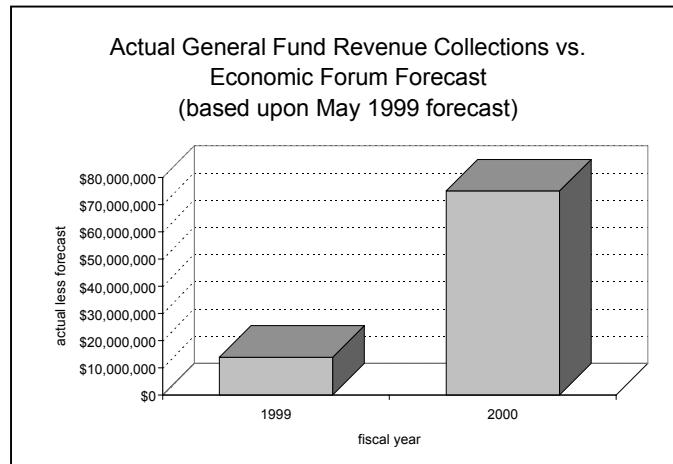
**Chart 4**



The State’s largest General Fund revenue source, the sales tax, followed up a 10.5% gain in FY 1999 with a 5.7% increase in FY 2000. Such a slowing was expected and coincided with the completion of the major megaresort projects noted above. Trends through the first two months of the current fiscal year suggest that sales tax collections continue to grow in the 6%-range. The second largest revenue source, percentage fees on taxable gaming revenue, has turned in a strong showing of late. Coming on the heels of an 8.1% gain in FY 1999, FY 2000 collections grew 12.8%. Through the first four months of this year, gains in excess of 5% are being realized.

General Fund revenue collections have exceeded expectations (Chart 5). In FY 1999, they surpassed that budgeted for (based upon the Economic Forum’s forecast of May 1999) by \$14 million. In FY 2000, driven mainly by the phenomenal gains in gaming taxes, collections exceeded that forecast by \$75 million.

**Chart 5**



At the same time, general trends on the expenditure front have unfolded as budgeted. There have been no unexpected events which have negatively impacted four of the State's major caseload-driven programmatic areas—K-12 education, UCCSN, the prison system, and Medicaid.

All things considered, recent economic and fiscal trends have been quite favorable in Nevada. While expectations are currently for these general trends to continue, it is quite likely that it will be difficult to replicate the gains turned in of late. Hence, further growth, but at a less pronounced pace, appears to be a reasonable scenario.

## OUTLOOK

The U.S. economy is expected to continue rolling along at a sustainable pace. Real GDP growth will likely moderate to near 3.5% in the near-term with price inflation remaining under control. The likelihood of a recession is minimal. The national forecasting firm utilized by the State of Nevada places the near-term possibility of a recession at only 10%.

Nevada's future economic trends will benefit from continued growth at the national level. Expectations are for job growth to hold relatively steady at around 4%, which is at least double the rate of growth throughout the nation as a whole. The Budget Office is forecasting real personal income gains in the mid-single digits. With the recent round of expansion in the gaming industry behind us, growth in this critical sector of the economy should continue, but at a more moderate pace. Although there are no hard and fast plans for the next series of megaresorts, plans for at least a few projects are likely to take shape shortly.

As for the risks to this relatively bullish outlook for the State, two merit mention. While the U.S. economy has been on the uptrend for nearly a decade, it is not recession-free. At some point, the national economy will stumble, and Nevada will not be immune from the consequences. The second risk revolves around the expansion of gaming outlets elsewhere. However, Nevada policymakers, both public and private, have been aware of this potential threat and will not be caught unprepared.

On the fiscal front, trends will mirror those from the economy—continued improvement, but probably at a more moderate pace. Preliminary estimates established by the Economic Forum point to General Fund revenue growth in the current fiscal year of close to 6%, followed by increases of near 5% in each year of the next biennium. Again, the easing is attributable, mainly, to a moderating trend in gaming.

While revenue growth in the mid-single digits is certainly healthy, it is important to remember that the demands placed upon these resources continue to expand. This is especially true in a State such as Nevada, which continues to grow and attract new residents in search of economic opportunity. Again, however, State policymakers are aware of this, and are keeping a watchful eye on trends to head off any potential problems.

# Certificate of Achievement for Excellence in Financial Reporting

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Nevada

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*Anne Spray Kinney*

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Kathy Augustine  
State Controller

We have audited the accompanying general purpose financial statements of the State of Nevada as of and for the year ended June 30, 2000. These general purpose financial statements are the responsibility of the management of the State of Nevada. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Power Delivery Fund or Power Marketing Fund (collectively, the "Colorado River Commission"), or the Housing Division Fund, which statements reflect 99.5 percent of the assets and 93.9 percent of the operating revenues of the Enterprise Funds. We did not audit the financial statements of the Public Employees Retirement System or the Legislators Retirement System, which statements reflect 91 percent of the assets of the Trust and Agency Funds and 100 percent of the net assets of the Pension Trust Funds. We also did not audit the University and Community College System, a discretely presented component unit. The statements not audited by us were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Enterprise Funds, Pension Trust Funds and the University and Community College System Funds is based solely on the reports of such other auditors.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, such general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Nevada as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards* we have also issued our report dated December 15, 2000 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Nevada. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



The statistical data listed in the statistical section of the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the State of Nevada. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
December 15, 2000





# STATE OF NEVADA

## Combined Balance Sheet

All Fund Types, Account Groups and Discretely Presented Component Unit

June 30, 2000 with Comparative Totals for 1999 (Expressed in Thousands)

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>Assets and Other Debits</b>					
<b>Assets:</b>					
Cash and pooled investments	\$ 314,392	\$ 519,420	\$ 37,825	\$ 70,641	\$ 4,914
Cash, pooled investments-nonexpendable trust	-0-	-0-	-0-	-0-	-0-
Investments	-0-	1,177,476	-0-	-0-	250,627
Collateral on loaned securities	148,354	86,256	9,521	530	490
Food stamp coupons	11,496	-0-	-0-	-0-	-0-
Receivables	482,966	69,339	377,489	1,839	13,540
Due from other funds	37,440	65,475	14,923	20,048	889
Due from component unit	312	4	-0-	821	19
Due from primary government	-0-	-0-	-0-	-0-	-0-
Interfund receivables	10,896	2	-0-	-0-	-0-
Inventory	-0-	13,628	-0-	-0-	1,261
Advances to other funds	5,297	20	-0-	-0-	-0-
<i>Restricted assets :</i>					
Cash	-0-	-0-	-0-	-0-	38,529
Non-cash	-0-	23,232	-0-	-0-	91,756
Loans receivable	-0-	-0-	-0-	-0-	940,886
Deferred charges and other assets	381	164	-0-	-0-	59,268
Land	-0-	-0-	-0-	-0-	435
Structures and improvements	-0-	-0-	-0-	-0-	48,095
Furniture and equipment	-0-	-0-	-0-	-0-	2,627
Accumulated depreciation	-0-	-0-	-0-	-0-	(5,300)
Construction in progress	-0-	-0-	-0-	-0-	14,322
<b>Other debits:</b>					
Amounts available in special revenue/debt service funds	-0-	-0-	-0-	-0-	-0-
Amount to be provided by other government	-0-	-0-	-0-	-0-	-0-
Amount to be provided for retirement of debt	-0-	-0-	-0-	-0-	-0-
<b>Total assets and other debits</b>	<b>\$ 1,011,534</b>	<b>\$ 1,955,016</b>	<b>\$ 439,758</b>	<b>\$ 93,879</b>	<b>\$ 1,462,358</b>
<b>Liabilities, Equity and Other Credits</b>					
<b>Liabilities:</b>					
Accounts payable and accruals	\$ 193,570	\$ 85,468	\$ 6,267	\$ 534	\$ 34,250
Bank overdraft	-0-	-0-	-0-	-0-	-0-
Contracts payable	1,441	3,234	-0-	22,164	-0-
Obligations under securities lending	148,354	86,256	9,521	530	490
Due to other funds	311,126	41,370	-0-	1,944	363
Due to component unit	8,274	715	171	33,287	-0-
Due to primary government	-0-	-0-	-0-	-0-	-0-
Interfund payables	-0-	-0-	-0-	9,851	23
Compensated absences	-0-	-0-	-0-	-0-	449
Deferred revenues and gains	129,039	10,070	379,120	-0-	518
Notes payable	-0-	-0-	-0-	-0-	-0-
Bonds payable, other obligations	-0-	-0-	8,160	-0-	1,282,856
Advances from other funds	-0-	-0-	-0-	-0-	160
Obligations under capital leases	-0-	-0-	-0-	-0-	-0-
Arbitrage rebate liability	-0-	-0-	-0-	-0-	-0-
Other liabilities	9,632	23,232	-0-	-0-	13,234
<b>Total liabilities</b>	<b>801,436</b>	<b>250,345</b>	<b>403,239</b>	<b>68,310</b>	<b>1,332,343</b>
<b>Equity and other credits:</b>					
Investment in general fixed assets/plant	-0-	-0-	-0-	-0-	-0-
Contributed capital	-0-	-0-	-0-	-0-	5,201
<i>Retained earnings (deficit):</i>					
Reserved	-0-	-0-	-0-	-0-	120,027
Unreserved	-0-	-0-	-0-	-0-	4,787
<i>Fund balances:</i>					
<i>Reserved:</i>					
Encumbrances and contracts	3,541	158,611	-0-	24,826	-0-
Inventory	-0-	13,629	-0-	-0-	-0-
Advances	5,297	20	-0-	-0-	-0-
Balances forward	246,940	58,330	-0-	-0-	-0-
Other	1,123	1,355,181	36,519	-0-	-0-
<i>Unreserved:</i>					
Designated	-0-	-0-	-0-	743	-0-
Undesignated (deficit)	(46,803)	118,900	-0-	-0-	-0-
<b>Total equity and other credits</b>	<b>210,098</b>	<b>1,704,671</b>	<b>36,519</b>	<b>25,569</b>	<b>130,015</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 1,011,534</b>	<b>\$ 1,955,016</b>	<b>\$ 439,758</b>	<b>\$ 93,879</b>	<b>\$ 1,462,358</b>

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

**Exhibit 1**

Fund Types	Fiduciary Fund Types	Account Groups		Total - (Memorandum Only)	Component Unit	Totals - (Memorandum Only)	
Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Primary Government	University System	2000	1999 (Restated)
\$ 29,982	\$ 1,676,374	\$ -0-	\$ -0-	\$ 2,653,548	\$ 128,989	\$ 2,782,537	\$ 2,309,327
-0-	17,413	-0-	-0-	17,413	-0-	17,413	13,086
-0-	13,889,169	-0-	-0-	15,317,272	353,553	15,670,825	14,469,762
2,947	1,819,283	-0-	-0-	2,067,381	-0-	2,067,381	1,964,461
-0-	-0-	-0-	-0-	11,496	-0-	11,496	21,313
1,297	200,023	-0-	-0-	1,146,493	87,115	1,233,608	1,226,199
13,567	284,748	-0-	-0-	437,090	-0-	437,090	418,733
530	-0-	-0-	-0-	1,686	-0-	1,686	1,555
-0-	-0-	-0-	-0-	-0-	42,452	42,452	43,482
-0-	-0-	-0-	-0-	10,898	-0-	10,898	5,162
734	237	-0-	-0-	15,860	4,879	20,739	15,547
-0-	-0-	-0-	-0-	5,317	-0-	5,317	5,822
-0-	-0-	-0-	-0-	38,529	-0-	38,529	21,023
-0-	-0-	-0-	-0-	114,988	-0-	114,988	127,145
-0-	-0-	-0-	-0-	940,886	9,947	950,833	815,125
2,264	1,439	-0-	-0-	63,516	3,913	67,429	86,894
131	3	92,025	-0-	92,594	96,571	189,165	178,184
6,723	-0-	734,575	-0-	789,393	835,093	1,624,486	1,443,648
49,494	15,718	278,612	-0-	346,451	250,358	596,809	539,467
(36,379)	(3,903)	-0-	-0-	(45,582)	(418,559)	(464,141)	(418,982)
-0-	-0-	236,313	-0-	250,635	107,299	357,934	256,956
-0-	-0-	-0-	1,213,995	1,213,995	-0-	1,213,995	1,232,056
-0-	-0-	-0-	376,936	376,936	-0-	376,936	387,276
-0-	-0-	-0-	810,435	810,435	-0-	810,435	757,224
<u>\$ 71,290</u>	<u>\$ 17,900,504</u>	<u>\$ 1,341,525</u>	<u>\$ 2,401,366</u>	<u>\$ 26,677,230</u>	<u>\$ 1,501,610</u>	<u>\$ 28,178,840</u>	<u>\$ 25,920,465</u>
\$ 38,703	\$ 1,418,374	\$ -0-	\$ -0-	\$ 1,777,166	\$ 35,110	\$ 1,812,276	\$ 1,259,847
577	-0-	-0-	-0-	577	-0-	577	1,212
-0-	-0-	-0-	-0-	26,839	-0-	26,839	48,614
2,947	1,819,283	-0-	-0-	2,067,381	-0-	2,067,381	1,964,462
2,075	80,212	-0-	-0-	437,090	-0-	437,090	420,941
5	-0-	-0-	-0-	42,452	-0-	42,452	43,482
-0-	-0-	-0-	-0-	-0-	1,686	1,686	1,555
1,024	-0-	-0-	-0-	10,898	-0-	10,898	5,162
1,961	-0-	-0-	55,495	57,905	23,105	81,010	82,867
-0-	227	-0-	-0-	518,974	18,360	537,334	530,061
-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,189
-0-	-0-	-0-	2,303,432	3,594,448	132,387	3,726,835	3,502,955
5,157	-0-	-0-	-0-	5,317	-0-	5,317	5,822
1,170	-0-	-0-	30,345	31,515	-0-	31,515	32,214
-0-	-0-	-0-	1,614	1,614	-0-	1,614	1,321
5,385	165,071	-0-	10,480	227,034	9,385	236,419	242,226
59,004	3,483,167	-0-	2,401,366	8,799,210	220,033	9,019,243	8,151,930
-0-	-0-	1,341,525	-0-	1,341,525	740,388	2,081,913	1,827,603
9,156	-0-	-0-	-0-	14,357	-0-	14,357	14,357
-0-	-0-	-0-	-0-	120,027	-0-	120,027	111,919
3,130	-0-	-0-	-0-	7,917	-0-	7,917	5,145
-0-	2	-0-	-0-	186,980	3,451	190,431	310,726
-0-	237	-0-	-0-	13,866	-0-	13,866	9,312
-0-	-0-	-0-	-0-	5,317	-0-	5,317	5,822
-0-	-0-	-0-	-0-	305,270	-0-	305,270	311,842
-0-	13,871,694	-0-	-0-	15,264,517	436,737	15,701,254	14,557,135
-0-	1,088	-0-	-0-	1,831	-0-	1,831	29,296
-0-	544,316	-0-	-0-	616,413	101,001	717,414	585,378
12,286	14,417,337	1,341,525	-0-	17,878,020	1,281,577	19,159,597	17,768,535
<u>\$ 71,290</u>	<u>\$ 17,900,504</u>	<u>\$ 1,341,525</u>	<u>\$ 2,401,366</u>	<u>\$ 26,677,230</u>	<u>\$ 1,501,610</u>	<u>\$ 28,178,840</u>	<u>\$ 25,920,465</u>

# STATE OF NEVADA

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999  
(Expressed in Thousands)

**Exhibit 2**

	Governmental Fund Types				Fiduciary Fund Types	Totals - (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	2000	1999
<b>Revenues</b>							
Gaming taxes, fees, licenses	\$ 685,196	\$ 22,104	\$ -0-	\$ -0-	\$ -0-	\$ 707,300	\$ 635,264
Sales taxes	672,473	-0-	-0-	-0-	-0-	672,473	645,560
Intergovernmental	835,413	209,557	20,974	10,830	8,033	1,084,807	1,036,944
Other taxes	302,255	360,865	69,691	-0-	216,727	949,538	862,477
Licenses, fees and permits	101,952	135,514	-0-	-0-	332	237,798	222,274
Sales and charges for services	32,138	20,739	-0-	-0-	608	53,485	55,298
Interest and investment income	38,430	85,872	2,089	291	32,721	159,403	164,919
Tobacco settlement income	7,000	42,917	-0-	-0-	-0-	49,917	-0-
Contributions	-0-	-0-	-0-	-0-	15,595	15,595	-0-
Other	33,358	12,069	2	442	9,516	55,387	45,855
<b>Total revenues</b>	<b>2,708,215</b>	<b>889,637</b>	<b>92,756</b>	<b>11,563</b>	<b>283,532</b>	<b>3,985,703</b>	<b>3,668,591</b>
<b>Expenditures</b>							
<i>Current:</i>							
General government	68,812	32,011	444	46	2,089	103,402	111,116
Health and social services	1,107,761	39,861	-0-	-0-	206,217	1,353,839	1,236,991
Education and support services	42,589	938	-0-	-0-	1,005	44,532	42,027
Law, justice and public safety	236,750	122,917	-0-	-0-	1,374	361,041	338,518
Regulation of business	49,857	37,041	-0-	-0-	159	87,057	82,127
Transportation	-0-	537,748	-0-	-0-	-0-	537,748	433,118
Recreation and resource development	77,395	16,255	-0-	-0-	145	93,795	85,378
<i>Intergovernmental:</i>							
Education	753,979	-0-	-0-	507	-0-	754,486	767,348
Other	70,113	14,993	-0-	-0-	16,702	101,808	86,824
<i>Capital outlay</i>	-0-	-0-	-0-	150,095	-0-	150,095	67,327
<i>Debt service:</i>							
Principal	1,738	1,506	66,559	-0-	-0-	69,803	77,532
Interest, fiscal charges	1,405	266	111,334	-0-	-0-	113,005	113,787
Bond issuance costs	-0-	-0-	282	-0-	-0-	282	483
Arbitrage payments	-0-	-0-	24	-0-	-0-	24	631
<b>Total expenditures</b>	<b>2,410,399</b>	<b>803,536</b>	<b>178,643</b>	<b>150,648</b>	<b>227,691</b>	<b>3,770,917</b>	<b>3,443,207</b>
Excess (deficiency) of revenues over expenditures	297,816	86,101	(85,887)	(139,085)	55,841	214,786	225,384
<b>Other Financing Sources (Uses)</b>							
Proceeds from capital leases	447	38	-0-	-0-	-0-	485	325
Proceeds from sale of bonds	1,987	17,913	233	73,078	-0-	93,211	536,235
Proceeds from certificates of participation	-0-	-0-	-0-	-0-	-0-	-0-	14,836
Proceeds from sale of fixed assets	37	9	-0-	-0-	-0-	46	125
Operating transfers in	67,759	43,418	90,779	8,924	3,385	214,265	279,461
Transfers from component unit	392	60	-0-	-0-	-0-	452	1,279
Operating transfers out	(52,518)	(145,918)	-0-	(1,751)	(8,775)	(208,962)	(275,936)
Transfers to component unit	(311,816)	(131)	(171)	(36,444)	-0-	(348,562)	(403,663)
Proceeds of refunding bonds	-0-	-0-	-0-	-0-	-0-	-0-	82,938
Payment to refunded bond agent	-0-	-0-	-0-	-0-	-0-	-0-	(82,788)
<b>Total other financing sources (uses)</b>	<b>(293,712)</b>	<b>(84,611)</b>	<b>90,841</b>	<b>43,807</b>	<b>(5,390)</b>	<b>(249,065)</b>	<b>152,812</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,104	1,490	4,954	(95,278)	50,451	(34,279)	378,196
Fund balances, July 1	205,994	1,703,181	31,565	120,847	511,424	2,573,011	2,198,580
Residual equity transfer	-0-	-0-	-0-	-0-	-0-	-0-	(3,765)
<b>Fund balances, June 30</b>	<b>\$ 210,098</b>	<b>\$ 1,704,671</b>	<b>\$ 36,519</b>	<b>\$ 25,569</b>	<b>\$ 561,875</b>	<b>\$2,538,732</b>	<b>\$2,573,011</b>

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

# STATE OF NEVADA

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) General Fund and Special Revenue Funds

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

**Exhibit 3**

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
<b>Sources of Financial Resources</b>									
Fund balances, July 1	\$ 335,678	\$ 335,678	\$ -0-	\$ 462,183	\$ 462,183	\$ -0-	\$ 797,861	\$ 797,861	\$ -0-
Prior period adjustment	(4,434)	(4,434)	-0-	-0-	-0-	-0-	(4,434)	(4,434)	-0-
<b>Revenues:</b>									
Sales taxes	597,569	610,071	12,502	-0-	-0-	-0-	597,569	610,071	12,502
Gaming taxes, fees, licenses	601,720	650,853	49,133	15,815	15,815	-0-	617,535	666,668	49,133
Federal	927,975	792,747	(135,228)	261,004	202,149	(58,855)	1,188,979	994,896	(194,083)
Other taxes	420,910	430,240	9,330	355,457	368,488	13,031	776,367	798,728	22,361
Sales, charges for services	104,641	96,964	(7,677)	32,679	24,627	(8,052)	137,320	121,591	(15,729)
Licenses, fees and permits	208,773	196,624	(12,149)	135,641	138,467	2,826	344,414	335,091	(9,323)
Interest	17,209	19,650	2,441	110,940	102,025	(8,915)	128,149	121,675	(6,474)
Other	345,905	227,962	(117,943)	78,855	75,828	(3,027)	424,760	303,790	(120,970)
<b>Other financing sources:</b>									
Proceeds from sale of bonds	-0-	-0-	-0-	17,992	17,913	(79)	17,992	17,913	(79)
Transfers from other funds	68,833	68,798	(35)	29,039	47,368	18,329	97,872	116,166	18,294
Reversions from other funds	-0-	1,723	1,723	-0-	537	537	-0-	2,260	2,260
<b>Total sources</b>	<b>3,624,779</b>	<b>3,426,876</b>	<b>(197,903)</b>	<b>1,499,605</b>	<b>1,455,400</b>	<b>(44,205)</b>	<b>5,124,384</b>	<b>4,882,276</b>	<b>(242,108)</b>
<b>Uses of Financial Resources</b>									
<b>Expenditures, encumbrances:</b>									
Constitutional agencies	96,703	66,668	30,035	167,352	109,618	57,734	264,055	176,286	87,769
Finance and administration	88,628	66,501	22,127	26,861	18,833	8,028	115,489	85,334	30,155
Education	843,954	799,479	44,475	54,878	25,111	29,767	898,832	824,590	74,242
Human services	1,574,402	1,261,494	312,908	90,681	46,224	44,457	1,665,083	1,307,718	357,365
Commerce and industry	83,072	60,980	22,092	62,047	51,821	10,226	145,119	112,801	32,318
Public safety	250,507	216,053	34,454	158,338	128,070	30,268	408,845	344,123	64,722
Infrastructure	150,033	85,839	64,194	648,516	553,974	94,542	798,549	639,813	158,736
Special purpose agencies	14,058	6,116	7,942	-0-	-0-	-0-	14,058	6,116	7,942
<b>Other financing uses:</b>									
Transfers to other funds	493,503	487,989	5,514	35,467	37,637	(2,170)	528,970	525,626	3,344
Refunds	-0-	2,156	(2,156)	-0-	-0-	-0-	-0-	2,156	(2,156)
Reversions to other funds	-0-	88	(88)	-0-	1,168	(1,168)	-0-	1,256	(1,256)
<b>Projected reversions</b>	<b>(33,700)</b>	<b>-0-</b>	<b>(33,700)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(33,700)</b>	<b>-0-</b>	<b>(33,700)</b>
<b>Total uses</b>	<b>3,561,160</b>	<b>3,053,363</b>	<b>507,797</b>	<b>1,244,140</b>	<b>972,456</b>	<b>271,684</b>	<b>4,805,300</b>	<b>4,025,819</b>	<b>779,481</b>
<b>Fund balances, June 30</b>	<b>\$ 63,619</b>	<b>\$ 373,513</b>	<b>\$ 309,894</b>	<b>\$ 255,465</b>	<b>\$ 482,944</b>	<b>\$ 227,479</b>	<b>\$ 319,084</b>	<b>\$ 856,457</b>	<b>\$ 537,373</b>

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

# STATE OF NEVADA

## Combined Statement of Revenues, Expenses and Changes in Fund Equity/Balances All Proprietary Fund Types and Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999  
(Expressed in Thousands)

**Exhibit 4**

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-expendable Trust	2000	1999 (Restated)
<b>Operating Revenues</b>					
Net premium income	\$ -0-	\$ 135,494	\$ -0-	\$ 135,494	\$ 137,931
Sales	35,588	5,239	-0-	40,827	37,389
Charges for services	1,957	55,293	-0-	57,250	53,396
Rental income	69	13,033	-0-	13,102	12,533
Interest and investment income	75,970	-0-	4,055	80,025	73,433
Other	4,856	818	8,682	14,356	9,732
<b>Total operating revenues</b>	<b>118,440</b>	<b>209,877</b>	<b>12,737</b>	<b>341,054</b>	<b>324,414</b>
<b>Operating Expenses</b>					
Salaries and benefits	3,521	25,077	-0-	28,598	27,585
Operating	37,064	39,451	-0-	76,515	76,976
Claims expense	-0-	81,763	-0-	81,763	87,749
Interest expense	63,406	-0-	326	63,732	58,385
Materials or supplies used	2,196	2,697	-0-	4,893	4,370
Servicers' fees	1,317	-0-	-0-	1,317	1,505
Depreciation	1,312	4,543	-0-	5,855	4,340
Insurance premiums	-0-	53,860	-0-	53,860	50,058
Administrative expense	895	-0-	-0-	895	828
<b>Total operating expenses</b>	<b>109,711</b>	<b>207,391</b>	<b>326</b>	<b>317,428</b>	<b>311,796</b>
Operating income	8,729	2,486	12,411	23,626	12,618
<b>Nonoperating Revenues (Expenses)</b>					
Interest and investment income	1,128	601	-0-	1,729	1,143
Interest expense	(28)	(378)	-0-	(406)	(318)
Federal grants/intergovernmental	20	-0-	-0-	20	19
Loss on disposal of assets	-0-	(29)	-0-	(29)	(2)
Other	-0-	-0-	(162)	(162)	(161)
<b>Total nonoperating revenues (expenses)</b>	<b>1,120</b>	<b>194</b>	<b>(162)</b>	<b>1,152</b>	<b>681</b>
Income before operating transfers	9,849	2,680	12,249	24,778	13,299
<b>Operating Transfers</b>					
Operating transfers in	9	125	75	209	1,734
Operating transfers out	(99)	(1,684)	(3,729)	(5,512)	(4,947)
Net income	9,759	1,121	8,595	19,475	10,086
Fund equity/balances, July 1	120,256	11,165	70,257	201,678	185,050
Prior period adjustment	-0-	-0-	-0-	-0-	3,074
Fund equity/balances, July 1, as restated	120,256	11,165	70,257	201,678	188,124
Contributed capital	-0-	-0-	-0-	-0-	3,468
<b>Fund equity/balances, June 30</b>	<b>\$ 130,015</b>	<b>\$ 12,286</b>	<b>\$ 78,852</b>	<b>\$ 221,153</b>	<b>\$ 201,678</b>

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

# STATE OF NEVADA

## Combined Statement of Changes in Net Assets Investment Trust Fund and Pension Trust Funds

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999  
(Expressed in Thousands)*

**Exhibit 5**

			Totals (Memorandum Only)	
	Investment Trust	Pension Trust	2000	1999
<b>Additions</b>				
<i>Investment income:</i>				
Interest, dividends	\$ 24,259	\$ 427,008	\$ 451,267	\$ 395,672
Net increase in the fair value of investments	129	409,071	409,200	722,830
Other	-0-	183,378	183,378	170,817
	24,388	1,019,457	1,043,845	1,289,319
Less: Investment expense	(105)	(102,224)	(102,329)	(95,983)
Net investment income	24,283	917,233	941,516	1,193,336
Retirement contributions	-0-	661,769	661,769	609,842
Investment from local governments	941,159	-0-	941,159	871,435
Reinvestment from interest income	2,545	-0-	2,545	3,367
Other income	-0-	2,180	2,180	1,972
<b>Total additions</b>	<b>967,987</b>	<b>1,581,182</b>	<b>2,549,169</b>	<b>2,679,952</b>
<b>Deductions</b>				
Dividends to investors	24,151	-0-	24,151	21,148
Principal redeemed	916,507	-0-	916,507	865,303
Benefit payments	-0-	421,962	421,962	374,576
Refunds	-0-	16,370	16,370	11,335
Administrative expense	-0-	7,081	7,081	4,281
<b>Total deductions</b>	<b>940,658</b>	<b>445,413</b>	<b>1,386,071</b>	<b>1,276,643</b>
Net increase	27,329	1,135,769	1,163,098	1,403,309
Net assets held in trust for pool participants/pension benefits, July 1	377,877	12,235,636	12,613,513	11,210,204
<b>Net assets held in trust for pool participants/ pension benefits, June 30</b>	<b>\$ 405,206</b>	<b>\$ 13,371,405</b>	<b>\$ 13,776,611</b>	<b>\$ 12,613,513</b>

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



# STATE OF NEVADA

## Combined Statement of Cash Flows All Proprietary Fund Types and Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999  
(Expressed in Thousands)

**Exhibit 6**  
Page 1 of 2

	Proprietary Fund Types			Totals (Memorandum Only)	
	Internal		Non- expendable Trust	1999	
	Enterprise	Service		2000	(Restated)
<b>Cash flows from operating activities</b>					
Cash received from customers, other governments	\$ 31,720	\$ 36,328	\$ 8,359	\$ 76,407	\$ 52,459
Cash received from other funds	5,598	157,553	-0-	163,151	225,127
Cash received from component unit	22	31,497	-0-	31,519	26,164
Cash received from mortgage loans	103,946	-0-	-0-	103,946	163,008
Cash paid to suppliers, other governments, beneficiaries	(30,250)	(181,931)	-0-	(212,181)	(253,582)
Cash paid to employees for services	(4,143)	(24,298)	-0-	(28,441)	(26,933)
Cash paid to other funds	(2,038)	(8,556)	-0-	(10,594)	(10,375)
Cash paid to component unit	(2)	(288)	-0-	(290)	(205)
Purchase of mortgage loans	(178,487)	-0-	-0-	(178,487)	(203,087)
Net cash provided by (used for) operating activities	(73,634)	10,305	8,359	(54,970)	(27,424)
<b>Cash flows from noncapital financing activities</b>					
Proceeds from sale of bonds	243,145	-0-	-0-	243,145	180,103
Grants, transfers, advances received	2,275	125	49	2,449	4,598
Retirement of bonds and notes	(107,275)	-0-	-0-	(107,275)	(81,975)
Interest payments on bonds	(63,468)	-0-	-0-	(63,468)	(57,909)
Operating/equity transfers out	(99)	(1,116)	(1,116)	(2,331)	(5,619)
Payments for prepaid power	(3,642)	-0-	-0-	(3,642)	(3,768)
Other cash used for noncapital financing activities	(3,743)	-0-	-0-	(3,743)	(4,723)
Net cash provided by (used for) noncapital financing activities	67,193	(991)	(1,067)	65,135	30,707
<b>Cash flows from capital and related financing activities</b>					
Proceeds from sale of bonds and equipment, other financing	26,513	29	-0-	26,542	706
Grants, transfers, advances received	-0-	-0-	-0-	-0-	141
Acquisition of property, plant, equipment	(9,466)	(2,786)	-0-	(12,252)	(11,421)
Interest paid on obligations	-0-	(210)	-0-	(210)	(208)
Reduction in advances/capital leases	(9)	(2,119)	-0-	(2,128)	(2,510)
Contributed capital	-0-	-0-	-0-	-0-	(296)
Other cash used for capital financing activities	-0-	-0-	-0-	-0-	(141)
Net cash provided by (used for) capital and related financing activities	17,038	(5,086)	-0-	11,952	(13,729)
<b>Cash flows from investing activities</b>					
Proceeds from sale of investments	396,958	-0-	12,000	408,958	314,434
Purchase of investments	(408,119)	-0-	(19,598)	(427,717)	(330,035)
Interest/dividends on investments	18,964	254	4,633	23,851	22,447
Net cash provided by (used for) investing activities	7,803	254	(2,965)	5,092	6,846
Net increase (decrease) in cash	18,400	4,482	4,327	27,209	(3,600)
Cash and cash equivalents, July 1	25,043	25,500	13,086	63,629	67,229
Cash and cash equivalents, June 30	\$ 43,443	\$ 29,982	\$ 17,413	\$ 90,838	\$ 63,629
<b>Reconciliation of cash and cash equivalents to the balance sheet</b>					
Cash and pooled investments from the balance sheet	\$ 4,914	\$ 29,982	\$ -0-	\$ 34,896	\$ 29,520
Cash, pooled investments-nonexpendable trust funds	-0-	-0-	17,413	17,413	13,086
Restricted assets - cash from the balance sheet	38,529	-0-	-0-	38,529	21,023
Cash and cash equivalents at end of year	\$ 43,443	\$ 29,982	\$ 17,413	\$ 90,838	\$ 63,629

# STATE OF NEVADA

## Combined Statement of Cash Flows All Proprietary Fund Types and Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999  
(Expressed in Thousands)

**Exhibit 6**  
Page 2 of 2

	Proprietary Fund Types		Non- expendable Trust	Totals (Memorandum Only)	
	Enterprise	Internal Service		1999	
				2000	(Restated)
<b>Reconciliation of operating income to net cash provided by operating activities</b>					
Operating income	\$ 8,729	\$ 2,486	\$ 12,411	\$ 23,626	\$ 12,618
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>					
Depreciation	1,312	4,543	-0-	5,855	4,339
Prior period adjustment	-0-	-0-	-0-	-0-	3,074
Income on investments	(14,926)	-0-	(4,055)	(18,981)	(19,034)
Interest on bonds payable	63,406	-0-	-0-	63,406	58,154
Increase in loans receivable and real estate owned	(135,353)	-0-	-0-	(135,353)	(91,043)
Decrease (increase) in accrued receivables	(3,063)	6,436	(322)	3,051	(3,468)
Decrease (increase) in inventory, deferred charges and other assets	(358)	(1,876)	-0-	(2,234)	(263)
Increase (decrease) in accrued payables, other liabilities	(219)	(1,730)	-0-	(1,949)	732
Other adjustments	6,838	446	325	7,609	7,467
Total adjustments	(82,363)	7,819	(4,052)	(78,596)	(40,042)
Net cash provided by (used for) operating activities	\$ (73,634)	\$ 10,305	\$ 8,359	\$ (54,970)	\$ (27,424)
<b>Noncash investing, capital and financing activities</b>					
Property leased, accrued or acquired	\$ -0-	\$ 2,843	\$ -0-	\$ 2,843	\$ 6,126
Loss on disposal of assets	-0-	30	-0-	30	10
Adjustment to fixed assets	(128)	1,175	-0-	1,047	-0-
Construction completed or in progress	-0-	197	-0-	197	-0-
Interest/dividends on investments accrued	-0-	156	-0-	156	62
Change in fair value of investments	(317)	(60)	-0-	(377)	1,292
Equipment acquired through contributed capital	-0-	-0-	-0-	-0-	3,764

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

# STATE OF NEVADA

## Combined Statement of Changes in Fund Balances University and Community College System

*For the Fiscal Year Ended June 30, 2000*  
(Expressed in Thousands)

	Current Operating Funds			
	General Operating		Auxiliary	Total
	Unrestricted	Restricted	Enterprises	Current Operating
<b>Revenues and Other Additions</b>				
Current fund revenues	\$ 200,745	\$ 181,647	\$ 55,497	\$ 437,889
Federal grants and contracts, restricted	-0-	-0-	-0-	-0-
Private gifts, grants and contracts, restricted	-0-	-0-	-0-	-0-
Estate taxes	-0-	-0-	-0-	-0-
Investment income, restricted	-0-	-0-	-0-	-0-
Interest on loans receivable	-0-	-0-	-0-	-0-
Student fees	-0-	-0-	-0-	-0-
Retirement of indebtedness	-0-	-0-	-0-	-0-
Net increase in fair value of investments	-0-	-0-	-0-	-0-
Expended for plant facilities, including \$8,344				
charged to current funds expenditures	-0-	-0-	-0-	-0-
Proceeds from notes payable	-0-	-0-	-0-	-0-
Other sources	55,332	-0-	-0-	55,332
<b>Total revenues and other additions</b>	<b>256,077</b>	<b>181,647</b>	<b>55,497</b>	<b>493,221</b>
<b>Expenditures and Other Deductions</b>				
Educational and general expenditures	526,211	160,263	-0-	686,474
Auxiliary enterprises expenditures	-0-	-0-	52,232	52,232
Indirect costs recovered	-0-	19,576	-0-	19,576
Loan administration and collection costs	-0-	-0-	-0-	-0-
Loan cancellations, write-offs and provision for bad debts	-0-	-0-	-0-	-0-
Expended for plant facilities, including				
noncapitalized expenditures of \$8,108	-0-	-0-	-0-	-0-
Depreciation	-0-	-0-	-0-	-0-
Retirement of indebtedness	-0-	-0-	-0-	-0-
Interest on indebtedness	-0-	-0-	-0-	-0-
Disposal of plant assets	-0-	-0-	-0-	-0-
Proceeds of bonds and notes payable	-0-	-0-	-0-	-0-
Distribution of estate taxes	-0-	-0-	-0-	-0-
Obligations under capital leases	-0-	-0-	-0-	-0-
Other deductions	51	-0-	-0-	51
<b>Total expenditures and other deductions</b>	<b>526,262</b>	<b>179,839</b>	<b>52,232</b>	<b>758,333</b>
<b>Transfers Among Funds, Additions (Deductions)</b>				
<i>Mandatory transfers:</i>				
Principal and interest	(4,757)	(107)	(4,006)	(8,870)
Student loan matching	(13)	-0-	-0-	(13)
Net transfers (voluntary)	(1,107)	(1,637)	(7,215)	(9,959)
Transfers from primary government	312,118	-0-	-0-	312,118
Transfers to primary government	(451)	-0-	-0-	(451)
<b>Total transfers</b>	<b>305,790</b>	<b>(1,744)</b>	<b>(11,221)</b>	<b>292,825</b>
Net increase (decrease) for the year	35,605	64	(7,956)	27,713
Fund balances, July 1, 1999	55,402	21,142	21,401	97,945
<b>Fund balances, June 30, 2000</b>	<b>\$ 91,007</b>	<b>\$ 21,206</b>	<b>\$ 13,445</b>	<b>\$ 125,658</b>

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

**Exhibit 7**

Nonoperating Funds						
Student Loan	Endowment	Plant				Total
		Unexpended Plant	Retirement of Indebtedness	Investment in Plant	Combined Plant	
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 437,889
145	-0-	2	-0-	-0-	2	147
1	1,160	23,418	-0-	8,326	31,744	32,905
-0-	37,966	-0-	-0-	-0-	-0-	37,966
80	618	1,197	108	-0-	1,305	2,003
174	-0-	-0-	-0-	-0-	-0-	174
-0-	-0-	7,319	-0-	-0-	7,319	7,319
-0-	-0-	-0-	-0-	7,376	7,376	7,376
-0-	19,912	-0-	-0-	-0-	-0-	19,912
-0-	-0-	-0-	-0-	147,286	147,286	147,286
-0-	-0-	39,773	-0-	-0-	39,773	39,773
70	3,453	2,727	-0-	-0-	2,727	61,582
470	63,109	74,436	108	162,988	237,532	794,332
-0-	-0-	-0-	-0-	-0-	-0-	686,474
-0-	-0-	-0-	-0-	-0-	-0-	52,232
-0-	-0-	-0-	-0-	-0-	-0-	19,576
12	-0-	-0-	-0-	-0-	-0-	12
155	-0-	-0-	-0-	-0-	-0-	155
-0-	-0-	156,688	-0-	-0-	156,688	156,688
-0-	-0-	-0-	-0-	46,454	46,454	46,454
-0-	-0-	-0-	7,376	-0-	7,376	7,376
-0-	-0-	-0-	6,807	-0-	6,807	6,807
-0-	-0-	-0-	-0-	2,040	2,040	2,040
-0-	-0-	-0-	-0-	39,773	39,773	39,773
-0-	233	-0-	-0-	-0-	-0-	233
-0-	-0-	-0-	-0-	5,749	5,749	5,749
-0-	55,162	4,943	-0-	40	4,983	60,196
167	55,395	161,631	14,183	94,056	269,870	1,083,765
-0-	-0-	(3,227)	12,097	-0-	8,870	-0-
13	-0-	-0-	-0-	-0-	-0-	-0-
(200)	92	7,076	1,705	1,286	10,067	-0-
-0-	-0-	36,444	-0-	-0-	36,444	348,562
-0-	-0-	(1)	-0-	-0-	(1)	(452)
(187)	92	40,292	13,802	1,286	55,380	348,110
116	7,806	(46,903)	(273)	70,218	23,042	58,677
10,583	250,837	190,698	2,667	670,170	863,535	1,222,900
\$ 10,699	\$ 258,643	\$ 143,795	\$ 2,394	\$ 740,388	\$ 886,577	\$ 1,281,577

# STATE OF NEVADA

## Combined Statement of Current Operating Funds Revenues, Expenditures and Other Changes University and Community College System

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999  
(Expressed in Thousands)

**Exhibit 8**

			Totals (Memorandum Only)	
			2000	1999
	<b>Unrestricted</b>	<b>Restricted</b>		
<b>Revenues</b>				
Tuition and fees	\$ 121,068	\$ -0-	\$ 121,068	\$ 111,954
Federal grants and contracts	15,850	98,634	114,484	98,195
State grants and contracts	1,202	14,992	16,194	14,863
Local grants and contracts	584	10,654	11,238	9,381
Private gifts, grants and contracts	9,820	28,784	38,604	36,707
Endowment income	255	4,430	4,685	3,719
Investment income	10,119	60	10,179	8,718
Net decrease in fair value of investments	(2,088)	-0-	(2,088)	(2,872)
Sales and services of educational departments	42,726	2,599	45,325	37,014
Sales and services of auxiliary enterprises	52,649	-0-	52,649	57,746
Other sources	59,389	110	59,499	2,979
<b>Total revenues</b>	<b>311,574</b>	<b>160,263</b>	<b>471,837</b>	<b>378,404</b>
<b>Expenditures and Mandatory Transfers</b>				
<i>Educational and general:</i>				
Instruction	240,210	29,296	269,506	246,736
Research	14,815	61,770	76,585	70,131
Public service	13,571	32,064	45,635	42,420
Academic support	60,570	4,418	64,988	58,019
Institutional support	84,555	2,966	87,521	82,414
Student services	48,153	10,901	59,054	51,387
Operation and maintenance of plant	50,412	9	50,421	48,353
Scholarships and fellowships	13,925	18,839	32,764	31,455
<b>Total educational and general expenditures</b>	<b>526,211</b>	<b>160,263</b>	<b>686,474</b>	<b>630,915</b>
<i>Auxiliary enterprises:</i>				
Expenditures for food, housing and other auxiliary services	52,232	-0-	52,232	53,299
<i>Mandatory transfers:</i>				
Principal and interest	8,763	107	8,870	5,485
Student loan matching	13	-0-	13	17
<b>Total expenditures and mandatory transfers</b>	<b>587,219</b>	<b>160,370</b>	<b>747,589</b>	<b>689,716</b>
<b>Other Transfers and Additions (Deductions)</b>				
Voluntary transfers, net	(8,322)	(1,637)	(9,959)	(2,331)
Other additions (deductions)	(51)	-0-	(51)	18,316
Excess of restricted receipts over transfers to revenue	-0-	1,808	1,808	2,307
Transfers from primary government	312,118	-0-	312,118	292,625
Transfers to primary government	(451)	-0-	(451)	(197)
<b>Total other transfers and additions</b>	<b>303,294</b>	<b>171</b>	<b>303,465</b>	<b>310,720</b>
<b>Net increase (decrease) in fund balances</b>	<b>\$ 27,649</b>	<b>\$ 64</b>	<b>\$ 27,713</b>	<b>\$ (592)</b>

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

# STATE OF NEVADA

## Notes to Financial Statements

*For the Fiscal Year Ended June 30, 2000*

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# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

### 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 generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). As required by generally accepted accounting principles, these financial statements present the State and its component units, entities for which the State is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the State. The component unit has a June 30 year-end.

**Blended Component Units:** The following blended component units are entities which 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) and the Legislators' Retirement System (LRS) 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. 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.

The Colorado River Commission (CRC) is responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, four of which are appointed by the Governor and three of which are appointed by the board of directors of the Southern Nevada Water Authority.

Nevada Real Property Corporation is a legally separate entity whose board of directors are exclusively state employees or officials. It was incorporated to finance the costs of a juvenile treatment facility through issuance of certificates of participation and to lease the juvenile treatment facility to the State. The State reports these financial transactions as part of the primary government (CIP – Human Resources Capital Projects Fund) using the blended method.

**Discretely Presented Component Unit:** The University and Community College System of Nevada (University System) is governed by a Board of Regents elected by the voters. However, the University System 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 the University System. The financial statements of the University System have been prepared in conformity with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Audit Guide, *Audits of Colleges and Universities*, and the National Association of College and University Business Officers' publication, *College and University Business Administration: Administrative Service*.

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*

*Colorado River Commission  
Las Vegas, NV*

*University and Community College System of Nevada  
Reno, 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. Basis of Presentation

The accounts of the State are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the State:

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 1 Continued)

### Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the State. All general tax revenues, other receipts, and other financing sources that are not allocated by law or contractual agreement to another fund are accounted for in this fund. Paid from the fund are the general operating expenditures, intergovernmental expenditures, debt service and other financing uses that are not paid through other funds.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - Debt service funds are used to account for the payment of principal, interest and related expenditures on long-term general and special obligation bonds, other than bonds payable from the operations of enterprise funds.

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities.

### Proprietary Fund Types:

Enterprise Funds - Enterprise funds are used to account for operations that provide services to citizens, financed primarily by user charges for the provision of these services; or activities where the periodic measurement of net income is considered appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the State or to other governmental units on a cost reimbursement basis.

### Fiduciary Fund Types:

Trust Funds - Trust funds are used to account for assets held in trust by the State in a trustee capacity or as an agent for individuals, other governmental units or other funds. There are four types of trust funds:

Expendable Trust Funds - Both the principal and revenues earned on that principal may be expended for purposes designated by the trust agreement.

Nonexpendable Trust Funds - The principal of the trust fund must be preserved intact.

Investment Trust Funds - Reports the external portion of governmental external investment pools.

Pension Trust Funds - These funds are used to account for the activities of a State-administered multiple-employer Public Employees Retirement System (PERS) and a single-employer retirement system for State Legislators (LRS).

Agency Funds - Agency funds are used to account for assets held by the State as custodian.

### Account Groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the State, other than those accounted for in proprietary fund types, trust funds and component unit.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the State, except those required to be paid from the operations of proprietary fund types, pension trust funds and component unit.

### Component Unit:

The accounts of the University System are organized as follows:

Current Operating Funds - Current operating funds are used to account for unrestricted funds, over which the governing board retains full control in achieving the institution's purposes and restricted funds, which may be utilized only according to externally restricted purposes.

Fiduciary Funds - Fiduciary funds are used to account for assets held by student loan and endowment funds in which the institution acts in a fiduciary capacity.

Plant Funds - Plant funds are used to account for institutional property acquisition, renewal, replacement, debt service and investment.

**Notes to Financial Statements***For the Fiscal Year Ended June 30, 2000**(Note 1 Continued)***C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases, that is, revenues and other financing sources, and decreases, that is, expenditures and other financing uses, in net current assets.

All proprietary funds, nonexpendable trust funds, investment trust fund and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operating these funds are included on the balance sheet. Fund equity, that is, net assets, is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases, such as revenues and decreases, such as expenses, in net assets.

GASB Statement No. 20 requires proprietary 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.

The financial statements are prepared on the modified accrual basis for governmental fund types, expendable trust funds and agency funds; and on the accrual basis for proprietary fund types, nonexpendable trust funds, investment trust fund, pension trust funds and the University System.

Under 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.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. 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.

The State reports deferred revenue on its combined balance sheet. Deferred revenues arise when a 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 combined balance sheet and revenue is recognized.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**D. Assets, Liabilities and Fund Equity**

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the combined balance sheet as equity in 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 weekly cash balances. No entry is made to reduce the cash balance in each fund since the cash management pool has the same general characteristics as demand deposit accounts. 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.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposits with original maturities of three months or less. Cash and cash equivalents are reported in the combined statement of cash flows for proprietary fund types and nonexpendable trust funds. Cash equivalents are reported in the combined balance sheet as "cash and pooled investments" and "restricted assets, cash."

## STATE OF NEVADA

### Notes to Financial Statements

*For the Fiscal Year Ended June 30, 2000*

(Note 1 Continued)

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.

In pension trust funds, there is no concentration of 5% or more of the plans' net investments in securities of a single organization.

The Local Government Investment Pool is an investment trust fund as defined in Governmental Accounting Standards Board Statement No. 31. The investments in this fund 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. State Street California, Inc., is the custodian and transfer agent for the Local Government Investment Pool.

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), commercial pricing services (where available) or bid-side prices from 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.

Receivables - The composition of receivables at June 30, 2000, is presented in Note 4. Most licenses, fees, permits and similar revenues are not susceptible to accrual, and are recognized on a cash basis. Receivables in proprietary fund types have arisen in the ordinary course of business. No allowance for

uncollectible accounts has been established, as collection history has been excellent.

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.

Interfund Transactions - The State has three 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 operating transfers in the funds involved.
- 3) Equity contributions are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

Operating transfers and due to/from 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. The reserve for inventory of supplies is equal to the amount of inventory of supplies and recognizes that a portion of the fund balance is not available for expenditure on a budgetary basis.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable and as a reserve 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 at June 30, 2000 is presented in Note 5.

Fixed Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All fixed assets are stated at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated fixed assets are stated at appraised fair market value at the time of donation or estimated fair market value at time of



# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 1 Continued)

donation, based on acquisition of comparable property, if appraised fair market value is not available. Interest during construction has not been capitalized on general fixed assets. Certain public domain fixed assets (including highways, bridges, highway lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets.

Enterprise fund, internal service fund and pension trust fund fixed assets are stated at cost which include net capitalized interest. They are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and improvements and 3 to 30 years for furniture and equipment.

In the University System, where current operating funds are used to finance plant assets, those amounts are accounted for as:

- 1) Expenditures, in the case of normal acquisition and/or replacement of movable equipment and library books.
- 2) Mandatory transfers, in the case of required provisions for debt amortization and interest, and for equipment renewal and replacement.
- 3) Voluntary transfers for all other cases.

Property, buildings and equipment are stated at cost at the date of acquisition or fair market value at date of donation in the case of gifts, less accumulated depreciation. 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.

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 and pension trust funds 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. Amounts not expected to be liquidated with

expendable available financial resources are reported in the General Long-Term Obligations Account Group.

Deferred Revenues - Deferred revenues in the General Fund consist primarily of food stamp coupons and refundable gaming taxes and fees. Deferred revenue in the debt service funds consists primarily of amounts due from other governments to retire long-term debt.

Long-Term Obligations - The State records long-term debt of governmental funds at face value in the General Long-Term Obligations Account Group. Certain other governmental fund obligations are also recorded in the General Long-Term Obligations Account Group. Long-term debt and other obligations financed by proprietary funds and pension trust funds are recorded as liabilities in the appropriate funds. The State enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

Fund Equity - Fund equity in the governmental fund types and fiduciary fund types consists of reserved fund balances, and unreserved, designated and undesignated fund balances. Fund equity in the proprietary fund types consists of contributed capital, reserved retained earnings and unreserved retained earnings. 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 and expendable trust funds.

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

"Balances forward" indicates unexpended funds brought forward to the next year, which are legally restricted 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.

"Other" generally indicates assets which, because of their nature, are unavailable for expenditures. See Note 11.

"Designated" indicates assets which have been designated by the Legislature or governing board for specific purposes. See Note 11.

## STATE OF NEVADA

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 1 Continued)

#### 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. 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.

#### F. "Memorandum Only" Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles.

Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### G. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### H. Restatement

Effective January 1, 2000, the Employers Insurance Company of Nevada became a private mutual insurance company. This was the result of Senate Bill 37 approved during the 1999 legislative session and signed into law by the Governor. In previous years, the Employers Insurance Company of Nevada was included in the State of Nevada financial statements as an enterprise fund. This fund has been removed from the current year financial statements, resulting in reductions to Enterprise fund assets, liabilities and retained deficit of \$1,551,601,414, \$2,022,833,414, and \$471,232,000, respectively, as of July 1, 1999, and a reduction to net income for fiscal year ended June 30, 1999 of \$131,320,000.

#### I. Future Changes in Accounting Standards

The Governmental Accounting Standards Board has issued Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and Statement No. 35, Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities. These new accounting and reporting standards will impact the State's revenue and expenditure recognition and assets, liabilities and fund equity reporting. The new standards will also require reformatting of the financial statements and the restating of beginning balances. The State will not be early implementing these statements, and due to the significance of the changes required, it is not possible to present pro-forma data prior to their implementation. Statement No. 33 will be implemented in fiscal year 2001, and Statements No. 34 and 35 will be implemented in fiscal year 2002.

## NOTE 2 – BUDGETARY AND LEGAL COMPLIANCE

#### A. Individual Fund Deficits

##### Capital Projects Funds

Certain capital projects funds have not yet received funding from various authorized sources such as bond proceeds. In some cases, capital outlay expenditures have been made in excess of the funding received to date, resulting in a fund deficit for the following funds at June 30, 2000:

Parks Capital Project Construction	\$ 25,122
Capital Improvement Program Human Resources	639,466
Capital Improvement Program Prison System	3,467,803
Capital Improvement Program Assistance to School Districts	507,507

#### Enterprise Funds

Colorado River Commission – Power Delivery Fund – The Power Delivery Fund of the Colorado River Commission accounts for the construction and operation of power transmission equipment for the Southern Nevada Water System. It is intended that the costs of providing electrical power on a continuing basis be financed or recovered through user charges. A net loss of \$1,117,823 resulted in a retained deficit of \$1,109,749 at June 30, 2000.

Nevada Magazine - The Nevada Magazine was removed from the General Fund in the fiscal year ended June 30, 1984 to be accounted for as an enterprise fund. A residual



**Notes to Financial Statements**

*For the Fiscal Year Ended June 30, 2000*

(Note 2 Continued)

equity transfer (contributed capital) of \$66,849, representing the value of inventory and property, established the new fund. Although Nevada Magazine had a liability for deferred subscription revenues of \$278,774 at June 30, 1983, no cash was transferred. This resulted in a deficit beginning retained earnings of \$278,774. The retained deficit is \$363,285 and the deficit fund equity is \$296,436 at June 30, 2000.

Marlette Lake Water System - The Marlette Lake Water System was acquired by the State in 1962 by the issuance of general obligation bonds. These bonds were serviced with general State revenues rather than revenues of the fund. The original bonded debt, along with any additional General Fund appropriations for capital improvements to the System, have resulted in contributed capital of \$2,885,884. Operating losses and retained deficit are the result of not charging water users for depreciation expense on the contributed assets, with no foreseeable change in this policy of not charging users. The retained deficit is \$1,864,316 at June 30, 2000.

**Internal Service Funds**

Self-Insurance Fund – The Self-Insurance Fund administers group health, life and disability insurance for covered employees, both active and retired, of the State and certain public employers within the State of Nevada. The retained deficit is \$728,673, and the deficit fund equity is \$715,992 at June 30, 2000.

Insurance Premiums – The Insurance Premiums Fund provides self-insurance for general, civil (tort), auto and property casualty liabilities and purchases workers' compensation for State agencies. A net loss of \$2,101,889 resulted in a retained deficit of \$12,716,582 and deficit fund equity of \$12,088,474 at June 30, 2000.

**B. Budgetary Process and Control**

The Governor must submit his proposed budget for the Executive Branch to the State Legislature by the 10<sup>th</sup> day of each regular session, which convenes every odd-numbered year. The budget presented spans the next two fiscal years, and contains detailed 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. Revisions of more than \$20,000, which would increase or decrease program expenditures by the lesser of 10% of the level approved by the Legislature or \$50,000 must be approved by the Legislative Interim Finance Committee (LIFC). 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 \$6,735,388 were made in the 2000 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.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in governmental fund types. For financial statement purposes, encumbrances outstanding at June 30, for which the goods or services have not been received, are shown as a reservation of fund balance.

Budgets are legally adopted for the General Fund and special revenue funds. However, 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.

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 2 Continued)

- 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.

Actual amounts in the budgetary comparison statements are presented on a budgetary basis. Because this basis differs from generally accepted accounting principles

(GAAP), as described above, a reconciliation between the budgetary and GAAP basis is presented in Note 2C.

### C. Budgetary Basis vs. GAAP

The accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund and Special Revenue Funds presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	General Fund	Special Revenue Funds
<b>Fund balances (budgetary basis) June 30, 2000</b>	\$ 373,513	\$ 482,944
<b>Adjustments:</b>		
<i>Basis Differences:</i>		
Petty cash or outside bank accounts	3,505	419
Investments not recorded on the budgetary basis	-0-	1,177,476
Accrual of certain other receivables	56,186	27,312
Inventory	-0-	13,628
Advances to other funds	5,797	20
Deferred charges and other assets	2,892	22,580
Accrual of certain accounts payable and accruals	(99,497)	(19,954)
Accrual of longevity pay	(867)	(237)
Contract retentions payable	(1,441)	(69)
Deferred revenues	(126,833)	(25)
Encumbrances	3,541	4,304
Other	(6,698)	(3,727)
<b>Fund balances (GAAP basis) June 30, 2000</b>	<u>\$ 210,098</u>	<u>\$ 1,704,671</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2000, 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)	\$ 373,513
Restricted funds	<u>(216,504)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u><u>\$ 157,009</u></u>

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

## NOTE 3 - DEPOSITS AND INVESTMENTS

### A. Balance Sheet

Amounts on the combined balance sheet relating to deposits and investments are as follows (expressed in thousands):

	Total Primary Government	Component Unit	Total Reporting Entity
Cash and pooled investments	\$ 2,653,548	\$ 128,989	\$ 2,782,537
Cash, pooled investments-nonexpendable trust	17,413	-0-	17,413
Investments	15,317,272	353,553	15,670,825
Collateral on loaned securities	2,067,381	-0-	2,067,381
Restricted assets (Note 6)	153,517	-0-	153,517
Less restricted assets other than cash and investments (Note 6)	(24,243)	-0-	(24,243)
<b>Total</b>	<u>\$ 20,184,888</u>	<u>\$ 482,542</u>	<u>\$ 20,667,430</u>
Carrying amount of deposits			\$ 747,284
Total investments			<u>19,920,146</u>
<b>Total</b>			<u><u>\$ 20,667,430</u></u>

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 3 Continued)

### B. Deposits

In accordance with Nevada Revised Statutes, the State Treasurer may deposit funds into any state or national bank, credit union or savings and loan association covered by federal depository insurance. Statutes require that all deposits in excess of insured amounts be secured by collateral composed of: obligations of the United States; bonds of this State; bonds of any county,

municipality or school district within this State; promissory notes secured by first deeds of trust or instruments in which the State is permitted to invest. Additionally, various statutes have authorized State agencies to deposit funds in accounts outside the custody of the State Treasurer. These outside accounts must follow the same guidelines as deposits made by the State Treasurer.

At June 30, 2000, deposits were held in various institutions throughout the State as follows (expressed in thousands):

	Carrying Value	Bank Balance
<b>Primary government:</b>		
Insured or collateralized with securities held by the State or by an agent of the State in State's name	\$ 79,904	\$ 25,257
Deposits in the U.S. Treasury investment pool in the name of the State	487,744	487,744
Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the State's name	50,697	50,634
<b>Total deposits primary government</b>	<b>618,345</b>	<b>563,635</b>
<b>Component unit:</b>		
Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the State's name	128,939	128,939
<b>Total deposits component unit</b>	<b>128,939</b>	<b>128,939</b>
<b>Total deposits reporting entity</b>	<b>\$ 747,284</b>	<b>\$ 692,574</b>

### C. Investments

Nevada Revised Statute (NRS) 355.140 details the types of securities in which the State may invest. In general, authorized investments include: securities guaranteed by federal, state, county or incorporated city governments; corporate or depository institution debt securities that are rated AAA or A-1 by national rating agencies; and registered money market funds whose policies meet the criteria set forth in the statute. 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 Fund Equity.

Investments can only be made after a diligent inquiry into the risk associated with the investment and after receiving a written legal opinion of the Attorney General as to the validity and authority of the investment. The 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.

During fiscal year 2000, the Public Employees' Retirement System (PERS) and the Legislators'

Retirement System (LRS) entered into certain derivative transactions. These transactions included foreign exchange forward contracts, exchange traded fixed income futures, asset-backed securities and mortgage backed securities. In addition, PERS and LRS have investments in commingled funds that include derivative instruments such as foreign exchange forward contracts, futures contracts and fixed income futures contracts.

These transactions are designed to stabilize investment cash flows, to enhance return on the investment of cash and to manage market risks associated with the underlying securities. They may also reduce exposure to changes in stock prices, interest rates and currency exchange rates. Management believes that it is unlikely that any of the derivatives used could have a material adverse effect on the financial condition of the systems.

The following table (expressed in thousands) categorizes the State's investments to give an indication of the level of risk associated with those investments at June 30, 2000. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name.

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 3 Continued)

	Category			Unclassified as to Risk	Fair Value
	1	2	3		
<b>Primary government:</b>					
Equity securities	\$ 4,693,084	\$ -0-	\$ -0-	\$ -0-	\$ 4,693,084
Fixed income securities	3,625,505	-0-	-0-	-0-	3,625,505
Foreign investments	1,840,227	-0-	-0-	-0-	1,840,227
U.S. Government securities	2,435,783	-0-	65,767	-0-	2,501,550
Municipal bonds	1,194,663	-0-	-0-	-0-	1,194,663
Corporate bonds	110,876	-0-	-0-	-0-	110,876
Commercial paper	708,455	-0-	-0-	-0-	708,455
Negotiable certificates of deposit	60,351	-0-	-0-	-0-	60,351
Corporate notes	24,061	-0-	-0-	-0-	24,061
Repurchase agreements	19,681	-0-	-0-	-0-	19,681
Mortgage backed loans	13,190	-0-	-0-	-0-	13,190
Bank acceptances	4,923	-0-	-0-	-0-	4,923
Other short term investments	926	-0-	120,288	-0-	121,214
	<u>14,731,725</u>	<u>-0-</u>	<u>186,055</u>	<u>-0-</u>	<u>14,917,780</u>
Mortgages				2,550	2,550
Other investments				251,936	251,936
Investment agreements				156,592	156,592
Real estate				<u>1,231,671</u>	<u>1,231,671</u>
				<u>1,642,749</u>	<u>1,642,749</u>
<b>Investments held by broker-dealers under securities loans:</b>					
Equity securities				1,698,350	1,698,350
U.S. Government securities				256,096	256,096
Foreign investments				<u>95,544</u>	<u>95,544</u>
				<u>2,049,990</u>	<u>2,049,990</u>
<b>Investments held by agents in mutual funds for:</b>					
Fiduciary funds				956,074	956,074
<b>Total primary government</b>	<u>14,731,725</u>	<u>-0-</u>	<u>186,055</u>	<u>4,648,813</u>	<u>19,566,593</u>
<b>Component unit:</b>					
Equity securities			41,108	-0-	41,108
U. S. Government securities			31,146	-0-	31,146
Foreign investments			-0-	-0-	-0-
Corporate bonds			<u>5,887</u>	<u>-0-</u>	<u>5,887</u>
			<u>78,141</u>	<u>-0-</u>	<u>78,141</u>
Real estate				<u>31,542</u>	<u>31,542</u>
<b>Investments held by agents in mutual funds for:</b>					
University System				243,870	243,870
<b>Total component unit</b>	<u>-0-</u>	<u>-0-</u>	<u>78,141</u>	<u>275,412</u>	<u>353,553</u>
<b>Total reporting entity</b>	<u>\$ 14,731,725</u>	<u>\$ -0-</u>	<u>\$ 264,196</u>	<u>\$ 4,924,225</u>	<u>\$ 19,920,146</u>

Investments held in the Local Government Investment Pool (LGIP) are specifically identifiable investment securities and are included in the table above. LGIP is an investment trust fund governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. LGIP is discussed further under Note 1, Assets, Liabilities and Fund Equity. Complete financial statements for the LGIP may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV, 89701.

## D. Securities Lending

NRS 355.135 authorizes the State Treasurer to participate in securities lending transactions, where the State's U.S. Government 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

## STATE OF NEVADA

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 3 Continued)

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.

Securities on loan as of June 30, 2000 for cash collateral are presented as unclassified in the preceding table of credit risk. 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 it 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. All term securities loans can be terminated with five days notice by either the State or the borrower. 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, 2000 is \$256,095,600. The fair value of the cash collateral received in securities lending arrangements of \$261,564,606 is reported on the Combined Balance Sheet as an asset with a related liability. At June 30, 2000, the State has collateral with a fair value totaling \$261,802,422, which consists of cash, commercial paper, repurchase agreements, and domestic corporate/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. The State incurred costs of \$16,989,875 relating to securities lending transactions. These costs are included on the operating statements as general government expenditures for governmental fund types and expendable trust funds, and as interest expense for proprietary fund types and similar trust funds.

PERS also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities and international equity securities. Collateral received is made up of cash, cash equivalents, corporate fixed income securities and U.S. Treasury Obligations

equal to at least 102% of the fair value of the loaned securities plus accrued interest. The collateral for the loans is maintained at 102%, and the value of the securities borrowed must be determined on a daily basis.

Securities on loan as of June 30, 2000 for cash collateral are presented as unclassified in the preceding table of credit risk. 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 it 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. Cash collateral is only invested in high quality short term securities 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 securities on loan at June 30, 2000 is \$1,793,894,590. The fair value of the cash collateral received in securities lending arrangements of \$1,805,815,947 is reported on the Statement of Plan Net Assets as an asset with a related liability. At June 30, 2000, PERS has collateral with a fair value of \$1,837,201,765 consisting of cash, cash equivalents, corporate fixed income securities and U.S. Treasury Obligations in excess of the market value of investments held by brokers/dealers under a securities lending agreement. PERS incurred costs of \$83,837,736 relating to securities lending transactions.

#### **E. Investment Commitments**

The Public Employees' Retirement System of Nevada has entered into investment funding commitments as of June 30, 2000. For alternative investments, PERS has committed to fund \$85,362,707 at some future date. Alternative investments consist of acquisitions, industry consolidations, subordinated debt instruments, special situations, and venture capital.



# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

### NOTE 4 - RECEIVABLES

A summary of receivables by fund type at June 30, 2000, is as follows (expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Component Unit	Total Reporting Entity
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total Primary Government	University System	
Accounts receivable	\$ 3,959	\$ 1,858	\$ -0-	\$ -0-	\$ 4,202	\$ 128	\$ 60,416	\$ 70,563	\$ 68,529	\$ 139,092
Taxes receivable	366,539	28,153	-0-	-0-	-0-	-0-	5,633	400,325	-0-	400,325
Accrued interest, dividends	7,932	-0-	-0-	-0-	9,214	-0-	80,772	97,918	-0-	97,918
Intergovernmental receivables	103,970	36,595	377,489	1,675	124	993	41,375	562,221	-0-	562,221
Accounts, notes receivable	566	2,705	-0-	-0-	-0-	176	-0-	3,447	18,586	22,033
Other receivables	-0-	28	-0-	164	-0-	-0-	11,827	12,019	-0-	12,019
<b>Total</b>	<b>\$ 482,966</b>	<b>\$ 69,339</b>	<b>\$ 377,489</b>	<b>\$ 1,839</b>	<b>\$ 13,540</b>	<b>\$ 1,297</b>	<b>\$ 200,023</b>	<b>\$ 1,146,493</b>	<b>\$ 87,115</b>	<b>\$ 1,233,608</b>

### NOTE 5 - INTERFUND TRANSACTIONS

#### A. Interfund Advances and Interfund Receivables and Payables

A summary of interfund advances and of interfund receivables and payables at June 30, 2000, follows (expressed in thousands). Interfund receivables and payables are the current portion of interfund advances.

	Advances To Other Funds	Advances From Other Funds	Interfund Receivables	Interfund Payables
<b>General Fund</b>	\$ 5,297	\$ -0-	\$ 10,896	\$ -0-
<b>Special Revenue Funds</b>				
State Highway	20	-0-	2	-0-
<b>Total Special Revenue Funds</b>	20	-0-	2	-0-
<b>Capital Projects Funds</b>				
Parks Capital Project Construction	-0-	-0-	-0-	407
CIP Prison System	-0-	-0-	-0-	8,444
CIP Assistance To School Districts	-0-	-0-	-0-	1,000
<b>Total Capital Projects Funds</b>	-0-	-0-	-0-	9,851
<b>Enterprise Funds</b>				
Prison Industry	-0-	30	-0-	10
Marlette Lake Water System	-0-	130	-0-	13
<b>Total Enterprise Funds</b>	-0-	160	-0-	23
<b>Internal Service Funds</b>				
Buildings and Grounds	-0-	1,266	-0-	195
Motor Pool	-0-	420	-0-	105
Communications	-0-	338	-0-	42
Purchasing	-0-	282	-0-	27
Information Services	-0-	2,391	-0-	541
Printing	-0-	460	-0-	114
<b>Total Internal Service Funds</b>	-0-	5,157	-0-	1,024
<b>Total</b>	<b>\$ 5,317</b>	<b>\$ 5,317</b>	<b>\$ 10,898</b>	<b>\$ 10,898</b>



# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 5 Continued)

### B. Due From/Due To Other Funds

A summary of due from and due to other funds at June 30, 2000, is shown below (expressed in thousands):

	Due From Other Funds	Due To Other Funds		Due From Other Funds	Due To Other Funds
<b>General Fund</b>	\$ 37,440	\$ 311,126	<b>Enterprise Funds</b>		
<b>Special Revenue Funds</b>			CRC Power Marketing	\$ 222	\$ 58
State Highway	28,689	25,904	CRC Power Delivery	349	146
School Improvement	1,528	-0-	Housing Division	-0-	8
Employment Security	263	925	Forestry Nurseries	9	1
Regulatory	94	1,375	Prison Industry	268	147
Legislative	75	269	Nevada Magazine	-0-	2
Municipal Bond Bank	1,014	2,261	Marlette Lake Water System	41	1
Workers' Compensation and Safety	787	117	<b>Total Enterprise Funds</b>	889	363
Higher Education Capital Construction	7,266	8,096	<b>Internal Service Funds</b>		
Cleaning Up Petroleum Discharges	2,107	201	Self-Insurance	172	427
Hospital Care to Indigent Persons	2,067	2	Buildings and Grounds	222	40
Tourism Promotion	5	14	Motor Pool	402	51
Offenders' Store	302	281	Communications	575	22
Tobacco Settlement	601	76	Insurance Premiums	183	35
Contingency	486	988	Administrative Services	68	38
Care of Sites for Radioactive Waste Disposal	154	5	Personnel	9	909
Stabilize the Operations of State Government	18,229	-0-	Purchasing	622	280
Miscellaneous	1,808	856	Information Services	10,923	115
<b>Total Special Revenue Funds</b>	65,475	41,370	Printing	391	158
<b>Debt Service Fund</b>			<b>Total Internal Service Funds</b>	13,567	2,075
Consolidated Bond Interest and Redemption	14,923	-0-	<b>Trust and Agency Funds</b>		
<b>Total Debt Service Fund</b>	14,923	-0-	Higher Education Tuition Trust	228	583
<b>Capital Projects Funds</b>			Gift Funds	77	45
Parks Capital Project Construction	64	42	Custodial Funds	321	8,674
CIP Motor Vehicle	14,277	12	Permanent School	649	2,885
CIP Human Resources	-0-	131	Local Government Investment Pool	-0-	308
CIP University System	2,900	196	Public Employees' Retirement	7,827	53
CIP General State Government	2,014	724	Intergovernmental	271,665	22,690
CIP Prison System	458	558	State Agency Fund for Bonds	1,344	62
CIP Military	335	278	Motor Vehicle	2,122	37,062
CIP Assistance to School Districts	-0-	3	Restitution Trust	7	8
<b>Total Capital Projects Funds</b>	20,048	1,944	Veterans Custodial	29	-0-
			State Payroll	479	7,842
			<b>Total Trust and Agency Funds</b>	284,748	80,212
			<b>Total</b>	\$ 437,090	\$ 437,090

### C. Due From/Due To Component Unit

A summary of balances receivable or payable between the primary government and the University System (a component unit) at June 30, 2000, is shown below (expressed in thousands):

	Due From Component Unit	Due To Component Unit		Due From Component Unit	Due To Component Unit
<b>General Fund</b>	\$ 312	\$ 8,274	<b>Capital Projects Funds</b>		
<b>Special Revenue Funds</b>			CIP University System	821	33,126
State Highway	4	39	CIP General State Government	-0-	161
Employment Security	-0-	76	<b>Total Capital Projects Funds</b>	821	33,287
Legislative	-0-	38	<b>Enterprise Funds</b>		
Municipal Bond Bank	-0-	56	Prison Industry	14	-0-
Workers' Compensation and Safety	-0-	5	Marlette Lake Water System	5	-0-
Higher Education Capital Construction	-0-	450	<b>Total Enterprise Funds</b>	19	-0-
Cleaning up Petroleum Discharges	-0-	49	<b>Internal Service Funds</b>		
Miscellaneous	-0-	2	Self-Insurance	495	-0-
<b>Total Special Revenue Funds</b>	4	715	Motor Pool	12	-0-
<b>Debt Service Fund</b>			Communications	1	-0-
Consolidated Bond Interest and Redemption	-0-	171	Insurance Premiums	-0-	5
<b>Total Debt Service Fund</b>	-0-	171	Purchasing	22	-0-
			<b>Total Internal Service Funds</b>	530	5
				\$ 1,686	\$ 42,452

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 5 Continued)

### D. Transfers From/Transfers To Component Unit

A summary of transfers between the primary government and the University System (a component unit) for the year ended June 30, 2000, is shown below (expressed in thousands):

	Transfers From Component Unit	Transfers To Component Unit
<i>General Fund</i>	\$ 392	\$ 311,816
<i>Special Revenue Funds</i>		
School Improvement	-0-	131
Tobacco Settlement	60	-0-
<b>Total Special Revenue Funds</b>	<u>60</u>	<u>131</u>
<i>Debt Service Fund</i>		
Consolidated Bond		
Interest and Redemption	-0-	171
<i>Capital Projects Fund</i>		
CIP University	-0-	36,444
<b>Total Transfers</b>	<u>\$ 452</u>	<u>\$ 348,562</u>

### E. Operating Transfers

A summary of interfund operating transfers for the year ended June 30, 2000, is shown below (expressed in thousands)

	Transfers In	Transfers Out		Transfers In	Transfers Out
<i>General Fund</i>	\$ 67,759	\$ 52,518	<i>Enterprise Funds</i>		
<i>Special Revenue Funds</i>			Housing Division	-0-	86
State Highway	1,127	3,183	Forestry Nurseries	9	1
School Improvement	-0-	13,892	Prison Industry	-0-	2
Employment Security	288	7,458	Marlette Lake Water System	-0-	10
Regulatory	1,771	4,899	<b>Total Enterprise Funds</b>	<u>9</u>	<u>99</u>
Legislative	18,145	237	<i>Internal Service Funds</i>		
Municipal Bond Bank	-0-	83,203	Self-Insurance	10	27
Workers' Compensation and Safety	4	7,710	Buildings and Grounds	100	78
Higher Education Capital Construction	-0-	12,964	Motor Pool	15	64
Clean Up Petroleum Discharges	-0-	720	Communications	-0-	60
Tourism Promotion	34	1,971	Insurance Premiums	-0-	10
Offenders' Store	-0-	1,831	Administrative Services	-0-	150
Tobacco Settlement	-0-	28	Personnel	-0-	518
Contingency	100	6,735	Purchasing	-0-	350
Care of Sites for Radioactive			Information Services	-0-	220
Waste Disposal	-0-	218	Printing	-0-	207
Stabilize the Operations of State Government	18,229	-0-	<b>Total Internal Service Funds</b>	<u>125</u>	<u>1,684</u>
Miscellaneous	3,720	869	<i>Expendable Trust Funds</i>		
<b>Total Special Revenue Funds</b>	<u>43,418</u>	<u>145,918</u>	Higher Education Tuition Trust	1,581	-0-
<i>Debt Service Fund</i>			Gift Funds	3	179
Consolidated Bond			Custodial Funds	1,801	8,596
Interest and Redemption	90,779	-0-	<b>Total Expendable Trust Funds</b>	<u>3,385</u>	<u>8,775</u>
<i>Capital Projects Funds</i>			<i>Nonexpendable Trust Funds</i>		
Parks Capital Project Construction	381	34	Henry Wood Christmas	-0-	3
CIP Motor Vehicle	-0-	37	Permanent School	75	3,726
CIP Human Resources	350	40	<b>Total Nonexpendable Trust Funds</b>	<u>75</u>	<u>3,729</u>
CIP General State Government	136	555	<b>Total Transfers</b>	<u>\$ 214,474</u>	<u>\$ 214,474</u>
CIP Prison System	7,262	518			
CIP Military	295	279			
CIP Wildlife	500	-0-			
Miscellaneous	-0-	288			
<b>Total Capital Projects Funds</b>	<u>8,924</u>	<u>1,751</u>			

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

### NOTE 6 - RESTRICTED ASSETS

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, trust indentures, and federal contracts are recorded as restricted assets on the enterprise fund and special revenue fund balance sheets. These restricted assets are established either from bond proceeds, federal aid, or retained earnings. The components of restricted assets at June 30, 2000 are as follows (expressed in thousands):

	Special Revenue Fund	Enterprise Funds		Total Reporting Entity
	State Highway	Colorado River Commission	Housing Division	
<b>Restricted:</b>				
Cash	\$ -0-	\$ 37,893	\$ 636	\$ 38,529
Investments	-0-	-0-	90,745	90,745
Interest receivable	-0-	-0-	1,011	1,011
Right of way acquisitions	23,232	-0-	-0-	23,232
<b>Total</b>	<b>\$ 23,232</b>	<b>\$ 37,893</b>	<b>\$ 92,392</b>	<b>\$ 153,517</b>
<b>Restricted for:</b>				
Debt service	\$ -0-	\$ 6,562	\$ -0-	\$ 6,562
Debt service reserve	-0-	-0-	92,392	92,392
Construction reserve	23,232	30,689	-0-	53,921
Other and all purpose reserve	-0-	642	-0-	642
<b>Total</b>	<b>\$ 23,232</b>	<b>\$ 37,893</b>	<b>\$ 92,392</b>	<b>\$ 153,517</b>

### NOTE 7 - GENERAL FIXED ASSETS

A statement of changes in general fixed assets for the year ended June 30, 2000, is shown below (expressed in thousands):

	Land	Structures and Improvements	Furniture and Equipment	Construction in Progress	Total
Balance, July 1, 1999	\$ 87,955	\$ 710,784	\$ 250,550	\$ 108,144	\$ 1,157,433
Adjustments	(215)	(64)	(11,861)	-0-	(12,140)
Adjusted balance, July 1, 1999	87,740	710,720	238,689	108,144	1,145,293
Additions	4,285	23,855	42,596	155,606	226,342
Deletions	-0-	-0-	(2,673)	(27,437)	(30,110)
Balance, June 30, 2000	<u>\$ 92,025</u>	<u>\$ 734,575</u>	<u>\$ 278,612</u>	<u>\$ 236,313</u>	<u>\$ 1,341,525</u>

The beginning balance of general fixed assets was adjusted for an increase in the capitalization threshold from \$2,000 per asset to \$5,000.

Construction in progress is composed of the following (expressed in thousands):

	Project Authorization	Expended to June 30, 2000	Committed	Required Future Financing
Prisons	\$ 89,816	\$ 18,629	\$ 627	None
High Desert Prison (Indian Springs)	90,509	88,671	1,245	None
High Desert Prison (Cold Creek)	45,696	34,535	9,019	None
Military	57,794	17,267	5,100	None
Natural resources & wildlife	31,246	8,072	2	None
Integrated financial system	30,100	26,256	-0-	None
Other projects	243,473	42,883	8,806	None
<b>Totals</b>	<b>\$ 588,634</b>	<b>\$ 236,313</b>	<b>\$ 24,799</b>	

# STATE OF NEVADA

## Notes to Financial Statements For the Fiscal Year Ended June 30, 2000

### NOTE 8 - LONG-TERM OBLIGATIONS

#### A. Long-Term Obligations

Long-term obligations at June 30, 2000 of the primary government are comprised of the following (expressed in thousands):

	Interest Rate	Authorized	Issued	Principal and Interest in FY 2000	Principal Outstanding
<b>General Long-Term Obligations Account Group</b>					
<i>General obligation bonds:</i>					
Subject to Constitutional Debt Limitation	3.85-10.00%	\$ 1,135,014	\$ 1,135,014	\$ 63,098	\$ 664,145
Exempt from Constitutional Debt Limitation	3.50-9.70%	1,958,991	1,958,991	114,158	1,458,486
<b>Total bonds</b>		<u>\$ 3,094,005</u>	<u>\$ 3,094,005</u>	<u>\$ 177,256</u>	<u>2,122,631</u>
Obligations under capital leases	5.03-9.60%		<u>\$ 36,117</u>	<u>\$ 4,981</u>	30,345
Certificates of Participation	4.10-5.00%		<u>\$ 15,000</u>	<u>\$ 513</u>	15,000
Compensated absences obligations					55,495
Arbitrage rebate liability					1,614
Federal repayment contract					165,801
Judicial retirement net pension obligation					10,480
<b>Total general long-term obligations</b>					<u>\$ 2,401,366</u>
<b>Enterprise funds</b>					
<i>Colorado River Commission:</i>					
General obligation bonds exempt from Constitutional Debt Limitation	4.25-10.75%	\$ 226,810	\$ 226,810	\$ 9,044	\$ 129,624
<i>Housing Division</i>					
Mortgage revenue bonds	3.4-9.65%	2,000,000	1,762,612	168,593	1,153,232
<b>Total general obligations</b>		<u>\$ 2,226,810</u>	<u>\$ 1,989,422</u>	<u>\$ 177,637</u>	<u>1,282,856</u>
Compensated absences obligations					449
<b>Total enterprise funds</b>					<u>\$ 1,283,305</u>
<b>Internal service funds</b>					
Obligations under capital leases	4.10-11.35%		<u>\$ 4,337</u>	<u>\$ 2,309</u>	\$ 3,727
Less current portion					2,558
Net obligations under capital leases					1,169
Compensated absences obligations					1,961
<b>Total internal service funds</b>					<u>\$ 3,130</u>

#### B. Changes in General Long-Term Obligations Account Group

The following is a summary of changes in General Long-Term Obligations Account Group for the fiscal year ended June 30, 2000 (expressed in thousands):

	Balance July 1, 1999	New Obligations Incurred and Changes in Estimates	Obligations Retired	Balance June 30, 2000
Bonds	\$ 2,095,549	\$ 93,992	\$ (66,910)	\$ 2,122,631
Obligations under capital leases	30,494	3,161	(3,310)	30,345
Compensated absences obligations	58,425	(2,930)	-0-	55,495
Arbitrage rebate liability	1,321	293	-0-	1,614
Certificates of Participation	15,000	-0-	-0-	15,000
Federal repayment contract	169,236	-0-	(3,435)	165,801
Judicial retirement net pension obligation	6,531	3,949	-0-	10,480
<b>Total</b>	<u>\$ 2,376,556</u>	<u>\$ 98,465</u>	<u>\$ (73,655)</u>	<u>\$ 2,401,366</u>

#### C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by

the Legislature that are incurred for the protection and preservation or for obtaining the benefits of any property or natural resources within the State. At June 30, 2000, the debt limit and its unused portion are computed as follows (expressed in thousands):

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 8 Continued)

Debt limitation (2% of total assessed valuation)	\$ 1,011,490
Less: Bonds and leases payable as of June 30, 2000, subject to limitation	709,490
Remaining debt capacity	<u>\$ 302,000</u>

### D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A and NRS 349.950. 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. Thirty-two projects were funded through the Nevada Municipal Bond Bank as of June 30, 2000, and total investments in local governments amounted to \$1,177,476,097.

### E. Refunded Debt and Redemptions

On August 1, 1999 the State partially called \$1,335,000 of the Municipal Bond Bank's, August 1, 1989 R-4 Bonds. The Municipal Bond Bank called the Bonds to reduce its debt service payments. The benefit from calling the

Bonds is realized by the Local Government, not the State.

In the current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total amount of defeased issues at June 30, 2000 is \$917,423,000.

### F. Debt Service Requirements for Bonds

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2000, of the primary government are summarized in the table following (expressed in thousands). 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. All amounts listed for Housing Bonds are projections and are subject to change based upon changes in the mortgage interest market rate. Actual results may vary considerably from these projections at any point in time, depending upon market rates of interest.

	For The Fiscal Year Ending June 30					
	2001	2002	2003	2004	2005	Thereafter
<b>General Long-Term Obligations Account Group</b>						
<i>General obligations serviced from Consolidated Bond</i>						
<i>Interest and Redemption Debt Service Fund:</i>						
General obligation bonds (taxes)	\$ 68,271	\$ 70,443	\$ 72,497	\$ 73,994	\$ 73,493	\$ 650,442
General obligation bonds (loan repayments)	2,866	2,856	2,788	2,675	2,477	18,460
General obligation bonds (user fees)	18,248	18,269	18,278	18,287	18,005	280,069
Municipal bond bank bonds (investments in municipal bonds)	79,957	79,678	79,375	80,530	85,573	1,598,739
University System projects bonds (slot machine tax)	10,433	7,799	7,798	7,795	7,798	86,924
Certificates of Participation (taxes)	684	1,275	1,273	1,274	1,273	16,574
Federal repayment contract (user fees)	8,935	8,935	8,935	8,935	8,935	217,388
<b>Total General Long-Term Obligations Account Group</b>	<u>\$ 189,394</u>	<u>\$ 189,255</u>	<u>\$ 190,944</u>	<u>\$ 193,490</u>	<u>\$ 197,554</u>	<u>\$ 2,868,596</u>
<b>Enterprise Funds</b>						
<i>General obligation bonds serviced from:</i>						
Colorado River Commission Fund (user fees)	\$ 10,627	\$ 10,716	\$ 8,280	\$ 8,321	\$ 8,352	\$ 201,902
Housing Fund (investments in mortgages)	84,504	87,890	89,334	89,273	89,549	1,950,319
<b>Total enterprise funds</b>	<u>\$ 95,131</u>	<u>\$ 98,606</u>	<u>\$ 97,614</u>	<u>\$ 97,594</u>	<u>\$ 97,901</u>	<u>\$ 2,152,221</u>

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 8 Continued)

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

At June 30, 2000, the amount available to service debt in the Consolidated Bond Interest and Redemption Debt Service Fund is \$36,518,863. At June 30, 2000, the amount available in special revenue funds is \$1,177,476,097. This amount is available to service the Municipal Bond Bank Bonds and Water Pollution Bonds in the Municipal Bond Bank Special Revenue Fund.

The amount to be provided by other governments of \$376,935,981 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996, the Colorado River Commission (CRC), an enterprise fund which is 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 Federal Repayment Contract, 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, on January 1, 1996 the State recorded the general obligation bonds and federal repayment contract previously reported in CRC and an associated amount to be provided by other government in the General Long-Term Obligations Account Group.

### 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. Assets acquired under such leases of the primary government at June 30, 2000, consist of the following (expressed in thousands):

	General Fixed Assets Account Group	Internal Service Funds	Total
Equipment	\$ 36,117	\$ 4,337	\$ 40,454
Less accumulated depreciation	-0-	838	838
<b>Total</b>	<b>\$ 36,117</b>	<b>\$ 3,499</b>	<b>\$ 39,616</b>

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, 2000 follow (expressed in thousands):

Fiscal year ending June 30	Amount
2001	\$ 6,973
2002	4,256
2003	3,716
2004	3,305
2005	2,708
Thereafter	24,932
Total payments	45,890
<b>Less:</b> Amount representing interest	11,818
	34,072
<b>Less:</b> Current portion for internal service funds	2,558
<b>Total</b>	<b>\$ 31,514</b>

### J. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income

earned on the excess described in (a), must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, an arbitrage rebate liability has been calculated as of June 30, 2000. The liability is payable as follows (expressed in thousands):



# STATE OF NEVADA

## Notes to Financial Statements For the Fiscal Year Ended June 30, 2000

(Note 8 Continued)

Fiscal year ending June 30	Amount
2001	\$ 484
2002	565
2003	156
2004	69
2005	235
Thereafter	105
<b>Total</b>	<b>\$ 1,614</b>

### K. 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 to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility.

Under the certificate 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.

### L. Federal Repayment Contract

The State is obligated to the United States pursuant to the terms of a contract entered into in 1967 and amended in 1992 for the construction by the United States of a project (the Griffith Project) for the principal purpose of delivering water for municipal and industrial use within Clark County, Nevada. In 1973, the States' original obligation under the contract was \$51,164,299 from the first phase of construction and in 1984, an additional \$125,817,815 from the second phase. Both phases are being repaid over a fifty-year period including interest at 3.25%. Section F discloses the remaining debt service requirements.

The obligation is repaid from the net revenues of the Griffith Project water users. The CRC operated the Griffith Project system and collected the associated water revenues until January 1, 1996, when the system, along with additional water treatment operations and assets, was transferred to the Southern Nevada Water Authority (SNWA). In accordance with Chapter 393 of the 1995 Legislature, the duty of repaying this federal contract was transferred to SNWA; however, the State remains the primary obligor. Should the user revenues be insufficient to meet the obligation, the United States may assert a prior claim to ad valorem or other taxes or assessments of the State.

### M. Prepaid Tuition Program

The Nevada Prepaid Tuition Program was created by NRS Chapter 353B to help families save for the cost of higher education. Purchasers of prepaid tuition contracts are allowed to select from various plan types and various payment options. An annual actuarial valuation is required to estimate the obligations of the Prepaid Tuition Program for all future payments associated with prepaid contracts purchased as of the valuation date. At June 30, 2000 the actuarial present value of obligations for future payments is \$33,952,000, and the related actuarial value of total assets is \$38,397,848, resulting in a surplus of \$4,445,848.

### N. Interest Rate Swap Agreement

On May 19, 1999, the State entered into a ten-year interest rate swap agreement for \$100 million of its fixed rate General Obligation Bonds. Based upon the swap agreement, the State owes interest calculated at a variable rate based upon the Bond Market Association (BMA) Municipal Swap Index. In return, the counterparty owes the State interest based upon the fixed rate that matches the rate required by the bonds. Only the net difference in the interest payments is actually exchanged with the counterparty. The \$100 million in bond principal is not exchanged; it is only the basis on which the interest payments are calculated. The State continues to pay interest to the bondholders at the fixed rate provided by the bonds. However, during the term of the swap agreement, the State effectively pays interest at the variable rate on the debt. The debt service requirements to maturity for these bonds (Note 8F) are based upon the fixed rate. The State will be exposed to variable interest rates during the period of the swap, unless the counterparty to the swap defaults or the swap is terminated. A termination of the swap agreement could result in the State making or receiving a termination payment. During the year ended June 30, 2000 the State received \$223,898 related to this agreement.

### O. Component Unit Obligations

Bonds, notes and capital leases payable by the University System at June 30, 2000, consist of the following (expressed in thousands):

	Annual Rate of Interest	Final Maturity	Principal Outstanding
Student fee revenue bonds	3.00-8.50%	2030	\$ 83,110
Notes payable	3.00-8.13%	2016	16,186
Capital leases	5.38-12.86%	2019	33,091
<b>Total</b>			<b>\$ 132,387</b>

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



# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 8 Continued)

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

Fiscal year ending June 30	Amount
2001	\$ 5,096
2002	5,727
2003	6,455
2004	6,593
2005	9,305
Thereafter	66,120
<b>Total</b>	<u>\$ 99,296</u>

Accrued compensated absences payable by the University System at June 30, 2000 are \$23,105,000.

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

Fiscal year ending June 30	Amount
2001	\$ 4,273
2002	4,221
2003	4,117
2004	3,952
2005	3,718
Thereafter	43,880
Total minimum lease payments	64,161
Less amount representing interest	31,070
Obligations under capital leases	<u>\$ 33,091</u>

At June 30, 2000 debt in the amount of \$21,140,000 is considered to be extinguished through refunding of prior issues by a portion of the current issues. Sufficient proceeds were invested in state and local government securities and placed in escrow to assure the timely payment of the maturities of prior issues. Neither the debt nor the escrowed assets are reflected on the financial statements.

### P. 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, 2000, there were fourteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$60,003,020.

## NOTE 9 - PENSIONS AND OTHER EMPLOYEE BENEFITS

The Nevada Legislature has 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) and the Legislators' Retirement System of Nevada (LRS). The Clerk of the Supreme Court administers the Judicial Retirement System. 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. Any government employer in the State may

elect to have its general, police and fire department employees covered by PERS.

At June 30, 2000, the number of participating government employers was:

State and its component units	1
Cities	19
Counties and related agencies	16
School districts	22
Hospitals and health care	9
Utility and irrigation districts	18
Special districts and agencies	41
<b>Total employers</b>	<u>126</u>

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

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 9 Continued)

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 (36 consecutive months of highest compensation) for each accredited year of service prior to retirement. Regular members are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service or at any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police or fire service, at age 55 with 10 years of accredited police or fire service, at age 50 with 20 years of accredited police or fire service, or at any age with 30 years of accredited service. A member who retired on or after July 1, 1977, or is an active member whose effective date of membership is before July 1, 1985, and who has 36 years of service, is entitled to a benefit of up to 90% of average compensation. When members are eligible for earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75% to a maximum of 90% of average compensation. Regular members and police and firemen become fully vested as to benefits upon completion of 5 years of service.

**Member Contributions** - The authority for establishing and amending the obligation to make contributions is provided by statute. Member contribution rates are also established by statute. New employees of the State of Nevada and public employers, who were not under the employer-pay contribution plan prior to July 1, 1983, have the option of selecting either the employee and employer contribution plan or the employer-pay contribution plan. One plan provides for matching employee and employer

contributions while the other plan provides for employer-pay contributions only.

**Funding Policy** - PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime, in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, both for funding purposes and GASB disclosure purposes, 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.

Actuarially required and statutory employee and employer contribution rates, as a percentage of covered payroll, for regular and police and fire members in effect for the fiscal year ended June 30, 2000, were as follows:

	Funding Basis	GASB Disclosure Basis	Statutory Rate
<b>Regular employees:</b>			
Employer -pay plan	18.92%	19.45%	18.75%
Employee/employer plan	9.87%	10.14%	9.75%
<b>Police and Fire employees:</b>			
Employer -pay plan	27.58%	28.88%	28.50%
Employee/employer plan	14.22%	14.87%	14.75%

**Required Supplementary Information** - Schedules of funding progress and employer contributions are presented in the PERS June 30, 2000, comprehensive annual financial report. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

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

	2000			1999 (restated)			1998 (restated)		
	Employees' Contribution	Employers' Contribution	Total State Contribution Requirement	Employees' Contribution	Employers' Contribution	Total State Contribution Requirement	Employees' Contribution	Employers' Contribution	Total State Contribution Requirement
Primary Government	\$ 33,239	\$ 80,829	\$ 114,068	\$ 31,976	\$ 78,633	\$ 110,609	\$ 29,245	\$ 74,536	\$ 103,781
<b>Component Unit:</b>									
University System	5,383	14,160	19,543	5,247	13,770	19,017	4,732	14,756	19,488
<b>Total reporting entity</b>	<b>\$ 38,622</b>	<b>\$ 94,989</b>	<b>\$ 133,611</b>	<b>\$ 37,223</b>	<b>\$ 92,403</b>	<b>\$ 129,626</b>	<b>\$ 33,977</b>	<b>\$ 89,292</b>	<b>\$ 123,269</b>
Contributions as % of covered payroll	6%	15%	21%	6%	15%	21%	6%	15%	21%
Contributions as % of total contributions of all participating entities of \$661,769, \$609,434 and \$557,277	6%	14%	20%	6%	15%	21%	6%	16%	22%

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 9 Continued)

### B. LRS

**Plan Description** - All State Legislators are members in LRS, a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. It is administered by the PERS Board of the State of Nevada.

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. Contributions and investment earnings provide benefits under the system. Legislators become fully vested as to benefits at age 60 and 8 years of service before July 1, 1985, or at age 60 and 10 years of service after July 1, 1985.

**Funding Policy** - 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 \$333,830 for calendar years, 1999 and 2000, which is the annual required State contribution as determined by the actuary. This amount was paid by the Legislative Fund and was recorded as an employer contribution in the fiscal year

ended June 30, 1999, since the Legislature was in session in fiscal year 1999.

**Actuarial Information** - Actuarial methods and significant assumptions used in the January 1, 1999, actuarial valuation include the following:

**Actuarial Cost Method:** Entry age normal cost

**Amortization Method:** Level percent closed

**Remaining Amortization Period:** 26 years

**Asset Valuation Method:** 5 year smoothed market

**Actuarial Assumptions:**

Investment yield	8%
Projected salary increases	None

**Retirement Age for Active Members:** Earlier of age 64 or age 60 with 24 years of service

**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

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.

LRS issues separate financial statements, which are available from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

**Required Supplementary Information** - 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 is as 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
1995	\$ 4,605	\$ 2,198	\$ 2,407	48%	\$ 491	490%
1997	4,778	2,957	1,821	62%	491	371%
1999	5,075	3,527	1,548	70%	491	315%

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 9 Continued)

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

Fiscal Year Ended	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/1998	\$ 179	\$ -0-	0%	\$ -0-
6/30/1999	167	334	200%	-0-
6/30/2000	167	-0-	0%	-0-

### C. The Judicial Retirement System (JRS)

Plan Description - The justices of the Supreme Court and district court judges have been granted special retirement provisions by various Legislatures. This is a single-employer, State of Nevada, defined benefit, unfunded plan. The plan does not issue separate financial statements, nor is it included in the report of another PERS. The plan is administered by the Office of the Courts. An actuarial valuation for this plan was prepared according to the provisions of Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. At the actuarial valuation date of July 1, 1999, (the most recent valuation date) membership consisted of 29 active members and 35 retirees and beneficiaries receiving benefits.

Benefits to which members may be entitled under the plan are defined by statute and include pension benefits, disability benefits and death benefits. Justices and judges who have served as a justice of the Supreme Court or a judge of a district court are eligible for retirement at age 60 with five years of aggregate service in any one or more of those courts. The annual benefit is equal to 4.1666 percent of the salary of the last year of service. The benefit is increased 4.1666 percent for each year of service between five years and 22 years. The maximum benefit is three-fourths of the salary of the last year of service at age 60 with 22 years of service. Any justice or judge who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. Benefits are payable for life.

Funding Policy - No contributions are required of the justices or judges. Funding is provided from the General Fund on a pay-as-you-go basis, according to statute. Benefit expenditures are reported in the law, justice and public safety function of the General Fund. The State's contribution for the year ended June 30, 2000, was \$1,276,720. The actuarial valuation at July 1, 1999, determined the annual required contribution for the year ended June 30, 2000, using the entry-age-normal level

percent of pay cost method for salary related benefits and the level dollar cost method for non-salary related benefits. The annual required contribution, annual pension cost and net pension obligation for the year ended June 30, 2000, are as follows (expressed in thousands):

<b>Annual required contribution</b>	
Annual normal cost, beginning of year	\$ 557
36 year amortization of unfunded actuarial accrued liability, beginning of year	1,854
Interest to end of year	193
<b>Annual required contribution, end of year</b>	2,604
Interest on net pension obligation	731
Adjustment to annual required contribution	(719)
<b>Annual pension cost</b>	2,616
Benefits paid	(1,277)
Increase in net pension obligation	1,339
Net pension obligation, beginning of year	9,141
<b>Net pension obligation, end of year</b>	\$ 10,480

The net pension obligation of \$10,480,178 is reported in the General Long-Term Obligations Account Group. Historically, an actuarial determination of the actuarial required contribution has not been made. The contribution to the plan has equaled the benefit payments from the plan. As a result, the net pension obligation at transition was equal to zero as of July 1, 1995, in accordance with GASB Statement No. 27.

The plan accumulates no assets to pay benefits. The unfunded actuarial accrued liability as of July 1, 1999, was \$23,462,000. This unfunded actuarial accrued liability is to be amortized, using the level dollar method, over a period of 40 years on a closed basis from July 1, 1995.

Actuarial Information - Significant actuarial assumptions used in the valuation included the following:

Interest Rate: 8%

Salary Increase: Position pay increases are assumed to be 3% per year in anticipation of legislated increases. Members serving at least four years, are entitled to a salary increase of 2% of base for each year of service, which must not exceed 22% of base.

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 9 Continued)

Retirement Age: This is assumed to be normal retirement age.

Termination Prior to Retirement: None.

Permanent Incapacity: None.

Mortality Rates: The assumed mortality experience is projected by using the 1983 Group Annuity Mortality Table.

Presence and Age of Spouse: All of the members are married and the spouses are assumed to be three years younger/(older) if the member is male/(female).

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

Required Supplementary Information – The most recent actuarial valuation of the JRS to determine State contributions required to fund the system on an actuarial basis was July 1, 1999. A schedule of funding progress for the transition year and subsequent actuarial valuation is as follows (expressed in thousands):

Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/1995	\$ 20,229	\$ -0-	\$ 20,229	0%	\$ 4,154	487%
7/1/1997	24,864	-0-	24,864	0%	5,239	475%
7/1/1999	23,462	-0-	23,462	0%	3,243	723%

The schedule of employer contributions for the most current fiscal year for which an actuarial valuation was performed (June 30, 2000) and each of the two preceding years is as follows (expressed in thousands):

Fiscal Year Ended	Annual Required Contribution (ARC)	State Contribution	State Contribution as a % ARC
6/30/1998	\$ 3,635	\$ 993	27%
6/30/1999	3,635	1,037	29%
6/30/2000	2,604	1,277	49%

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

Fiscal Year Ended	Annual Pension Cost	% of Annual Pension Cost Contributed	Net Pension Obligation
6/30/1998	\$ 3,643	27.27%	\$ 6,531
6/30/1999	3,646	28.44%	9,140
6/30/2000	2,616	48.80%	10,480

### D. Post-Retirement Insurance Benefits

Any retiree of the State, who meets the eligibility requirements for retirement as outlined in sections A through C of this note and at the time of retirement is covered or had his dependents covered by any group insurance or medical and hospital service, has the option upon retirement to continue group insurance. NRS 287.023 establishes this benefit upon the retiree assuming the portion of the premium not covered by the State. The Public Employees' Benefits Program

administers the insurance benefits. For the year ended June 30, 2000, 4,872 retirees were covered at a cost of \$10,116,103, which represents 66% of total costs.

The State allocates funds for payment of insurance benefits as a percentage of payroll. The cost of the employer contribution is recognized in the year the costs are charged. Any unused funds are carried forward to the next fiscal year. The carry forward to fiscal year 2001 was \$355,981.



## STATE OF NEVADA

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

#### 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 quasi-external transactions of the funds. 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, July 1, 1998	\$ 11,114	\$ 11,824
Claim and changes in estimates	78,054	9,695
Claim payments	(78,968)	(4,272)
Balance, June 30, 1999	10,200	17,247
Claim and changes in estimates	76,732	7,141
Claim payments	(74,866)	(5,033)
Balance June 30, 2000	\$ 12,066	\$ 19,355

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 that it is probable that 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.

There were no significant reductions in insurance coverage from the prior year for group medical, general liability, automobile liability, or property and casualty.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2000. The estimated liability for these claims has been factored into the calculation of the claims liabilities. There were no material settlements in excess of insurance coverage for each of the past three fiscal years.

##### 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 fifty-two public employers participating. The fund is overseen by the Public Employee's Benefit Program. 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 contracts with a third-party administrator to pay the Self-Insurance Fund's claims and also contracts with medical providers to determine the price of services to be provided. The Self-Insurance Fund is fully self-insured for medical, dental and vision benefits and assumes all risk for claims incurred by plan participants. Accidental death and dismemberment, travel

accident, long-term disability, mental health and substance abuse, and life insurance benefits are administered solely by insurance providers. The Self-Insurance Fund does not retain any risk of loss regarding those plans covered by independent insurance providers.

For the self-insured benefits, fund rate-setting policies have been established after consultation with the Self-Insurance Fund's actuary. Premiums are based upon anticipated claims in the upcoming year and any remaining fund equity available for claims. The participating employers pay monthly premiums for each employee and employees pay for dependent coverage. 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.

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 10 Continued)

### B. Insurance Premiums Fund

The Insurance Premiums Fund provides self-insurance for general, civil (tort), auto and property casualty liabilities of State agencies. It also accumulates workers' compensation premiums for State employees and buys insurance under a retrospective rating agreement from the Employers Insurance Company of Nevada, formerly the State Industrial Insurance System, which, until January 1, 2000 was also a division of the State of Nevada.

Under the retrospectively rated contract, each calendar year is a separate plan subject to its own premium determinations based on the actual loss experience for that year, with contractually negotiated basic and maximum premiums. For the 2000 plan year, the Insurance Premiums Fund paid quarterly advance premiums of \$2,250,000 to Employers Insurance. Each plan year is subject to five premium determinations, the first being eight months after the close of the plan year, and annually thereafter. Each plan year may be closed at any determination if the Insurance Premiums Fund and Employers Insurance mutually agree. The cost to close a plan year includes a charge for incurred but not reported claims. Plan years 1998, and 1999 are still open as of June 30, 2000 and are subject to additional premiums

based on the loss experience of the plan. A liability in the amount of \$5,384,831 has been accrued as an estimate for these potential additional premiums, however, the actual liability may be in excess of or less than the amount accrued, but under no circumstances will it exceed the contractually determined maximum premium. Plan year 2000 is also still open and subject to additional premiums, however, at June 30, 2000 an estimate of potential additional premiums cannot be reasonably estimated.

The State has a maximum exposure of \$50,000 for each general liability claim, with the exception of claims which are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. The State also has a self-insured retention of \$100,000 for property and contents per occurrence with no aggregate annual limit. Per State statute, if future general liability or fleet catastrophic losses exhaust fund equity, coverage would revert to the State Contingency Fund and would then revert to the General Fund.

At June 30, 2000, incurred but not reported claims liability for general, civil and auto insurance is based upon the actuary's estimate for the Insurance Premiums Fund. The incurred but not reported claims liability for property casualty insurance is based upon experience trends.

### NOTE 11 - FUND EQUITY

Fund balances, reserved for other and unreserved, designated fund balances at June 30, 2000, are explained as follows (expressed in thousands):

	Governmental Fund Types					Total	Component	Total
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Fund Types	Primary Government	Unit University System	Reporting Entity
<b>Fund balances, reserved for other:</b>								
Reserved for prepaid items	\$ 380	\$ -0-	\$ -0-	\$ -0-	\$ -0-	380	\$ -0-	\$ 380
Reserved for noncurrent receivables - accounts, notes	566	27,289	-0-	-0-	12	27,867	2,939	30,806
Reserved for noncurrent receivables - intergovernmental	177	-0-	-0-	-0-	-0-	177	-0-	177
Reserved for fiscal emergency	-0-	147,096	-0-	-0-	-0-	147,096	-0-	147,096
Reserved for debt service	-0-	1,177,476	36,519	-0-	-0-	1,213,995	2,394	1,216,389
Reserved for employees' pension benefits	-0-	-0-	-0-	-0-	13,371,405	13,371,405	-0-	13,371,405
Reserved for the principal portion of non-expendable trust funds	-0-	-0-	-0-	-0-	78,831	78,831	-0-	78,831
Reserved for endowment	-0-	-0-	-0-	-0-	-0-	-0-	258,643	258,643
Reserved for specific future allocations	-0-	3,273	-0-	-0-	-0-	3,273	-0-	3,273
Reserved for pool participants	-0-	-0-	-0-	-0-	421,446	421,446	-0-	421,446
Reserved for University System unexpended plant	-0-	-0-	-0-	-0-	-0-	-0-	143,795	143,795
Reserved for University System current operating restricted fund	-0-	-0-	-0-	-0-	-0-	-0-	21,206	21,206
Reserved for appropriations subject to reversion and for refundable federal grants	-0-	-0-	-0-	-0-	-0-	-0-	7,760	7,760
Miscellaneous	-0-	47	-0-	-0-	-0-	47	-0-	47
<b>Total fund balances, reserved for other</b>	<b>\$ 1,123</b>	<b>\$ 1,355,181</b>	<b>\$ 36,519</b>	<b>\$ -0-</b>	<b>\$ 13,871,694</b>	<b>\$ 15,264,517</b>	<b>\$ 436,737</b>	<b>\$ 15,701,254</b>
<b>Unreserved, designated fund balances:</b>								
Designated for approved capital projects	\$ -0-	\$ -0-	\$ -0-	\$ 743	\$ -0-	743	\$ -0-	\$ 743
Designated to preserve a portion of principal per NRS 504.450	-0-	-0-	-0-	-0-	900	900	-0-	900
Designated by Board of Museums and History	-0-	-0-	-0-	-0-	188	188	-0-	188
<b>Total unreserved, designated fund balances</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 743</b>	<b>\$ 1,088</b>	<b>\$ 1,831</b>	<b>\$ -0-</b>	<b>\$ 1,831</b>



## STATE OF NEVADA

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 11 Continued)

Retained earnings is explained as follows (expressed in thousands):

	Proprietary Fund Types		
	Enterprise	Internal Service	Total
<i>Retained earnings, reserved:</i>			
Reserved for operation and maintenance	\$ 659	\$ -0-	\$ 659
Reserved as security for outstanding obligations	119,368	-0-	119,368
<b>Total retained earnings, reserved</b>	<b>\$ 120,027</b>	<b>\$ -0-</b>	<b>\$ 120,027</b>

## 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 taxes. The following are the primary tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.5%, with local county option up to an additional .75%, 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.

Motor Vehicle Fuel Tax is levied at 23 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, the remainder to the counties.

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.

Other Sources of tax revenues are: Property Tax, Cigarette Tax, Estate Tax, Net Proceeds of Minerals Tax, Business Tax, Lodging Tax, Tire Tax, Liquor Tax, and Short-Term Lessor Fees.

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:

Three percent of the first \$50,000 of gross revenue; four percent of the next \$84,000 of gross revenue; and six and one quarter percent of the gross revenue in excess of \$134,000.

Casino Entertainment Taxes are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment.

Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees remit from \$20 to \$106 per quarter per machine and pay a fee at variable rates on the number of games operated.

Other Sources of gaming tax revenues are: 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.

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

### NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State has seven enterprise funds, which provide the services described below. Net working capital is not shown for the Housing Division in the table of segment information since their balance sheets cannot be classified.

The Colorado River Commission (CRC) is responsible for managing Nevada's interest in the water and power resources available from the Colorado River. The Power Marketing Fund is a public utility, financed and operated in a manner similar to private business enterprises. It is required by the bond resolution authorizing the financing of Nevada's share of the cost of uprating the generating facilities at Hoover Dam. The Power Delivery Fund is used to account for the construction and operation of power transmission equipment for the Southern Nevada Water System. It is intended that the costs of providing electrical power on a continuing basis be financed or recovered through user charges.

The Nevada Housing Division was created to make available additional funds to assist private enterprise and governmental agencies in providing housing facilities for low and moderate-income households. The Division is currently authorized to issue its bonds, notes and other obligations in an aggregate amount not to exceed \$2,000,000,000. These funds may be used to make loans to and purchase mortgage loans from mortgage lenders, and to make temporary loans and advances in anticipation of insured mortgage loans or to finance permanent mortgage loans for the construction or rehabilitation of multi-unit residential housing.

Other funds include: Forestry Nurseries propagates, maintains and distributes plants for conservation purposes. Prison Industry produces various products while employing and training inmates. Nevada Magazine publishes the State magazine to promote tourism. Marlette Lake Water System operates a water distribution system.

Segment information for the fiscal year ended June 30, 2000, is as follows (expressed in thousands):

	Colorado River Commission	Housing Division	Other	Total
Operating revenues	\$ 30,524	\$ 80,638	\$ 7,278	\$ 118,440
Depreciation expense	1,132	60	120	1,312
Operating income	42	8,243	444	8,729
Operating grants	-0-	-0-	20	20
Operating interfund transfers in	-0-	-0-	9	9
Operating interfund transfers out	-0-	(86)	(13)	(99)
Net income	1,050	8,157	552	9,759
<b>Property, plant, equipment and construction in progress:</b>				
Additions and adjustments	11,489	26	276	11,791
Deletions and adjustments	-0-	(9)	(317)	(326)
Net working capital	9,048	n/a	3,606	12,654
Total assets	147,290	1,307,724	7,344	1,462,358
<b>Bonds and other long-term liabilities:</b>				
Payable from operating revenues	133,491	1,153,335	402	1,287,228
Payable from other sources	9,471	-0-	-0-	9,471
Total equity	2,163	122,462	5,390	130,015

### NOTE 14 - COMMITMENTS AND CONTINGENCIES

**A.** In 1977 and 1989 the State issued \$13,730,000 and \$14,755,000, respectively, in General Obligation Sewer Improvement Bonds for and on behalf of Clark County. To date, the bonds have been completely serviced by Clark County; however, the State remains contingently liable on the bonds through maturity on July 1, 2004. The amount of bonds outstanding at June 30, 2000, is \$10,415,000.

**B.** The State Attorney General's Office reported that the State 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

# STATE OF NEVADA

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 14 Continued)

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.

The State is a party to several lawsuits that have been filed under the federal civil rights statutes. In the district of Nevada, none of the United States district judges have ruled that the State is directly liable for damages awarded under 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.

**C.** PERS has entered into investment funding commitments as of June 30, 2000. For alternative investments, PERS has committed to fund \$85,362,707 at some future date.

PERS is a defendant in litigation involving individual benefit payments and participant eligibility issues arising from its normal activities. Based upon consultation with legal counsel, management believes there will be no material adverse effect on the general financial statements as a result of the ultimate outcome of these matters.

**D.** The State is obligated by leases 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 account groups. Lease expense for the year ended June 30, 2000 amounted to \$20,526,291. The following is a 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, 2000 (expressed in thousands):

For the Year Ending June 30	Amount
2001	\$ 17,580
2002	14,500
2003	11,783
2004	10,351
2005	6,482
Thereafter	17,717
<b>Total</b>	<b>\$ 78,413</b>

**E.** The University System (a component unit) is a defendant or co-defendant in legal actions in several jurisdictions. Based on present knowledge and advice of legal counsel, management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially effect the financial position of the University System, except as noted in the following paragraphs.

All Star Litigation. In 1997, The Board of Regents (the "Board") entered into a \$27 million lease-purchase agreement with All Star Investments, LLC, a California Limited Liability Company ("All Star") to construct a new Fire Science Academy near Carlin, Nevada. Pursuant to the lease agreement, All Star was required to design, build and finance a turnkey facility for the University of Nevada, Reno's (UNR) use as a specialized firefighting training facility. In 1999, after several revisions to the lease agreement required by All Star, the Board entered into an amended and restated lease with All Star dated January 28, 1999 (the "Lease"). Pursuant to the Lease, the University System (the "System") is required to make monthly payments totaling \$3 million per year (principal and interest) for twenty years, commencing on March 1, 1999. The Fire Science Academy opened in March 1999.

In late 1999, Fire Science Academy management became aware of some potential environmental threats that UNR determined to be the result of inadequate design and construction of the facility. UNR officials repeatedly requested that All Star correct the design and construction deficiencies; however, All Star refused to do so. In June 2000, UNR tested a sample of test wells on the property and found reportable levels of contaminants in the groundwater. In July 2000, UNR took additional test samples to attempt to locate the source of contamination and also tested the recycled "firewater" used for firefighting training. After receiving the results of this test, UNR determined that it could no longer continue burn classes without the possibility of further environmental contamination and student exposure to health risks. After repeatedly requesting that All Star correct the design and construction deficiencies that resulted in the contamination, UNR suspended firefighting burn classes on July 28, 2000 until such time as All Star does take action to correct those deficiencies. In August 2000, the System ceased making lease payments to All Star because UNR could no longer use the facility for the purposes for which it was designed. The System intends to resume full operations at such time as All Star, as required by the lease, corrects the design and construction defects which currently makes the Fire Science Academy unusable for its intended purpose. At that time, the System anticipates it would make appropriate rent payments.

## STATE OF NEVADA

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 14 Continued)

On September 5, 2000, All Star sued the System in district court, alleging among other items, that the University System has breached its contract by failing to pay rent. On September 6, 2000, the University System sued All Star, claiming, among other items, defective construction, breach of warranties, misrepresentation and constructive eviction due to All Star's defective design and construction of the Fire Science Academy.

No judicial action has been taken on either complaint and it is unclear when the case will be resolved; however, the parties have stipulated to consolidation of the complaints into one case for trial proceedings. The parties are currently in mediation with regard to the issues raised in the complaints.

The System, in consultation with its legal counsel, is unable to predict at this time what the outcome of the case will be, and any unfavorable results of the above litigation, and/or the ultimate determination of the cost and responsibility for environmental remediation at the Fire Science Academy, and/or the System management's ultimate plans with respect to the continued operation of the Fire Science Academy could have a material adverse impact on the financial position, changes in fund balances and current operating funds revenues, expenditures and other changes of the System.

LaSalle National Bank Litigation. After execution of the Lease, All Star assigned its rights under the Lease to GMAC Commercial Mortgage Corporation, a California corporation ("GMAC"), which provided All Star with financing for the Fire Science Academy. After All Star's assignments of its rights, GMAC assigned its rights in the Lease to LaSalle Bank National Association ("LaSalle"), as Trustee for the registered Certificate Holders of the GMAC Commercial Mortgage Pass-Through Certificates, Series 1999-C2 (the "Certificates"). The Certificates are collateralized by revenues from a real estate mortgage pool created by GMAC without the System's knowledge

or consent. The pool includes LaSalle's rights to receive payments from All Star under the Lease. On October 19, 2000, LaSalle sued the University system in State district court alleging, among other things, that the System had breached its contract by failing to pay rent under the lease.

The System has no contractual relationship with LaSalle. Further, the Lease expressly prohibits All Star or any assignee of All Star from issuing certificates of participation or similar securities representing interest in the Lease or any portion thereof. The System believes the assignment to LaSalle in connection with issuance of the Certificates violates this provision in the Lease. The System is unable to determine at this time whether this case will proceed to trial on its own or whether it will be consolidated with the lawsuits discussed above and the System cannot predict what the outcome of the suit will be or what impact it will have on the University System. However, the System believes, based on consultation with legal counsel, that under Nevada law, it cannot be required to pay the amounts, if any, determined to be due under the Lease as rent to more than one party; accordingly, any liability, if any, for rent under the Lease will be paid only once.

**F.** 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), is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebutable arbitrage is computed as of each installment computation date. The present value of the rebutable arbitrage has been recorded in the General Long-Term Obligations Account Group at June 30, 2000. Future calculations might result in different rebutable arbitrage amounts.

### NOTE 15 - SUBSEQUENT EVENTS

Bonds - The following bonds were sold after June 30, 2000:

General Obligation Bonds - \$108,305,000 Series July 1, 2000, A, B and C General Obligation (Limited Tax) Bonds. Series 2000A are \$103,990,000 Capital Improvement and Cultural Affairs Bonds due in annual installments of \$4,855,000 to \$8,510,000 through March 1, 2019, plus semi-annual interest payments, at rates of 4.75% to 5.5%. Interest

payments on the bonds are payable March 1 and September 1 and payments commence September 1, 2000. Series 2000B are \$3,000,000 Nevada Municipal Bond Bank Project No. 68 Bonds due in annual installments of \$95,000 to \$250,000 through July 1, 2020, plus semi-annual interest payments, at rates of 5.25% to 5.5%. Interest payments on the bonds are payable January 1 and July 1 and payments commence January 1, 2001. Series 2000C are \$1,315,000 Water Pollution Control

## STATE OF NEVADA

### Notes to Financial Statements

For the Fiscal Year Ended June 30, 2000

(Note 15 Continued)

Revolving Fund Matching Bonds due in annual installments of \$100,000 to \$165,000 through August 1, 2011, plus semi-annual interest payments, at rates of 5.0% to 5.25%. Interest payments on the bonds are payable February 1 and August 1 and payments commence February 1, 2001. Series 2000A Bonds maturing on and after March 1, 2011 are subject to optional redemption prior to their maturity on and after March 1, 2010. Series 2000B Bonds maturing on and after July 1, 2011 are subject to optional redemption prior to their maturity on and after July 1, 2010. Series 2000C Bonds are not subject to optional redemption. The Series A bonds are subject to the Constitutional Debt Limit.

\$17,150,000 Series December 1, 2000 B and C General Obligation (Limited Tax) Bonds. Series 2000B are \$15,595,000 Nevada Municipal Bond Bank Project Nos. 69, 70 and 71 Bonds due in annual installments of \$190,000 to \$1,095,000 through December 1, 2020, plus semi-annual interest payments, at rates of 4.875% to 5.375%. Interest payments on the bonds are payable June 1 and December 1 and payments commence June 1, 2001. Series 2000C are \$1,555,000 Safe Drinking Water Act Revolving Fund Matching Bonds due in annual installments of \$100,000 to \$125,000 through August 1, 2017, plus semi-annual interest payments, at rates of 5.25% to 5.375%. Interest payments on the bonds are payable February 1 and August 1 and payments commence August 1, 2001. Series 2000B Bonds maturing on and after December 1, 2011 are subject to optional redemption prior to their maturity on and after December 1, 2010. Series 2000C Bonds maturing on and after August 1, 2011 are subject to optional redemption prior to their maturity on and after August 1, 2010.

Revenue Bonds- \$100,000,000 Series December 1, 2000A Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bonds. Series 2000A are due in annual installments of \$8,065,000 to \$12,260,000

through December 1, 2010, plus semi-annual interest payments, at rates of 4.5% to 5.25%. Interest payments on the bonds are payable June 1 and December 1 and payments commence June 1, 2001. The bonds are not subject to optional redemption before maturity.

Leases – the following leases were entered into after June 30, 2000:

A five-year operating lease was entered into with Frontier Enterprises for 23,928 square feet of space. The space is for the use of the Employment Security Division and the lease commenced on August 1, 2000. Payments range from \$24,855 to \$27,756 per month.

Information Services, an internal service fund, entered into a capital lease with Koch Financial Corporation for the purchase of computer equipment. The lease commenced on September 1, 2000, and has twenty-four monthly payments of \$7,579 for a total commitment of \$171,647.

Housing Division – In September 2000, the Housing Division issued 2000 C Single-Family Housing Revenue Bonds in the amount of \$32,945,000. The last maturity date of the bonds is April 1, 2032.

The Division also issued in November 2000, 2000 Series A and B Multi-Unit Housing Revenue Bonds for the Banbridge Apartments Project in the amount of \$4,660,000. The last maturity of the Banbridge bonds is October 1, 2032. In November 2000, the Housing Division issued 2000 Series A Multi-Unit Housing Revenue Bonds for the Horizon Seniors Apartments Project in the amount of \$10,840,000. The last maturity date of the Horizon Seniors bonds is October 15, 2033.

Self-Insurance Fund – The Fund entered into a contract with UICI Administrators on October 6, 2000 to provide enrollment and eligibility services for the Public Employees' Benefits Program. In addition, UICI Administrators will provide ongoing subscription services to the Fund through October 31, 2004.



# STATE OF NEVADA

## Comparative Balance Sheet General Fund

June 30, 2000 with Comparative Totals for 1999

**Exhibit A-1**

	June 30, 2000	June 30, 1999	Increase (Decrease)
<b>Assets</b>			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 310,315,941	\$ 234,224,361	\$ 76,091,580
Cash in custody of other officials	4,075,867	2,186,880	1,888,987
Collateral on loaned securities	148,353,853	179,975,022	(31,621,169)
Food stamp coupons	11,495,548	21,312,732	(9,817,184)
<i>Receivables:</i>			
Accounts receivable	3,959,469	4,809,906	(850,437)
Taxes receivable	366,539,419	331,266,298	35,273,121
Accrued interest and dividends	7,930,865	8,928,491	(997,626)
Intergovernmental receivables	103,969,430	100,993,499	2,975,931
Notes receivable	566,422	728,336	(161,914)
Due from other funds	37,440,703	44,530,390	(7,089,687)
Due from component unit	312,029	331,800	(19,771)
Interfund receivables	10,895,816	5,160,281	5,735,535
Advances to other funds	5,297,306	5,799,469	(502,163)
<i>Other assets:</i>			
Prepaid items	381,011	24,858,846	(24,477,835)
<b>Total assets</b>	<u>\$ 1,011,533,679</u>	<u>\$ 965,106,311</u>	<u>\$ 46,427,368</u>
<b>Liabilities and Fund Balances</b>			
<i>Liabilities:</i>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 121,701,022	\$ 105,541,531	\$ 16,159,491
Accrued payroll and related liabilities	22,639,740	16,403,955	6,235,785
Intergovernmental payables	49,228,853	30,083,550	19,145,303
Contracts payable	1,441,498	1,012,595	428,903
Obligations under securities lending	148,353,853	179,975,022	(31,621,169)
Due to other funds	311,126,069	288,519,731	22,606,338
Due to component unit	8,273,364	8,862,488	(589,124)
Deferred revenues	129,038,618	115,323,869	13,714,749
Other liabilities	9,632,473	13,389,676	(3,757,203)
<b>Total liabilities</b>	<u>801,435,490</u>	<u>759,112,417</u>	<u>42,323,073</u>
<i>Fund balances:</i>			
<i>Reserved:</i>			
Encumbrances and contracts	3,540,964	2,756,644	784,320
Advances	5,297,306	5,799,469	(502,163)
Balances forward	246,939,516	240,184,671	6,754,845
<i>Other:</i>			
Prepaid items	381,011	24,858,846	(24,477,835)
Other	742,872	905,666	(162,794)
<i>Unreserved:</i>			
Undesignated deficit	(46,803,480)	(68,511,402)	21,707,922
<b>Total fund balances</b>	<u>210,098,189</u>	<u>205,993,894</u>	<u>4,104,295</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,011,533,679</u>	<u>\$ 965,106,311</u>	<u>\$ 46,427,368</u>



# STATE OF NEVADA

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balances General Fund

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

**Exhibit A-2**

	June 30, 2000	June 30, 1999	Increase (Decrease)
<b>Revenues</b>			
Gaming taxes, fees, licenses	\$ 685,194,879	\$ 614,147,482	\$ 71,047,397
Sales taxes	672,473,027	645,559,922	26,913,105
Intergovernmental	835,413,435	793,704,186	41,709,249
Other taxes	302,255,484	285,236,358	17,019,126
Licenses, fees and permits	101,952,276	91,348,489	10,603,787
Sales and charges for services	32,138,331	30,983,102	1,155,229
Interest and investment income	38,430,265	44,817,572	(6,387,307)
Tobacco settlement income	7,000,000	-0-	7,000,000
Other	33,358,154	26,604,091	6,754,063
<b>Total revenues</b>	<b>2,708,215,851</b>	<b>2,532,401,202</b>	<b>175,814,649</b>
<b>Expenditures</b>			
<i>Current:</i>			
General government	68,811,633	68,294,552	517,081
Health and social services	1,107,762,043	1,014,112,972	93,649,071
Education and support services	42,588,427	40,075,190	2,513,237
Law, justice and public safety	236,749,938	228,649,766	8,100,172
Regulation of business	49,857,223	47,434,308	2,422,915
Recreation and resource development	77,395,306	69,570,937	7,824,369
<i>Intergovernmental:</i>			
Education	753,979,117	685,825,028	68,154,089
Other	70,112,636	58,363,098	11,749,538
<i>Debt service:</i>			
Principal	1,737,887	1,739,387	(1,500)
Interest	1,404,833	1,486,745	(81,912)
Arbitrage payments	-0-	46,552	(46,552)
<b>Total expenditures</b>	<b>2,410,399,043</b>	<b>2,215,598,535</b>	<b>194,800,508</b>
Excess of revenues over expenditures	297,816,808	316,802,667	(18,985,859)
<b>Other Financing Sources (Uses)</b>			
Proceeds from capital leases	446,951	60,011	386,940
Proceeds from sale of bonds	1,987,079	2,000,000	(12,921)
Proceeds from sale of fixed assets	36,829	72,472	(35,643)
Operating transfers in	67,758,679	64,048,069	3,710,610
Transfer from component unit	391,808	360,308	31,500
Operating transfers out	(52,517,582)	(116,516,011)	63,998,429
Transfer to component unit	(311,816,277)	(292,323,602)	(19,492,675)
<b>Total other financing sources (uses)</b>	<b>(293,712,513)</b>	<b>(342,298,753)</b>	<b>48,586,240</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,104,295	(25,496,086)	29,600,381
Fund balances, July 1	205,993,894	232,637,660	(26,643,766)
Residual equity transfer	-0-	(1,147,680)	1,147,680
<b>Fund balances, June 30</b>	<b>\$ 210,098,189</b>	<b>\$ 205,993,894</b>	<b>\$ 4,104,295</b>

## SPECIAL REVENUE FUNDS

**State Highway** Accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges (NRS 408.235).

**School Improvement** Accounts for funding of school improvement programs. All such programs must be approved by the Legislature or Interim Finance Committee. (NRS 388.730).

**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 investigations of gaming license applicants (NRS 463.331) and cash transactions of gaming licensees (NRS 463.332), enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.460), legal judgments against real estate licensees (NRS 645.842), examining financial records and assets of authorized insurers (NRS 679B.300), 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).

**Municipal Bond Bank** Accounts for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds (NRS 349.952), with financing the construction of local government water treatment projects (NRS 350A.190), with operating a revolving fund to finance local government pollution control projects (NRS 445A.120), and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water act projects (NRS 445A.255).

**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).

**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 University and Community College System of Nevada (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).

**Stabilize the Operations of State Government**

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 (NRS 353.288).

**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); administration of capital improvement projects (NRS 341.146); and substance abuse education, prevention, enforcement and treatment (NRS 458.400). It also accounts for appropriations and interest income for support of museums and history (NRS 381.0064); 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). Miscellaneous also 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). Furthermore, it accounts for appropriations, donations and interest income to support the National Judicial College and the National College of Juvenile and Family Law (NRS 1.470 and 1.480); appropriations for disaster relief grants and loans to state agencies and local governments (NRS 353.2735); receipts and expenditures related to assisting counties with the institutional care of the medically indigent (NRS 428.470); and the portion of the net proceeds of minerals tax held for special use (NRS 362.173, repealed by Chapter 211, Statutes of Nevada 1999, at page 968). Lastly, Miscellaneous accounts for all general administrative activity, costs of engineering studies, analysis, negotiation, and other efforts necessary in the development of sources of water or power from the Colorado River (NRS 538.191), and records the development and sale of State lands in the Fort Mojave Valley (NRS 321.520).

# STATE OF NEVADA

## Combining Balance Sheet Special Revenue Funds

June 30, 2000 with Comparative Totals for 1999

	State Highway	School Improvement	Employment Security	Regulatory	Legislative
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 170,463,886	\$ 27,343,564	\$ 11,651,652	\$ 15,151,453	\$ 5,817,682
Cash in custody of other officials	106,760	-0-	125	170,602	59,644
Investments	-0-	-0-	-0-	-0-	-0-
Collateral on loaned securities	41,289,772	6,805,945	2,567,628	386,959	-0-
<i>Receivables:</i>					
Accounts receivable	575,008	-0-	-0-	660,768	73,000
Taxes receivable	27,629,839	-0-	9,249	101,484	-0-
Intergovernmental receivables	10,434,182	-0-	635,718	3,924	-0-
Notes receivable	-0-	-0-	-0-	-0-	-0-
Other receivables	27,840	-0-	-0-	-0-	-0-
Due from other funds	28,689,038	1,528,164	262,600	94,259	74,468
Due from component unit	3,173	-0-	-0-	-0-	-0-
Interfund receivables	2,212	-0-	-0-	-0-	-0-
Inventory	12,579,802	-0-	-0-	-0-	687,064
Advances to other funds	19,919	-0-	-0-	-0-	-0-
Restricted assets (non-cash)	23,232,108	-0-	-0-	-0-	-0-
Prepaid items	1,665	-0-	-0-	120,319	40,588
<b>Total assets</b>	<b>\$ 315,055,204</b>	<b>\$ 35,677,673</b>	<b>\$ 15,126,972</b>	<b>\$ 16,689,768</b>	<b>\$ 6,752,446</b>
<b>Liabilities and Fund Balances</b>					
<i>Liabilities:</i>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 42,891,470	\$ -0-	\$ 920,603	\$ 557,329	\$ 217,248
Accrued payroll and related liabilities	6,778,100	-0-	886,997	461,366	489,665
Intergovernmental payables	23,446,606	-0-	3,111	88,909	1,391
Contracts/retentions payable	3,164,675	-0-	-0-	-0-	43,700
Obligations under securities lending	41,289,772	6,805,945	2,567,628	386,959	-0-
Due to other funds	25,904,114	-0-	925,301	1,375,236	268,874
Due to component unit	39,517	-0-	76,155	-0-	38,000
Interfund payables	-0-	-0-	-0-	-0-	-0-
Deferred revenues	4,345,939	-0-	-0-	5,333,289	250
<i>Other liabilities:</i>					
Payable from restricted assets	23,232,108	-0-	-0-	-0-	-0-
<b>Total liabilities</b>	<b>171,092,301</b>	<b>6,805,945</b>	<b>5,379,795</b>	<b>8,203,088</b>	<b>1,059,128</b>
<i>Fund balances:</i>					
<i>Reserved:</i>					
Encumbrances and contracts	157,855,991	-0-	35,832	34,810	551,691
Inventory	12,579,802	-0-	-0-	-0-	687,064
Advances	19,919	-0-	-0-	-0-	-0-
Balances forward	15,576,568	-0-	-0-	-0-	1,240,454
<i>Other:</i>					
Fiscal emergency	-0-	-0-	-0-	-0-	-0-
Investments in municipal securities	-0-	-0-	-0-	-0-	-0-
Revolving loans	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-
<i>Unreserved:</i>					
Undesignated	(42,069,377)	28,871,728	9,711,345	8,451,870	3,214,109
<b>Total fund balances</b>	<b>143,962,903</b>	<b>28,871,728</b>	<b>9,747,177</b>	<b>8,486,680</b>	<b>5,693,318</b>
<b>Total liabilities and fund balances</b>	<b>\$ 315,055,204</b>	<b>\$ 35,677,673</b>	<b>\$ 15,126,972</b>	<b>\$ 16,689,768</b>	<b>\$ 6,752,446</b>

**Exhibit B-1**  
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Municipal Bond Bank	Workers' Compensation and Safety	Higher Education Capital Construction	Cleaning up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement
\$ 42,904,088	\$ 23,840,056	\$ 9,310,179	\$ 9,159,070	\$ 4,167,098	\$ 5,163,547	\$ 1,978,278	\$ 42,843,434
-0-	300	-0-	-0-	-0-	-0-	-0-	-0-
1,177,476,097	-0-	-0-	-0-	-0-	-0-	-0-	-0-
10,679,034	5,931,836	-0-	2,279,737	1,037,211	-0-	492,393	10,654,279
-0-	14,624	-0-	300	-0-	-0-	235,665	-0-
-0-	81,069	-0-	-0-	331,557	-0-	-0-	-0-
25,158,211	196,197	-0-	-0-	24,000	77,174	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1,014,044	786,774	7,265,661	2,106,904	2,067,337	4,962	302,402	600,865
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	361,185	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	1,060	-0-	-0-
<u>\$ 1,257,231,474</u>	<u>\$ 30,850,856</u>	<u>\$ 16,575,840</u>	<u>\$ 13,546,011</u>	<u>\$ 7,627,203</u>	<u>\$ 5,246,743</u>	<u>\$ 3,369,923</u>	<u>\$ 54,098,578</u>
\$ 402,047	\$ 3,610,346	\$ 9,137	\$ 1,325,345	\$ -0-	\$ 386,926	\$ 434,929	\$ 11,754
9,411	456,085	-0-	324	-0-	55,625	77,031	12,125
402,190	21,485	-0-	37,023	-0-	339,849	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
10,679,034	5,931,836	-0-	2,279,737	1,037,211	-0-	492,393	10,654,279
2,260,978	116,583	8,096,092	200,444	1,500	14,301	281,381	75,414
56,204	4,570	450,000	48,575	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
60,000	-0-	-0-	-0-	-0-	2,750	200,000	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
13,869,864	10,140,905	8,555,229	3,891,448	1,038,711	799,451	1,485,734	10,753,572
-0-	22,938	-0-	-0-	-0-	-0-	55,179	10,018
-0-	-0-	-0-	-0-	-0-	-0-	361,185	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
41,513,317	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1,177,476,097	-0-	-0-	-0-	-0-	-0-	-0-	-0-
24,584,123	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
(211,927)	20,687,013	8,020,611	9,654,563	6,588,492	4,447,292	1,467,825	43,334,988
1,243,361,610	20,709,951	8,020,611	9,654,563	6,588,492	4,447,292	1,884,189	43,345,006
<u>\$ 1,257,231,474</u>	<u>\$ 30,850,856</u>	<u>\$ 16,575,840</u>	<u>\$ 13,546,011</u>	<u>\$ 7,627,203</u>	<u>\$ 5,246,743</u>	<u>\$ 3,369,923</u>	<u>\$ 54,098,578</u>

# STATE OF NEVADA

## Combining Balance Sheet Special Revenue Funds

**Exhibit B-1**

Page 2 of 2

June 30, 2000 with Comparative Totals for 1999

	Care of Sites for Radioactive Waste		Stabilize the Operations of State Government	Miscellaneous	Total All Funds	
	Contingency	Disposal			2000	1999
<b>Assets</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 1,870,027	\$ 10,163,637	\$ 128,866,608	\$ 8,388,541	\$ 519,082,800	\$ 530,851,215
Cash in custody of other officials	-0-	-0-	-0-	250	337,681	377,154
Investments	-0-	-0-	-0-	-0-	1,177,476,097	1,200,491,530
Collateral on loaned securities	-0-	2,529,778	-0-	1,601,538	86,256,110	112,854,443
<i>Receivables:</i>						
Accounts receivable	-0-	68,851	-0-	229,353	1,857,569	8,271,890
Taxes receivable	-0-	-0-	-0-	-0-	28,153,198	27,520,233
Intergovernmental receivables	-0-	-0-	-0-	65,524	36,594,930	21,535,719
Notes receivable	-0-	-0-	-0-	2,705,285	2,705,285	2,966,647
Other receivables	-0-	-0-	-0-	-0-	27,840	477,796
Due from other funds	486,074	154,227	18,228,979	1,808,222	65,474,980	48,507,374
Due from component unit	-0-	-0-	-0-	-0-	3,173	879,349
Interfund receivables	-0-	-0-	-0-	-0-	2,212	2,212
Inventory	-0-	-0-	-0-	-0-	13,628,051	9,046,518
Advances to other funds	-0-	-0-	-0-	-0-	19,919	22,131
Restricted assets (non-cash)	-0-	-0-	-0-	-0-	23,232,108	47,749,194
Prepaid items	-0-	-0-	-0-	-0-	163,632	256,403
<b>Total assets</b>	<b>\$ 2,356,101</b>	<b>\$ 12,916,493</b>	<b>\$ 147,095,587</b>	<b>\$ 14,798,713</b>	<b>\$ 1,955,015,585</b>	<b>\$ 2,011,809,808</b>
<b>Liabilities and Fund Balances</b>						
<i>Liabilities:</i>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 26,216	\$ 21	\$ -0-	\$ 599,739	\$ 51,393,110	\$ 21,410,282
Accrued payroll and related liabilities	-0-	-0-	-0-	277,710	9,504,439	9,048,881
Intergovernmental payables	-0-	-0-	-0-	230,000	24,570,564	25,771,872
Contracts/retentions payable	25,351	-0-	-0-	-0-	3,233,726	23,827,699
Obligations under securities lending	-0-	2,529,778	-0-	1,601,538	86,256,110	112,854,443
Due to other funds	988,154	5,014	-0-	856,192	41,369,578	53,876,569
Due to component unit	-0-	-0-	-0-	1,828	714,849	623,324
Interfund payables	-0-	-0-	-0-	-0-	-0-	4,507,422
Deferred revenue	-0-	-0-	-0-	128,204	10,070,432	8,959,211
<i>Other liabilities:</i>						
Payable from restricted assets	-0-	-0-	-0-	-0-	23,232,108	47,749,194
<b>Total liabilities</b>	<b>1,039,721</b>	<b>2,534,813</b>	<b>-0-</b>	<b>3,695,211</b>	<b>250,344,916</b>	<b>308,628,897</b>
<i>Fund balances:</i>						
<i>Reserved:</i>						
Encumbrances and contracts	-0-	-0-	-0-	44,851	158,611,310	211,679,091
Inventory	-0-	-0-	-0-	-0-	13,628,051	9,046,518
Advances	-0-	-0-	-0-	-0-	19,919	22,131
Balances forward	-0-	-0-	-0-	-0-	58,330,339	71,656,088
<i>Other:</i>						
Fiscal emergency	-0-	-0-	147,095,587	-0-	147,095,587	128,866,608
Investments in municipal securities	-0-	-0-	-0-	-0-	1,177,476,097	1,200,491,531
Revolving loans	-0-	-0-	-0-	-0-	24,584,123	4,865,520
Other	46,486	-0-	-0-	5,978,571	6,025,057	5,782,076
<i>Unreserved:</i>						
Undesignated	1,269,894	10,381,680	-0-	5,080,080	118,900,186	70,771,348
<b>Total fund balances</b>	<b>1,316,380</b>	<b>10,381,680</b>	<b>147,095,587</b>	<b>11,103,502</b>	<b>1,704,670,669</b>	<b>1,703,180,911</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,356,101</b>	<b>\$ 12,916,493</b>	<b>\$ 147,095,587</b>	<b>\$ 14,798,713</b>	<b>\$ 1,955,015,585</b>	<b>\$ 2,011,809,808</b>



# STATE OF NEVADA

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

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

	State Highway	School Improvement	Employment Security	Regulatory	Legislative
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -0-	\$ -0-	\$ -0-	\$ 6,289,028	\$ -0-
Intergovernmental	159,160,615	-0-	31,339,352	165,734	-0-
Other taxes	248,267,741	38,000,864	7,540,897	9,560,008	-0-
Licenses, fees and permits	121,618,138	-0-	-0-	7,831,055	-0-
Sales and charges for services	8,344,466	-0-	743,916	30,094	892,484
Interest and investment income	14,381,094	1,242,594	700,540	100,868	-0-
Tobacco settlement income	-0-	-0-	-0-	-0-	-0-
Other	6,612,396	26,409	1,068,228	230,700	349,330
<b>Total revenues</b>	<b>558,384,450</b>	<b>39,269,867</b>	<b>41,392,933</b>	<b>24,207,487</b>	<b>1,241,814</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	2,427,287	324,837	160,283	23,392	19,231,132
Health and social services	-0-	-0-	32,510,770	-0-	-0-
Education and support services	-0-	-0-	-0-	-0-	-0-
Law, justice and public safety	111,417,004	-0-	-0-	-0-	-0-
Regulation of business	-0-	-0-	-0-	18,705,748	-0-
Transportation	537,747,612	-0-	-0-	-0-	-0-
Recreation, resource development	-0-	-0-	-0-	-0-	-0-
<i>Intergovernmental:</i>					
Education	-0-	-0-	-0-	-0-	-0-
Other	5,226,569	-0-	-0-	2,592	-0-
<i>Debt service:</i>					
Principal	1,383,535	-0-	-0-	33,851	88,925
Interest	236,636	-0-	-0-	2,356	26,629
Arbitrage payments	-0-	-0-	-0-	-0-	-0-
<b>Total expenditures</b>	<b>658,438,643</b>	<b>324,837</b>	<b>32,671,053</b>	<b>18,767,939</b>	<b>19,346,686</b>
Excess (deficiency) of revenues over expenditures	(100,054,193)	38,945,030	8,721,880	5,439,548	(18,104,872)
<b>Other Financing Sources (Uses)</b>					
Proceeds from capital leases	-0-	-0-	-0-	-0-	37,888
Proceeds from sale of bonds	-0-	-0-	-0-	-0-	-0-
Proceeds from sale of fixed assets	-0-	-0-	-0-	-0-	8,400
Operating transfers in	1,127,372	-0-	287,783	1,771,569	18,144,627
Transfer from component unit	-0-	-0-	-0-	-0-	-0-
Operating transfers out	(3,182,859)	(13,891,737)	(7,457,539)	(4,898,835)	(237,254)
Transfer to component unit	-0-	(130,680)	-0-	-0-	-0-
<b>Total other financing sources (uses)</b>	<b>(2,055,487)</b>	<b>(14,022,417)</b>	<b>(7,169,756)</b>	<b>(3,127,266)</b>	<b>17,953,661</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(102,109,680)	24,922,613	1,552,124	2,312,282	(151,211)
Fund balances, July 1	246,072,583	3,949,115	8,195,053	6,174,398	5,844,529
Residual equity transfer	-0-	-0-	-0-	-0-	-0-
<b>Fund balances, June 30</b>	<b>\$ 143,962,903</b>	<b>\$ 28,871,728</b>	<b>\$ 9,747,177</b>	<b>\$ 8,486,680</b>	<b>\$ 5,693,318</b>

<b>Municipal Bond Bank</b>	<b>Workers' Compensation and Safety</b>	<b>Higher Education Capital Construction</b>	<b>Cleaning up Petroleum Discharges</b>	<b>Hospital Care to Indigent Persons</b>	<b>Tourism Promotion</b>	<b>Offenders' Store</b>	<b>Tobacco Settlement</b>
\$ -0-	\$ -0-	\$ 15,815,171	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
15,209,817	1,833,095	-0-	-0-	376,566	-0-	-0-	-0-
-0-	22,236,514	-0-	11,176,101	11,369,011	10,915,783	-0-	-0-
-0-	245,415	-0-	414,900	-0-	134,529	-0-	-0-
-0-	4,013	-0-	-0-	-0-	-0-	9,617,106	-0-
64,381,132	1,707,834	-0-	514,264	480,567	-0-	106,995	811,351
-0-	-0-	-0-	-0-	-0-	-0-	-0-	42,917,159
-0-	1,869,238	-0-	43,799	-0-	12,188	15,189	5,000
79,590,949	27,896,109	15,815,171	12,149,064	12,226,144	11,062,500	9,739,290	43,733,510
703,774	391,781	-0-	121,076	107,967	-0-	25,288	401,331
727,728	-0-	-0-	-0-	6,542,628	-0-	-0-	19,515
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	7,753,025	-0-
500	17,850,949	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
98,311	-0-	-0-	7,047,551	-0-	7,454,780	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
4,025,835	-0-	-0-	332,651	4,796,974	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
5,556,148	18,242,730	-0-	7,501,278	11,447,569	7,454,780	7,778,313	420,846
74,034,801	9,653,379	15,815,171	4,647,786	778,575	3,607,720	1,960,977	43,312,664
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
17,912,790	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	513	-0-	-0-	-0-	-0-	-0-	-0-
-0-	3,594	-0-	-0-	-0-	34,346	35	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	60,000
(83,202,823)	(7,710,134)	(12,964,136)	(720,030)	-0-	(1,970,743)	(1,831,450)	(27,658)
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
(65,290,033)	(7,706,027)	(12,964,136)	(720,030)	-0-	(1,936,397)	(1,831,415)	32,342
8,744,768	1,947,352	2,851,035	3,927,756	778,575	1,671,323	129,562	43,345,006
1,234,616,842	18,762,599	5,169,576	5,726,807	5,809,917	2,775,969	1,754,627	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
\$ 1,243,361,610	\$ 20,709,951	\$ 8,020,611	\$ 9,654,563	\$ 6,588,492	\$ 4,447,292	\$ 1,884,189	\$ 43,345,006

# STATE OF NEVADA

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

**Exhibit B-2**

Page 2 of 2

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999

	Care of Sites for Radioactive Waste Disposal		Stabilize the Operations of State Government		Miscellaneous		Total All Funds	
	Contingency						2000	1999
<b>Revenues</b>								
Gaming taxes, fees, licenses	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 22,104,199	\$ 21,116,150	
Intergovernmental	-0-	-0-	-0-	-0-	1,471,789	209,556,968	216,753,034	
Other taxes	-0-	-0-	-0-	-0-	1,797,532	360,864,451	283,394,881	
Licenses, fees and permits	-0-	144,224	-0-	-0-	5,125,850	135,514,111	130,926,191	
Sales and charges for services	-0-	-0-	-0-	-0-	1,106,639	20,738,718	23,819,655	
Interest and investment income	-0-	709,454	-0-	-0-	734,762	85,871,455	88,940,411	
Tobacco settlement income	-0-	-0-	-0-	-0-	-0-	42,917,159	-0-	
Other	-0-	-0-	-0-	-0-	1,836,999	12,069,476	10,269,082	
<b>Total revenues</b>	-0-	853,678	-0-	-0-	12,073,571	889,636,537	775,219,404	
<b>Expenditures</b>								
<i>Current:</i>								
General government	406,923	162,409	-0-	-0-	7,523,847	32,011,327	42,156,942	
Health and social services	-0-	59,929	-0-	-0-	-0-	39,860,570	42,031,709	
Education and support services	-0-	-0-	-0-	-0-	937,762	937,762	767,146	
Law, justice and public safety	-0-	-0-	-0-	-0-	3,747,368	122,917,397	108,709,824	
Regulation of business	-0-	-0-	-0-	-0-	483,507	37,040,704	34,449,727	
Transportation	-0-	-0-	-0-	-0-	-0-	537,747,612	433,117,982	
Recreation, resource development	-0-	-0-	-0-	-0-	1,654,544	16,255,186	15,648,215	
<i>Intergovernmental:</i>								
Education	-0-	-0-	-0-	-0-	-0-	-0-	81,523,001	
Other	-0-	-0-	-0-	-0-	608,619	14,993,240	11,835,028	
<i>Debt service:</i>								
Principal	-0-	-0-	-0-	-0-	-0-	1,506,311	1,046,382	
Interest	-0-	-0-	-0-	-0-	-0-	265,621	216,234	
Arbitrage payments	-0-	-0-	-0-	-0-	-0-	-0-	216,646	
<b>Total expenditures</b>	406,923	222,338	-0-	-0-	14,955,647	803,535,730	771,718,836	
Excess (deficiency) of revenues over expenditures	(406,923)	631,340	-0-	-0-	(2,882,076)	86,100,807	3,500,568	
<b>Other Financing Sources (Uses)</b>								
Proceeds from capital leases	-0-	-0-	-0-	-0-	-0-	37,888	264,701	
Proceeds from sale of bonds	-0-	-0-	-0-	-0-	-0-	17,912,790	318,272,809	
Proceeds from sale of fixed assets	-0-	-0-	-0-	-0-	-0-	8,913	53,425	
Operating transfers in	100,000	-0-	18,228,979	-0-	3,719,912	43,418,217	114,675,533	
Transfer from component unit	-0-	-0-	-0-	-0-	-0-	60,000	877,375	
Operating transfers out	(6,735,388)	(218,049)	-0-	-0-	(869,542)	(145,918,177)	(137,294,770)	
Transfer to component unit	-0-	-0-	-0-	-0-	-0-	(130,680)	(5,130,680)	
<b>Total other financing sources (uses)</b>	(6,635,388)	(218,049)	18,228,979	-0-	2,850,370	(84,611,049)	291,718,393	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(7,042,311)	413,291	18,228,979	-0-	(31,706)	1,489,758	295,218,961	
Fund balances, July 1	8,358,691	9,968,389	128,866,608	-0-	11,135,208	1,703,180,911	1,410,578,552	
Residual equity transfer	-0-	-0-	-0-	-0-	-0-	-0-	(2,616,602)	
<b>Fund balances, June 30</b>	\$ 1,316,380	\$ 10,381,680	\$ 147,095,587	\$ -0-	\$ 11,103,502	\$ 1,704,670,669	\$ 1,703,180,911	

## DEBT SERVICE FUND

**Consolidated Bond Interest and Redemption** - Accumulates monies for the payment of principal and interest on general obligation bonds of the State. Bonds have been issued for the following purposes: (NRS 349.090)

<b>Purpose</b>	<b>Issued</b>	<b>Final Maturity</b>	<b>Outstanding Balance June 30, 2000</b>
Purchase of Municipal Securities	\$ 1,399,715,000	2028	\$ 1,108,370,000
Capital Construction, Acquisition and Renovation	971,940,000	2019	570,160,000
University Projects	163,074,000	2017	93,985,000
Recreation and Resource Development	505,630,000	2025	317,160,000
Various Purpose	60,196,245	2015	41,115,836
	<u>\$ 3,100,555,245</u>		<u>\$ 2,130,790,836</u>

Some issues have been partially refunded by various refunding issues.

# STATE OF NEVADA

## Comparative Balance Sheet Debt Service Fund

June 30, 2000 with Comparative Totals for 1999

**Exhibit C-1**

	June 30, 2000	June 30, 1999	Increase (Decrease)
<b>Assets</b>			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 37,811,719	\$ 35,073,882	\$ 2,737,837
Cash in custody of other officials	12,921	12,921	-0-
Collateral on loaned securities	9,520,606	11,097,633	(1,577,027)
<i>Receivables:</i>			
Accounts receivable	-0-	1,800	(1,800)
Intergovernmental receivables	377,490,528	387,739,774	(10,249,246)
Due from other funds	14,922,634	10,594,583	4,328,051
<b>Total assets</b>	<u>\$ 439,758,408</u>	<u>\$ 444,520,593</u>	<u>\$ (4,762,185)</u>
<b>Liabilities and Fund Balances</b>			
<i>Liabilities:</i>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 24,752	\$ 50,507	\$ (25,755)
Matured interest payable	7,921	7,921	-0-
Matured bonds payable	5,000	5,000	-0-
Interest payable	6,230,006	6,543,528	(313,522)
Obligations under securities lending	9,520,606	11,097,633	(1,577,027)
Due to other funds	-0-	128	(128)
Due to component unit	170,946	210,213	(39,267)
Deferred revenue	379,120,315	387,276,043	(8,155,728)
Bonds payable	8,160,000	7,765,000	395,000
<b>Total liabilities</b>	<u>403,239,546</u>	<u>412,955,973</u>	<u>(9,716,427)</u>
<i>Fund balances:</i>			
Reserved for debt service	<u>36,518,862</u>	<u>31,564,620</u>	<u>4,954,242</u>
<b>Total liabilities and fund balances</b>	<u>\$ 439,758,408</u>	<u>\$ 444,520,593</u>	<u>\$ (4,762,185)</u>

# STATE OF NEVADA

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balances Debt Service Fund

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

**Exhibit C-2**

	June 30, 2000	June 30, 1999	Increase (Decrease)
<b>Revenues</b>			
Intergovernmental	\$ 20,973,688	\$ 19,192,241	\$ 1,781,447
Taxes	69,690,768	62,296,015	7,394,753
Interest and investment income	2,089,221	1,774,373	314,848
Other	1,889	-0-	1,889
<b>Total revenues</b>	<b>92,755,566</b>	<b>83,262,629</b>	<b>9,492,937</b>
<b>Expenditures</b>			
<i>Current:</i>			
General government	443,924	359,059	84,865
<i>Debt service:</i>			
Principal	66,559,198	57,046,646	9,512,552
Interest, fiscal charges	111,333,769	110,845,362	488,407
Bond issuance costs	281,529	391,768	(110,239)
Arbitrage payments	24,200	366,902	(342,702)
<b>Total expenditures</b>	<b>178,642,620</b>	<b>169,009,737</b>	<b>9,632,883</b>
Deficiency of revenues over expenditures	(85,887,054)	(85,747,108)	(139,946)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of bonds	232,919	56,050,648	(55,817,729)
Operating transfers in	90,779,323	86,616,414	4,162,909
Transfer from component unit	-0-	41,074	(41,074)
Transfer to component unit	(170,946)	(56,098,857)	55,927,911
Proceeds of refunding bonds	-0-	82,937,709	(82,937,709)
Payment to refunded bond agent	-0-	(82,788,044)	82,788,044
<b>Total other financing sources (uses)</b>	<b>90,841,296</b>	<b>86,758,944</b>	<b>4,082,352</b>
Excess of revenues and other financing sources over expenditures and other financing uses	4,954,242	1,011,836	3,942,406
Fund balances, July 1	31,564,620	30,552,784	1,011,836
<b>Fund balances, June 30</b>	<b>\$ 36,518,862</b>	<b>\$ 31,564,620</b>	<b>\$ 4,954,242</b>



## 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 University and Community College System of Nevada (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 Prisons (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).

**Miscellaneous** Accounts for capital improvement projects which are not directed by the Public Works Board.

# STATE OF NEVADA

## Combining Balance Sheet Capital Projects Funds

June 30, 2000 with Comparative Totals for 1999

	<u>Parks Capital Project Construction</u>	<u>CIP Motor Vehicle</u>	<u>CIP Human Resources</u>	<u>CIP University System</u>	<u>CIP Gen State Gov't</u>
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 376,772	\$ 53,688	\$ 896,562	\$ 34,861,886	\$ 11,037,586
Cash in custody of other officials	-0-	-0-	685,000	-0-	-0-
Collateral on loaned securities	25,292	-0-	-0-	9,000	23,967
<i>Receivables:</i>					
Intergovernmental receivable	40,207	-0-	-0-	-0-	-0-
Other receivables	-0-	-0-	-0-	-0-	1,424
Due from other funds	63,967	14,277,100	-0-	2,900,000	2,014,392
Due from component unit	-0-	-0-	-0-	821,361	-0-
<b>Total assets</b>	<u>\$ 506,238</u>	<u>\$ 14,330,788</u>	<u>\$ 1,581,562</u>	<u>\$ 38,592,247</u>	<u>\$ 13,077,369</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 16,692	\$ 5,952	\$ 80,246	\$ 335,926	\$ 10,657
Intergovernmental payables	23,823	-0-	-0-	-0-	-0-
<i>Contracts payable:</i>					
Contracts payable	2,134	11,700	1,319,083	2,473,760	1,128,811
Retention payable	14,137	-0-	690,262	2,451,663	139,132
Obligations under securities lending	25,292	-0-	-0-	9,000	23,967
Due to other funds	41,633	12,499	131,437	195,508	723,697
Due to component unit	-0-	-0-	-0-	33,126,390	160,810
Interfund payables	407,649	-0-	-0-	-0-	-0-
<b>Total liabilities</b>	<u>531,360</u>	<u>30,151</u>	<u>2,221,028</u>	<u>38,592,247</u>	<u>2,187,074</u>
<b>Fund balances:</b>					
<i>Reserved:</i>					
Encumbrances and contracts	2,423	2,652,519	1,845,129	-0-	3,911,239
<i>Unreserved:</i>					
Designated for approved capital projects	(27,545)	11,648,118	(2,484,595)	-0-	6,979,056
<b>Total fund balances (deficits)</b>	<u>(25,122)</u>	<u>14,300,637</u>	<u>(639,466)</u>	<u>-0-</u>	<u>10,890,295</u>
<b>Total liabilities and fund balances</b>	<u>\$ 506,238</u>	<u>\$ 14,330,788</u>	<u>\$ 1,581,562</u>	<u>\$ 38,592,247</u>	<u>\$ 13,077,369</u>

**Exhibit D-1**

CIP Prison System	CIP Military	CIP Wildlife	CIP Assist School Districts	Miscellaneous	Total All Funds	
					2000	1999
\$ 16,451,079	\$ 3,627,039	\$ 1,820,755	\$ 830,403	\$ -0-	\$ 69,955,770	\$ 135,753,699
-0-	-0-	-0-	-0-	-0-	685,000	10,857,898
22,285	-0-	449,137	-0-	-0-	529,681	1,846,229
-0-	1,634,766	-0-	-0-	-0-	1,674,973	40,249
19	162,404	-0-	-0-	-0-	163,847	10,202,174
457,948	335,000	-0-	-0-	-0-	20,048,407	22,998,696
-0-	-0-	-0-	-0-	-0-	821,361	-0-
<u>\$ 16,931,331</u>	<u>\$ 5,759,209</u>	<u>\$ 2,269,892</u>	<u>\$ 830,403</u>	<u>\$ -0-</u>	<u>\$ 93,879,039</u>	<u>\$ 181,698,945</u>
\$ 2,120	\$ 4,642	\$ -0-	\$ -0-	\$ -0-	\$ 456,235	\$ 738,213
-0-	-0-	-0-	53,714	-0-	77,537	-0-
4,701,120	1,062,363	-0-	281,196	-0-	10,980,167	14,415,198
6,671,877	1,216,594	-0-	-0-	-0-	11,183,665	9,357,697
22,285	-0-	449,137	-0-	-0-	529,681	1,846,229
558,061	278,435	-0-	3,000	-0-	1,944,270	736,984
-0-	-0-	-0-	-0-	-0-	33,287,200	33,758,050
8,443,671	-0-	-0-	1,000,000	-0-	9,851,320	-0-
<u>20,399,134</u>	<u>2,562,034</u>	<u>449,137</u>	<u>1,337,910</u>	<u>-0-</u>	<u>68,310,075</u>	<u>60,852,371</u>
10,891,871	5,099,954	-0-	423,096	-0-	24,826,231	92,620,197
(14,359,674)	(1,902,779)	1,820,755	(930,603)	-0-	742,733	28,226,377
(3,467,803)	3,197,175	1,820,755	(507,507)	-0-	25,568,964	120,846,574
<u>\$ 16,931,331</u>	<u>\$ 5,759,209</u>	<u>\$ 2,269,892</u>	<u>\$ 830,403</u>	<u>\$ -0-</u>	<u>\$ 93,879,039</u>	<u>\$ 181,698,945</u>

# STATE OF NEVADA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Capital Projects Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP Gen State Gov't
<b>Revenues</b>					
Intergovernmental	\$ 431,341	\$ -0-	\$ -0-	\$ -0-	\$ 869,031
Interest and investment income	2,785	-0-	244,751	659	6,272
Other	-0-	5,882	-0-	-0-	-0-
<b>Total revenues</b>	<b>434,126</b>	<b>5,882</b>	<b>244,751</b>	<b>659</b>	<b>875,303</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	2,786	-0-	-0-	659	6,273
<i>Intergovernmental:</i>					
Education	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-
<i>Capital outlay</i>	<i>2,352,746</i>	<i>327,850</i>	<i>19,636,443</i>	<i>-0-</i>	<i>7,955,154</i>
<i>Debt service:</i>					
Bond issuance costs	-0-	-0-	-0-	-0-	-0-
<b>Total expenditures</b>	<b>2,355,532</b>	<b>327,850</b>	<b>19,636,443</b>	<b>659</b>	<b>7,961,427</b>
Deficiency of revenues over expenditures	(1,921,406)	(321,968)	(19,391,692)	-0-	(7,086,124)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of bonds	-0-	-0-	6,297,370	36,443,971	7,115,000
Proceeds from certificates of participation	-0-	-0-	-0-	-0-	-0-
Operating transfers in	380,391	-0-	350,000	-0-	135,944
Operating transfers out	(33,851)	(37,195)	(40,033)	-0-	(555,400)
Transfer to component unit	-0-	-0-	-0-	(36,443,971)	-0-
<b>Total other financing sources (uses)</b>	<b>346,540</b>	<b>(37,195)</b>	<b>6,607,337</b>	<b>-0-</b>	<b>6,695,544</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,574,866)	(359,163)	(12,784,355)	-0-	(390,580)
Fund balances, July 1	1,549,744	14,659,800	12,144,889	-0-	11,280,875
<b>Fund balances (deficits), June 30</b>	<b>\$ (25,122)</b>	<b>\$ 14,300,637</b>	<b>\$ (639,466)</b>	<b>\$ -0-</b>	<b>\$ 10,890,295</b>

**Exhibit D-2**

CIP Prison System	CIP Military	CIP Wildlife	CIP Assist School Districts	Miscellaneous	Total All Funds	
					2000	1999
\$ -0- 1,545 -0-	\$ 9,010,249 -0- 436,144	\$ 520,000 34,758 -0-	\$ -0- -0- -0-	\$ -0- -0- -0-	\$ 10,830,621 290,770 442,026	\$ 562,463 279,417 138,159
1,545	9,446,393	554,758	-0-	-0-	11,563,417	980,039
1,545	-0-	34,759	-0-	-0-	46,022	183,006
-0- -0-	-0- -0-	-0- -0-	507,507 -0-	-0- -0-	507,507 -0-	-0- 10,300,000
100,862,474	14,581,048	4,379,055	-0-	-0-	150,094,770	67,327,384
-0-	-0-	-0-	-0-	-0-	-0-	91,050
100,864,019	14,581,048	4,413,814	507,507	-0-	150,648,299	77,901,440
(100,862,474)	(5,134,655)	(3,859,056)	(507,507)	-0-	(139,084,882)	(76,921,401)
19,403,000 -0- 7,262,180 (518,371) -0-	2,286,000 -0- 295,377 (278,435) -0-	1,533,078 -0- 500,000 -0- -0-	-0- -0- -0- -0- -0-	-0- -0- -0- (287,783) -0-	73,078,419 -0- 8,923,892 (1,751,068) (36,443,971)	159,911,405 14,836,265 13,262,374 (14,601,034) (50,109,775)
26,146,809	2,302,942	2,033,078	-0-	(287,783)	43,807,272	123,299,235
(74,715,665)	(2,831,713)	(1,825,978)	(507,507)	(287,783)	(95,277,610)	46,377,834
71,247,862	6,028,888	3,646,733	-0-	287,783	120,846,574	74,468,740
\$ (3,467,803)	\$ 3,197,175	\$ 1,820,755	\$ (507,507)	\$ -0-	\$ 25,568,964	\$ 120,846,574

## ENTERPRISE FUNDS

### **Colorado River Commission Power Marketing**

Accounts for the State's share of the cost of uprating the generating facilities at Hoover Dam, which was financed through the sale of bonds. The fund also records purchases and sales of power and other power marketing related activities (NRS 538.211).

### **Colorado River Commission Power Delivery**

Accounts for the construction and operation of certain electric power transmission and distribution facilities to initially serve the planned expansion of the Southern Nevada Water System (NRS 538.211).

**Housing Division** Accounts for the State program to assist private lenders in providing low interest housing loans to low and moderate income households. The program is financed through the sale of bonds (NRS 319.170).

**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).

**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).



# STATE OF NEVADA

## Combining Balance Sheet Enterprise Funds

June 30, 2000 with Comparative Totals for 1999

	Colorado River Commission				
	Power Marketing	Power Delivery	Housing Division	Forestry Nurseries	Prison Industry
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 1,279,170	\$ 255,183	\$ 350,659	\$ 246,501	\$ 2,013,805
Cash in custody of other officials	-0-	-0-	611,363	-0-	-0-
Investments	-0-	-0-	250,627,267	-0-	-0-
Collateral on loaned securities	-0-	-0-	-0-	-0-	489,654
<i>Receivables:</i>					
Accounts receivable	3,710,906	-0-	-0-	17,695	335,531
Accrued interest and dividends	-0-	-0-	9,213,535	-0-	-0-
Intergovernmental receivables	-0-	-0-	37,005	18,643	58,690
Due from other funds	221,630	348,538	-0-	9,242	268,077
Due from component unit	-0-	-0-	-0-	-0-	14,596
Inventory	-0-	-0-	-0-	152,183	1,082,602
<i>Restricted assets:</i>					
Cash	14,864,854	23,027,997	636,476	-0-	-0-
Non-cash	-0-	-0-	91,756,292	-0-	-0-
Mortgage loans receivable	-0-	-0-	940,886,178	-0-	-0-
<i>Deferred charges and other assets:</i>					
Prepaid expenses	5,397,032	-0-	-0-	-0-	4,544
Deferred charges	554,407	-0-	10,521,684	-0-	-0-
Other assets	39,679,047	-0-	3,040,939	-0-	-0-
Land	-0-	-0-	-0-	-0-	20,579
Structures and improvements	-0-	44,760,554	-0-	-0-	2,176,651
Furniture and equipment	-0-	-0-	210,166	71,763	829,727
Accumulated depreciation	-0-	(1,132,133)	(167,244)	(71,763)	(1,921,927)
Construction in progress	-0-	14,322,430	-0-	-0-	-0-
<b>Total assets</b>	<b>\$ 65,707,046</b>	<b>\$ 81,582,569</b>	<b>\$ 1,307,724,320</b>	<b>\$ 444,264</b>	<b>\$ 5,372,529</b>
<b>Liabilities and Fund Equity</b>					
<i>Liabilities:</i>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 1,960,370	\$ -0-	\$ 6,673,793	\$ 15,380	\$ 273,431
Interest payable	-0-	-0-	25,245,049	-0-	-0-
Intergovernmental payables	-0-	-0-	-0-	-0-	-0-
Obligations under securities lending	-0-	-0-	-0-	-0-	489,654
Due to other funds	58,221	146,026	7,983	1,013	146,786
Interfund payables	-0-	-0-	-0-	-0-	10,000
Accrued compensated absences	141,455	-0-	103,839	28,051	102,919
Deferred revenues	-0-	-0-	-0-	-0-	16,789
Bonds payable	55,585,000	74,039,157	1,153,231,499	-0-	-0-
Advances from general fund	-0-	-0-	-0-	-0-	30,000
<i>Other liabilities:</i>					
Payable from restricted assets	963,475	8,507,135	-0-	-0-	-0-
Other liabilities	3,725,812	-0-	-0-	-0-	37,930
<b>Total liabilities</b>	<b>62,434,333</b>	<b>82,692,318</b>	<b>1,185,262,163</b>	<b>44,444</b>	<b>1,107,509</b>
<i>Fund equity (deficit):</i>					
Contributed capital	-0-	-0-	-0-	68,382	2,179,590
<i>Retained earnings (deficit):</i>					
Reserved for operation and maintenance	659,565	-0-	-0-	-0-	-0-
Reserved as security for outstanding obligations	-0-	-0-	119,368,186	-0-	-0-
Unreserved	2,613,148	(1,109,749)	3,093,971	331,438	2,085,430
<b>Total fund equity (deficit)</b>	<b>3,272,713</b>	<b>(1,109,749)</b>	<b>122,462,157</b>	<b>399,820</b>	<b>4,265,020</b>
<b>Total liabilities and fund equity</b>	<b>\$ 65,707,046</b>	<b>\$ 81,582,569</b>	<b>\$ 1,307,724,320</b>	<b>\$ 444,264</b>	<b>\$ 5,372,529</b>

**Exhibit E-1**

Nevada Magazine	Marlette Lake Water System	Total All Funds	
		2000	1999 (Restated)
\$ 62,193	\$ 94,611	\$ 4,302,122	\$ 2,909,594
141	-0-	611,504	1,110,375
-0-	-0-	250,627,267	253,423,417
-0-	-0-	489,654	498,150
137,448	487	4,202,067	2,164,498
-0-	-0-	9,213,535	11,734,154
4,902	4,764	124,004	29,984
172	41,314	888,973	695,837
-0-	4,693	19,289	21,536
26,218	-0-	1,261,003	915,507
-0-	-0-	38,529,327	21,022,697
-0-	-0-	91,756,292	79,395,761
-0-	-0-	940,886,178	805,533,285
70,377	-0-	5,471,953	5,526,499
-0-	-0-	11,076,091	11,054,190
-0-	-0-	42,719,986	41,434,814
-0-	414,672	435,251	446,321
-0-	1,157,745	48,094,950	3,306,678
10,394	1,504,574	2,626,624	2,667,176
(10,394)	(1,996,410)	(5,299,871)	(4,103,136)
-0-	-0-	14,322,430	47,593,871
<u>\$ 301,451</u>	<u>\$ 1,226,450</u>	<u>\$ 1,462,358,629</u>	<u>\$ 1,287,381,208</u>
\$ 36,799	\$ 4,039	\$ 8,963,812	\$ 9,249,613
-0-	-0-	25,245,049	25,307,249
-0-	41,576	41,576	3,288
-0-	-0-	489,654	498,150
1,923	1,387	363,339	353,542
-0-	12,676	22,676	17,310
57,553	15,251	449,068	446,291
501,612	-0-	518,401	477,689
-0-	-0-	1,282,855,656	1,121,512,459
-0-	129,953	159,953	173,974
-0-	-0-	9,470,610	5,973,885
-0-	-0-	3,763,742	3,111,622
<u>597,887</u>	<u>204,882</u>	<u>1,332,343,536</u>	<u>1,167,125,072</u>
66,849	2,885,884	5,200,705	5,200,705
-0-	-0-	659,565	617,183
-0-	-0-	119,368,186	111,302,512
(363,285)	(1,864,316)	4,786,637	3,135,736
(296,436)	1,021,568	130,015,093	120,256,136
<u>\$ 301,451</u>	<u>\$ 1,226,450</u>	<u>\$ 1,462,358,629</u>	<u>\$ 1,287,381,208</u>

# STATE OF NEVADA

## Combining Statement of Revenues, Expenses and Changes in Fund Equity Enterprise Funds

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

	Colorado River Commission				
	Power Marketing	Power Delivery	Housing Division	Forestry Nurseries	Prison Industry
<b>Operating Revenues</b>					
Sales	\$ 29,628,919	\$ -0-	\$ -0-	\$ 301,919	\$ 4,197,226
Charges for services	-0-	895,040	-0-	-0-	477,265
Rental income	-0-	-0-	-0-	-0-	68,869
Interest income on mortgage loans	-0-	-0-	61,044,063	-0-	-0-
Interest and investment income	-0-	-0-	14,926,487	-0-	-0-
Other	-0-	-0-	4,667,554	1,688	171,330
<b>Total operating revenues</b>	<u>29,628,919</u>	<u>895,040</u>	<u>80,638,104</u>	<u>303,607</u>	<u>4,914,690</u>
<b>Operating Expenses</b>					
Salaries and benefits	-0-	-0-	1,519,478	133,676	1,148,662
Operating	28,455,202	-0-	6,092,095	49,315	1,804,483
Interest on bonds payable	-0-	-0-	63,406,166	-0-	-0-
Materials or supplies used	-0-	-0-	-0-	117,637	1,387,283
Servicers' fees	-0-	-0-	1,316,855	-0-	-0-
Depreciation	-0-	1,132,133	60,378	1,968	72,821
Administrative expense	-0-	895,040	-0-	-0-	-0-
<b>Total operating expenses</b>	<u>28,455,202</u>	<u>2,027,173</u>	<u>72,394,972</u>	<u>302,596</u>	<u>4,413,249</u>
Operating income (loss)	<u>1,173,717</u>	<u>(1,132,133)</u>	<u>8,243,132</u>	<u>1,011</u>	<u>501,441</u>
<b>Nonoperating Revenues (Expenses)</b>					
Interest and investment income	993,862	14,310	-0-	-0-	120,124
Interest expense	-0-	-0-	-0-	-0-	(28,106)
Federal grants	-0-	-0-	-0-	20,000	-0-
Other	-0-	-0-	-0-	-0-	-0-
<b>Total nonoperating revenues (expenses)</b>	<u>993,862</u>	<u>14,310</u>	<u>-0-</u>	<u>20,000</u>	<u>92,018</u>
Income (loss) before operating transfers	2,167,579	(1,117,823)	8,243,132	21,011	593,459
<b>Operating Transfers</b>					
Operating transfers in	-0-	-0-	-0-	8,735	-0-
Operating transfers out	-0-	-0-	(86,041)	(1,481)	(1,904)
Net income (loss)	2,167,579	(1,117,823)	8,157,091	28,265	591,555
Fund equity (deficit), July 1	1,105,134	8,074	114,305,066	371,555	3,673,465
<b>Fund equity (deficit), June 30</b>	<u>\$ 3,272,713</u>	<u>\$ (1,109,749)</u>	<u>\$ 122,462,157</u>	<u>\$ 399,820</u>	<u>\$ 4,265,020</u>

**Exhibit E-2**

<b>Nevada Magazine</b>	<b>Marlette Lake Water System</b>	<b>Total All Funds</b>	
		<b>2000</b>	<b>1999 (Restated)</b>
\$ 1,154,494	\$ 305,823	\$ 35,588,381	\$ 31,889,770
584,527	-0-	1,956,832	1,893,928
-0-	-0-	68,869	68,927
-0-	-0-	61,044,063	54,398,389
-0-	-0-	14,926,487	15,457,485
15,163	-0-	4,855,735	3,992,290
<u>1,754,184</u>	<u>305,823</u>	<u>118,440,367</u>	<u>107,700,789</u>
658,211	60,500	3,520,527	3,343,358
467,387	195,996	37,064,478	35,987,100
-0-	-0-	63,406,166	58,154,338
691,371	-0-	2,196,291	2,113,467
-0-	-0-	1,316,855	1,505,472
207	44,353	1,311,860	241,429
-0-	-0-	895,040	827,558
<u>1,817,176</u>	<u>300,849</u>	<u>109,711,217</u>	<u>102,172,722</u>
<u>(62,992)</u>	<u>4,974</u>	<u>8,729,150</u>	<u>5,528,067</u>
-0-	-0-	1,128,296	819,399
-0-	-0-	(28,106)	(26,874)
-0-	-0-	20,000	19,000
-0-	-0-	-0-	(160,839)
<u>-0-</u>	<u>-0-</u>	<u>1,120,190</u>	<u>650,686</u>
(62,992)	4,974	9,849,340	6,178,753
-0-	-0-	8,735	-0-
-0-	(9,692)	(99,118)	(92,367)
<u>(62,992)</u>	<u>(4,718)</u>	<u>9,758,957</u>	<u>6,086,386</u>
<u>(233,444)</u>	<u>1,026,286</u>	<u>120,256,136</u>	<u>114,169,750</u>
<u>\$ (296,436)</u>	<u>\$ 1,021,568</u>	<u>\$ 130,015,093</u>	<u>\$ 120,256,136</u>

# STATE OF NEVADA

## Combining Statement of Cash Flows Enterprise Funds

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

	<b>Colorado River Commission</b>			
	<b>Power Marketing</b>	<b>Power Delivery</b>	<b>Housing Division</b>	<b>Forestry Nurseries</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 27,821,134	\$ 624,057	\$ 1,796,622	\$ 161,971
Cash received from other funds	7,965	38,802	-0-	114,220
Cash received from component unit	-0-	-0-	-0-	-0-
Cash received from mortgage loans	-0-	-0-	103,945,896	-0-
Cash paid to suppliers, other governments and beneficiaries	(21,963,267)	(470,589)	(4,245,672)	(190,690)
Cash paid to employees for services	(994,425)	-0-	(1,197,230)	(125,823)
Cash paid to other funds	-0-	(389,610)	(345,986)	(34,193)
Cash paid to component unit	-0-	-0-	-0-	-0-
Purchase of mortgage loans	-0-	-0-	(178,487,435)	-0-
Net cash provided by (used for) operating activities	4,871,407	(197,340)	(78,533,805)	(74,515)
<b>Cash flows from noncapital financing activities</b>				
Proceeds from sale of bonds	-0-	-0-	243,145,415	-0-
Grants, transfers, advances received	-0-	-0-	2,245,928	28,735
Retirement of bonds and notes	(2,150,000)	-0-	(105,125,000)	-0-
Interest payments on bonds	-0-	-0-	(63,468,366)	-0-
Operating transfers out	-0-	-0-	(86,041)	(1,480)
Payments for prepaid power	(3,642,105)	-0-	-0-	-0-
Other cash used for noncapital financing activities	-0-	-0-	(3,742,753)	-0-
Net cash provided by (used for) noncapital financing activities	(5,792,105)	-0-	72,969,183	27,255
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of bonds and equipment, other financing	783,616	25,730,000	-0-	-0-
Acquisition of property, plant and equipment	-0-	(9,351,649)	(25,862)	-0-
Reduction in advances/capital leases	-0-	0	-0-	-0-
Net cash provided by (used for) capital financing activities	783,616	16,378,351	(25,862)	-0-
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	-0-	-0-	396,957,974	-0-
Purchase of investments	-0-	-0-	(408,119,475)	-0-
Interest/dividends on investments	1,045,128	835,763	16,997,815	-0-
Net cash provided by investing activities	1,045,128	835,763	5,836,314	-0-
Net increase (decrease) in cash	908,046	17,016,774	245,830	(47,260)
Cash and cash equivalents, July 1	15,235,978	6,266,406	1,352,668	293,761
Cash and cash equivalents, June 30	\$ 16,144,024	\$ 23,283,180	\$ 1,598,498	\$ 246,501
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 1,173,717	\$ (1,132,133)	\$ 8,243,132	\$ 1,011
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	-0-	1,132,133	60,378	1,968
Income on investments	-0-	-0-	(14,926,487)	-0-
Interest on bonds payable	-0-	-0-	63,406,166	-0-
Increase in loans receivable and real estate owned	-0-	-0-	(135,352,893)	-0-
Decrease (increase) in accrued receivables	(1,799,820)	34,841	(1,030,583)	(27,416)
Decrease (increase) in inventory, deferred charges and other assets	-0-	-0-	-0-	(56,080)
Increase (decrease) in accounts payable, accruals, other liabilities	125,186	(232,181)	(376,170)	3,084
Prepayments for power	5,464,871	-0-	-0-	-0-
Other adjustments	(92,547)	-0-	1,442,652	2,918
Total adjustments	3,697,690	934,793	(86,776,937)	(75,526)
Net cash provided by (used for) operating activities	\$ 4,871,407	\$ (197,340)	\$ (78,533,805)	\$ (74,515)
<b>Noncash investing, capital and financing activities</b>				
Change in fair value of investments	\$ -0-	\$ -0-	\$ (308,072)	\$ -0-
Adjustment to fixed assets	-0-	-0-	-0-	(27,676)

**Exhibit E-3**

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total All Funds	
			2000	1999 (Restated)
\$ 140,231	\$ 1,168,739	\$ 7,369	\$ 31,720,123	\$ 32,717,850
4,540,654	626,751	269,321	5,597,713	2,877,921
-0-	-0-	21,778	21,778	63,186
-0-	-0-	-0-	103,945,896	163,008,231
(2,156,558)	(1,035,278)	(187,882)	(30,249,936)	(26,750,602)
(1,119,390)	(634,749)	(71,220)	(4,142,837)	(3,031,815)
(1,092,743)	(165,025)	(10,415)	(2,037,972)	(1,622,319)
-0-	(80)	(1,425)	(1,505)	(224)
-0-	-0-	-0-	(178,487,435)	(203,087,127)
312,194	(39,642)	27,526	(73,634,175)	(35,824,899)
-0-	-0-	-0-	243,145,415	180,103,000
-0-	-0-	-0-	2,274,663	3,284,160
-0-	-0-	-0-	(107,275,000)	(81,975,000)
-0-	-0-	-0-	(63,468,366)	(57,909,079)
(1,904)	-0-	(9,692)	(99,117)	(89,935)
-0-	-0-	-0-	(3,642,105)	(3,767,505)
-0-	-0-	-0-	(3,742,753)	(4,722,613)
(1,904)	-0-	(9,692)	67,192,737	34,923,028
-0-	-0-	-0-	26,513,616	686,989
(88,858)	-0-	-0-	(9,466,369)	(10,347,371)
(5,000)	-0-	(3,655)	(8,655)	(132,330)
(93,858)	-0-	(3,655)	17,038,592	(9,792,712)
-0-	-0-	-0-	396,957,974	304,982,813
-0-	-0-	-0-	(408,119,475)	(320,025,667)
85,928	-0-	-0-	18,964,634	17,983,506
85,928	-0-	-0-	7,803,133	2,940,652
302,360	(39,642)	14,179	18,400,287	(7,753,931)
1,711,445	101,976	80,432	25,042,666	32,796,597
\$ 2,013,805	\$ 62,334	\$ 94,611	\$ 43,442,953	\$ 25,042,666
\$ 501,441	\$ (62,992)	\$ 4,974	\$ 8,729,150	\$ 5,528,067
72,821	207	44,353	1,311,860	241,429
-0-	-0-	-0-	(14,926,487)	(15,457,485)
-0-	-0-	-0-	63,406,166	58,154,338
-0-	-0-	-0-	(135,352,893)	(91,043,419)
(224,228)	(8,982)	(7,356)	(3,063,544)	(2,237,644)
(289,232)	(12,615)	-0-	(357,927)	172,742
212,458	43,113	5,538	(218,972)	1,568,019
-0-	-0-	-0-	5,464,871	5,950,058
38,934	1,627	(19,983)	1,373,601	1,298,996
(189,247)	23,350	22,552	(82,363,325)	(41,352,966)
\$ 312,194	\$ (39,642)	\$ 27,526	\$ (73,634,175)	\$ (35,824,899)
\$ (8,515)	\$ -0-	\$ -0-	\$ (316,587)	\$ 1,338,792
(158,857)	(19,466)	77,634	(128,365)	-0-



## 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).

# STATE OF NEVADA

## Combining Balance Sheet Internal Service Funds

June 30, 2000 with Comparative Totals for 1999

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications	Insurance Premiums
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 12,043,506	\$ 1,680,920	\$ 869,366	\$ 10,809	\$ 7,767,934
Cash in custody of other officials	-0-	-0-	-0-	-0-	-0-
Collateral on loaned securities	2,947,218	-0-	-0-	-0-	-0-
<i>Receivables:</i>					
Accounts receivable	70,000	6,008	5,806	44	-0-
Intergovernmental receivables	47,019	-0-	1,995	3,179	-0-
Notes receivable	-0-	-0-	-0-	-0-	175,600
Due from other funds	172,040	222,294	401,493	574,558	182,510
Due from component unit	495,167	-0-	11,735	1,467	-0-
Inventory	-0-	-0-	-0-	-0-	-0-
Prepaid expenses	-0-	632	2,326	195	2,250,000
Land	-0-	20,400	-0-	-0-	-0-
Buildings	-0-	2,408,791	1,047,746	-0-	-0-
Improvements other than buildings	-0-	411,061	13,650	422,451	-0-
Furniture and equipment	933,422	592,739	10,320,259	740,630	27,751
Accumulated depreciation	(883,916)	(1,589,072)	(7,052,439)	(288,460)	(27,751)
Construction in progress	-0-	-0-	-0-	-0-	-0-
<b>Total assets</b>	<b>\$ 15,824,456</b>	<b>\$ 3,753,773</b>	<b>\$ 5,621,937</b>	<b>\$ 1,464,873</b>	<b>\$ 10,376,044</b>
<b>Liabilities and Fund Equity</b>					
<i>Liabilities:</i>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 12,431,394	\$ 527,208	\$ 90,384	\$ 9,367	\$ 16,992,661
Accrued payroll and related liabilities	78,921	156,866	27,163	31,997	22,851
Current portion, long-term obligations	-0-	-0-	-0-	54,877	-0-
Intergovernmental payables	-0-	842	-0-	-0-	-0-
Bank overdraft	577,333	-0-	-0-	-0-	-0-
Obligations under securities lending	2,947,218	-0-	-0-	-0-	-0-
Due to other funds	427,378	39,673	51,387	22,072	34,781
Due to component unit	-0-	-0-	-0-	-0-	4,985
Interfund payables	-0-	194,841	104,610	42,244	-0-
Accrued compensated absences	78,204	364,027	58,801	58,701	24,409
<i>Advances:</i>					
Advances from general fund	-0-	1,265,560	400,252	337,963	-0-
Advances from special revenue fund	-0-	-0-	19,919	-0-	-0-
Reserve for losses	-0-	-0-	-0-	-0-	5,384,831
Obligations under capital leases	-0-	-0-	-0-	167,651	-0-
<b>Total liabilities</b>	<b>16,540,448</b>	<b>2,549,017</b>	<b>752,516</b>	<b>724,872</b>	<b>22,464,518</b>
<i>Fund equity (deficit):</i>					
Contributed capital	12,681	398,651	2,325,163	23,875	628,108
Retained earnings (deficit)	(728,673)	806,105	2,544,258	716,126	(12,716,582)
<b>Total fund equity (deficit)</b>	<b>(715,992)</b>	<b>1,204,756</b>	<b>4,869,421</b>	<b>740,001</b>	<b>(12,088,474)</b>
<b>Total liabilities and fund equity</b>	<b>\$ 15,824,456</b>	<b>\$ 3,753,773</b>	<b>\$ 5,621,937</b>	<b>\$ 1,464,873</b>	<b>\$ 10,376,044</b>

**Exhibit F-1**

Administrative Services	Personnel	Purchasing	Information Services	Printing	Total All Funds	
					2000	1999
\$ 114,524	\$ 2,307,316	\$ 835,638	\$ 3,646,337	\$ 705,350	\$ 29,981,700	\$ 25,499,818
100	-0-	-0-	200	75	375	375
-0-	-0-	-0-	-0-	-0-	2,947,218	2,506,235
-0-	577	12,172	-0-	33,587	128,194	584,686
-0-	-0-	908,760	29,413	3,750	994,116	1,553,617
-0-	-0-	-0-	-0-	-0-	175,600	181,800
68,152	8,636	622,175	10,923,079	391,215	13,566,152	19,927,073
-0-	-0-	21,675	-0-	-0-	530,044	322,799
-0-	-0-	331,997	23,096	378,862	733,955	1,121,731
-0-	-0-	-0-	10	10,625	2,263,788	-0-
-0-	-0-	95,554	15,000	-0-	130,954	130,954
-0-	-0-	140,000	1,683,675	595,664	5,875,876	5,758,225
-0-	-0-	-0-	-0-	-0-	847,162	847,162
50,117	501,073	500,895	32,983,476	2,843,387	49,493,749	43,074,336
(21,546)	(422,120)	(549,397)	(23,093,735)	(2,450,404)	(36,378,840)	(30,698,915)
-0-	-0-	-0-	-0-	-0-	-0-	196,744
<u>\$ 211,347</u>	<u>\$ 2,395,482</u>	<u>\$ 2,919,469</u>	<u>\$ 26,210,551</u>	<u>\$ 2,512,111</u>	<u>\$ 71,290,043</u>	<u>\$ 71,006,640</u>
\$ 3,835	\$ 156,767	\$ 887,527	\$ 3,695,550	\$ 149,275	\$ 34,943,968	\$ 36,321,764
19,952	198,706	52,930	544,583	66,136	1,200,105	818,813
-0-	-0-	-0-	2,503,020	-0-	2,557,897	1,252,536
-0-	-0-	-0-	284	-0-	1,126	11,125
-0-	-0-	-0-	-0-	-0-	577,333	1,211,785
-0-	-0-	-0-	-0-	-0-	2,947,218	2,506,235
38,323	908,712	279,601	115,080	157,898	2,074,905	3,922,516
-0-	-0-	-0-	-0-	-0-	4,985	28,697
-0-	-0-	27,256	541,480	113,601	1,024,032	637,761
44,592	358,069	106,168	826,116	42,195	1,961,282	2,262,596
-0-	-0-	281,894	2,391,246	460,439	5,137,354	5,625,495
-0-	-0-	-0-	-0-	-0-	19,919	22,131
-0-	-0-	-0-	-0-	-0-	5,384,831	3,500,837
-0-	-0-	-0-	1,001,810	-0-	1,169,461	1,719,524
<u>106,702</u>	<u>1,622,254</u>	<u>1,635,376</u>	<u>11,619,169</u>	<u>989,544</u>	<u>59,004,416</u>	<u>59,841,815</u>
-0-	-0-	1,128,661	4,039,435	599,461	9,156,035	9,156,036
104,645	773,228	155,432	10,551,947	923,106	3,129,592	2,008,789
<u>104,645</u>	<u>773,228</u>	<u>1,284,093</u>	<u>14,591,382</u>	<u>1,522,567</u>	<u>12,285,627</u>	<u>11,164,825</u>
<u>\$ 211,347</u>	<u>\$ 2,395,482</u>	<u>\$ 2,919,469</u>	<u>\$ 26,210,551</u>	<u>\$ 2,512,111</u>	<u>\$ 71,290,043</u>	<u>\$ 71,006,640</u>

# STATE OF NEVADA

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

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications	Insurance Premiums
<b>Operating Revenues</b>					
Net premium income	\$ 120,962,189	\$ -0-	\$ -0-	\$ -0-	\$ 14,532,248
Sales	-0-	-0-	16,687	-0-	-0-
Charges for services	-0-	795,713	-0-	5,584,153	-0-
Rental income	-0-	9,652,916	3,082,546	-0-	-0-
Other	267,720	19,683	143,186	-0-	190,143
<b>Total operating revenues</b>	<b>121,229,909</b>	<b>10,468,312</b>	<b>3,242,419</b>	<b>5,584,153</b>	<b>14,722,391</b>
<b>Operating Expenses</b>					
Salaries and benefits	967,813	3,861,683	587,420	738,688	448,470
Operating	593,361	6,697,227	1,057,111	4,535,728	496,566
Claims expense	76,731,784	-0-	-0-	-0-	5,031,624
Materials or supplies used	-0-	-0-	383,451	-0-	-0-
Depreciation	25,130	152,990	1,299,165	81,565	5,609
Insurance premiums	43,027,587	-0-	-0-	-0-	10,832,480
<b>Total operating expenses</b>	<b>121,345,675</b>	<b>10,711,900</b>	<b>3,327,147</b>	<b>5,355,981</b>	<b>16,814,749</b>
Operating income (loss)	(115,766)	(243,588)	(84,728)	228,172	(2,092,358)
<b>Nonoperating Revenues (Expenses)</b>					
Interest and investment income	601,056	-0-	-0-	-0-	-0-
Interest expense	(143,494)	-0-	-0-	(29,347)	-0-
Gain (loss) on disposal of assets	-0-	-0-	5,339	(4,166)	-0-
<b>Total nonoperating revenues (expenses)</b>	<b>457,562</b>	<b>-0-</b>	<b>5,339</b>	<b>(33,513)</b>	<b>-0-</b>
Income (loss) before operating transfers	341,796	(243,588)	(79,389)	194,659	(2,092,358)
<b>Operating Transfers</b>					
Operating transfers in	9,803	99,776	15,086	-0-	-0-
Operating transfers out	(27,506)	(77,889)	(63,519)	(60,272)	(9,531)
Net income (loss)	324,093	(221,701)	(127,822)	134,387	(2,101,889)
Fund equity (deficit), July 1	(1,040,085)	1,426,457	4,997,243	605,614	(9,986,585)
Prior period adjustment	-0-	-0-	-0-	-0-	-0-
Fund equity (deficit), July 1, as restated	(1,040,085)	1,426,457	4,997,243	605,614	(9,986,585)
Contributed capital	-0-	-0-	-0-	-0-	-0-
<b>Fund equity (deficit), June 30</b>	<b>\$ (715,992)</b>	<b>\$ 1,204,756</b>	<b>\$ 4,869,421</b>	<b>\$ 740,001</b>	<b>\$ (12,088,474)</b>

**Exhibit F-2**

Administrative Services	Personnel	Purchasing	Information Services	Printing	Total All Funds	
					2000	1999
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 135,494,437	\$ 137,930,710
-0-	1,568	826,609	4,217	4,389,958	5,239,039	5,499,326
779,534	7,092,506	1,573,320	39,468,173	-0-	55,293,399	51,502,109
-0-	-0-	2,215	295,625	-0-	13,033,302	12,463,831
-0-	22,051	174,467	405	110	817,765	1,159,577
779,534	7,116,125	2,576,611	39,768,420	4,390,068	209,877,942	208,555,553
509,367	3,964,795	1,223,498	11,173,625	1,601,523	25,076,882	24,241,481
99,137	2,506,154	511,626	21,993,686	961,169	39,451,765	40,988,873
-0-	-0-	-0-	-0-	-0-	81,763,408	87,749,261
-0-	-0-	1,153,186	-0-	1,160,412	2,697,049	2,256,749
19,245	67,895	46,047	2,586,237	258,991	4,542,874	4,098,561
-0-	-0-	-0-	-0-	-0-	53,860,067	50,057,867
627,749	6,538,844	2,934,357	35,753,548	3,982,095	207,392,045	209,392,792
151,785	577,281	(357,746)	4,014,872	407,973	2,485,897	(837,239)
-0-	-0-	-0-	-0-	-0-	601,056	323,504
-0-	(11)	(13,025)	(167,709)	(24,300)	(377,886)	(290,892)
45	-0-	-0-	(9,850)	(20,835)	(29,467)	(2,322)
45	(11)	(13,025)	(177,559)	(45,135)	193,703	30,290
151,830	577,270	(370,771)	3,837,313	362,838	2,679,600	(806,949)
-0-	-0-	-0-	-0-	-0-	124,665	1,630,791
(149,914)	(517,993)	(349,601)	(219,731)	(207,507)	(1,683,463)	(1,507,577)
1,916	59,277	(720,372)	3,617,582	155,331	1,120,802	(683,735)
102,729	713,951	2,004,465	10,973,800	1,367,236	11,164,825	5,305,988
-0-	-0-	-0-	-0-	-0-	-0-	3,074,158
102,729	713,951	2,004,465	10,973,800	1,367,236	11,164,825	8,380,146
-0-	-0-	-0-	-0-	-0-	-0-	3,468,414
\$ 104,645	\$ 773,228	\$ 1,284,093	\$ 14,591,382	\$ 1,522,567	\$ 12,285,627	\$ 11,164,825

# STATE OF NEVADA

## Combining Statement of Cash Flows Internal Service Funds

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications	Insurance Premiums
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 9,823,955	\$ 382,633	\$ 335,820	\$ 594,190	\$ 2,551,454
Cash received from other funds	83,464,197	9,862,233	2,859,509	4,937,828	12,505,275
Cash received from component unit	30,077,397	391,076	7,529	6,121	-0-
Cash paid to suppliers and other governments	(114,259,677)	(6,257,056)	(368,041)	(4,385,291)	(16,337,033)
Cash paid to employees for services	(880,380)	(3,790,127)	(572,331)	(705,584)	(426,504)
Cash paid to other funds	(4,403,375)	(548,989)	(405,974)	(249,511)	(167,772)
Cash paid to component unit	-0-	(644)	-0-	(102)	(286,805)
Net cash provided by (used for) operating activities	3,822,117	39,126	1,856,512	197,651	(2,161,385)
<b>Cash flows from noncapital financing activities</b>					
Grants, transfers, advances received	9,803	99,776	15,086	-0-	-0-
Operating/equity transfers out	(27,506)	(77,889)	(63,519)	(80,413)	(9,531)
Net cash provided by (used for) noncapital financing activities	(17,703)	21,887	(48,433)	(80,413)	(9,531)
<b>Cash flows from capital and related financing activities</b>					
Grants, transfers, advances received	-0-	-0-	-0-	-0-	-0-
Acquisition of property, plant and equipment	-0-	(22,956)	(1,878,582)	(18,635)	-0-
Interest paid on obligations	-0-	-0-	-0-	(29,347)	-0-
Reduction in advances/capital leases	-0-	-0-	-0-	(85,915)	-0-
Proceeds from sale of assets	-0-	-0-	28,507	-0-	-0-
Construction	-0-	-0-	-0-	-0-	-0-
Contributed capital	-0-	-0-	-0-	-0-	-0-
Net cash used for capital financing activities	-0-	(22,956)	(1,850,075)	(133,897)	-0-
<b>Cash flows from investing activities</b>					
Interest/dividends on investments	254,487	-0-	-0-	-0-	-0-
Net cash provided by investing activities	254,487	-0-	-0-	-0-	-0-
Net increase (decrease) in cash	4,058,901	38,057	(41,996)	(16,659)	(2,170,916)
Cash and cash equivalents, July 1	7,984,605	1,642,863	911,362	27,468	9,938,850
Cash and cash equivalents, June 30	\$ 12,043,506	\$ 1,680,920	\$ 869,366	\$ 10,809	\$ 7,767,934
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>					
Operating income (loss)	\$ (115,766)	\$ (243,588)	\$ (84,728)	\$ 228,172	\$ (2,092,358)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>					
Depreciation	25,130	152,990	1,299,165	81,565	5,609
Prior period adjustment	-0-	-0-	-0-	-0-	-0-
Decrease (increase) in receivables	2,135,642	167,629	(39,560)	(46,014)	334,338
Decrease (increase) in inventory and prepaid expenses	-0-	(632)	(2,326)	(195)	(2,250,000)
Increase (decrease) in accounts payable, accruals and other liabilities	1,656,564	(48,831)	673,059	(60,339)	1,830,413
Other adjustments	120,547	11,558	10,902	(5,538)	10,613
Total adjustments	3,937,883	282,714	1,941,240	(30,521)	(69,027)
Net cash provided by (used for) operating activities	\$ 3,822,117	\$ 39,126	\$ 1,856,512	\$ 197,651	\$ (2,161,385)
<b>Noncash investing, capital and financing activities</b>					
Property leased, accrued or acquired	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Loss (gain) on disposal of assets	-0-	-0-	(5,339)	4,166	-0-
Adjustment to fixed assets	(124,418)	(27,551)	(54,525)	(6,516)	(42,668)
Construction completed or in progress	-0-	-0-	-0-	-0-	-0-
Interest/dividends on investments accrued	156,208	-0-	-0-	-0-	-0-
Change in fair value of investments	(60,401)	-0-	-0-	-0-	-0-
Equipment acquired through contributed capital	-0-	-0-	-0-	-0-	-0-



**Exhibit F-3**

Administrative Services	Personnel	Purchasing	Information Services	Printing	Total All Funds	
					2000	1999
\$ 53,677	\$ 378,849	\$ 9,711,121	\$ 11,982,279	\$ 514,457	\$ 36,328,435	\$ 15,130,334
737,225	6,138,714	4,583,217	28,587,945	3,877,183	157,553,326	222,248,726
-0-	594,248	411,429	8,849	836	31,497,485	26,100,746
(18,499)	(1,252,008)	(13,491,400)	(23,628,039)	(1,934,287)	(181,931,331)	(226,830,646)
(516,804)	(3,814,332)	(1,192,637)	(10,680,769)	(1,719,031)	(24,298,499)	(23,901,168)
(70,401)	(1,403,368)	(269,910)	(628,499)	(408,299)	(8,556,098)	(8,752,979)
-0-	-0-	-0-	(165)	-0-	(287,716)	(204,698)
185,198	642,103	(248,180)	5,641,601	330,859	10,305,602	3,790,315
-0-	-0-	-0-	-0-	-0-	124,665	1,250,683
(149,914)	(51,326)	(312,060)	(219,731)	(124,462)	(1,116,351)	(1,328,372)
(149,914)	(51,326)	(312,060)	(219,731)	(124,462)	(991,686)	(77,689)
-0-	-0-	-0-	-0-	-0-	-0-	140,838
(5,693)	(22,301)	(16,581)	(661,910)	(158,985)	(2,785,643)	(1,073,653)
-0-	(11)	(13,025)	(167,709)	-0-	(210,092)	(208,185)
-0-	-0-	-0-	(2,033,428)	-0-	(2,119,343)	(2,378,244)
50	-0-	-0-	-0-	-0-	28,557	18,613
-0-	-0-	-0-	-0-	-0-	-0-	(140,838)
-0-	-0-	-0-	-0-	-0-	-0-	(295,868)
(5,643)	(22,312)	(29,606)	(2,863,047)	(158,985)	(5,086,521)	(3,937,337)
-0-	-0-	-0-	-0-	-0-	254,487	270,541
-0-	-0-	-0-	-0-	-0-	254,487	270,541
29,641	568,465	(589,846)	2,558,823	47,412	4,481,882	45,830
84,983	1,738,851	1,425,484	1,087,714	658,013	25,500,193	25,454,363
\$ 114,624	\$ 2,307,316	\$ 835,638	\$ 3,646,537	\$ 705,425	\$ 29,982,075	\$ 25,500,193
\$ 151,785	\$ 577,281	\$ (357,746)	\$ 4,014,872	\$ 407,973	\$ 2,485,897	\$ (837,239)
19,245	67,895	46,047	2,586,237	258,991	4,542,874	4,098,561
-0-	-0-	-0-	-0-	-0-	-0-	3,074,158
11,368	(4,314)	3,064,177	810,653	2,408	6,436,327	(1,261,468)
-0-	-0-	458,295	(10)	(81,144)	(1,876,012)	(435,531)
(11,808)	(34,633)	(3,471,163)	(2,080,392)	(182,799)	(1,729,929)	(835,934)
14,608	35,874	12,210	310,241	(74,570)	446,445	(12,232)
33,413	64,822	109,566	1,626,729	(77,114)	7,819,705	4,627,554
\$ 185,198	\$ 642,103	\$ (248,180)	\$ 5,641,601	\$ 330,859	\$ 10,305,602	\$ 3,790,315
\$ -0-	\$ -0-	\$ -0-	\$ 2,843,242	\$ -0-	\$ 2,843,242	\$ 6,126,269
-0-	-0-	-0-	9,850	20,835	29,512	10,006
(72,049)	(273,845)	(76,032)	1,939,280	(86,939)	1,174,737	-0-
-0-	-0-	-0-	196,744	-0-	196,744	-0-
-0-	-0-	-0-	-0-	-0-	156,208	61,984
-0-	-0-	-0-	-0-	-0-	(60,401)	(46,586)
-0-	-0-	-0-	-0-	-0-	-0-	3,764,282

## TRUST AND AGENCY FUNDS

### Expendable Trust

**Unemployment Compensation** Accounts for the payment of unemployment compensation benefits (NRS 612.585).

**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).

**Museums and History** Accounts for private funding such as donations, gifts, and grants used to purchase items of historical interest according to the restrictions specified by the donors (NRS 381.0031).

**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).

**Custodial** Accounts for estates escheated to the State in absence of legal heirs and used for educational purposes (NRS 154.140); administration of abandoned property (NRS 120A.370); survivor benefits held in trust for children receiving welfare services (NRS 432.037); personal property held in trust for prisoners pending their release (NRS 209.241); revenue collected to benefit destitute offenders (NRS 209.383); and the residual activity of emergency distribution of SCCRT (Supplemental City-County Relief Tax) originally authorized by NRS 354.5988.

### Nonexpendable Trust

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

**Permanent School** 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).

### Investment Trust

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

### Pension 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).

### Agency

**Intergovernmental** Accounts for taxes and fees, such as sales and use, cigarette and jet fuel taxes, 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 and other funds (NRS 482.180).

**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).

# STATE OF NEVADA

## Combining Balance Sheet Trust and Agency Funds

June 30, 2000 with Comparative Totals for 1999

	Expendable Trust Funds				
	Unemployment Compensation	Higher Education Tuition Trust	Museums and History	Gift Funds	Custodial Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -0-	\$ 1,047,102	\$ -0-	\$ 2,158,688	\$ 13,219,284
Cash in custody of other officials	487,758,310	-0-	316,123	162	1,438,914
Investments	-0-	15,538,330	1,711,297	502,800	1,926,065
Collateral on loaned securities	-0-	-0-	-0-	517,999	1,131,548
<i>Receivables:</i>					
Accounts receivable	60,267,625	35,634	17,277	546	94,604
Taxes receivable	-0-	-0-	-0-	-0-	-0-
Accrued interest and dividends	-0-	-0-	-0-	-0-	-0-
Trades pending settlement	-0-	-0-	-0-	-0-	-0-
Intergovernmental receivables	-0-	-0-	-0-	12,648	12,500
Notes receivable	-0-	-0-	-0-	-0-	-0-
Other receivables	-0-	-0-	-0-	3,975	-0-
Due from other funds	-0-	227,875	-0-	77,469	320,676
Inventory	-0-	-0-	237,364	-0-	-0-
Other assets	-0-	-0-	-0-	-0-	-0-
Land	-0-	-0-	-0-	-0-	-0-
Furniture and equipment	-0-	-0-	-0-	-0-	-0-
Accumulated depreciation	-0-	-0-	-0-	-0-	-0-
<b>Total assets</b>	<b>\$ 548,025,935</b>	<b>\$ 16,848,941</b>	<b>\$ 2,282,061</b>	<b>\$ 3,274,287</b>	<b>\$ 18,143,591</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 7,636,253	\$ 16,870	\$ 64,638	\$ 21,108	\$ 568,523
Accrued payroll and related liabilities	-0-	8,885	68,710	2,425	50,235
Intergovernmental payables	-0-	-0-	-0-	-0-	440,194
Trades pending settlement	-0-	-0-	-0-	-0-	-0-
Obligations under securities lending	-0-	-0-	-0-	517,999	1,131,548
Due to other funds	-0-	583,482	360	45,485	8,673,525
Due to component unit	-0-	-0-	-0-	-0-	285
Deferred revenues	-0-	-0-	226,777	-0-	-0-
Notes payable	-0-	-0-	-0-	-0-	-0-
<i>Other liabilities:</i>					
Deposits	-0-	-0-	-0-	-0-	-0-
Other liabilities	-0-	-0-	-0-	-0-	6,643,008
<b>Total liabilities</b>	<b>7,636,253</b>	<b>609,237</b>	<b>360,485</b>	<b>587,017</b>	<b>17,507,318</b>
<b>Fund balances:</b>					
<i>Reserved:</i>					
Encumbrances and contracts	-0-	-0-	2,244	-0-	-0-
Inventory	-0-	-0-	237,364	-0-	-0-
<i>Other:</i>					
Employees' pension benefits	-0-	-0-	-0-	-0-	-0-
Pool/plan participants	-0-	16,239,704	-0-	-0-	-0-
Principal of non-expendable trust funds	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	12,500
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	-0-	-0-	-0-	900,000	-0-
Museum projects	-0-	-0-	187,873	-0-	-0-
Undesignated	540,389,682	-0-	1,494,095	1,787,270	623,773
<b>Total fund balances</b>	<b>540,389,682</b>	<b>16,239,704</b>	<b>1,921,576</b>	<b>2,687,270</b>	<b>636,273</b>
<b>Total liabilities and fund balances</b>	<b>\$ 548,025,935</b>	<b>\$ 16,848,941</b>	<b>\$ 2,282,061</b>	<b>\$ 3,274,287</b>	<b>\$ 18,143,591</b>

**Exhibit G-1**

Page 1 of 2

Nonexpendable Trust Funds		Investment Trust Fund	Pension Trust Funds		Agency Funds	
Henry Wood Christmas	Permanent School	Local Gov't Investment Pool	Public Employees' Retirement	Legislators' Retirement	Inter-governmental	State Agency Fund for Bonds
\$ 51,180	\$ 10,429,236	\$ 299,238	\$ -0-	\$ -0-	\$ 30,227,340	\$ 22,889,300
-0-	6,932,485	-0-	1,021,323,200	92,593	-0-	46,399,140
-0-	62,445,302	404,182,173	13,322,228,196	4,069,724	-0-	76,565,086
-0-	2,595,887	-0-	1,805,815,947	-0-	426,328	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	5,633,222	-0-
-0-	659,266	3,241,814	76,835,740	35,163	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	568,104	-0-	34,661,756	-0-	6,119,865	-0-
-0-	120	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	255	-0-	-0-
-0-	648,662	-0-	7,826,720	-0-	271,665,095	1,343,660
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	1,439,103	-0-	-0-	-0-
-0-	2,977	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	15,717,613	-0-	-0-	-0-
-0-	-0-	-0-	(3,902,802)	-0-	-0-	-0-
<u>\$ 51,180</u>	<u>\$ 84,282,039</u>	<u>\$ 407,723,225</u>	<u>\$ 16,281,945,473</u>	<u>\$ 4,197,735</u>	<u>\$ 314,071,850</u>	<u>\$ 147,197,186</u>
\$ -0-	\$ -0-	\$ -0-	\$ 13,154,050	\$ 4,245	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	2,209,239	-0-	-0-	290,955,325	-0-
-0-	-0-	-0-	1,091,738,092	15,662	-0-	-0-
-0-	2,595,887	-0-	1,805,815,947	-0-	426,328	-0-
-0-	2,885,314	307,997	52,900	-0-	22,690,197	61,808
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	147,109,193
-0-	-0-	-0-	3,917,595	39,683	-0-	26,185
-0-	5,481,201	2,517,236	2,914,678,584	59,590	314,071,850	147,197,186
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	13,367,266,889	4,138,145	-0-	-0-
-0-	-0-	405,205,989	-0-	-0-	-0-	-0-
30,000	78,800,838	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
21,180	-0-	-0-	-0-	-0-	-0-	-0-
51,180	78,800,838	405,205,989	13,367,266,889	4,138,145	-0-	-0-
<u>\$ 51,180</u>	<u>\$ 84,282,039</u>	<u>\$ 407,723,225</u>	<u>\$ 16,281,945,473</u>	<u>\$ 4,197,735</u>	<u>\$ 314,071,850</u>	<u>\$ 147,197,186</u>

# STATE OF NEVADA

## Combining Balance Sheet Trust and Agency Funds

**Exhibit G-1**

June 30, 2000 with Comparative Totals for 1999

Page 2 of 2

	Agency Funds				Total all Funds	
	Motor Vehicle	Restitution Trust	Veterans Custodial	State Payroll	2000	1999
<b>Assets</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 35,490,819	\$ 2,020,010	\$ 1,943,686	\$ 7,447,734	\$ 127,223,617	\$ 129,012,204
Cash in custody of other officials	2,302,090	-0-	-0-	-0-	1,566,563,017	1,114,203,734
Investments	-0-	-0-	-0-	-0-	13,889,168,973	12,653,928,073
Collateral on loaned securities	8,316,264	-0-	479,460	-0-	1,819,283,433	1,655,684,783
<i>Receivables:</i>						
Accounts receivable	-0-	-0-	-0-	-0-	60,415,686	59,504,390
Taxes receivable	-0-	-0-	-0-	-0-	5,633,222	6,623,023
Accrued interest and dividends	-0-	-0-	-0-	-0-	80,771,983	66,442,644
Trades pending settlement	-0-	-0-	-0-	-0-	-0-	7,976
Intergovernmental receivables	-0-	-0-	-0-	-0-	41,374,873	37,808,538
Notes receivable	-0-	-0-	-0-	-0-	120	120
Other receivables	11,768,250	-0-	-0-	54,076	11,826,556	20,106,003
Due from other funds	2,122,109	7,653	29,343	479,219	284,748,481	271,477,369
Inventory	-0-	-0-	-0-	-0-	237,364	264,726
Other assets	-0-	-0-	-0-	-0-	1,439,103	861,738
Land	-0-	-0-	-0-	-0-	2,977	2,977
Furniture and equipment	-0-	-0-	-0-	-0-	15,717,613	10,989,503
Accumulated depreciation	-0-	-0-	-0-	-0-	(3,902,802)	(1,790,684)
<b>Total assets</b>	<b>\$ 59,999,532</b>	<b>\$ 2,027,663</b>	<b>\$ 2,452,489</b>	<b>\$ 7,981,029</b>	<b>\$ 17,900,504,216</b>	<b>\$ 16,025,127,117</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ 17	\$ 21,465,704	\$ 18,006,044
Accrued payroll and related liabilities	-0-	-0-	-0-	51,677	181,932	384,870
Intergovernmental payables	11,366,476	-0-	-0-	-0-	304,971,234	307,138,466
Trades pending settlement	-0-	-0-	-0-	-0-	1,091,753,754	613,281,454
Obligations under securities lending	8,316,264	-0-	479,460	-0-	1,819,283,433	1,655,684,783
Due to other funds	37,061,729	7,860	-0-	7,841,758	80,212,415	73,531,623
Due to component unit	-0-	-0-	-0-	-0-	285	225
Deferred revenues	-0-	-0-	-0-	-0-	226,777	155,541
Notes payable	-0-	-0-	-0-	-0-	-0-	9,189,163
<i>Other liabilities:</i>						
Deposits	3,255,063	-0-	-0-	-0-	150,364,256	139,948,917
Other liabilities	-0-	2,019,803	1,973,029	87,577	14,706,880	12,611,977
<b>Total liabilities</b>	<b>59,999,532</b>	<b>2,027,663</b>	<b>2,452,489</b>	<b>7,981,029</b>	<b>3,483,166,670</b>	<b>2,829,933,063</b>
<b>Fund balances:</b>						
<i>Reserved:</i>						
Encumbrances and contracts	-0-	-0-	-0-	-0-	2,244	4,498
Inventory	-0-	-0-	-0-	-0-	237,364	264,726
<i>Other:</i>						
Employees' pension benefits	-0-	-0-	-0-	-0-	13,371,405,034	12,235,635,851
Pool/plan participants	-0-	-0-	-0-	-0-	421,445,693	377,876,797
Principal of non-expendable trust fun	-0-	-0-	-0-	-0-	78,830,838	70,236,232
Other	-0-	-0-	-0-	-0-	12,500	125,406
<i>Unreserved:</i>						
<i>Designated:</i>						
Principal preservation	-0-	-0-	-0-	-0-	900,000	900,000
Museum projects	-0-	-0-	-0-	-0-	187,873	170,281
Undesignated	-0-	-0-	-0-	-0-	544,316,000	509,980,263
<b>Total fund balances</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>14,417,337,546</b>	<b>13,195,194,054</b>
<b>Total liabilities and fund balances</b>	<b>\$ 59,999,532</b>	<b>\$ 2,027,663</b>	<b>\$ 2,452,489</b>	<b>\$ 7,981,029</b>	<b>\$ 17,900,504,216</b>	<b>\$ 16,025,127,117</b>

# STATE OF NEVADA

## Combining Statement of Plan Net Assets Pension Trust Funds

June 30, 2000 with Comparative Totals for 1999

Exhibit G-2

			Total Both Funds	
	Public Employees' Retirement	Legislators' Retirement	2000	1999
<b>Assets</b>				
Cash and cash equivalents	\$ 1,021,323,200	\$ 92,593	\$ 1,021,415,793	\$ 602,248,802
<i>Investments:</i>				
Fixed income securities	5,212,778,094	2,431,186	5,215,209,280	4,423,279,636
Marketable equity securities	4,018,446,636	1,638,538	4,020,085,174	4,061,957,004
International securities	1,840,288,038	-0-	1,840,288,038	1,735,664,671
Mutual funds	772,275,153	-0-	772,275,153	660,966,786
Mortgage loans	2,550,538	-0-	2,550,538	6,983,164
Real estate	1,231,671,129	-0-	1,231,671,129	1,166,926,223
Alternative investments	244,218,608	-0-	244,218,608	101,409,457
Collateral on loaned securities	1,805,815,947	-0-	1,805,815,947	1,634,609,427
<i>Receivables:</i>				
Accrued interest and dividends	76,835,740	35,163	76,870,903	62,304,659
Trades pending settlement	-0-	-0-	-0-	7,976
Intergovernmental receivables	34,661,756	-0-	34,661,756	32,749,778
Other receivables	-0-	255	255	374
Due from other funds	7,826,720	-0-	7,826,720	7,848,584
Other assets	1,439,103	-0-	1,439,103	861,738
Furniture and equipment	15,717,613	-0-	15,717,613	10,989,503
Accumulated depreciation	(3,902,802)	-0-	(3,902,802)	(1,790,684)
<b>Total plan assets</b>	<b>16,281,945,473</b>	<b>4,197,735</b>	<b>16,286,143,208</b>	<b>14,507,017,098</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	13,154,050	4,245	13,158,295	10,400,117
Trades pending settlement	1,091,738,092	15,662	1,091,753,754	613,281,454
Obligations under securities lending	1,805,815,947	-0-	1,805,815,947	1,634,609,427
Due to other funds	52,900	-0-	52,900	61,320
Notes payable	-0-	-0-	-0-	9,189,163
Other liabilities	3,917,595	39,683	3,957,278	3,839,766
<b>Total plan liabilities</b>	<b>2,914,678,584</b>	<b>59,590</b>	<b>2,914,738,174</b>	<b>2,271,381,247</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 13,367,266,889</b>	<b>\$ 4,138,145</b>	<b>\$ 13,371,405,034</b>	<b>\$ 12,235,635,851</b>

# STATE OF NEVADA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Expendable Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999

**Exhibit G-3**

						Total All Funds	
	Unemployment Compensation	Higher Education Tuition Trust	Museums and History	Gift Funds	Custodial Funds	2000	1999
<b>Revenues</b>							
Intergovernmental	\$ 8,015,704	\$ -0-	\$ -0-	\$ 17,156	\$ -0-	\$ 8,032,860	\$ 6,731,267
Taxes	216,726,932	-0-	-0-	-0-	-0-	216,726,932	213,024,241
Licenses, fees and permits	-0-	331,680	-0-	-0-	-0-	331,680	-0-
Sales and charges for services	-0-	-0-	607,977	-0-	-0-	607,977	495,282
Interest and investment income	30,998,346	671,401	436,822	287,625	326,544	32,720,738	29,108,085
Contributions	-0-	15,595,421	-0-	-0-	-0-	15,595,421	-0-
Other:							
Donations	-0-	47,000	185,777	129,682	-0-	362,459	521,494
Other	-0-	-0-	-0-	1,224	9,151,896	9,153,120	8,322,417
<b>Total revenues</b>	<b>255,740,982</b>	<b>16,645,502</b>	<b>1,230,576</b>	<b>435,687</b>	<b>9,478,440</b>	<b>283,531,187</b>	<b>258,202,786</b>
<b>Expenditures</b>							
Current:							
General Government	-0-	1,987,057	-0-	28,719	74,188	2,089,964	122,189
Health and social services	204,986,731	-0-	-0-	68,953	1,160,942	206,216,626	180,846,484
Education and support services	-0-	-0-	991,386	13,197	-0-	1,004,583	1,184,910
Law, justice and public safety	-0-	-0-	-0-	-0-	1,373,680	1,373,680	1,157,591
Regulation of business	-0-	-0-	-0-	10,594	148,152	158,746	243,439
Recreation, resource development	-0-	-0-	-0-	144,599	-0-	144,599	159,345
Intergovernmental:							
Other	16,689,501	-0-	-0-	-0-	12,500	16,702,001	6,326,428
<b>Total expenditures</b>	<b>221,676,232</b>	<b>1,987,057</b>	<b>991,386</b>	<b>266,062</b>	<b>2,769,462</b>	<b>227,690,199</b>	<b>190,040,386</b>
Excess of revenues over expenditures	34,064,750	14,658,445	239,190	169,625	6,708,978	55,840,988	68,162,400
<b>Other Financing Sources (Uses)</b>							
Operating transfers in	-0-	1,581,259	-0-	2,618	1,800,863	3,384,740	857,127
Operating transfers out	-0-	-0-	-0-	(178,809)	(8,596,408)	(8,775,217)	(7,523,619)
<b>Total other financing sources (uses)</b>	<b>-0-</b>	<b>1,581,259</b>	<b>-0-</b>	<b>(176,191)</b>	<b>(6,795,545)</b>	<b>(5,390,477)</b>	<b>(6,666,492)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	34,064,750	16,239,704	239,190	(6,566)	(86,567)	50,450,511	61,495,908
Fund balances, July 1	506,324,932	-0-	1,682,386	2,693,836	722,840	511,423,994	449,928,086
<b>Fund balances, June 30</b>	<b>\$ 540,389,682</b>	<b>\$ 16,239,704</b>	<b>\$ 1,921,576</b>	<b>\$ 2,687,270</b>	<b>\$ 636,273</b>	<b>\$ 561,874,505</b>	<b>\$ 511,423,994</b>



# STATE OF NEVADA

## Combining Statement of Revenues, Expenses and Changes in Fund Balances Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999

**Exhibit G-4**

			Total Both Funds	
	Henry Wood Christmas	Permanent School	2000	1999
<b>Operating Revenues</b>				
Interest and investment income	\$ 2,618	\$ 4,051,975	\$ 4,054,593	\$ 3,576,555
Other:				
Fines	-0-	4,452,139	4,452,139	3,885,005
Land sales/miscellaneous	-0-	4,228,834	4,228,834	695,097
<b>Total operating revenues</b>	<b>2,618</b>	<b>12,732,948</b>	<b>12,735,566</b>	<b>8,156,657</b>
<b>Operating Expenses</b>				
Interest expense	-0-	325,724	325,724	230,817
<b>Total operating expenses</b>	<b>-0-</b>	<b>325,724</b>	<b>325,724</b>	<b>230,817</b>
Operating income	2,618	12,407,224	12,409,842	7,925,840
<b>Nonoperating Expenses</b>				
Other	-0-	(161,612)	(161,612)	-0-
<b>Total nonoperating expenses</b>	<b>-0-</b>	<b>(161,612)</b>	<b>(161,612)</b>	<b>-0-</b>
Income before operating transfers	2,618	12,245,612	12,248,230	7,925,840
<b>Operating Transfers</b>				
Operating transfers in	-0-	75,245	75,245	103,155
Operating transfers out	(2,618)	(3,726,251)	(3,728,869)	(3,345,738)
Net income	-0-	8,594,606	8,594,606	4,683,257
Fund balances, July 1	51,180	70,206,232	70,257,412	65,574,155
<b>Fund balances, June 30</b>	<b>\$ 51,180</b>	<b>\$ 78,800,838</b>	<b>\$ 78,852,018</b>	<b>\$ 70,257,412</b>

# STATE OF NEVADA

## Combining Statement of Cash Flows Nonexpendable Trust Funds

*For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999*

**Exhibit G-5**

			Total Both Funds	
	Henry Wood Christmas	Permanent School	2000	1999
<b>Cash flows from operating activities</b>				
Cash received from other governments	\$ -0-	\$ 8,359,099	\$ 8,359,099	\$ 4,610,754
Net cash provided by operating activities	-0-	8,359,099	8,359,099	4,610,754
<b>Cash flows from noncapital financing activities</b>				
Operating transfers in	-0-	49,416	49,416	63,626
Operating transfers out	(4,921)	(1,110,981)	(1,115,902)	(4,201,269)
Net cash used for noncapital financing activities	(4,921)	(1,061,565)	(1,066,486)	(4,137,643)
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	-0-	12,000,000	12,000,000	9,451,785
Purchase of investments	-0-	(19,598,553)	(19,598,553)	(10,009,100)
Interest and investment income	4,921	4,627,517	4,632,438	4,192,783
Net cash provided by (used for) investing activities	4,921	(2,971,036)	(2,966,115)	3,635,468
Net increase in cash	-0-	4,326,498	4,326,498	4,108,579
Cash and cash equivalents, July 1	51,180	13,035,223	13,086,403	8,977,824
Cash and cash equivalents, June 30	\$ 51,180	\$ 17,361,721	\$ 17,412,901	\$ 13,086,403
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income	\$ 2,618	\$ 12,407,224	\$ 12,409,842	\$ 7,925,840
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>				
Decrease (increase) in accrued receivables	-0-	(321,874)	(321,874)	30,652
Operating interest and investment income	(2,618)	(4,051,975)	(4,054,593)	(3,576,555)
Operating interest expense	-0-	325,724	325,724	230,817
Total adjustments	(2,618)	(4,048,125)	(4,050,743)	(3,315,086)
Net cash provided by operating activities	\$ -0-	\$ 8,359,099	\$ 8,359,099	\$ 4,610,754

# STATE OF NEVADA

## Combining Statement of Changes in Plan Net Assets Pension Trust Funds

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999

**Exhibit G-6**

			Total Both Funds	
	Public Employees' Retirement	Legislators' Retirement	2000	1999
<b>Additions</b>				
<i>Retirement contributions:</i>				
Employer	\$ 604,926,098	\$ -0-	\$ 604,926,098	\$ 557,878,417
Plan members	48,375,944	-0-	48,375,944	45,124,830
Repayment and purchase of service	8,467,025	-0-	8,467,025	6,838,784
Total contributions	661,769,067	-0-	661,769,067	609,842,031
<i>Investment income:</i>				
Interest, dividends	426,810,392	198,397	427,008,789	374,433,403
Net increase in the fair value of investments	409,025,593	44,800	409,070,393	722,917,854
Securities lending income	87,463,510	-0-	87,463,510	82,989,653
Other	95,914,759	-0-	95,914,759	87,827,737
	1,019,214,254	243,197	1,019,457,451	1,268,168,647
Less Investment expense:				
Cost of securities lending	(81,316,119)	-0-	(81,316,119)	(76,759,255)
Other	(20,905,326)	(3,100)	(20,908,426)	(19,130,412)
Net investment income	916,992,809	240,097	917,232,906	1,172,278,980
Other income	2,162,002	18,167	2,180,169	1,971,815
<b>Total additions</b>	1,580,923,878	258,264	1,581,182,142	1,784,092,826
<b>Deductions</b>				
Benefit payments	421,171,517	790,431	421,961,948	374,575,558
Refunds	16,362,173	8,190	16,370,363	11,335,102
Administrative expense	7,065,980	14,668	7,080,648	4,281,758
<b>Total deductions</b>	444,599,670	813,289	445,412,959	390,192,418
Net increase (decrease)	1,136,324,208	(555,025)	1,135,769,183	1,393,900,408
Net assets held in trust for pension benefits, July 1	12,230,942,681	4,693,170	12,235,635,851	10,841,735,443
<b>Net assets held in trust for pension benefits, June 30</b>	<b>\$ 13,367,266,889</b>	<b>\$ 4,138,145</b>	<b>\$ 13,371,405,034</b>	<b>\$ 12,235,635,851</b>

# STATE OF NEVADA

## Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2000

**Exhibit G-7**

Page 1 of 2

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
<b>Intergovernmental</b>				
<b>Assets</b>				
Cash with treasurer	\$ 26,364,997	\$ 1,771,027,074	\$ 1,767,164,731	\$ 30,227,340
Collateral on loaned securities	624,884	426,328	624,884	426,328
Taxes receivable	6,623,023	5,633,222	6,623,023	5,633,222
Intergovernmental receivables	4,622,728	6,119,865	4,622,728	6,119,865
Due from other funds	258,298,162	271,665,095	258,298,162	271,665,095
<b>Total assets</b>	<b>\$ 296,533,794</b>	<b>\$ 2,054,871,584</b>	<b>\$ 2,037,333,528</b>	<b>\$ 314,071,850</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 277,618,986	\$ 1,732,721,604	\$ 1,719,385,265	\$ 290,955,325
Obligations under securities lending	624,884	426,328	624,884	426,328
Due to other funds	18,289,924	115,228,511	110,828,238	22,690,197
<b>Total liabilities</b>	<b>\$ 296,533,794</b>	<b>\$ 1,848,376,443</b>	<b>\$ 1,830,838,387</b>	<b>\$ 314,071,850</b>
<b>State Agency Fund for Bonds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 20,318,162	\$ 6,901,075	\$ 4,329,937	\$ 22,889,300
Cash in custody of other officials	55,371,398	7,246,858	16,219,116	46,399,140
Investments	60,084,579	25,288,389	8,807,882	76,565,086
Due from other funds	857,941	1,343,659	857,940	1,343,660
<b>Total assets</b>	<b>\$ 136,632,080</b>	<b>\$ 40,779,981</b>	<b>\$ 30,214,875</b>	<b>\$ 147,197,186</b>
<b>Liabilities</b>				
Due to other funds	\$ 65,109	\$ 61,808	\$ 65,109	\$ 61,808
Deposits	136,537,677	41,247,164	30,675,648	147,109,193
Other liabilities	29,294	6,393	9,502	26,185
<b>Total liabilities</b>	<b>\$ 136,632,080</b>	<b>\$ 41,315,365</b>	<b>\$ 30,750,259</b>	<b>\$ 147,197,186</b>
<b>Motor Vehicle</b>				
<b>Assets</b>				
Cash with treasurer	\$ 44,950,311	\$ 437,778,520	\$ 447,238,012	\$ 35,490,819
Cash in custody of other officials	2,440,240	-	138,150	2,302,090
Collateral on loaned securities	13,740,053	8,316,264	13,740,053	8,316,264
Intergovernmental receivables	131,321	-	131,321	-
Other receivables	20,048,286	12,622,418	20,902,454	11,768,250
Due from other funds	663,545	2,122,109	663,545	2,122,109
<b>Total assets</b>	<b>\$ 81,973,756</b>	<b>\$ 460,839,311</b>	<b>\$ 482,813,535</b>	<b>\$ 59,999,532</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 25,622,978	\$ 160,791,787	\$ 175,048,289	\$ 11,366,476
Obligations under securities lending	13,740,053	8,316,264	13,740,053	8,316,264
Due to other funds	39,199,485	353,617,381	355,755,137	37,061,729
Deposits	3,411,240	90,188	246,365	3,255,063
<b>Total liabilities</b>	<b>\$ 81,973,756</b>	<b>\$ 522,815,620</b>	<b>\$ 544,789,844</b>	<b>\$ 59,999,532</b>
<b>Restitution Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,199,419	\$ 2,090,702	\$ 1,270,111	\$ 2,020,010
Due from other funds	9,392	7,653	9,392	7,653
<b>Total assets</b>	<b>\$ 1,208,811</b>	<b>\$ 2,098,355</b>	<b>\$ 1,279,503</b>	<b>\$ 2,027,663</b>
<b>Liabilities</b>				
Due to other funds	\$ 1,287	\$ 189,576	\$ 183,003	\$ 7,860
Other liabilities	1,207,524	1,905,040	1,092,761	2,019,803
<b>Total liabilities</b>	<b>\$ 1,208,811</b>	<b>\$ 2,094,616</b>	<b>\$ 1,275,764</b>	<b>\$ 2,027,663</b>

# STATE OF NEVADA

## Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2000

**Exhibit G-7**

Page 2 of 2

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
<b>Veterans Custodial</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,583,529	\$ 1,161,382	\$ 801,225	\$ 1,943,686
Collateral on loaned securities	494,766	479,460	494,766	479,460
Due from other funds	19,927	29,343	19,927	29,343
<b>Total assets</b>	<b>\$ 2,098,222</b>	<b>\$ 1,670,185</b>	<b>\$ 1,315,918</b>	<b>\$ 2,452,489</b>
<b>Liabilities</b>				
Obligations under securities lending	\$ 494,766	\$ 479,460	\$ 494,766	\$ 479,460
Other liabilities	1,603,456	1,973,029	1,603,456	1,973,029
<b>Total liabilities</b>	<b>\$ 2,098,222</b>	<b>\$ 2,452,489</b>	<b>\$ 2,098,222</b>	<b>\$ 2,452,489</b>
<b>State Payroll</b>				
<b>Assets</b>				
Cash with treasurer	\$ 7,624,554	\$ 285,751,069	\$ 285,927,889	\$ 7,447,734
Other receivables	52,188	1,888	-0-	54,076
Due from other funds	591,206	479,219	591,206	479,219
<b>Total assets</b>	<b>\$ 8,267,948</b>	<b>\$ 286,232,176</b>	<b>\$ 286,519,095</b>	<b>\$ 7,981,029</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 335,023	\$ 196,757,490	\$ 197,040,819	\$ 51,694
Due to other funds	7,849,059	108,367,349	108,374,650	7,841,758
Other liabilities	83,866	7,212	3,501	87,577
<b>Total liabilities</b>	<b>\$ 8,267,948</b>	<b>\$ 305,132,051</b>	<b>\$ 305,418,970</b>	<b>\$ 7,981,029</b>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 102,040,972	\$ 2,504,709,822	\$ 2,506,731,905	\$ 100,018,889
Cash in custody of other officials	57,811,638	7,246,858	16,357,266	48,701,230
Investments	60,084,579	25,288,389	8,807,882	76,565,086
Collateral on loaned securities	14,859,703	9,222,052	14,859,703	9,222,052
Taxes receivable	6,623,023	5,633,222	6,623,023	5,633,222
Intergovernmental receivables	4,754,049	6,119,865	4,754,049	6,119,865
Other receivables	20,100,474	12,624,306	20,902,454	11,822,326
Due from other funds	260,440,173	275,647,078	260,440,172	275,647,079
<b>Total assets</b>	<b>\$ 526,714,611</b>	<b>\$ 2,846,491,592</b>	<b>\$ 2,839,476,454</b>	<b>\$ 533,729,749</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 335,023	\$ 196,757,490	\$ 197,040,819	\$ 51,694
Intergovernmental payables	303,241,964	1,893,513,391	1,894,433,554	302,321,801
Obligations under securities lending	14,859,703	9,222,052	14,859,703	9,222,052
Due to other funds	65,404,864	577,464,625	575,206,137	67,663,352
Deposits	139,948,917	41,337,352	30,922,013	150,364,256
Other liabilities	2,924,140	3,891,674	2,709,220	4,106,594
<b>Total liabilities</b>	<b>\$ 526,714,611</b>	<b>\$ 2,722,186,584</b>	<b>\$ 2,715,171,446</b>	<b>\$ 533,729,749</b>

# STATE OF NEVADA

## Comparative Statement of Net Assets Local Government Investment Pool Investment Trust Fund

June 30, 2000 with Comparative Totals for 1999

**Exhibit G-8**

	2000	1999
<b>Assets</b>		
Cash with treasurer	\$ 299,238	\$ 299,722
Investments	404,182,173	375,891,683
<i>Receivables:</i>		
Accrued interest	3,241,814	3,624,745
Due from other funds	-0-	2,031,337
<b>Total plan assets</b>	<b>407,723,225</b>	<b>381,847,487</b>
<b>Liabilities</b>		
<i>Accounts payable and accruals:</i>		
Intergovernmental payables	2,209,239	3,662,995
Due to other funds	307,997	307,695
<b>Total plan liabilities</b>	<b>2,517,236</b>	<b>3,970,690</b>
<b>Net assets held in trust for pool participants</b>	<b>\$ 405,205,989</b>	<b>\$ 377,876,797</b>

# STATE OF NEVADA

## Comparative Statement of Changes in Net Assets Local Government Investment Pool Investment Trust Fund

For the Fiscal Year Ended June 30, 2000 with Comparative Totals for 1999

**Exhibit G-9**

	2000	1999
<b>Additions</b>		
Investment income:		
Interest	\$ 24,259,575	\$ 21,237,879
Net increase (decrease) in fair value of investments	129,125	(87,707)
	24,388,700	21,150,172
Less: Investment expense	(105,000)	(92,724)
Net investment income	24,283,700	21,057,448
Investment from local governments	941,158,792	871,434,904
Reinvestment from interest income	2,545,001	3,366,169
<b>Total additions</b>	<b>967,987,493</b>	<b>895,858,521</b>
<b>Deductions</b>		
Dividends to investors	24,151,090	21,147,996
Principal redeemed	916,507,211	865,303,120
<b>Total deductions</b>	<b>940,658,301</b>	<b>886,451,116</b>
Net increase	27,329,192	9,407,405
Net assets held in trust for pool participants, July 1	377,876,797	368,469,392
<b>Net assets held in trust for pool participants, June 30</b>	<b>\$ 405,205,989</b>	<b>\$ 377,876,797</b>



# STATE OF NEVADA

## Schedule of General Fixed Assets - By Source

June 30, 2000

Exhibit H-1

### General Fixed Assets

Land	\$ 92,025,403
Buildings	661,472,401
Improvements other than buildings	73,102,717
Furniture and equipment	278,611,467
Construction in progress	236,312,911
<b>Total general fixed assets</b>	<b>\$ 1,341,524,899</b>

### Investments in General Fixed Assets From

General obligation bonds	\$ 510,165,259
Federal grants	94,791,327
General fund revenues	456,362,764
Special revenue fund revenues	247,008,262
Gifts	18,589,607
Certificates of participation	14,607,680
<b>Total investment in general fixed assets</b>	<b>\$ 1,341,524,899</b>

## Schedule of General Fixed Assets - By Function

June 30, 2000

Exhibit H-2

	Land	Buildings	Improvements Other Than Buildings	Furniture and Equipment	Total
General government	\$ 7,869,327	\$ 82,334,277	\$ 1,598,611	\$ 17,636,424	\$ 109,438,639
Education, support services	739,564	33,325,457	16,398	3,636,570	37,717,989
Health, social services	1,078,220	74,245,688	2,282,735	56,358,107	133,964,750
Law, justice, public safety	2,606,758	417,186,571	17,594,403	49,808,563	487,196,295
Recreation, resource development	79,238,253	13,024,495	50,059,219	27,796,730	170,118,697
Transportation	487,281	40,782,948	1,523,358	116,393,915	159,187,502
Regulation of business	6,000	572,965	27,993	6,981,158	7,588,116
<b>Total general fixed assets allocated to function</b>	<b>\$ 92,025,403</b>	<b>\$ 661,472,401</b>	<b>\$ 73,102,717</b>	<b>\$ 278,611,467</b>	<b>1,105,211,988</b>
Construction in progress					236,312,911
<b>Total general fixed assets</b>					<b>\$ 1,341,524,899</b>

# STATE OF NEVADA

## Schedule of Changes in General Fixed Assets - By Function

For the Fiscal Year Ended June 30, 2000

Exhibit H-3

	General Fixed Assets July 1, 1999 (Adjusted)	Additions	Deletions	General Fixed Assets June 30, 2000
General government	\$ 102,634,360	\$ 6,874,242	\$ 69,963	\$ 109,438,639
Education, support services	37,437,165	291,088	10,264	37,717,989
Health, social services	114,054,389	20,268,732	358,371	133,964,750
Law, justice, public safety	479,610,600	9,343,132	1,757,437	487,196,295
Recreation, resource development	156,315,867	13,884,265	81,435	170,118,697
Transportation	139,702,188	19,742,374	257,060	159,187,502
Regulation of business	7,394,611	331,575	138,070	7,588,116
Construction in progress	108,143,950	155,605,614	27,436,653	236,312,911
<b>Total general fixed assets</b>	<b>\$ 1,145,293,130</b>	<b>\$ 226,341,022</b>	<b>\$ 30,109,253</b>	<b>\$ 1,341,524,899</b>

The beginning balance of the general fixed assets was adjusted for an increase in the capitalization threshold from \$2,000 per asset to \$5,000.

# STATE OF NEVADA

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

**Exhibit I-1**

For the Fiscal Year Ended June 30, 2000

Page 1 of 8

Department	Final Budget	Actual	Variance
<b>General Fund Unbudgeted Activity</b>	\$ -0-	\$ 2,155,851	\$ (2,155,851)
<b>Constitutional Agencies</b>			
<b>Executive Branch</b>			
Attorney General Admin Acct	19,005,082	18,553,105	451,977
Attorney General Medicaid Fraud	1,408,515	1,066,798	341,717
Clark County Flood Relief	19,075,000	1,654,862	17,420,138
Consumer Health Asst	521,784	404,798	116,986
Controller	2,913,153	2,720,066	193,087
Council for Prosecuting Attys	148,820	102,090	46,730
Council on Holocaust Prevention	75,000	20,980	54,020
Crime Prevention	242,208	227,057	15,151
Domestic Violence Programs	2,691,197	1,837,862	853,335
Ethics Commission	390,214	277,214	113,000
Extradition Clerk	674,903	640,857	34,046
Governor's Mansion	260,839	241,368	19,471
Governor's Office	2,019,601	1,876,300	143,301
High Level Nuclear Waste	1,948,616	1,729,929	218,687
Insurance Fraud	834,437	797,080	37,357
Investigations & Enforcements	146,570	48,042	98,528
Lieutenant Governor	453,455	425,183	28,272
Securities Division	8,171,415	7,493,127	678,288
Workers' Comp Fraud	2,213,850	2,159,051	54,799
Silicosis & Disabled Pensions	3,895,336	170,538	3,724,798
Special Fund	103,180	102,191	989
Special Services-Sec of State	5,695,132	3,264,824	2,430,308
State Treasurer	1,707,533	1,333,824	373,709
Victims of Domestic Violence	190,318	101,136	89,182
Washington Office	252,500	252,500	-0-
<b>Judicial Branch</b>			
Admin Office of the Courts	1,166,804	1,026,744	140,060
Dist Judges'/Widows' Pensions	1,013,467	995,967	17,500
District Judges Salaries	6,529,907	6,529,184	723
District Judges Travel	417,527	101,435	316,092
Division of Planning & Analysis	1,048,322	576,518	471,804
Judicial Discipline	375,997	332,887	43,110
Judicial Education	925,951	546,509	379,442
Judicial Records	963,809	445,710	518,099
Judicial Selection	7,332	2,987	4,345
Justices'/Widows' Pensions	299,382	295,224	4,158
Law Library	1,091,157	1,074,877	16,280
Law Library Gift Fund	29,933	1,250	28,683
Retired Justice Duty	358,978	267,731	91,247
Supreme Court	7,479,272	7,015,575	463,697
<b>Legislative Branch</b>			
Legislator's Retirement	57,450	57,450	-0-
	96,803,946	66,770,830	30,033,116
<b>Finance &amp; Administration</b>			
<b>Administration</b>			
Budget Division	2,486,983	2,342,527	144,456
Clear Creek Youth Center	351,213	327,061	24,152
Commission for Women	2,936	-0-	2,936
Commodity Food Program	4,063,987	2,793,630	1,270,357
Controlled Substance Grants	50,971	19,087	31,884
Deferred Compensation	73,059	19,840	53,219
Emergency Fund	374,044	404	373,640
General Fund Salary Adjustment	256,479	16,197	240,282
Graffiti Award Fund	3,393	-0-	3,393
Hearings Division	3,136,012	2,998,362	137,650
Informational Technology Imprvmnt	19,173,079	11,297,896	7,875,183
Internal Audit	1,038,086	931,077	107,009
Local Cultural Activities	150,000	89,418	60,582

# STATE OF NEVADA

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

**Exhibit I-1**

*For the Fiscal Year Ended June 30, 2000*

*Page 2 of 8*

Department	Final Budget	Actual	Variance
Merit Award Board	\$ 5,000	\$ 2,892	\$ 2,108
Public Works Board	826,407	802,804	23,603
Retired Emp Group Insurance	10,416,399	9,238,057	1,178,342
Roof Maintenance Reserve	946,821	19,093	927,728
School Plan Checking	75,000	66,183	8,817
Special Appropriations	21,357,000	13,870,411	7,486,589
State Claims	1,452,767	1,200,049	252,718
Statutory Contingency	1,703,623	1,648,762	54,861
Surplus Property	161,568	121,062	40,506
Workman's Comp Hearing Reserve	615,007	-0-	615,007
Year 2000 Conversion	186,321	-0-	186,321
<b>Taxation</b>			
Department of Taxation	15,391,782	14,493,360	898,422
Sr Citizen Property Tax Rebates	3,598,254	3,526,370	71,884
<b>Personnel</b>			
Unemployment Compensation Fund	849,640	794,640	55,000
	<u>88,745,831</u>	<u>66,619,182</u>	<u>22,126,649</u>
<b>Education</b>			
<b>Education</b>			
Adult Basic Education	2,912,832	2,573,844	338,988
AIDS Education	357,141	229,144	127,997
Care of Handicapped	735,476	418,257	317,219
Discretionary Grants	2,028,473	1,859,571	168,902
Distributive School Fund	676,122,478	659,042,341	17,080,137
Drug Abuse Education	2,467,516	2,397,576	69,940
IASA Title I Grants	25,385,615	24,619,170	766,445
IASA Title II, Title VI Grants	3,874,215	3,532,572	341,643
Education State Programs	2,295,340	2,205,828	89,512
Education Support Services	1,547,914	1,498,778	49,136
Educ for Handicapped Act	30,905,356	22,926,215	7,979,141
Education Technology Trust	26,010	5,000	21,010
Other State Education Programs	4,443,496	2,686,045	1,757,451
PGM Enhancements	9,955,723	7,283,759	2,671,964
Post Secondary Educ Comm	340,726	316,407	24,319
Professional Standards	891,200	718,937	172,263
Proficiency Testing	2,512,387	1,535,397	976,990
School Lunch	43,900,175	38,397,035	5,503,140
School to Careers	4,854,605	3,201,307	1,653,298
Student Incentive Grants	309,117	308,811	306
Student Indemnification Account	330,236	124,265	205,971
Vocational Education	6,775,269	6,424,906	350,363
<b>University &amp; Community College System</b>			
Ag Extension Service	7,117,803	6,851,460	266,343
Agri Experiment Station	6,993,946	6,993,946	-0-
Athletics - UNLV	1,730,920	1,730,920	-0-
Athletics - UNR	1,701,628	1,700,970	658
Business Center North	1,692,128	1,692,128	-0-
Business Center South	1,426,933	1,426,933	-0-
Collegiate License Plate Acct	158,380	121,510	36,870
Computing Center	11,503,391	11,502,935	456
Desert Research Institute	3,603,822	3,558,783	45,039
Education for Dependent Children	32,657	62	32,595
Laboratory & Research	1,881,855	1,730,585	151,270
No Nevada Community College	9,682,379	9,611,457	70,922
Radiation Safety Board - North	268,052	268,052	-0-
Radiation Safety Board - South	134,344	134,344	-0-
School of Medical Sciences	18,437,635	18,401,279	36,356
So Nevada Community College	61,579,484	61,562,656	16,828
Statewide Program - UNLV	970,976	749,614	221,362
Statewide Program - UNR	4,811,168	4,786,168	25,000
Student Loans	77,842	49,504	28,338
Technology Advisor	408,451	-0-	408,451
Truckee Meadows Comm College	26,365,120	26,204,101	161,019

# STATE OF NEVADA

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

**Exhibit I-1**

*For the Fiscal Year Ended June 30, 2000*

*Page 3 of 8*

Department	Final Budget	Actual	Variance
University of Nevada-Las Vegas	\$ 123,555,454	\$ 122,567,558	\$ 987,896
University of Nevada-Reno	102,087,517	102,028,422	59,095
University Press	625,051	625,046	5
University System Admin	2,982,219	2,982,219	-0-
UNLV Dental School	3,210,000	640,000	2,570,000
UNLV Law School	5,208,656	5,200,640	8,016
UNS - Special Projects	24,529,593	24,520,091	9,502
Western NV Community College	14,851,535	14,484,131	367,404
<b>WICHE Administration</b>			
Wiche Administration	255,097	243,947	11,150
<b>Museums, Library &amp; Arts</b>			
Comstock Historic District	88,871	70,976	17,895
Comstock Historic District Gifts	367	315	52
Cultural Resource Program	4,164,225	3,074,713	1,089,512
Fourth Ward School Restoration	945	945	-0-
Historic Preservation	1,075,618	666,604	409,014
Lost City Museum	355,904	345,790	10,114
Museum Library & Arts Admin	950,346	914,329	36,017
Museums and History	806,945	314,173	492,772
Nevada Historical Society	687,864	628,524	59,340
Records Mgmt/Micrographics	748,605	481,937	266,668
State Archives	706,285	556,879	149,406
State Arts Council	2,062,367	1,912,733	149,634
State Library	5,254,547	4,580,757	673,790
State Library - CLAN	616,066	434,845	181,221
State Library - Literacy	212,141	177,954	34,187
State Museum, Carson City	1,527,842	1,360,775	167,067
State Museum, Las Vegas	925,297	909,742	15,555
V & T Railroad Museum	985,918	929,074	56,844
	1,282,025,489	1,232,035,691	49,989,798
<b>Human Services</b>			
<b>Human Resources</b>			
Community Connections	1,442,280	1,442,183	97
Community Svcs Block Grant	2,826,348	2,705,791	120,557
Family to Family Connection	2,803,068	2,699,530	103,538
Human Resources-Director's Office	7,004,392	3,598,641	3,405,751
Purchase of Social Services	13,427,819	12,988,720	439,099
State, Community Collaboration	2,833,925	2,316,215	517,710
<b>Health Care Financing Divison</b>			
Health Care Financing & Policy	2,760,617	2,537,705	222,912
Health Resources Cost Review	251,634	207,133	44,501
Hospital Tax Account	174,943,860	91,045,039	83,898,821
Nevada Checkup Program	11,907,996	11,695,435	212,561
Nevada Medicaid	598,934,938	576,877,659	22,057,279
<b>Health Division</b>			
Aid to Counties	1,361,603	1,361,603	-0-
Alcohol, Drug Rehabilitation	14,100,685	12,784,315	1,316,370
Cancer Control Registry	576,873	364,498	212,375
Child Health Services	4,649,195	4,055,370	593,825
Communicable Disease Control	3,637,956	2,945,495	692,461
Community Health Services	2,154,011	2,029,967	124,044
Consumer Protection	2,853,134	2,682,710	170,424
Emergency Medical Services	718,051	608,343	109,708
Family Planning Project	911,265	765,234	146,031
Health Alert Network	326,125	54,331	271,794
Health Facilities	5,054,265	4,039,284	1,014,981
Health Facilities - Admin Penalty	114,991	-0-	114,991
Health Officer	2,455,868	2,231,662	224,206
Immunization Program	5,313,071	4,834,621	478,450
Radiological Health	951,477	856,202	95,275
Sexually Trans Disease Control	10,742,423	8,719,056	2,023,367
Special Children's Clinic	5,554,809	5,378,021	176,788
Tax on Liquor Program	904,228	703,008	201,220

# STATE OF NEVADA

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

**Exhibit I-1**

*For the Fiscal Year Ended June 30, 2000*

*Page 4 of 8*

Department	Final Budget	Actual	Variance
Vital Statistics	\$ 862,356	\$ 847,274	\$ 15,082
WIC Food Supplement	28,784,441	27,894,770	889,671
<b>Aging Services</b>			
Aging Services	9,294,470	8,620,699	673,771
Homemaker	7,701,301	7,120,349	580,952
Senior Services Program	2,482,811	2,265,939	216,872
<b>Mental Hygiene/Mental Retardation</b>			
Desert Developmental Center	26,246,028	25,196,838	1,049,190
Facility for Mental Offender	4,969,424	4,295,042	674,382
Mental Health Information System	407,020	399,538	7,482
Mental Health Institute	17,587,782	16,616,452	971,330
Family Preservation Program	753,244	752,975	269
Mntl Hygiene-Mntl Retardation	2,169,094	1,821,587	347,507
Residential Placement	3,633,986	2,925,415	708,571
Rural Clinics	7,169,023	6,540,289	628,734
Sierra Developmental Center	16,172,072	15,230,030	942,042
So Nev Adult Mental Health Svc	29,532,656	27,732,697	1,799,959
Southern MH/MR Food Service	1,199,304	1,017,011	182,293
<b>Welfare</b>			
Aid to Dependent Children	56,403,850	36,307,399	20,096,451
Assistance to Aged and Blind	5,441,499	5,441,499	-0-
Child Support Enforcement Prog	9,106,646	7,671,465	1,435,181
Collection and Distribution	142,949,057	31,492,135	111,456,922
Employment and Training	35,114,063	26,909,308	8,204,755
Energy Assistance - Welfare	2,300,093	2,075,426	224,667
Homeless Grants	355,099	261,737	93,362
Welfare Administration	35,429,440	28,358,340	7,071,100
Welfare Field Services	34,914,702	34,227,750	686,952
Welfare to Work	5,391,456	1,856,086	3,535,370
<b>Child &amp; Family Services</b>			
Alternative Placement	2,042,657	1,938,981	103,676
Caliente Youth Center	4,573,396	4,422,227	151,169
Child Abuse & Neglect	327,480	213,445	114,035
Child Care Services	1,147,045	992,322	154,723
Children, Youth & Family Admin	25,256,887	21,182,151	4,074,736
Children's Trust Account	1,375,313	506,003	869,310
Domestic Violence	2,765,504	2,206,025	559,479
Farm Acct - Youth Training Ctr	40,488	10,276	30,212
Juvenile Accountability Block	3,549,910	1,066,014	2,483,896
Juvenile Correction Facility	634,610	624,353	10,257
No NV Child & Adolescent Svcs	5,431,246	5,243,385	187,861
Probation Subsidies	2,099,100	1,820,363	278,737
So Nev Child & Adoles Svc	17,120,467	14,539,598	2,580,869
Unity/SACWIS	8,518,924	7,788,445	730,479
Youth Community Services	47,017,562	42,788,328	4,229,234
Youth Corrections Services	5,648,947	4,992,301	656,646
Youth Training Center	6,177,156	5,996,310	180,846
<b>Other Human Resources</b>			
Indian Commission	110,474	72,487	37,987
Public Defender	1,875,883	1,795,378	80,505
<b>Employment, Training &amp; Rehab</b>			
Blind Business Enterprise	4,407,857	2,667,718	1,740,139
Community Based Services	9,816,221	3,975,595	5,840,626
DETR Admin Services	2,293,339	2,183,415	109,924
DETR Director's Office	1,120,545	1,065,145	55,400
DETR One-Stop Career Centers	1,958,156	1,747,581	210,575
Developmental Disabilities	655,816	589,280	66,536
Disability Adjudication	7,192,585	6,481,021	711,564
E, T & R Administration	501,765	446,039	55,726
Equal Rights Commission	1,248,446	1,141,558	106,888
Information & Development Process	5,466,569	4,952,000	514,569
Research and Analysis	3,208,451	2,960,416	248,035
Services to the Blind	3,163,128	2,225,694	937,434
Social Security Admin/Voc Rehab	132,682	131,057	1,625

# STATE OF NEVADA

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

**Exhibit I-1**

*For the Fiscal Year Ended June 30, 2000*

*Page 5 of 8*

Department	Final Budget	Actual	Variance
State Job Training Office	\$ 15,646,449	\$ 13,669,786	\$ 1,976,663
Vocational Assessment Centers	2,204,637	1,605,698	598,939
Vocational Rehabilitation	12,688,243	11,950,918	737,325
	1,575,305,762	1,262,397,134	312,908,628
<b>Commerce &amp; Industry</b>			
<b>Agriculture</b>			
Agriculture Administration	715,837	579,448	136,389
Agri Registration/Enforcement	1,199,453	673,610	525,843
Agricultural Product	407,683	346,958	60,725
Alfalfa Seed Research	44,988	21,021	23,967
Apiary Inspection	25,009	549	24,460
Beef Council	425,764	329,940	95,824
Garlic and Onion Research	143,027	17,050	125,977
Gas Pollution Standards	575,946	278,097	297,849
High School Rodeo Association	20,000	20,000	-0-
Insect Abatement	54,871	10,679	44,192
Livestock Inspection	1,264,687	810,392	454,295
Nevada Jr. Livestock Show Board	40,326	38,434	1,892
Plant Industry	1,586,746	1,312,064	274,682
Predatory Animal/Rodent Control	810,536	746,284	64,252
Rangeland Resources Comm	177,246	135	177,111
Veterinary Medical Services	787,536	770,089	17,447
Weights and Measures	1,000,886	889,317	111,569
Woolgrower Predatory Animal	1,152	-0-	1,152
<b>Business &amp; Industry</b>			
Athletic Commission	443,390	397,177	46,213
Attorney for Injured Workers	1,950,984	1,818,142	132,842
B & I Industrial Development Bonds	995,361	384,010	611,351
Bond Reclamation	1,204,341	27,894	1,176,447
Business & Industry Admin	829,977	720,197	109,780
Captive Insurers	30,400	-0-	30,400
Common Interest Communities	485,211	127,223	357,988
Consumer Affairs	1,197,186	1,121,692	75,494
Consumer Affairs Restitution	306,245	243,794	62,451
DOE Weatherization	526,922	448,434	78,488
Employee Mgmt Relations Board	135,094	134,486	608
Energy Conservation	1,287,398	902,074	385,324
Fin Institutions Investigation	855,971	188,875	667,096
Financial Institutions	1,573,518	1,522,823	50,695
Financial Institutions Audit	78,769	68,063	10,706
Gov. Comm. Employ People W/Disab	239,802	214,083	25,719
Hospital Patients Commission	189,804	108,596	81,208
Insurance Cost Stabilization	291,720	185,252	106,468
Insurance Division	3,714,076	3,382,718	331,358
Insurance Education & Research	781,004	264,429	516,575
Insurance Recovery	293,710	149,940	143,770
Labor Commissioner	1,140,249	1,058,242	82,007
Low Income Housing Trust Fund	9,435,693	2,722,926	6,712,767
Minerals	1,032,467	763,772	268,695
NAIC Fees	60,826	27,014	33,812
Petroleum Overcharge Rebate	976,112	223,704	752,408
Real Estate Administration	2,489,230	1,966,020	523,210
Real Estate Investigation	7,085	1,156	5,929
Unclaimed Property	596,176	524,034	72,142
<b>Gaming Control</b>			
Fed Forfeiture Treasury	250,000	-0-	250,000
Gaming Control Board	26,897,809	26,270,634	627,175
GCB - Federal Forfeiture	855,224	102,999	752,225
Gaming Control-Forfeiture Act	1,104,206	663,521	440,685
<b>Economic Development &amp; Tourism</b>			
Comm on Economic Development	3,563,996	3,247,478	316,518
Film Division	699,485	678,381	21,104



# STATE OF NEVADA

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

**Exhibit I-1**

*For the Fiscal Year Ended June 30, 2000*

*Page 6 of 8*

Department	Final Budget	Actual	Variance
Rural Community Development	\$ 6,880,728	\$ 3,127,881	\$ 3,752,847
Small Bus Revital & Fed Procure	448,321	405,747	42,574
	83,130,183	61,037,478	22,092,705
<b>Public Safety</b>			
<b>Prisons</b>			
Carlin Conservation Camp	946,195	852,500	93,695
Ely Conservation Camp	975,108	898,569	76,539
Ely State Prison	18,800,564	17,700,062	1,100,502
Humboldt Conservation Camp	941,823	861,192	80,631
Indian Springs Conservation Camp	1,623,884	1,592,642	31,242
Jean Conservation Camp	1,077,744	893,904	183,840
Lovelock Correctional Center	15,528,427	14,185,807	1,342,620
Medical Care	31,811,261	26,802,763	5,008,498
Nevada State Prison	12,376,978	12,082,534	294,444
Warm Springs Correctional Ctr	6,122,543	5,939,837	182,706
No Nevada Correctional Center	14,304,634	13,265,685	1,038,949
Pioche Conservation Camp	1,176,851	1,026,919	149,932
Prison Administration	9,819,219	9,480,832	338,387
Prison No. Seven - Indian Springs	40,157	8,649	31,508
Prison One-Shot Appro 85 Legis	2,160,399	173,227	1,987,172
Prison Warehouse	7,475,207	6,561,573	913,634
Restitution Center - North	773,134	725,826	47,308
Restitution Center - South	735,852	674,527	61,325
Silver Springs Conservation Camp	931,678	867,548	64,130
So Desert Correctional Center	15,191,563	15,061,943	129,620
So Nevada Correctional Center	8,765,614	8,318,474	447,140
So Nevada Women's Prison	8,784,016	8,643,865	140,151
Stewart Conservation Camp	1,187,868	1,140,353	47,515
Tonopah Conservation Camp	936,629	724,618	212,011
Wells Conservation Camp	909,651	807,102	102,549
<b>Motor Vehicles &amp; Public Safety</b>			
Child Vol Background Checks	51,500	-0-	51,500
Criminal History Repository	7,429,679	6,875,535	554,144
Dignitary Protection	549,945	500,558	49,387
Drug Commission	104,185	63,534	40,651
DMV Justice Grant	274,044	205,471	68,573
Emergency Mgmt Assistance	690,437	337,855	352,582
Emergency Mgmt Division	3,089,931	2,179,856	910,075
Emergency Response Commission	953,315	657,794	295,521
FEMA #1153 DR-NV	3,490,851	2,214,771	1,276,080
Fire Marshall	1,571,534	1,208,812	362,722
Forfeitures	2,083,024	692,483	1,390,541
Haz Mat Training Center	1,328,267	843,051	485,216
Highway Safety Plan & Admin	891,157	499,717	391,440
Investigations	5,791,048	5,570,339	220,709
Justice Assistance Act	15,970,233	12,718,836	3,251,397
Motor Vehicle Pollution Control	11,321,077	7,688,469	3,632,608
Narcotics Control	1,477,065	1,301,757	175,308
Parole & Probation	29,236,799	26,342,551	2,894,248
Parole Board	985,343	977,702	7,641
Parolee Loan Account	9,634	1,375	8,259
POST	2,121,274	1,024,036	1,097,238
Salvage/Wreckers/Body Shops	461,570	105,185	356,385
Traffic Safety	3,577,951	1,198,013	2,379,938
Training Division	921,938	825,371	96,567
	257,778,800	223,324,022	34,454,778
<b>Infrastructure</b>			
<b>Conservation &amp; Natural Resources</b>			
Adjudication Emergency	6,001	-0-	6,001
Air Quality	2,866,480	2,246,619	619,861
Air Quality Management	2,008,563	976,425	1,032,138
Antelope Middle Reese Reserve	6,005	11	5,994
Boulder Flat Groundwater	34,845	10,363	24,482

# STATE OF NEVADA

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

**Exhibit I-1**

*For the Fiscal Year Ended June 30, 2000*

*Page 7 of 8*

Department	Final Budget	Actual	Variance
Carico Creek	\$ 443	\$ -0-	\$ 443
Carson Valley Groundwater	52,833	6,594	46,239
Channel Clearance	296,018	107,486	188,532
Chemical Hazard Prevention	603,144	298,147	304,997
Clovers Area Groundwater	17,925	5,560	12,365
Cold Springs Valley	9,379	132	9,247
Colorado River Valley	25,856	25	25,831
Conservation & Nat Res Admin	1,179,748	1,159,127	20,621
Conservation Districts	332,336	309,948	22,388
Crescent Water Groundwater	2,411	212	2,199
Coyote Springs Grndwater Basin	3,280	-0-	3,280
Currant Creek	5,815	-0-	5,815
Diamond Valley Ground Water	9,176	5,201	3,975
Duckwater Creek	24,471	9,366	15,105
Eagle Valley	179,567	154,070	25,497
Environmental Commission	38,788	35,217	3,571
Environmental Protection Admin	2,528,223	1,814,039	714,184
Fish Lake Valley Artesian	28,160	4,519	23,641
Flood Control Rev Fund	339,111	86,394	252,717
Flood Repairs & Disaster Rel	50,000	-0-	50,000
Forest Fire Suppression	8,804,727	7,276,315	1,528,412
Forestry Admin	4,709,650	4,056,426	653,224
Forestry Honor Camps	7,566,368	6,523,101	1,043,267
Forestry Inter-Gov Agreements	7,552,623	5,313,151	2,239,472
Groundwater Recharge Projects	178,519	52,671	125,848
Habitat Mitigation	742,641	111,981	630,660
Hazardous Waste - Beatte Site	4,610,646	-0-	4,610,646
Hazardous Waste Management	18,790,713	2,394,480	16,396,233
Honey Lake Valley	14,247	113	14,134
Humboldt Water District	387,022	220,299	166,723
Imlay Groundwater	16,832	1,617	15,215
Kelly Creek Groundwater	26,090	4,328	21,762
Kingston Creek	2,419	-0-	2,419
Las Vegas Basin Water Dist	2,941,685	556,852	2,384,833
Lemmon Valley	54,337	7,926	46,411
Little Humboldt River	114,605	10,900	103,705
Lower Reese River Valley	42,392	6,747	35,645
Maggie Creek	39,388	8,384	31,004
Mason Valley Ground Water	23,677	5,012	18,665
Mining Cooperative Fund	129,151	99,702	29,449
Mining Regulation	3,400,491	1,761,273	1,639,218
Muddy River	25,408	6,021	19,387
Muddy River Springs	17,011	4,840	12,171
Natural Heritage	514,039	318,616	195,423
Nevada Tahoe Regional Planning	13,720	4,172	9,548
North Fork Ground Water	2,627	39	2,588
Pahranagat Lake	56,961	22,349	34,612
Pahrump Artesian Basin	29,579	11,305	18,274
Paradise Valley Groundwater	9,613	3,645	5,968
Pleasant Valley	4,707	292	4,415
Pumpnickel Valley	44	-0-	44
Quinn River Distribution	14,779	4	14,775
Smith Valley Artesian Basin	16,978	3,485	13,493
State Engineer Revenue	94,590	53,292	41,298
State Lands	1,229,351	1,045,564	183,787
State Lands Revolving	40,000	1,050	38,950
State Parks	9,493,087	8,002,094	1,490,993
Step toe Valley Water Basin	25,675	3,236	22,439
Storage Tank Management	835,616	-0-	835,616
Tahoe Bond Sale	606,258	133,118	473,140
Tahoe License Plates	868,948	-0-	868,948
Tahoe Mitigation	2,747,735	283,268	2,464,467
Tahoe Regional Planning Agency	1,365,969	1,365,969	-0-
Tahoe Water System	1,088,924	347,648	741,276
Truckee Meadows/Sun Valley	47,838	18,620	29,218

# STATE OF NEVADA

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

**Exhibit I-1**

For the Fiscal Year Ended June 30, 2000

Page 8 of 8

Department	Final Budget	Actual	Variance
Upper White River	\$ 16,552	\$ 552	\$ 16,000
USGS Co-op	1,478,012	998,410	479,602
Warm Springs Ground Water	20,225	404	19,821
Warm Springs/Winnemucca Creek	47,141	1,054	46,087
Waste Mgmt & Fed Facilities	10,710,319	7,326,114	3,384,205
Water and Mining	6,443,894	3,755,422	2,688,472
Water Dist Rev Fund	30,001	-0-	30,001
Water Planning	1,173,717	647,098	526,619
Water Planning - Cap Improvement	135,401	49,472	85,929
Water Resources	4,072,486	3,959,183	113,303
Water Resources Legal Costs	314,592	86,302	228,290
Water Rights Surveyors	46,549	1,697	44,852
Well Driller's License	46,823	30,756	16,067
Whirlwind Valley	6,184	-0-	6,184
Wildlife	22,345,918	16,166,837	6,179,081
Wildlife-Boating Program	7,801,374	4,825,192	2,976,182
Wildlife-Heritage	2,202,287	176,800	2,025,487
Wildlife-Obligated Reserve	3,881,139	1,531,427	2,349,712
Wildlife-Trout Management	770,990	469,665	301,325
	<u>151,489,862</u>	<u>87,295,745</u>	<u>64,194,117</u>
<b>Special Purpose Agencies</b>			
<b>Military</b>			
Adjutant General Construction	6,701,259	66,544	6,634,715
Military	5,088,972	4,704,917	384,055
National Guard Benefits	95,782	95,441	341
Veteran's Affairs	1,153,803	1,003,158	150,645
Veteran's Gifts and Donations	121,925	46,578	75,347
Veteran's Home Account	834,029	171,049	662,980
Veteran's Home Donation	34,000	-0-	34,000
<b>Civil Air Patrol</b>	<u>85,018</u>	<u>84,987</u>	<u>31</u>
	<u>14,114,788</u>	<u>6,172,674</u>	<u>7,942,114</u>
<b>Appropriated Transfers to Other Funds</b>			
Atty Gen Fund-Consumer Advocate	987,925	987,925	-0-
Contingency Fund	4,962,736	4,962,736	-0-
Disaster Relief Fund	2,000,000	2,000,000	-0-
Highway Fund-DMV, Public Safety	813,163	813,163	-0-
Judicial College Fund	120,000	120,000	-0-
Legislative Fund	17,788,707	17,788,707	-0-
Stabilize the Operations of State Government	18,228,979	18,228,979	-0-
WICHE Loan and Stipend Fund	564,124	564,124	-0-
	<u>45,465,634</u>	<u>45,465,634</u>	<u>-0-</u>
<b>Reversions to Other Funds</b>			
Reversions to Highway Fund	-0-	88,224	(88,224)
<b>Projected Reversions</b>			
	<u>(33,700,000)</u>	<u>-0-</u>	<u>(33,700,000)</u>
<b>Total General Fund</b>	<u>\$ 3,561,160,295</u>	<u>\$ 3,053,362,465</u>	<u>\$ 507,797,830</u>

# STATE OF NEVADA

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

**Exhibit I-2**

Page 1 of 3

For the Fiscal Year Ended June 30, 2000

Department	Final Budget	Actual	Variance
<b>State Highway</b>			
<b>Finance &amp; Administration</b>			
Unbudgeted activity	\$ -0-	\$ 3,829,333	\$ (3,829,333)
Appropriations to other funds	10,815,024	7,243,415	3,571,609
Sub-total	10,815,024	11,072,748	(257,724)
<b>Public Safety</b>			
Administrative Services	6,926,936	5,883,712	1,043,224
Automation	8,811,012	7,097,392	1,713,620
Bicycle Safety Program	271,046	158,914	112,132
Central Services	11,312,276	7,561,358	3,750,918
Compliance Enforcement	1,986,297	1,857,770	128,527
Director's Office - DMV/PS	2,096,823	2,017,401	79,422
DMV Field Services	24,975,234	22,964,758	2,010,476
DMV Hwy Safety Grants Acct	1,079,464	656,038	423,426
Drivers License	19,500	19,500	-0-
Hazardous Materials	921,891	785,142	136,749
Hearings	709,702	706,393	3,309
Highway Patrol	54,465,959	46,835,262	7,630,697
Internal Affairs	221,277	200,239	21,038
Management Services	3,615,808	3,017,368	598,440
Motor Carrier	2,381,466	2,247,573	133,893
Motorcycle Safety Program	454,845	278,671	176,174
Project Genesis	12,091,005	8,827,246	3,263,759
Public Safety Information Services	4,836,787	4,604,741	232,046
Records Search	5,845,153	808,058	5,037,095
Verification of Insurance	4,141,229	1,240,446	2,900,783
Sub-total	147,163,710	117,767,982	29,395,728
<b>Infrastructure</b>			
Transportation Administration	563,954,034	526,026,654	37,927,380
Sub-total	563,954,034	526,026,654	37,927,380
<b>Total State Highway</b>	<b>721,932,768</b>	<b>654,867,384</b>	<b>67,065,384</b>
<b>School Improvement</b>			
<b>Special Projects</b>			
School Improvement	43,141,208	14,022,417	29,118,791
<b>Total</b>	<b>43,141,208</b>	<b>14,022,417</b>	<b>29,118,791</b>
<b>Employment Security</b>			
<b>Human Services</b>			
Claimant Employment Program	9,897,179	7,619,126	2,278,053
Employment Security	36,045,076	32,769,508	3,275,568
Emp. Sec. Special Fund	8,751,204	404,736	8,346,468
<b>Total</b>	<b>54,693,459</b>	<b>40,793,370</b>	<b>13,900,089</b>
<b>Regulatory</b>			
<b>Commerce &amp; Industry</b>			
Administrative Fees	72,304	-0-	72,304
Dairy Commission	1,226,936	941,544	285,392
Gaming Investigation Revolving	6,309,534	6,304,173	5,361
Insurance Examiners	3,117,797	2,267,548	850,249
Manufactured Housing	1,504,608	1,080,707	423,901
Mfg Housing - Educ/Recovery	928,004	234,105	693,899
Mobile Home Parks	168,898	107,268	61,630
Real Estate Educ & Research	550,362	291,292	259,070
Real Estate Recovery Account	627,907	285,618	342,289
Regulatory Fund	12,914,184	8,957,160	3,957,024
Taxicab Authority	4,759,033	3,436,562	1,322,471
Transportation Services Authority	1,813,791	1,809,723	4,068
TSA Administration Fines	275,942	54,549	221,393
<b>Total</b>	<b>34,269,300</b>	<b>25,770,249</b>	<b>8,499,051</b>
<b>Legislative</b>			
<b>Constitutional Agencies</b>			
Audit Contingency Account	162,165	162,165	-0-

# STATE OF NEVADA

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

**Exhibit I-2**

Page 2 of 3

For the Fiscal Year Ended June 30, 2000

Department	Final Budget	Actual	Variance
Legislative Counsel Bureau	\$ 24,809,920	\$ 19,252,576	\$ 5,557,344
Nevada Legislative Interim	366,969	332,543	34,426
<b>Total</b>	<b>25,339,054</b>	<b>19,747,284</b>	<b>5,591,770</b>
<b>Municipal Bond Bank</b>			
<b>Constitutional Agencies</b>			
Municipal Bond Bank Revenue	79,815,387	78,553,103	1,262,284
Sub-total	79,815,387	78,553,103	1,262,284
<b>Commerce &amp; Industry</b>			
Water Projects, Int/Redemp	564,369	560,020	4,349
Sub-total	564,369	560,020	4,349
<b>Infrastructure</b>			
Erosion Control Bond	16,740,384	2,936,106	13,804,278
Grants to Water Purveyors	7,711,807	1,298,562	6,413,245
Protect Lake Tahoe	3,500,000	56,978	3,443,022
Safe Drinking Water Act	33,207,892	13,263,479	19,944,413
State Revolving Fund	31,334,754	11,255,139	20,079,615
Sub-total	92,494,837	28,810,264	63,684,573
<b>Total Municipal Bond Bank</b>	<b>172,874,593</b>	<b>107,923,387</b>	<b>64,951,206</b>
<b>Workers' Compensation and Safety</b>			
<b>Commerce &amp; Industry</b>			
Unbudgeted activity	-0-	18,331,154	(18,331,154)
Enforcement - Industrial Safety	4,940,245	4,623,112	317,133
Industrial Relations	5,819,545	5,437,567	381,978
Insurance Insolvency Fund	6,115,201	-0-	6,115,201
Mine Inspection	1,093,708	1,030,086	63,622
Preventative Safety	2,143,284	2,014,477	128,807
Self-Insured Insolvency	218,727	-0-	218,727
Self-Insured Workers Comp	544,118	393,587	150,531
<b>Total</b>	<b>20,874,828</b>	<b>31,829,983</b>	<b>(10,955,155)</b>
<b>Higher Education Capital Construction</b>			
<b>Finance &amp; Administration</b>			
Higher Education Capital Construction	5,000,000	5,000,000	-0-
Higher Education Special Construction	10,064,136	10,064,136	-0-
<b>Total</b>	<b>15,064,136</b>	<b>15,064,136</b>	<b>-0-</b>
<b>Cleaning Up Petroleum Discharges</b>			
<b>Infrastructure</b>			
Petroleum Clean-Up Trust Fund	18,400,357	8,100,232	10,300,125
<b>Total</b>	<b>18,400,357</b>	<b>8,100,232</b>	<b>10,300,125</b>
<b>Hospital Care to Indigent Persons</b>			
<b>Finance &amp; Administration</b>			
Indigent Accident Account	12,742,110	6,517,979	6,224,131
Supplemental Fund-Indigents	5,903,458	4,821,624	1,081,834
<b>Total</b>	<b>18,645,568</b>	<b>11,339,603</b>	<b>7,305,965</b>
<b>Tourism Promotion</b>			
<b>Commerce &amp; Industry</b>			
Commission on Tourism	13,847,207	9,398,764	4,448,443
<b>Total</b>	<b>13,847,207</b>	<b>9,398,764</b>	<b>4,448,443</b>
<b>Offenders' Store</b>			
<b>Public Safety</b>			
Offenders' Store	12,018,000	9,768,857	2,249,143
<b>Total</b>	<b>12,018,000</b>	<b>9,768,857</b>	<b>2,249,143</b>
<b>Tobacco Settlement</b>			
<b>Constitutional Agencies</b>			
Healthy Nevada Trust Fund	21,975,000	63,498	21,911,502
Millennium Scholarship Admin	183,478	155,197	28,281

# STATE OF NEVADA

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

**Exhibit I-2**

Page 3 of 3

For the Fiscal Year Ended June 30, 2000

Department	Final Budget	Actual	Variance
Millennium Scholarship Fund	\$ 17,575,000	\$ 123,478	\$ 17,451,522
Public Health Trust Fund	4,395,000	-0-	4,395,000
Sub-total	44,128,478	342,173	43,786,305
<b>Human Services</b>			
Healthy Nevada Fund Admin	35,840	26,985	8,855
Sub-total	35,840	26,985	8,855
<b>Total Tobacco Settlement</b>	44,164,318	369,158	43,795,160
<b>Contingency</b>			
<b>Constitutional Agencies</b>			
Interim Finance Committee	8,525,341	6,472,772	2,052,569
<b>Total</b>	8,525,341	6,472,772	2,052,569
<b>Care of Sites for Radioactive Waste Disposal</b>			
<b>Human Services</b>			
Radioactive Material Disposal	10,773,082	277,978	10,495,104
<b>Total</b>	10,773,082	277,978	10,495,104
<b>Stabilize the Operations of State Government</b>			
<b>Constitutional Agencies</b>			
Stabilization of State Government	-0-	-0-	-0-
<b>Total</b>	-0-	-0-	-0-
<b>Miscellaneous Special Revenue</b>			
<b>Commerce &amp; Industry</b>			
Lot Rent Trust Subsidy	756,201	485,158	271,043
Rural Rehabilitation Trust	214,452	21,848	192,604
Sub-total	970,653	507,006	463,647
<b>Constitutional Agencies</b>			
College of Family/Juvenile Law	303,600	151,800	151,800
Consumer Advocate	2,902,310	2,534,736	367,574
Disaster Relief	6,015,429	939,900	5,075,529
Emergency Assistance	499,999	433,483	66,516
Judicial College	720,000	720,000	-0-
Museums & History	362,638	-0-	362,638
Private Investigators Licensing Bd	311,851	208,446	103,405
Racketeering-Prosecution Acct	5,000	-0-	5,000
Unfair Trade Practices	785,809	175,803	610,006
Sub-total	11,906,636	5,164,168	6,742,468
<b>Finance &amp; Administration</b>			
Public Works Inspection	3,380,654	3,082,161	298,493
Victims of Crime	4,834,479	4,411,098	423,381
Sub-total	8,215,133	7,493,259	721,874
<b>Higher Education</b>			
WICHE Loan and Stipend	1,309,829	1,105,215	204,614
Sub-total	1,309,829	1,105,215	204,614
<b>Human Services</b>			
Inst Care of Medical Indigent	300,000	13,806	286,194
Substance Abuse Ed, Prv. Enf, Trt	213	-0-	213
Sub-total	300,213	13,806	286,407
<b>Infrastructure</b>			
Colorado River Commission	4,693,560	2,311,585	2,381,975
CRC Research & Development	637,225	104,800	532,425
Fort Mojave Development Fd	1,543,827	11,170	1,532,657
Sub-total	6,874,612	2,427,555	4,447,057
<b>Total Miscellaneous Special Revenue</b>	29,577,076	16,711,009	12,866,067
<b>Total Special Revenue Funds</b>	\$ 1,244,140,295	\$ 972,456,583	\$ 271,683,712

# STATE OF NEVADA

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

**Exhibit I-3**

Page 1 of 2

*For the Fiscal Year Ended June 30, 2000 (Expressed in Thousands)*

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	<b>State Highway</b>			<b>School Improvement</b>		
Fund balances, July 1	\$ 206,557	\$ 206,557	\$ -0-	\$ 3,923	\$ 3,923	\$ -0-
<b>Revenues:</b>						
Federal	187,360	152,701	(34,659)	-0-	-0-	-0-
Other taxes	248,177	249,268	1,091	38,001	38,001	-0-
Sales, charges for services	17,124	9,152	(7,972)	-0-	-0-	-0-
Licenses, fees and permits	118,013	121,311	3,298	-0-	-0-	-0-
Interest	18,015	11,966	(6,049)	1,191	1,191	-0-
Other	21,793	19,406	(2,387)	26	26	-0-
<b>Other financing sources:</b>						
Transfer from other funds	2,894	3,388	494	-0-	-0-	-0-
<b>Total sources</b>	<b>\$ 819,933</b>	<b>\$ 773,749</b>	<b>\$ (46,184)</b>	<b>\$ 43,141</b>	<b>\$ 43,141</b>	<b>\$ -0-</b>
	<b>Employment Security</b>			<b>Regulatory</b>		
Fund balances, July 1	\$ 9,116	\$ 9,116	\$ -0-	\$ 5,914	\$ 5,914	\$ -0-
<b>Revenues:</b>						
Federal	34,675	31,339	(3,336)	158	166	8
Other taxes	8,242	7,541	(701)	9,556	9,561	5
Sales, charges for services	192	744	552	3,101	3,111	10
Licenses, fees and permits	-0-	-0-	-0-	11,214	11,039	(175)
Interest	586	573	(13)	129	84	(45)
Other	705	1,065	360	2,062	2,025	(37)
<b>Other financing sources:</b>						
Transfer from other funds	1,177	759	(418)	2,135	2,103	(32)
<b>Total sources</b>	<b>\$ 54,693</b>	<b>\$ 51,137</b>	<b>\$ (3,556)</b>	<b>\$ 34,269</b>	<b>\$ 34,003</b>	<b>\$ (266)</b>
	<b>Legislative</b>			<b>Municipal Bond Bank</b>		
Fund balances, July 1	\$ 5,684	\$ 5,684	\$ -0-	\$ 28,339	\$ 28,339	\$ -0-
<b>Revenues:</b>						
Federal	-0-	-0-	-0-	36,066	15,209	(20,857)
Sales, charges for services	995	892	(103)	-0-	-0-	-0-
Interest	-0-	-0-	-0-	85,679	83,733	(1,946)
Other	368	305	(63)	4,799	4,292	(507)
<b>Other financing sources:</b>						
Proceeds from sales of bond	-0-	-0-	-0-	17,992	17,913	(79)
Transfer from other funds	18,292	18,283	(9)	-0-	-0-	-0-
<b>Total sources</b>	<b>\$ 25,339</b>	<b>\$ 25,164</b>	<b>\$ (175)</b>	<b>\$ 172,875</b>	<b>\$ 149,486</b>	<b>\$ (23,389)</b>
	<b>Workers' Compensation and Safety</b>			<b>Higher Education Capital Construction</b>		
Fund balances, July 1	\$ 20,377	\$ 20,377	\$ -0-	\$ 10,620	\$ 10,620	\$ -0-
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-0-	-0-	-0-	15,815	15,815	-0-
Federal	1,846	1,833	(13)	-0-	-0-	-0-
Other taxes	15,242	28,864	13,622	-0-	-0-	-0-
Sales, charges for services	4	4	-0-	-0-	-0-	-0-
Licenses, fees and permits	256	246	(10)	-0-	-0-	-0-
Interest	336	1,414	1,078	-0-	-0-	-0-
Other	41	1,870	1,829	-0-	-0-	-0-
<b>Other financing sources:</b>						
Reversions from other funds	-0-	537	537	-0-	-0-	-0-
<b>Total sources</b>	<b>\$ 38,102</b>	<b>\$ 55,145</b>	<b>\$ 17,043</b>	<b>\$ 26,435</b>	<b>\$ 26,435</b>	<b>\$ -0-</b>



# STATE OF NEVADA

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

**Exhibit I-3**

Page 2 of 2

*For the Fiscal Year Ended June 30, 2000 (Expressed in Thousands)*

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	<b>Cleaning Up Petroleum Discharges</b>			<b>Hospital Care to Indigent Persons</b>		
Fund balances, July 1	\$ 5,767	\$ 5,767	\$ -0-	\$ 5,834	\$ 5,834	\$ -0-
<b>Revenues:</b>						
Other taxes	11,500	11,176	(324)	12,015	11,366	(649)
Licenses, fees and permits	550	415	(135)	-0-	-0-	-0-
Interest	440	436	(4)	412	389	(23)
Other	143	41	(102)	384	377	(7)
<b>Total sources</b>	<b>\$ 18,400</b>	<b>\$ 17,835</b>	<b>\$ (565)</b>	<b>\$ 18,645</b>	<b>\$ 17,966</b>	<b>\$ (679)</b>
	<b>Tourism Promotion</b>			<b>Offenders' Store</b>		
Fund balances, July 1	\$ 2,750	\$ 2,750	\$ -0-	\$ 1,723	\$ 1,723	\$ -0-
<b>Revenues:</b>						
Other taxes	10,916	10,916	-0-	-0-	-0-	-0-
Sales, charges for services	5	-0-	(5)	10,152	9,617	(535)
Licenses, fees and permits	130	135	5	-0-	-0-	-0-
Interest	-0-	-0-	-0-	143	90	(53)
Other	12	12	-0-	-0-	15	15
<b>Other financing sources:</b>						
Transfer from other funds	34	34	-0-	-0-	-0-	-0-
<b>Total sources</b>	<b>\$ 13,847</b>	<b>\$ 13,847</b>	<b>\$ -0-</b>	<b>\$ 12,018</b>	<b>\$ 11,445</b>	<b>\$ (573)</b>
	<b>Tobacco Settlement</b>			<b>Contingency</b>		
Fund balances, July 1	\$ -0-	\$ -0-	\$ -0-	\$ 8,325	\$ 8,325	\$ -0-
<b>Revenues:</b>						
Interest	945	944	(1)	-0-	-0-	-0-
Other	43,000	42,923	(77)	-0-	-0-	-0-
<b>Other financing sources:</b>						
Transfer from other funds	219	219	-0-	200	556	356
<b>Total sources</b>	<b>\$ 44,164</b>	<b>\$ 44,086</b>	<b>\$ (78)</b>	<b>\$ 8,525</b>	<b>\$ 8,881</b>	<b>\$ 356</b>
	<b>Care of Sites for Radioactive Waste Disposal</b>			<b>Stabilize the Operations of State Government</b>		
Fund balances, July 1	\$ 10,026	\$ 10,026	\$ -0-	\$ 128,867	\$ 128,867	\$ -0-
<b>Revenues:</b>						
Licenses, fees and permits	160	144	(16)	-0-	-0-	-0-
Interest	587	581	(6)	-0-	-0-	-0-
<b>Other financing sources:</b>						
Transfer from other funds	-0-	-0-	-0-	-0-	18,229	18,229
<b>Total sources</b>	<b>\$ 10,773</b>	<b>\$ 10,751</b>	<b>\$ (22)</b>	<b>\$ 128,867</b>	<b>\$ 147,096</b>	<b>\$ 18,229</b>
	<b>Miscellaneous</b>			<b>Total Special Revenue</b>		
Fund balances, July 1	\$ 8,361	\$ 8,361	\$ -0-	\$ 462,183	\$ 462,183	\$ -0-
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-0-	-0-	-0-	15,815	15,815	-0-
Federal	899	901	2	261,004	202,149	(58,855)
Other taxes	1,808	1,795	(13)	355,457	368,488	13,031
Sales, charges for services	1,106	1,107	1	32,679	24,627	(8,052)
Licenses, fees and permits	5,318	5,177	(141)	135,641	138,467	2,826
Interest	2,477	624	(1,853)	110,940	102,025	(8,915)
Other	5,522	3,471	(2,051)	78,855	75,828	(3,027)
<b>Other financing sources:</b>						
Proceeds from sale of bonds	-0-	-0-	-0-	17,992	17,913	(79)
Transfer from other funds	4,088	3,797	(291)	29,039	47,368	18,329
Reversions from other funds	-0-	-0-	-0-	-0-	537	537
<b>Total sources</b>	<b>\$ 29,579</b>	<b>\$ 25,233</b>	<b>\$ (4,346)</b>	<b>\$ 1,499,605</b>	<b>\$ 1,455,400</b>	<b>\$ (44,205)</b>

# STATE OF NEVADA

## General Governmental Expenditures and Other Uses by Function \* General Governmental Revenues and Other Resources by Source \*

For the Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)

### General Governmental Expenditures and Other Uses by Function

Table I

Fiscal Years Ended June 30

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Expenditures:</b>										
General government	\$ 58,806	\$ 59,379	\$ 64,123	\$ 64,525	\$ 75,742	\$ 75,770	\$ 101,565	\$ 97,606	\$ 111,116	\$ 103,402
Health, social services	594,066	863,110	909,041	864,576	994,633	1,061,930	1,090,069	1,179,553	1,236,991	1,353,839
Education and support	19,226	20,762	22,356	23,009	24,633	24,019	26,460	30,476	42,027	44,532
Law, justice, and public safety	170,611	192,550	199,261	211,015	224,281	256,015	276,275	341,970	338,518	361,041
Regulation of business	48,890	58,000	59,673	54,664	58,925	58,819	63,730	67,816	82,127	87,057
Transportation	216,554	240,888	263,996	347,064	368,040	344,183	312,592	331,302	433,118	537,748
Recreation, resource development	62,122	69,545	68,603	72,635	77,273	80,713	89,011	91,436	85,378	93,795
Intergovernmental	471,575	503,543	474,193	495,287	482,910	613,244	672,812	767,476	854,172	856,294
Capital improvements	50,249	48,645	60,887	49,871	40,548	27,932	49,298	46,849	67,327	150,095
Debt service	74,142	73,638	224,377	76,739	107,225	138,791	151,422	157,868	192,433	183,114
<b>Other Uses:</b>										
University	168,613	276,773	196,155	218,237	257,676	266,381	350,404	302,878	402,384	348,110
<b>Total expenditures and other uses</b>	<b>\$1,934,854</b>	<b>\$2,406,833</b>	<b>\$2,542,665</b>	<b>\$2,477,622</b>	<b>\$2,711,886</b>	<b>\$2,947,797</b>	<b>\$3,183,638</b>	<b>\$3,415,230</b>	<b>\$3,845,591</b>	<b>\$4,119,027</b>

### General Governmental Revenues and Other Resources by Source

Table II

Fiscal Years Ended June 30

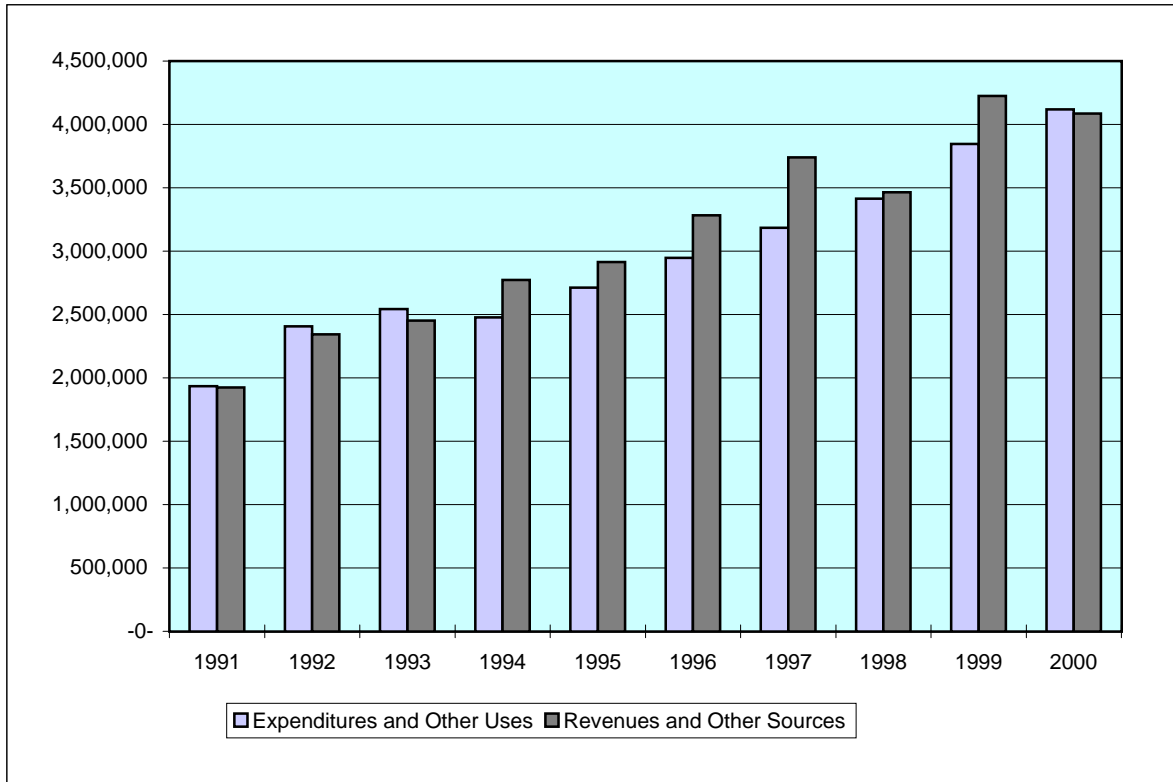
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Revenues:</b>										
Gaming taxes	\$ 416,546	\$ 426,621	\$ 453,084	\$ 490,166	\$ 517,524	\$ 566,834	\$ 566,079	\$ 586,186	\$ 635,264	\$ 707,300
Sales taxes	307,945	310,770	343,604	402,548	446,504	502,960	554,891	581,991	645,560	672,473
Intergovernmental	421,001	562,120	645,228	709,128	836,557	877,735	908,806	950,533	1,036,944	1,084,807
Other taxes	412,159	574,685	661,839	648,390	694,031	729,808	772,563	815,270	862,477	949,538
Licenses, fees and permits	116,532	148,567	164,741	166,094	175,139	185,375	198,622	204,653	222,274	237,798
Charges for service and sales	25,564	28,440	29,579	39,657	39,751	41,458	44,885	50,427	55,298	53,485
Interest, investment income	79,763	64,100	56,959	45,572	68,387	91,595	113,061	164,843	164,919	159,403
Other	30,652	44,601	60,125	48,797	43,159	42,699	52,396	47,932	45,855	120,899
<b>Other Resources:</b>										
Net proceeds from debt financing	100,293	180,216	32,006	218,632	90,093	239,531	522,685	26,674	551,221	93,211
Net operating transfers	12,338	3,740	3,816	4,153	3,274	4,829	3,549	5,990	3,525	5,303
Other	213	67	56	149	162	357	3,226	31,196	450	531
<b>Total revenues and other resources</b>	<b>\$1,923,006</b>	<b>\$2,343,927</b>	<b>\$2,451,037</b>	<b>\$2,773,286</b>	<b>\$2,914,581</b>	<b>\$3,283,181</b>	<b>\$3,740,763</b>	<b>\$3,465,695</b>	<b>\$4,223,787</b>	<b>\$4,084,748</b>

\* Includes General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds. Note that transfers to/from component unit have been netted and included as other uses. Operating transfers in/out have been netted and included as other resources.

## STATE OF NEVADA

### General Governmental Expenditures and Other Uses Compared With General Governmental Revenues and Other Resources General Fund Expenditures and Unreserved Fund Balance *For the Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)*

#### General Governmental Expenditures and Other Uses Compared With General Governmental Revenues and Other Resources



#### General Fund Expenditures and Unreserved Fund Balance

**Table III**

Fiscal Year Ended June 30	General Fund Expenditures	Unreserved General Fund Balance	"Rainy" Day (1) Fund Balance
1991	\$ 1,136,595	\$ 43,393	\$ -
1992	1,382,077	583	-
1993	1,386,788	32,732	-
1994	1,418,582	39,616	18,057
1995	1,578,382	(26,809)	100,000
1996	1,792,460	10,107	123,392
1997	1,869,807	(9,360)	128,867
1998	2,097,300	(89,509)	128,867
1999	2,215,598	(68,511)	128,867
2000	2,410,399	(46,803)	147,096

(1) The 1991 Legislature established a fiscal emergency (rainy day) fund that is funded with 40% of unrestricted General Fund revenues in excess of appropriations, after attaining certain reserves.

# STATE OF NEVADA

## State Collected Gaming Taxes and Sales Taxes Average Combined Property Tax Rates and State Levy

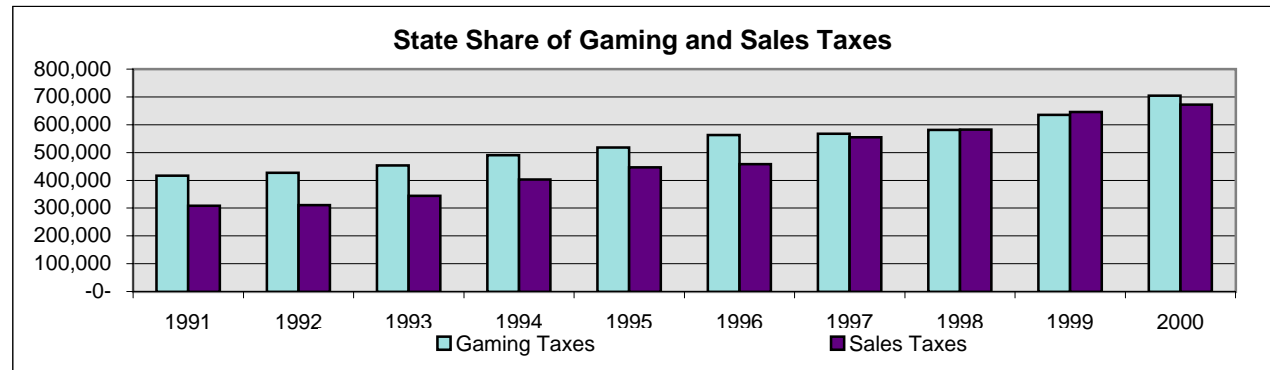
For the Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)

### State Collected Gaming Taxes and Sales Taxes

Table IV

Fiscal Year Ended June 30	Gaming Taxes			Sales Taxes			
	Gross Taxable Gaming Revenues	State Collections Gaming Taxes	State Share Gaming Taxes	Gross Taxable Sales	Gross Sales Tax Revenues	State General Fund Revenues	Sales Taxes Collected for Local Governments
1991	\$ 5,411,475	\$ 418,912	\$ 416,545	\$ 14,514,119	\$ 858,093	\$ 307,945	\$ 550,148
1992	5,570,752	428,934	426,621	14,437,144	942,850	310,770	632,080
1993	5,871,840	455,182	453,084	15,665,903	1,071,886	343,604	728,282
1994	6,397,278	498,709	490,166	18,215,224	1,245,720	402,548	842,788
1995	6,821,022	522,848	517,524	20,075,579	1,374,636	446,504	928,132
1996	7,240,837	565,921	563,198	22,222,771	1,541,703	458,336	1,083,367
1997	7,300,149	569,962	567,341	24,408,114	1,696,634	554,891	1,192,259
1998	7,577,394	584,048	581,423	25,360,551	1,771,936	581,991	1,246,825
1999	8,133,799	637,903	635,288	28,039,912	1,973,968	645,560	1,393,773
2000	9,015,244	707,610	704,893	29,815,517	2,144,720	672,473	1,472,225

Sources: Nevada Gaming Control Board, State Department of Taxation



### Average Combined Property Tax Rates and State Levy

Table V

Fiscal Year Ended June 30	Tax Rates Per \$100 of Assessed Value				State Gov't Rate	State Gov't Tax Levy
	Clark County	Washoe County	15 Other Counties	Average County Rate		
1992	2.7438	3.1609	2.4962	2.7770	0.1370	30,904,428
1993	2.7719	3.2389	2.5884	2.8277	0.1440	34,979,018
1994	2.8043	3.2863	2.5919	2.8550	0.1500	39,199,474
1995	2.8111	3.3265	2.5942	2.8661	0.1500	42,442,059
1996	2.7813	3.4140	2.5355	2.8505	0.1500	46,653,503
1997	2.7881	3.3545	2.5926	2.8580	0.1500	51,138,611
1998	2.9106	3.3675	2.6272	2.9443	0.1500	55,970,796
1999	2.9404	3.4032	2.6249	2.9716	0.1500	61,221,755
2000	2.8274	3.4455	2.6676	3.0042	0.1500	68,826,505
2001	3.0181	3.4278	2.6519	3.0339	0.1500	74,608,661

Source: Department of Taxation

Historically, outstanding delinquent taxes have been minimal. The two largest counties have for the past ten years had less than 1/2 of 1 percent of the current levy as outstanding delinquent taxes at the end of the collection period.

# STATE OF NEVADA

## Assessed Value of Taxable Property Ten Largest Taxable Property Owners

For the Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)

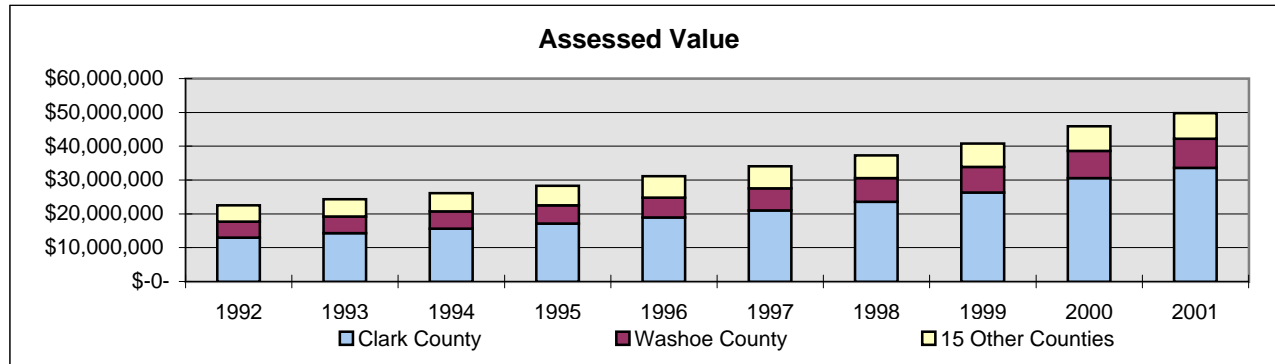
### Assessed Value of Taxable Property

Table VI

Fiscal Year Ended June 30	Assessed Value (1)				Market Value
	Clark County	Washoe County	15 Other Counties	Total State	Total State
1992	\$ 12,964,606	\$ 4,700,274	\$ 4,893,097	\$ 22,557,977	\$ 64,451,362
1993	14,267,549	4,908,661	5,114,774	24,290,984	69,402,811
1994	15,574,486	5,179,851	5,378,646	26,132,983	74,665,666
1995	17,107,695	5,440,391	5,746,620	28,294,706	80,842,017
1996	18,909,831	5,863,539	6,328,966	31,102,336	88,863,817
1997	21,023,607	6,482,287	6,586,513	34,092,407	97,406,877
1998	23,599,895	6,948,776	6,765,193	37,313,864	106,611,040
1999	26,347,735	7,500,857	6,965,912	40,814,504	116,612,869
2000	30,539,106	8,085,546	7,269,325	45,893,977	131,125,648
2001	33,616,437	8,624,387	7,508,424	49,749,248	142,140,708

Source: Department of Taxation

(1) Excludes redevelopment valuation. Assessed value is approximately 35% of fair market value.



### Ten Largest Taxable Property Owners

Table VII

	Assessed Valuation	Percentage of Total Assessed Valuation
Mandalay Resort Group (Las Vegas)	\$ 846,636	1.67 %
Park Place Entertainment (Las Vegas)	830,800	1.64
Mirage Resorts Inc. (Las Vegas)	789,423	1.56
Nevada Power Company	583,894	1.15
Sierra Pacific Power Company	473,465	0.94
M.G.M. Grand Hotel Inc. (Las Vegas)	435,047	0.86
Newmont Gold Company (Elko, Eureka)	369,772	0.73
Venetian Casino Resort (Las Vegas)	300,113	0.59
Harrah's Club (Las Vegas)	286,836	0.57
Howard Hughes Properties (Las Vegas)	271,187	0.54
<b>Totals</b>	<b>\$ 5,187,173</b>	<b>10.25 %</b>

Source: Department of Taxation

# STATE OF NEVADA

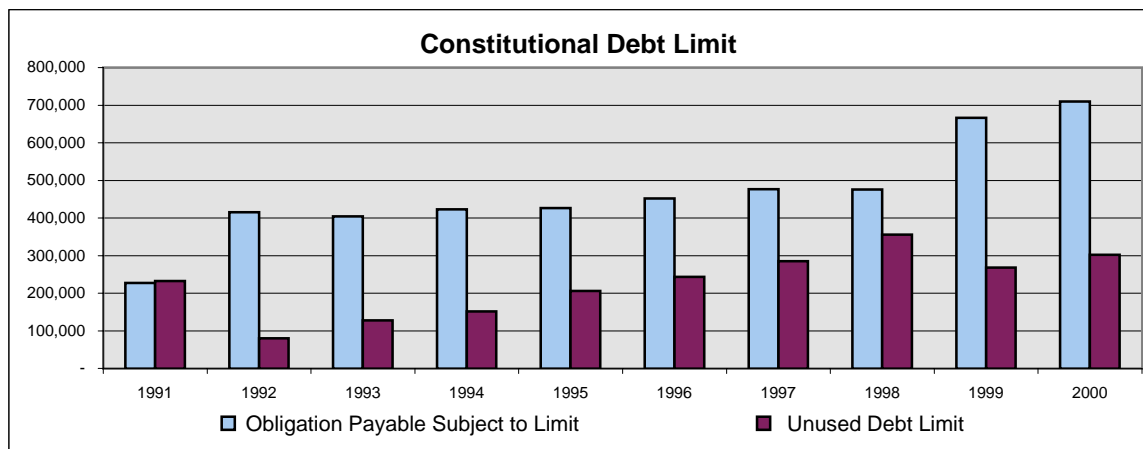
## Constitutional Debt Limit

*For the Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)*

### Constitutional Debt Limit

**Table VIII**

Fiscal Year Ended June 30	1 % or 2% Assessed Valuation	Obligation Payable Subject to Limit	Unused Debt Limit
1991	\$ 459,570	\$ 226,955	\$ 232,615
1992	494,964	415,050	79,914
1993	531,426	404,005	127,421
1994	574,717	423,278	151,439
1995	632,795	426,613	206,182
1996	694,581	451,567	243,014
1997	762,212	476,979	285,233
1998	831,746	476,050	355,696
1999	934,106	666,234	267,872
2000	1,011,490	709,490	302,000



### Computation of Legal Debt Margin at June 30, 2000:

Assessed value of taxable property at June 30, 2000 (1)		<u>\$ 50,574,516</u>
Debt limitation (2% of assessed value)		1,011,490
Total general and special obligation bonded debt	\$ 2,261,376	
Leases	30,345	
Certificates of Participation	15,000	
Less obligation exempt from debt margin:		
Municipal bond bank bonds	1,108,370	
Protection of natural resources bonds	488,861	
Debt subject to debt limitation		<u>709,490</u>
Legal debt margin at June 30, 2000		<u><u>\$ 302,000</u></u>

(1) Assessed value includes redevelopment assessed value of \$825,268

# STATE OF NEVADA

## Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita

Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)

### Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures

Table IX

Year Ended June 30	Principal	Interest, Fiscal Charges (1)	Total Debt Service (2)	Total General Expenditures (3)	Debt Service Expenditures to General Expenditures %
1991	\$ 18,373	\$ 36,661	\$ 55,034	\$ 1,934,854	2.84
1992	19,991	35,075	55,066	2,406,833	2.29
1993	19,630	43,827	63,457	2,542,665	2.50
1994	26,195	33,159	59,354	2,477,622	2.40
1995	28,260	41,887	70,147	2,711,886	2.59
1996	47,015	55,128	102,143	2,947,797	3.47
1997	47,575	74,341	121,916	3,183,638	3.83
1998	52,405	79,831	132,236	3,415,230	3.87
1999	56,115	109,468	165,583	3,845,591	4.31
2000	66,741	109,214	175,955	4,119,027	4.27

(1) Excludes advance refunding escrow expenditures.

(2) Excludes general obligation bonds reported in Enterprise Funds and revenue bonds.

(3) Includes General, Special Revenue, Debt Service, Capital Project, and Expendable Trust Funds.

### Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita

Table X

Year Ended June 30	Population	Assessed Value (1)	Gross Bonded Debt (2)	Less Debt Service Fund	Debt Payable From Fees and Enterprise Fund Revenues (3)	Net Bonded Debt	Net Bonded Debt to Assessed Value %	Net Bonded Debt Per Capita
1991	1,298	\$22,557,977	\$ 684,460	\$ 7,972	\$ 442,380	\$ 234,108	1.04	180
1992	1,344	24,290,984	826,230	14,202	387,351	424,677	1.75	316
1993	1,399	26,132,983	703,450	19,349	278,820	405,281	1.55	290
1994	1,493	28,294,706	820,906	20,331	353,256	447,319	1.58	300
1995	1,582	31,102,336	1,026,766	22,420	560,375	443,971	1.43	281
1996	1,638	34,092,407	1,234,716	26,279	716,970	491,467	1.44	300
1997	1,741	37,313,864	1,692,296	29,207	1,142,180	520,909	1.40	299
1998	1,875	40,814,504	1,731,135	30,553	1,210,757	489,825	1.20	261
1999	1,962	45,893,977	2,210,319	31,565	1,578,895	599,859	1.31	306
2000	2,059	49,749,248	2,261,376	36,519	1,573,840	651,017	1.31	316

(1) Excludes redevelopment agency valuations.

(2) Excludes 1977 and 1989 Sewer Improvement Bonds serviced by Clark County, but includes Municipal Bond Bank debt.

(3) Includes University General Obligation Bonds paid from gaming taxes, Muni Bond Bank Bonds paid by local governments, Colorado River General Obligation Bonds paid by user fees and Water Pollution General Obligation Bonds paid by users' interest payments.



# STATE OF NEVADA

## Revenue Bond Coverage

*Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)*

Fiscal Year Ended June 30	Gross Resources	Uses	Net Resources Available for Debt Service	Debt Service Requirements (1)			Coverage
				Principal	Interest	Total	
Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bond Coverage							Table XI
1991	282,078 (2)	264,388 (3)	17,690	15,760	1,684	17,444	1.01
1992	314,156	296,363	17,793	14,760	2,145	16,905	1.05
1993	332,174	319,761	12,413	16,220	3,115	19,335	0.64
1994	425,828	409,671	16,157	12,720	2,327	15,047	1.07
1995	499,343	440,711	58,632	30,420	5,440	35,860	1.64
1996	463,447	413,941	49,506	30,420	4,929	35,349	1.40
1997	464,737	395,415	69,322	24,420	3,409	27,829	2.49
1998	474,138	426,550	47,588	17,700	2,080	19,780	2.41
1999 (7)	557,153	550,982	6,171	17,700	1,239	18,939	0.33
2000 (7)	619,552	661,622	(42,070)	0	0	0	n/a

<b>Mortgage Revenue Bond Coverage (Housing Division Revenues)</b>							<b>Table XII</b>
1991	103,442 (4)	4,372 (3)	99,070	79,950	58,221	138,171	0.72
1992	161,282	5,448	155,834	114,858	57,556	172,414	0.90
1993	168,152	8,597	159,555	87,617	51,135	138,752	1.15
1994	213,621	7,512	206,109	178,892	38,327	217,219	0.95
1995	84,281	7,511	76,770	56,462	37,327	93,789	0.82
1996	112,896	8,280	104,616	82,256	43,156	125,412	0.83
1997	120,652	8,356	112,296	72,936	48,761	121,697	0.92
1998	148,101	8,519	139,582	17,827	54,115	71,942	1.94
1999	183,441	9,552	173,889	79,680	58,154	137,834	1.26
2000	123,773	9,014	114,759	105,187	63,406	168,593	0.68

<b>Colorado River Commission General Obligation/Revenue Bonded Debt Coverage</b>							<b>Table XIII</b>
1991	10,886 (5)	4,290 (3)	6,596	2,183	4,385	6,568	1.00
1992	10,986	4,388	6,598	2,170	4,302	6,472	1.02
1993	11,915	4,411	7,504	3,020	4,514	7,534	1.00
1994	12,273	5,551	6,722	3,028	3,951	6,979	0.96
1995	14,947	7,021	7,926	3,367	5,068	8,435	0.94
1996	19,030	10,591	8,439	3,120	6,707	9,827	0.86
1997	54,149 (6)	15,620	38,529	3,625	12,136	15,761	2.44
1998	55,501 (6)	15,575	39,926	5,840	11,860	17,700	2.26
1999	49,917 (6)	22,522	27,395	6,570	11,649	18,219	1.50
2000	65,643 (6)	25,957	39,686	6,905	11,326	18,231	2.18

(1) Principal requirements represent principal outlays.

(2) Consists of the resources of the State Highway Special Revenue Fund and Highway Revenue Bonds Debt Service Fund.

(3) Uses are operating expenses, nonoperating expenses, and transfers out less interest expense and depreciation.

(4) Consists of operating revenues, nonoperating revenues, transfers in and principal collections of the Housing Division Enterprise Fund.

(5) Includes operating revenues and nonoperating revenues of the Water Treatment Enterprise Fund.

(6) Includes operating revenues and nonoperating revenues of the Southern Nevada Water Authority who replaced the Colorado River Commission Water Treatment Enterprise Fund as payor of the Colorado River Commission General Obligation/Revenue Bonds debt service.

(7) Highway Revenue Bonds final maturity date was April 1, 1999

# STATE OF NEVADA

## Disposable Per Capita Income Population (Unaudited)

### Disposable Per Capita Income

Table XIV

Calendar Year	United States	California	Nevada	Nevada's Per Capita as % of U.S. Per Capita	Nevada's Per Capita Rank
1970	\$ 3,484	\$ 4,131	\$ 4,425	127%	5
1980	8,424	9,876	9,714	115	5
1989	15,722	17,250	16,508	105	9
1990	16,642	18,313	17,443	105	15
1991	17,161	18,615	17,941	105	13
1992	18,034	19,390	18,866	105	14
1993	18,551	19,571	19,386	105	8
1994	19,241	19,929	20,350	106	8
1995	20,189	20,970	21,065	104	10
1996	20,979	21,760	21,805	104	9
1997	21,908	22,674	22,742	104	11
1998	22,424	23,119	22,959	102	14
1999	24,297	25,100	26,205	108	9

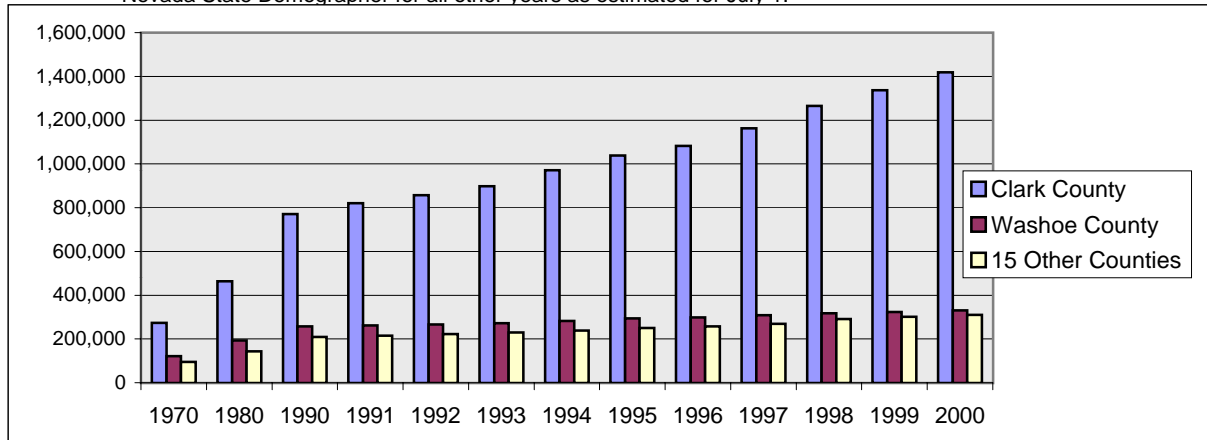
Source: Survey of Current Business, published by U.S. Department of Commerce

### Population

Table XV

Year	Clark County	Washoe County	15 Other Counties	Total State
1970	273,288	121,068	94,382	488,738
1980	463,087	193,623	143,798	800,508
1990	770,280	257,120	209,500	1,236,900
1991	820,840	262,260	214,810	1,297,910
1992	856,350	265,660	221,930	1,343,940
1993	898,020	271,770	228,970	1,398,760
1994	971,680	282,630	238,690	1,493,000
1995	1,038,180	294,290	249,810	1,582,280
1996	1,082,667	298,356	256,992	1,638,015
1997	1,163,207	308,579	269,111	1,740,897
1998	1,265,590	318,050	291,120	1,874,760
1999	1,337,400	322,810	301,460	1,961,670
2000	1,418,719	330,005	310,709	2,059,433

Sources: U.S. Department of Commerce, Bureau of Census, 1970, 1980, 1990;  
Nevada State Demographer for all other years as estimated for July 1.



# STATE OF NEVADA

## Public School Enrollment University and Community College Enrollment

Last Ten Fiscal Years (Unaudited)

### Public School Enrollment

Table XVI

	Fall Enrollment						
	Grades			Counties			
	Primary (K - 6)	Secondary (7 - 12)	Total	Clark	Washoe	All Others	Total
1991	126,555	85,255	211,810	129,233	40,028	42,549	211,810
1992	131,469	91,377	222,846	136,188	42,061	44,597	222,846
1993	138,829	96,971	235,800	145,327	43,715	46,758	235,800
1994	146,949	103,798	250,747	156,348	45,752	48,647	250,747
1995	155,492	109,549	265,041	166,788	47,572	50,681	265,041
1996	164,654	117,477	282,131	179,106	49,671	53,354	282,131
1997	173,618	123,003	296,621	190,822	51,205	54,594	296,621
1998	181,612	129,451	311,063	203,777	52,652	54,634	311,063
1999	189,755	135,855	325,610	217,526	54,508	53,576	325,610
2000	196,323	144,384	340,707	231,655	56,268	52,784	340,707

Source: Nevada Department of Education

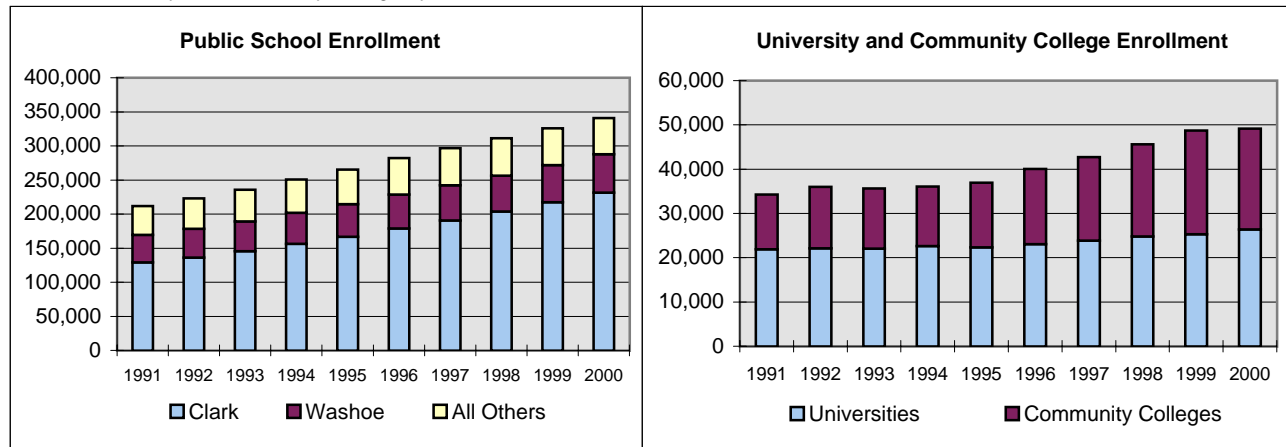
### University and Community College Enrollment

Table XVII

	Full Time Equivalent Students at Fall Enrollment								
	Universities			Community Colleges (CC)					Total
	Reno	Las Vegas	Subtotal	Southern Nevada	Great Basin	Truckee Meadows	Western Nevada	Subtotal	
1991	8,821	13,108	21,929	6,253	828	3,515	1,726	12,322	34,251
1992	9,212	12,944	22,156	7,426	933	3,718	1,765	13,842	35,998
1993	9,155	12,885	22,040	7,137	906	3,726	1,810	13,579	35,619
1994	9,392	13,211	22,603	7,111	933	3,594	1,847	13,485	36,088
1995	9,161	13,166	22,327	8,599	878	3,451	1,682	14,610	36,937
1996	9,383	13,661	23,044	10,245	1,010	3,848	1,869	16,972	40,016
1997	9,397	14,447	23,844	11,380	1,146	4,377	1,955	18,858	42,702
1998	9,488	15,318	24,806	13,135	1,132	4,560	2,013	20,840	45,646
1999 (1)	9,881	15,428	25,309	15,215	1,252	4,867	2,045	23,379	48,688
2000	10,469	15,931	26,400	14,399	1,322	5,032	2,037	22,790	49,190

(1) Revised in 2000

Source: University and Community College System of Nevada



# STATE OF NEVADA

## Average Annual Employment

Last Ten Calendar Years (Expressed in Thousands) (Unaudited)

Table XVIII

### Average Annual Employment

Fiscal Year Ended June 30	Labor Force Statistics				Industrial Base Statistics (2)		
	Total Nevada Labor Force	Unemployment	Unemployment Rate	U.S. Average Unemployment Rate	Total Non- Agriculture	Goods Producing	Services Producing
1991	693.0	38.0	5.5	6.7	628.7	79.0	549.7
1992	715.0	47.0	6.6	7.4	638.7	78.2	560.5
1993	746.0	54.0	7.2	6.8	670.0	88.0	582.0
1994	779.0	48.0	6.2	6.1	736.7	100.9	635.8
1995	800.9	43.2	5.4	5.6	789.1	111.8	677.3
1996	844.1	45.7	5.4	5.4	842.5	128.0	714.5
1997	890.2	40.7	4.6	5.0	885.8	137.1	748.7
1998	919.9	39.6	4.3	4.5	924.4	140.1	784.3
1999 (3)	941.6	41.9	4.4	4.2	985.1	144.9	840.2
2000 (1)	974.8	37.4	3.8	4.0	1,015.6	145.7	869.9

Source: Nevada Department of Employment, Training and Rehabilitation

(1) Average through August 2000

(2) Reflects employment by place of work. Does not necessarily coincide with the labor force concept. Includes multiple job holders.

(3) Revised in 2000



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Kathy Augustine  
State Controller

We have audited the general purpose financial statements of the State of Nevada (the State), as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. As described in our report dated December 15, 2000, portions of the audit of the general purpose financial statements were performed by other auditors, whose reports were furnished to us.

Compliance

As part of obtaining reasonable assurance about whether the State's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the Nevada Legislature and management of the State. It is not intended to be and should not be used by anyone other than these specified parties.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
December 15, 2000

