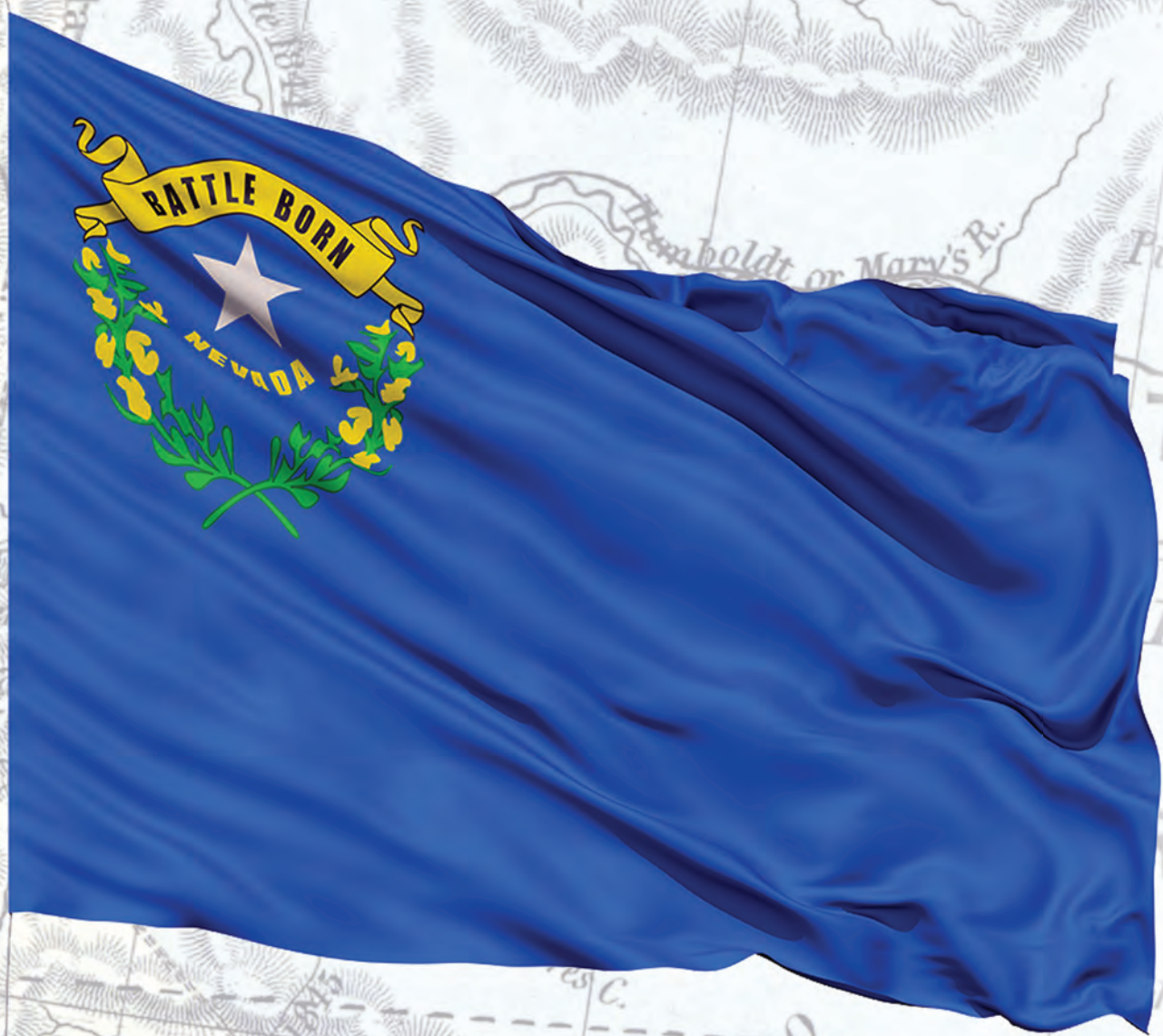


**STATE OF NEVADA**

**Comprehensive  
Annual  
Financial  
Report**

**for the Fiscal Year  
Ended June 30, 2013**

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





# KIM R. WALLIN, CMA, CFM, CPA

## STATE CONTROLLER

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

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

Kim has been recognized by her peers prior to becoming Controller and has continued to be recognized by her peers in her position as Controller.

Kim most recently has been awarded the 2013 National Association of State Auditors, Comptrollers and Treasurers President's Award for her work in improving disclosure of financial information for investors who invest in municipal bonds.

Also in 2013 she was given the Excellence in Government Award by the Association of Government Accountants for her advocacy of improved government accountability, for the use of technology to improve government performance and for clear, concise reporting to the public.

As Controller she has also received the AGA's Presidents Award and the National Association of Comptrollers President Award for her work in improving transparency in Government with the use of technology. In 2011 she received NASACT's Presidents Award for her work on various U.S. Presidential work groups and her continued efforts to improve efficiency and accountability.

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

Kim is the former Global Chair of the Institute of Management Accountants (IMA) for 2003-2004 and she served as Chair of the Board of Regents of the ICMA.

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

Kim is a graduate of the University of Nevada, Las Vegas with a degree in Business Administration with a major in accounting.



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NEVADA

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

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

December 17, 2013

Office: (775) 684-5632  
Fax: (775) 684-5696

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

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. The objective of this Report is to provide a clear picture of the government as a single, unified entity, in addition to traditional fund-based financial statements.

### **Introduction to the Report**

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

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

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

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

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



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

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

## **Profile of Government**

**Background:** The State of Nevada was admitted to the Union in 1864 and is bordered by five other states. The Great Basin Desert dominates the landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Over 80 percent of Nevada's 70,264,320 acres are owned and managed by the federal government. Approximately 88 percent of our 2.8 million residents live in two distinct population centers, Washoe County in the northwest and Clark County at the southeast tip, separated by 450 miles.

The State of Nevada does not levy a personal income tax. The State's economy and tax base are dependent upon the interrelated gaming and tourism industries as well as upon federal activities, mining, warehousing, manufacturing, and agriculture.

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

**Reporting Entity:** The State of Nevada reporting entity reflected in the State of Nevada CAFR, which is more fully described in Note 1 to the basic financial statements, conforms to the requirements of GASB Statement No. 14 as amended by GASB Statement No. 61. The accounting and reporting principles contained in these statements are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and that financial statements should emphasize primary government and permit financial statement users to distinguish between the primary government and its component units.

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

## **Financial Information**

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

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

In accordance with State statute, The Economic Forum, comprised of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. If revenues fall below those originally anticipated during the course of the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

## Economic Outlook

Nevada continues to experience a modest recovery after our worst recession. General Fund revenue for the fiscal year 2013 increased \$250 million over last year to \$6.5 billion. The largest increases over 2012 revenues were \$145 million in funds received from the federal government, due to an increase for Medicaid funding of \$154 million offset by decreases of \$9 million in other federal programs; \$60 million in sales taxes; \$17 million in modified business taxes; and nearly \$13 million in gaming taxes. The largest decrease was \$18 million in other revenues. All other revenue sources recognized modest increases. General Fund spending in fiscal year 2013 increased by \$170 million to \$6.4 billion compared to 2012. The largest increase in spending was in health and social services for \$162 million which was largely due to Medicaid spending.

The consensus, at the non-binding meeting of Nevada's Economic Forum in May, was that tax revenues for 2014 are expected to decrease by 7.7% over fiscal year 2013. Sales tax and gaming tax revenues are expected to increase by 5.4% and 3.1% respectively over 2013. Despite increases in sales taxes and gaming taxes, the Modified Business Tax is expected to decrease by 28% creating an overall decrease in expected tax revenues.

For the fiscal year ended, gaming taxes reported by the primary government were \$901 million, which was a 1.8% increase over 2012, and sales taxes topped \$1 billion, which was a 6.2% increase over 2012. However, our gaming taxes and sales taxes remain below prerecession levels by 12.4% and 10.6% respectively. Statewide visitor volume is up 0.22% over last year but remains 4.48% below pre-recession levels. However, in Las Vegas visitor volume for 2012 was above pre-recession levels by 1.35%. In the south, there was a slight increase of 0.7% in hotel occupancy; and average daily room rates increased 2.2% compared to fiscal year 2012.

Nevada is continuing to experience modest, steady job growth. The unemployment rate in Nevada was 9.6% in June 2013, compared to the national rate of 7.6%. This is down from last year's rate of 11.6%. Nevada continues, however, to have the highest unemployment rate in the nation. During 2013, Nevada is expected to add 23,000 new jobs, compared to only 17,100 jobs added in 2012. Our employment base is expected to grow by 26,000 jobs in 2014 and 30,000 in 2015. The State's largest industries, tourism, gaming and entertainment, are estimated to add 2,800 jobs in 2013, 3,900 in 2014 and 5,200 in 2015. The number of mining jobs grew to 16,500 in June 2013 up from 15,400 last year. Employment in this sector is expected to increase by 6.4% annually through 2015. Although job gains have accelerated; employment is still 12% below peak levels in 2007 and is expected to remain below 2007 levels for several more years.

Nevada's housing market has been showing signs of recovery but still has one of the highest foreclosure rates in the nation. In June, with a rate of 4% of homes in foreclosure, Nevada had the 6<sup>th</sup> highest rate in the nation. Home builders are showing signs of interest as the number of new home building permits are up significantly because of insufficient inventories. Sales and home values are increasing as well. In June, the median asking price for a home in Las Vegas was up by 22.3% over a year ago at \$152,925, and in Reno the median asking price was up by 23.3% to \$264,479 over the same period in 2012.

Mining is Nevada's largest export industry. Deposits of gold, silver and copper keep this business sector essential to the State's economy. Nevada is also a significant source of other minerals such as lithium, iron, and molybdenum used in the manufacturing of consumer and commercial products. In addition, other industrial minerals used in construction such as gypsum, limestone, sand and gravel are found in abundance in Nevada. Mineral tax revenues decreased from \$253 million in fiscal year 2012 to \$236 million in fiscal year ended June 2013.

## Major Initiatives

**Business Growth:** Nevada Governor's Office of Economic Development offers a variety of incentives for businesses to make the decision to do business in the State. The Sales and Use Tax Abatement program reduces sales taxes to 2% on capital equipment purchases. The Modified Business Tax Abatement will allow up to a 50% tax abatement for four years on quarterly wages over \$85,000. The Personal Property Tax Abatement program will allow up to a 50% tax abatement for up to ten years on personal property taxes. The Real Property Tax Abatement for Recycling program will allow up to 50% abatement for up to 10 years on real and personal property taxes for qualified recycling businesses. The Train Employees Now Grant provides assistance with recruitment, hiring and job training for Nevada residents. To qualify for these programs companies must meet certain requirements set forth in NRS 360.750.

The Catalyst Account, created during the 2011 Legislative Session, gives incentives for businesses to expand or relocate to Nevada which will result in the creation of high-quality jobs in Nevada. Lincoln Electric Cutting Systems, Torchmate; New Logic Research, Inc.; and Pathion, LLC are expected to create 100 new jobs as a result of the account. Additional expansions and relocations from Barclays Services, LLC and Kareo, Inc. are expected to result in over 1,000 jobs over a four-year period.

Quail Hollow Farm has begun construction of a new milk processing plant near Fallon, Nevada, which is anticipated to bring the biggest economic boost ever for farmers in Northern Nevada. The \$85 million cost of the facility is expected to handle 2 million pounds of milk a day. All the milk delivered to the plant will be powdered for export to China. The facility will receive \$6.2 million in tax incentives. The plant is expected to create 2,400 jobs across all related industries.

Ardagh Metal Packaging has announced the opening of a new manufacturing plant in Storey County. The plant will bring 140 new technical jobs to the area throughout the next five years, and 72 within the first year. The Ardagh Group provides glass and metal packaging for food, beverage and consumer products throughout the world.

**Resource Development:** Nevada has successfully met the Renewal Portfolio Standard for calendar year 2012 of 15% by achieving 19.7% in Southern Nevada and 29.2% in Northern Nevada of retail sales from renewable energy resources. This is up from 16% in 2011.

2012 was a productive year for The SolarGenerations Program with 147 solar projects completed, representing 7.2 megawatts installed and \$32 million in rebates paid to schools and to public, commercial and residential projects throughout the State. The Solar Hot Water program alone completed 24 projects and paid over \$80,000 in rebates. The WindGenerations Program had its most productive year in history with 71 projects completed generating 7.1 megawatts of electricity. Nevada's Clean Energy Sector accounted for over 22,000 jobs.

**Education:** Despite continued efforts for improvements in key areas, Nevada continues to have the lowest graduation rate in the nation. The Nevada Department of Education reports that only 63% of Nevada's high school students will graduate in four years. In Clark County, that rate was slightly lower at 62%.

The 2013 Legislative Session enacted various statutes affecting PreK through 12 education. Focusing on quality education for our children remains a vital topic for Nevada. Necessary steps are being taken to ensure that every child in Nevada is able to read by grade 3. Early childhood education is the key to long-term success and for our students' ability to graduate from high school. In the 2013 Legislative Session, an additional \$30 million has been allocated over the biennium toward all-day kindergarten for the State's most at-risk schools. In addition, funding levels have been adjusted to reduce class sizes for grades 1 through 3. The first ever statewide program to address the needs of English Language Learners in our State provides \$50 million in funding over the biennium as well. Another newly enacted funding measure focuses on at-risk 11<sup>th</sup> and 12<sup>th</sup> graders. The Jobs for America's Graduates program (JAG) is designed to reduce dropout rates, increase graduation rates and help graduates access jobs and booster college enrollment. It will take some time to determine whether these newly enacted measures will be successful.

**Health and Human Services:** Nevada spent \$1.7 billion on Medicaid in 2013, or 27% of all General Fund expenditures. Caseloads grew by 3.9% to 303,526. This represents about 11% of the State's population, and that figure is expected to top 500,000 by 2015. Nevada continues to struggle with a large number of uninsured citizens; the current estimate is about 22% of the population. The enactment of the Affordable Care Act and Medicaid Expansion could cost an additional \$182 million during 2014, of which the State's share is estimated at \$21 million. Initial estimates anticipate the total spending to be \$2.4 billion through 2019 on health care reform, of which the federal government will cover an estimated 75% of the total cost. The total cost of Medicaid will increase to \$11.9 billion by 2019, more than half of which will be paid by the federal government.

**Transportation:** The Nevada Department of Transportation (NDOT) completed six major projects through June 2013. The I-15 West Mesquite Interchange improved interchange operations and safety. The US395 Northbound project was completed five months ahead of schedule. This project decreased peak hour travel times between Moana Lane and the Spaghetti Bowl. The Meadowood Mall Way project was completed during the quarter ended March 2013, providing additional freeway access and reducing traffic congestion along South Virginia Street and South McCarran Blvd. The I-15 South Design-Build Phase projects were completed ahead of schedule and \$15 million under budget. The I-80 Robb to Vista Design-Build project was completed 82 days ahead of schedule.



NDOT project schedules are contingent on the availability of funding. The Department anticipates a shortfall on the order of \$5.5 billion through 2016 that will limit their ability to fund not only new projects, but preservation and maintenance activities as well. Without a higher level of funding, urban congestion will not be reduced and the existing State highway system will deteriorate.

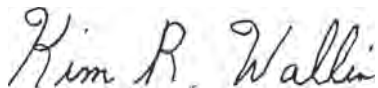
### **Awards and Acknowledgments**

**GFOA Certificate of Achievement:** The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Kim R. Wallin".

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

# STATE OF NEVADA CONSTITUTIONAL OFFICERS



BRIAN KROLICKI  
LIEUTENANT GOVERNOR



BRIAN SANDOVAL  
GOVERNOR



ROSS MILLER  
SECRETARY OF STATE



KATE MARSHALL  
TREASURER

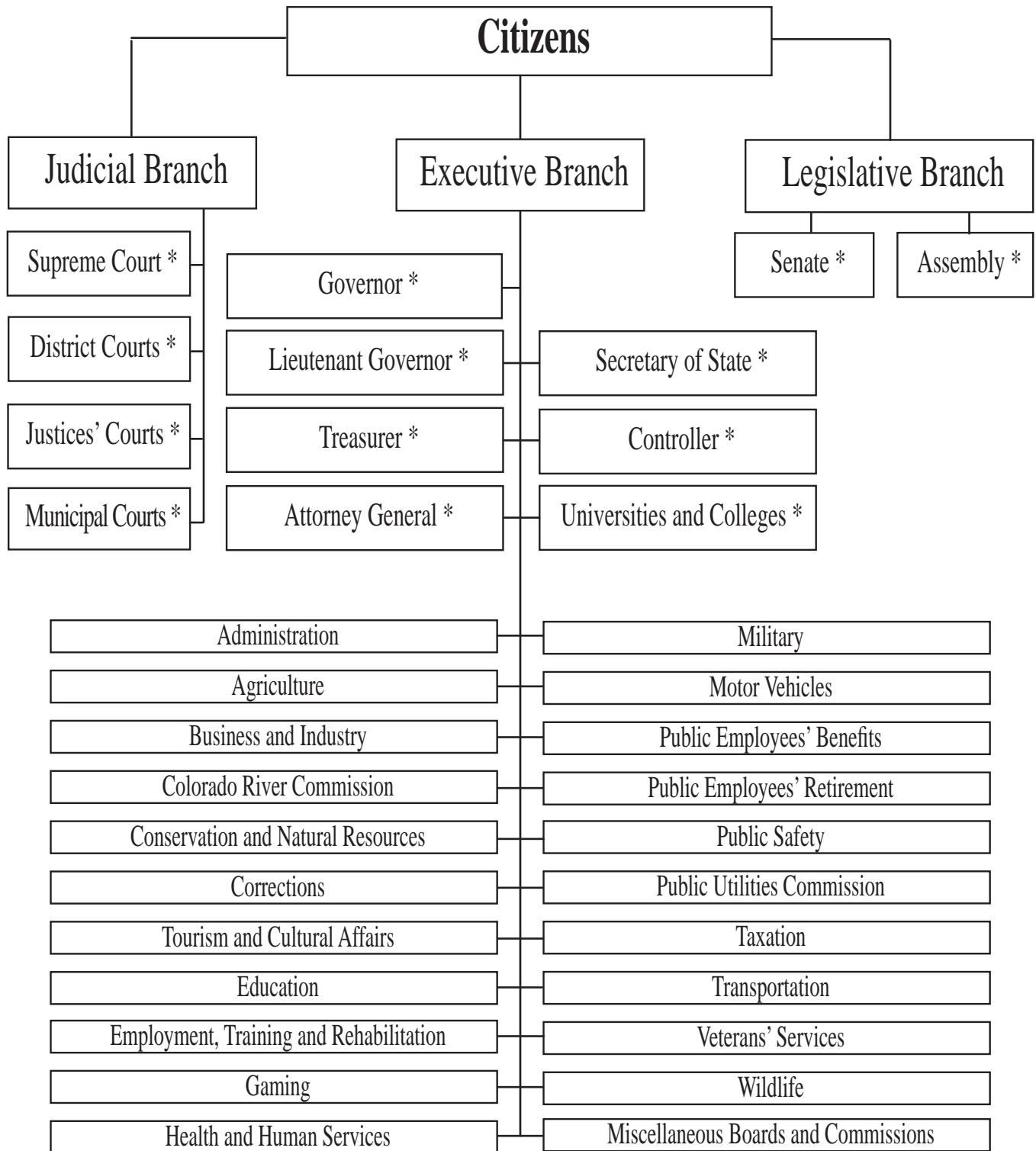


KIM R. WALLIN  
CONTROLLER



CATHERINE CORTEZ MASTO  
ATTORNEY GENERAL

# ORGANIZATIONAL CHART



\* Elected Officials





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**State of Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Executive Director/CEO

# FINANCIAL SECTION



Frontiersman Kit Carson stopped in Northern Nevada during his journey to map the West during the 1840's. Carson City, Carson Valley and Carson Pass were named in his honor.

### Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- the financial statements of the Housing Division, which is both a major fund and 51.50 percent of the assets, 94.86 percent of net position, and 2.82 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units and represent more than 99 percent of assets, net position, and revenues of the discretely presented component units;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and the net position, and 3.30 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 71.00 percent of the assets, 69.36 percent of the net position and 45.17 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 23.34 percent of the assets, 27.01 percent of the net position and 37.39 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets, net position and revenues of the aggregate remaining fund information;
- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets, fund balance and revenues of the aggregate remaining fund information.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the above-mentioned funds and entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of



America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Division of the Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 24 and the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 90 through 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013 on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
December 16, 2013



In 1842, John C. Frémont, guided by Kit Carson, led expedition parties into the Sierra Nevada. Frémont became the first American to see Lake Tahoe. He also determined the Great Basin was endorheic; that is, a closed drainage basin that retains water. John C. Frémont is also known for putting Las Vegas on the map. Las Vegas became an important stop on the way West.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

## HIGHLIGHTS

### Government-wide:

*Net Position* – The assets of the State exceeded liabilities at the close of the fiscal year ended June 30, 2013 by \$5.3 billion (reported as *net position*). Of the \$5.3 billion in net position, \$1.3 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is \$4.4 billion net investment in capital assets.

*Changes in Net Position* – The State's total net position increased by \$650.1 million in fiscal year 2013. The net position of governmental activities increased by \$437.4 million and net position of the business-type activities increased by \$212.7 million.

### Fund-level:

At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$171.5 million from the prior year. Of the ending fund balance, \$637.2 million is not in spendable form, primarily municipal securities and permanent fund principal, and \$908.2 million is available for spending. The \$908.2 million that is spendable consists of: \$383.8 million restricted to expenditures for specific purposes such as transportation, capital projects and foreclosure relief programs; \$591.1 million committed to expenditures for specific purposes such as servicing bonds payable, health and education development, contingencies and fiscal emergencies; and a negative \$66.7 million unassigned, in the General Fund. The reasons for the negative unassigned fund balance are disclosed in the Financial Analysis of the State's Funds section below.

The State's enterprise funds reported combined ending net position of \$203.3 million, an increase of \$212.7 million from the prior year, attributable primarily to increases in net position of \$179.3 million in the Unemployment Compensation Fund, \$18.5 million in the Water Projects Loans Fund, \$13.1 million in the Higher Education Tuition Trust Fund, \$2.6 million in the non-major enterprise funds and a decrease in net position of \$0.8 million in the Housing Division. Of the combined ending net position, \$360.5 million represents a deficit in net position-unrestricted of which \$373.4 million is from the Unemployment Compensation Fund.

The State's fiduciary funds reported combined ending net position of \$41.3 billion, an increase of \$5.0 billion from the prior year. This increase is due primarily to the change in the fair value of investments in the Pension Trust Funds and Private Purpose Trust Funds.

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

The State's total bonds payable and certificates of participation payable decreased by \$233.6 million or 6.6% from \$3.5 billion in fiscal year 2012 to \$3.3 billion in fiscal year 2013.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-wide Financial Statements:

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



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

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

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

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

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

*Discretely Presented Component Units* – Discrete component units are legally separate organizations for which their relationship with the primary government meets selected criteria. The State has three discretely presented component units – the Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

#### **Fund Financial Statements:**

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

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

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

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

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

**Notes to the Financial Statements:**

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

**Required Supplementary Information:**

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

**Other Supplementary Information:**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2013 and 2012 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Change</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013-2012</b>
<b>Assets</b>							
Current and other assets	\$ 3,406,393	\$ 3,427,097	\$ 1,846,659	\$ 1,886,060	\$ 5,253,052	\$ 5,313,157	\$ (60,105)
Net capital assets	5,816,201	5,650,527	12,471	10,721	5,828,672	5,661,248	167,424
<b>Total assets</b>	<b>9,222,594</b>	<b>9,077,624</b>	<b>1,859,130</b>	<b>1,896,781</b>	<b>11,081,724</b>	<b>10,974,405</b>	<b>107,319</b>
<b>Liabilities</b>							
Current liabilities	1,445,839	1,588,782	69,073	101,252	1,514,912	1,690,034	(175,122)
Long-term liabilities	2,680,905	2,830,423	1,586,713	1,798,728	4,267,618	4,629,151	(361,533)
<b>Total liabilities</b>	<b>4,126,744</b>	<b>4,419,205</b>	<b>1,655,786</b>	<b>1,899,980</b>	<b>5,782,530</b>	<b>6,319,185</b>	<b>(536,655)</b>
<b>Net Position</b>							
Net investment in capital assets	4,357,735	4,017,147	3,422	3,076	4,361,157	4,020,223	340,934
Restricted	741,250	700,341	560,410	538,143	1,301,660	1,238,484	63,176
Unrestricted (deficit)	(3,135)	(59,069)	(360,488)	(544,418)	(363,623)	(603,487)	239,864
<b>Total net position</b>	<b>\$ 5,095,850</b>	<b>\$ 4,658,419</b>	<b>\$ 203,344</b>	<b>\$ (3,199)</b>	<b>\$ 5,299,194</b>	<b>\$ 4,655,220</b>	<b>\$ 643,974</b>

**Net Position:**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) increased to \$5.3 billion at the end of 2013, compared with \$4.6 billion at the end of the previous year.

The largest portion of the State's net position (\$4.4 billion or 82.3%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position (\$1.3 billion or 24.6%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position deficit of \$364.0 million or (6.9%), as compared to a \$603.5 million deficit in the prior year.

The unrestricted net position increased in both governmental activities and business-type activities. The unrestricted net position in the governmental activities increased by \$55.9 million, from a deficit of \$59.0 million to a deficit of \$3.1 million. In business-type activities the unrestricted net position increased by \$183.9, from a deficit of \$544.4 million to a deficit of \$360.5 million. The increase in the governmental activities was a result of several factors, including a decrease in the General Fund deferred revenue unavailable, recognized as revenue in the government-wide statement of net position, in the amount of \$80.5 million; an increase in the unrestricted fund balances of the General Fund and the Tobacco Settlement Fund (a nonmajor special revenue fund) in the amounts of \$102.4 million and \$25.4 million, respectively; and an increase due to Cleaning Up Petroleum Discharges and Tourism Promotion fund balances of \$7.3 million and \$4.3 million no longer being restricted. Included in the \$80.5 million decrease in deferred revenue unavailable is \$19.3 million from rebates for health and social services, and \$9.4 million from taxes. In the business-type activities, the increase is primarily due to an increase in the net position of the Unemployment Compensation Fund in the amount of \$179.3 million.

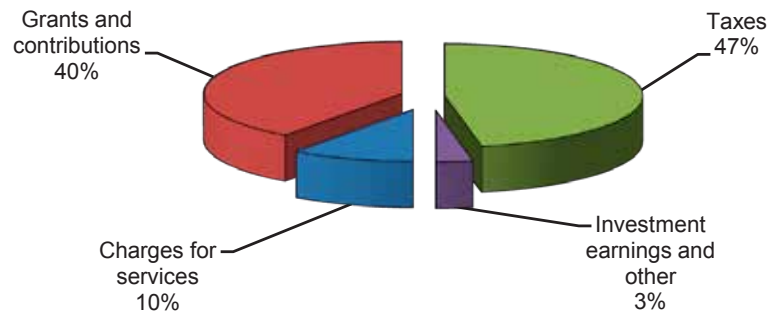
<b>Changes in State of Nevada's Net Position-Primary Government</b> <i>(expressed in thousands)</i>							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Change</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013-2012</b>
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 787,665	\$ 794,555	\$ 97,088	\$ 93,924	\$ 884,753	\$ 888,479	\$ (3,726)
Operating grants and contributions	3,116,377	3,091,556	523,895	862,548	3,640,272	3,954,104	(313,832)
Capital grants and contributions	56,003	73,749	-	-	56,003	73,749	(17,746)
General revenues							
Sales and use taxes	1,027,124	967,373	-	-	1,027,124	967,373	59,751
Gaming taxes	901,085	884,928	-	-	901,085	884,928	16,157
Modified business taxes	386,928	373,156	-	-	386,928	373,156	13,772
Insurance premium taxes	252,195	238,083	-	-	252,195	238,083	14,112
Property and transfer taxes	215,211	215,649	-	-	215,211	215,649	(438)
Motor and special fuel taxes	269,232	267,181	-	-	269,232	267,181	2,051
Other taxes	685,650	655,265	566,137	515,402	1,251,787	1,170,667	81,120
Investment earnings	2,892	(11,543)	-	-	2,892	(11,543)	14,435
Other	229,733	341,597	-	-	229,733	341,597	(111,864)
<b>Total Revenues</b>	<b>7,930,095</b>	<b>7,891,549</b>	<b>1,187,120</b>	<b>1,471,874</b>	<b>9,117,215</b>	<b>9,363,423</b>	<b>(246,208)</b>
<b>Expenses</b>							
General government	229,136	240,417	-	-	229,136	240,417	(11,281)
Health and social services	3,464,334	3,250,926	-	-	3,464,334	3,250,926	213,408
Education and support services	2,290,844	2,280,899	-	-	2,290,844	2,280,899	9,945
Law, justice and public safety	657,728	646,701	-	-	657,728	646,701	11,027
Regulation of business	85,688	101,687	-	-	85,688	101,687	(15,999)
Transportation	505,354	801,797	-	-	505,354	801,797	(296,443)
Recreation and resource development	134,578	138,599	-	-	134,578	138,599	(4,021)
Interest on long-term debt	106,126	122,080	-	-	106,126	122,080	(15,954)
Unallocated depreciation	2,023	1,755	-	-	2,023	1,755	268
Unemployment insurance	-	-	867,600	1,286,839	867,600	1,286,839	(419,239)
Housing	-	-	34,247	50,979	34,247	50,979	(16,732)
Water loans	-	-	8,942	8,249	8,942	8,249	693
Workers' compensation and safety	-	-	28,685	27,706	28,685	27,706	979
Higher education tuition	-	-	25,081	26,067	25,081	26,067	(986)
Other	-	-	32,107	26,187	32,107	26,187	5,920
<b>Total Expenses</b>	<b>7,475,811</b>	<b>7,584,861</b>	<b>996,662</b>	<b>1,426,027</b>	<b>8,472,473</b>	<b>9,010,888</b>	<b>(538,415)</b>
Excess (deficiency) in net position before contributions to permanent funds and transfers	454,284	306,688	190,458	45,847	644,742	352,535	292,207
Contributions to permanent fund	5,376	6,705	-	-	5,376	6,705	(1,329)
Transfers	(22,229)	(3,009)	22,229	3,009	-	-	-
<b>Change in net position</b>	<b>437,431</b>	<b>310,384</b>	<b>212,687</b>	<b>48,856</b>	<b>650,118</b>	<b>359,240</b>	<b>290,878</b>
Net position - beginning of year (as restated)	4,658,419	4,348,035	(9,343)	(52,055)	4,649,076	4,295,980	353,096
<b>Net position - end of year</b>	<b>\$ 5,095,850</b>	<b>\$ 4,658,419</b>	<b>\$ 203,344</b>	<b>\$ (3,199)</b>	<b>\$ 5,299,194</b>	<b>\$ 4,655,220</b>	<b>\$ 643,974</b>

#### Changes in Net Position:

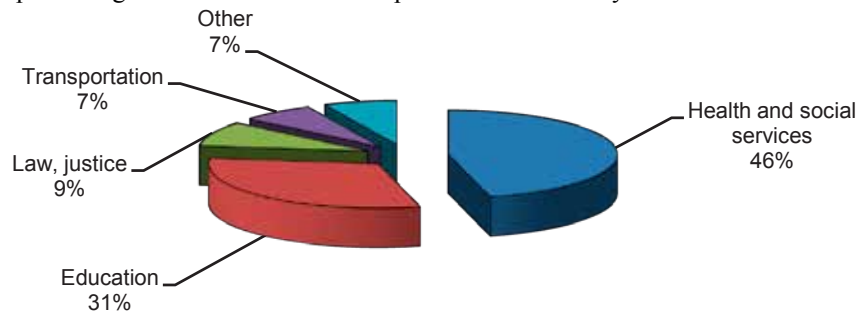
Total government-wide revenues decreased by \$246.2 million over the prior year, due primarily to a reduction in the State's federal funds. The federal funds received by the Unemployment Compensation Fund through the American Recovery and Reinvestment Act decreased to \$390.0 million in 2013, down from \$734.8 billion in 2012.

*Governmental activities* – The net position increased by \$437.4 million or 9.4%. Approximately 47.0% of the total revenue came from taxes, while 40.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 10.0% of the total revenues (see chart below). The State’s governmental activities expenses cover a range of services and the largest expenses were 46.0% for health and social services and 31.0% for education (see chart below). In 2013, governmental activities expenses exceeded program revenues, resulting in the use of \$3.5 billion in general revenues, which were generated to support the government.

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



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



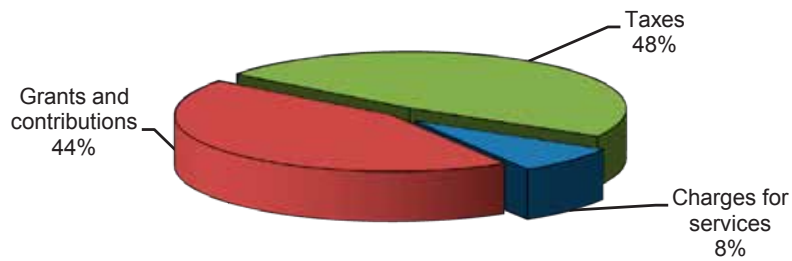
The following table depicts the total program revenues and expenses for each function of governmental activities:

Revenues and Expenses by Function: Governmental Activities		
(expressed in thousands)		
	Expenses	Revenue
General government	\$ 229,136	\$ 203,119
Health and social services	3,464,334	2,435,228
Education	2,290,844	414,835
Law, justice	657,728	371,124
Regulation	85,688	69,582
Transportation	505,354	382,088
Recreation	134,578	82,743
Total	<u>\$ 7,367,662</u>	<u>\$ 3,958,719</u>

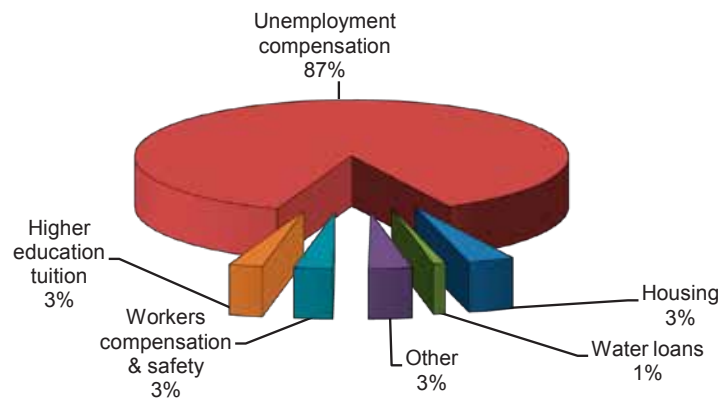
*Business-type activities* – The net position increased by \$212.7 million. Approximately 48.0% of the total revenue came from taxes, while 44.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 8.0% of the total revenues (see chart below). The State’s business-type activities expenses cover a range of services. The largest expenses were 87.0% for unemployment compensation (see chart below). In 2013, business-type activities expenses exceeded program revenues by \$375.7 million. Of this amount, unemployment compensation was the largest, with net expenses of \$416.3 million, resulting in the use of \$565.9 million in general revenues generated by and restricted to the Unemployment Compensation Fund.



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



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



The following table depicts the total program revenues and expenses for each function for business-type activities:

Revenues and Expenses by Function: Business-type Activities (expressed in thousands)		
	Expenses	Revenue
Unemployment compensation	\$ 867,600	\$ 451,338
Housing	34,247	33,432
Water loans	8,942	28,601
Workers compensation	28,685	36,692
Higher education tuition	25,081	36,240
Other	32,107	34,680
Total	<u>\$ 996,662</u>	<u>\$ 620,983</u>

The State government's overall financial position improved over the past fiscal year, with a \$437.4 million increase in the net position of the governmental activities and a \$212.7 million increase in the net position of the business-type activities. Net position of the governmental activities increased 9.4% during 2013, while 2012 increased 7.1%. The beginning net position of the business-type activities was restated during the current fiscal year. The total restated net position of negative \$9.3 million included \$6.1 million from a component unit no longer meeting the reporting requirements. This restated net position of negative \$9.3 million combined with the current year increase of \$212.7 million in net position resulted in an ending net position of \$203.3 million. Nevada continues to recover at a moderate pace. Key economic indicators from the State's sales and gaming taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year \$135.8 million or 3.8%, compared to an increase of \$45.9 million or 1.3% in the prior fiscal year. In addition, intergovernmental revenues increased \$145.0 million primarily due to Medicaid receipts which include funding for the new Silver State Health Insurance Exchange. In the Highway Fund, revenues increased \$12.3 million in interlocal projects, \$3.1 million in registration fees and \$2.9 million in gas tax.

## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

### Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.5 billion, a increase of \$171.5 million in comparison with the prior year. Of these total ending fund balances, \$637.2 million (41.2%) is nonspendable, either due to its form or legal constraints, and \$383.8 million (24.8%) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$591.1 million (38.3%) of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. Included in committed fund balance is \$112.8 million for fiscal emergency. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations, in which case forty percent of the excess is deposited to the Stabilization Account. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. Additions to the Stabilization Account were \$28.1 million in the current fiscal year and \$45.5 million in the prior fiscal year. The remaining negative \$66.7 million (4.3%) of fund balance is unassigned. The major funds are discussed more fully below.

*The General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$371.0 million compared to \$270.3 million in the prior fiscal year. The fund balance increase from operations of \$100.7 million during the current fiscal year is a 37.2% increase from the prior year. Reasons for this increase are discussed in further detail below. The negative unassigned fund balance of \$66.7 million is mostly due to an accrual for Medicaid expenditures and for deferral of gaming taxes and mining taxes already collected and budgeted.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2013 and 2012 (expressed in thousands). Other financing sources are not included.

General Fund Revenues (expressed in thousands)						
	2013		2012		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 882,575	13.6%	\$ 870,007	14.0%	\$ 12,568	1.4%
Sales taxes	1,024,624	15.8%	965,060	15.5%	59,564	6.2%
Modified business taxes	386,610	6.0%	369,661	5.9%	16,949	4.6%
Insurance premium taxes	248,512	3.8%	236,787	3.8%	11,725	5.0%
Property and transfer taxes	57,325	0.9%	48,683	0.8%	8,642	17.8%
Motor and special fuel taxes	2,693	0.0%	2,825	0.0%	(132)	-4.7%
Other taxes	604,968	9.3%	598,210	9.6%	6,758	1.1%
Intergovernmental	2,823,208	43.5%	2,678,186	43.0%	145,022	5.4%
Licenses, fees and permits	279,736	4.3%	278,356	4.5%	1,380	0.5%
Sales and charges for services	57,267	0.9%	55,719	0.9%	1,548	2.8%
Interest and investment income	9,620	0.2%	6,006	0.0%	3,614	60.2%
Other revenues	107,361	1.7%	125,418	2.0%	(18,057)	-14.4%
Total revenues	<u>\$ 6,484,499</u>	<u>100.0%</u>	<u>\$ 6,234,918</u>	<u>100.0%</u>	<u>\$ 249,581</u>	<u>4.0%</u>

The total General Fund revenues increased 4.0%. The largest increases in revenue sources were \$145.0 million or 5.4% in intergovernmental revenues, \$59.6 million or 6.2% in sales taxes, \$16.9 million or 4.6% in modified business taxes and \$12.6 million or 1.4% in gaming taxes, fees and licenses. Intergovernmental revenues increased by \$154.0 million in receipts for Medicaid which includes funding for the new Silver State Health Insurance Exchange offset by a decrease of \$9.0 million in other programs. The largest decline in revenue sources was \$18.1 million or 14.4% in other revenues which includes a \$29.6 million or 30.2% decrease in unclaimed property collections.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2013 and 2012 (expressed in thousands). Other financing uses are not included.

**General Fund Expenditures** (expressed in thousands)

	2013		2012		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 142,506	2.2%	\$ 134,260	2.2%	\$ 8,246	6.1%
Health and social services	3,154,196	49.3%	2,991,985	48.0%	162,211	5.4%
Education and support services	52,475	0.8%	53,430	0.9%	(955)	-1.8%
Law, justice and public safety	420,597	6.6%	424,439	6.8%	(3,842)	-0.9%
Regulation of business	62,351	1.0%	73,408	1.2%	(11,057)	-15.1%
Recreation, resource development	96,833	1.5%	100,956	1.6%	(4,123)	-4.1%
Intergovernmental	2,469,662	38.6%	2,449,931	39.3%	19,731	0.8%
Debt service	3,270	0.0%	3,190	0.0%	80	2.5%
Total expenditures	<u>\$ 6,401,890</u>	<u>100.0%</u>	<u>\$ 6,231,599</u>	<u>100.0%</u>	<u>\$ 170,291</u>	<u>2.7%</u>

The total General Fund expenditures increased 2.7%. Health and social services expenditures increased \$162.2 million or 5.4%. The largest portion of this amount was for the Medicaid program. The net increase in remaining expenditures was \$8.1 million with the largest increase of \$19.7 million occurring in intergovernmental expenditures and the largest decrease of \$11.0 million in regulation of business.

*The State Highway Fund* is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance decreased \$5.1 million during the current fiscal year, a 3.3% decrease, as compared to a 46.5% decrease in the prior year. The decrease is primarily due to decrease in federal aid and county bond revenue and as well as intergovernmental payments. The nonspendable fund balance is \$14.0 million, the restricted fund balance is \$111.7 million and the committed fund balance is \$23.3 million.

*The Municipal Bond Bank Fund* is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$15.3 million during the current fiscal year, which is a 5.4% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

*The Consolidated Bond Interest and Redemption Fund* is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance decreased by \$20.9 million during the current fiscal year, a 14.2% decrease from the prior year, due primarily to a decrease in intergovernmental receipts as a result of bond refunding.

*The Permanent School Fund* is a permanent fund used to account 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. All earnings on the assets are to be used for education. The fund balance increased by \$5.5 million during the current fiscal year, which is a 1.8% increase from the prior year. This increase is primarily due to \$4.5 million in fines received from county justice courts and district courts.

### **Proprietary Funds:**

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

**Enterprise Funds** – There are four *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is \$159.6 million, the net position of the nonmajor funds is \$43.7 million and total combined net position of all enterprise funds is \$203.3 million. The combined net position of the enterprise funds increased by \$212.7 million in 2013. The major enterprise funds are discussed below:

*The Housing Division Fund* provides low interest loans to first-time homebuyers with low or moderate household incomes. The beginning net position was restated to \$193.7 million as compared to the ending net position \$199.8 from the prior year. The decrease of \$6.1 million was due to the Nevada Affordable Housing Assistance Corporation no longer meeting the requirements to be reported as a discretely presented component unit. The current change in net position was a decrease of \$0.8 million resulting in the ending net position of \$192.9.



*The Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by \$179.3 million during the current fiscal year, which is a 32.4% increase from the prior year. Operating revenue exceeded expenses by \$167.9 million for fiscal year 2013. Fiscal year 2013 total claims expense of \$0.8 billion was less than the fiscal year 2012 total claims expense of \$1.3 billion, or a 32.6% decrease. The leading causes for the net position increase is due to an increase in assessments caused by an increase in employment and employer tax rates and a reduction in unemployment claims and interest expense on federal loan advances. During the fiscal year 2014, the State issued \$548.9 million in Special Revenue Bonds for the purpose of repaying advances made by the federal government and for supporting the Fund. The General Fund paid \$23.9 million in accrued interest on federal advances from the previous fiscal year to the Federal government. Interest is due and payable on the federal advances by the end of the Federal fiscal year which ends on September 30. As of June 30, 2013, the total amount of federal unemployment advances and interest due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act totaled \$574.0 million and \$13.2 million, respectively. Total federal advances decreased \$146.4 million from \$720.4 million in 2012.

*The Water Projects Loans Fund* issues loans to governmental and private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The revenues exceeded expenses and transfers by \$18.5 million during the current fiscal year, for a final net position of \$324.6 million, which is a 6.0% increase from the prior year.

*The Higher Education Tuition Trust Fund* provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its fifteenth enrollment period during the fiscal year with 1,145 new enrollments. The net position increased \$13.1 million or 551.1% during the current fiscal year. This increase is mainly due to \$5.9 million in new contracts and \$7.2 million increase in investment income.

**Internal Service Funds** – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and motor pool in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2013, total internal service fund net position increased by \$3.6 million, for a final net position of \$59.9 million. The two largest funds are:

*The Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position increased by \$12.0 million during the current fiscal year, which is a 14.4% increase from the prior year, leaving final net position of \$95.3 million. This year's increase was caused primarily by a 4.3% increase in insurance premium income.

*The Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit increased by \$7.8 million or 16.2% during fiscal year 2013, to a total deficit of \$56.1 million. The decrease in net premium income of 7.6% was caused by a reduction of the insurance assessment based on the State's history of claims.

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

The General Fund total sources were \$462.1 million or 5.8% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was \$513.7 million. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. Increases due to the non-executive budgets approved after July 1 and increased estimated receipts were approximately \$500.5 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2013, amount to \$6.9 billion, net of accumulated depreciation of \$1.1 billion, leaving a net book value of \$5.8 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

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

<b><u>Condition Level of the Roadways</u></b>					
<b>Percentage of roadways with an IRI of less than 80</b>					
	Category				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%

<b><u>Condition Level of the Bridges</u></b>			
<b>Percentage of substandard bridges</b>			
	<u>2011</u>	<u>2009</u>	<u>2007</u>
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	5%	4%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2013 by \$77.3 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to continue to meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress or completed during 2013 (expressed in millions):

	<b>Expended by June 30, 2013</b>	<b>Total Budget</b>
Unemployment Insurance Software Development	\$ 25.2	\$ 40.4
New Readiness Center North Las Vegas	27.1	35.8
SDCC Housing Unit & Planning	27.3	28.9
Las Vegas Readiness Center - Field Maintenance Shop	21.5	26.9
Healthcare Reform Software	17.4	17.5
Elko County Readiness Center	15.8	16.6
Southern Nevada Veterans' Cemetery Expansion	7.6	11.4
NDOT Integrated Right of Way Software	8.1	9.3
SDCC Finish Core Expansion	4.5	5.0

The total increase in the State's capital assets for the primary government for the current fiscal year was \$295.8 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$69.0 million.

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

#### **Debt Administration:**

As of year-end, the State had \$4.3 billion in long-term liabilities outstanding, compared to \$4.6 billion last year, a decrease of \$361.5 million or 7.8% during the current fiscal year. This decrease was due primarily to the refunding of general obligation bonds.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA+, Aa2 and AA, respectively. These ratings are an indication of high quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds issued during the 2013 fiscal year were (expressed in thousands):

General Obligation Hoover Uprating Refunding Bonds	7/10/2012E	\$ 17,085
General Obligation Municipal Bond Bank Projects	2/20/2013A	23,505
General Obligation Water Pollution Control Revolving Fund Leveraged Refunding Bonds	2/20/2013B	17,045
General Obligation Water Pollution Control Revolving Fund Matching Bonds	2/20/2013C	3,000
General Obligation Capital Improvement and Cultural Affairs Refunding Bonds	4/09/2013D-1	98,015
General Obligation Capital Improvement and Cultural Affairs Refunding Bonds	4/09/2013E	64,980
General Obligation Natural Resources Refunding Bonds	4/09/2013F-1	13,210
General Obligation Open Space, and Cultural Resources Refunding Bonds	4/09/2013G	3,665
General Obligation Open Space, Parks, and Natural Resources Refunding Bonds	4/09/2013H-1	19,650
Highway Revenue Refunding Bonds	4/30/2013	131,245

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

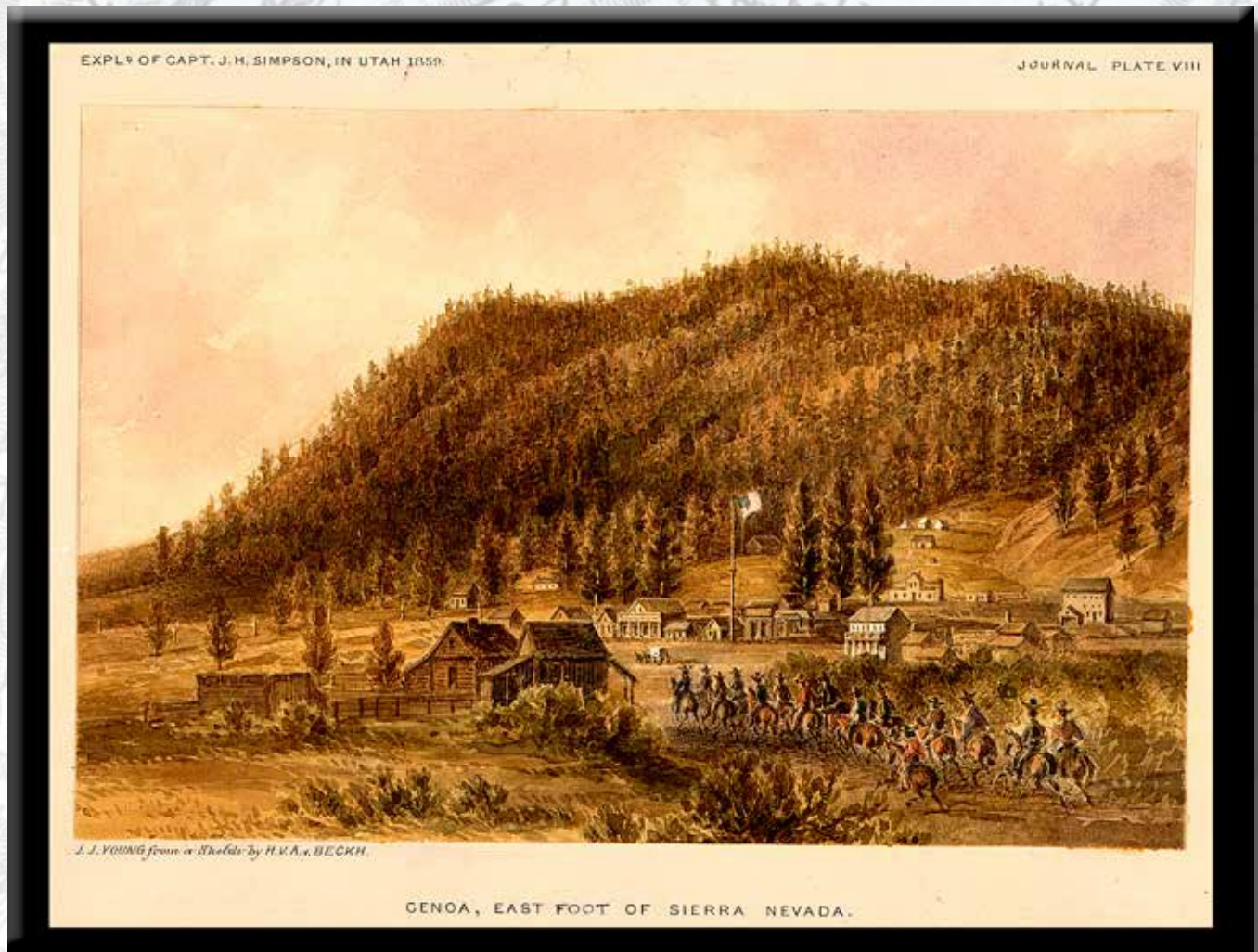
Additional information on the State's long-term debt obligations can be found in Note 8 to the financial statements and in the Statistical Section.

#### **Requests for Information**

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



# BASIC FINANCIAL STATEMENTS



Founded in 1851, Genoa was the first settlement in what would become the Nevada Territory. The settlement originated as a trading post called Mormon Station, which served as a respite for travelers on the California Trail.

# Statement of Net Position

June 30, 2013 (Expressed in Thousands)



NEVADA

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 1,512,950	\$ 152,420	\$ 1,665,370	\$ 233,159
Investments	457,794	742,583	1,200,377	1,096,929
Internal balances	(6,822)	6,822	-	-
Due from component unit	2,426	-	2,426	-
Due from primary government	-	-	-	21,060
Accounts receivable	70,809	2,070	72,879	41,754
Taxes/assessments receivable	887,017	201,719	1,088,736	-
Intergovernmental receivables	392,131	1,746	393,877	40,243
Accrued interest and dividends	4,074	12,426	16,500	21
Contracts receivable	-	32,193	32,193	-
Mortgages receivable	-	527,706	527,706	-
Notes/loans receivable	14,257	41,225	55,482	13,218
Other receivables	16	-	16	51,454
Inventory	27,431	1,461	28,892	6,515
Prepaid items	2,285	25	2,310	20,021
Deferred charges	42,025	4,959	46,984	-
<i>Restricted assets:</i>				
Cash	-	-	-	30,305
Investments	-	119,289	119,289	39,241
Other assets	-	15	15	49,334
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	4,527,271	10,690	4,537,961	130,137
Other capital assets, net	1,288,930	1,781	1,290,711	1,848,008
<b>Total assets</b>	<b>9,222,594</b>	<b>1,859,130</b>	<b>11,081,724</b>	<b>3,621,399</b>
<b>Liabilities</b>				
Accounts payable	860,651	35,358	896,009	45,960
Accrued payroll and related liabilities	63,915	1,179	65,094	68,807
Intergovernmental payables	117,376	132	117,508	-
Interest payable	17,869	19,944	37,813	9,271
Due to component units	20,989	33	21,022	-
Due to primary government	-	-	-	140
Contracts/retentions payable	17,871	-	17,871	-
Unearned revenues	258,972	12,415	271,387	48,875
Other liabilities	88,196	12	88,208	40,472

Long-term liabilities:				
<i>Portion due or payable within one year:</i>				
Reserve for losses	61,567	-	61,567	-
Obligations under capital leases	1,713	-	1,713	963
Compensated absences	59,566	1,190	60,756	30,802
Benefits payable	-	14,452	14,452	-
Bonds payable	179,403	53,925	233,328	29,924
Certificates of participation payable	2,070	-	2,070	-
Arbitrage rebate liability	1,043	-	1,043	-
<i>Portion due or payable after one year:</i>				
Federal advances	-	573,957	573,957	8,194
Reserve for losses	49,964	-	49,964	-
Obligations under capital leases	23,383	-	23,383	2,423
Compensated absences	35,154	708	35,862	16,274
Benefits payable	-	159,947	159,947	-
Bonds payable	2,216,735	782,534	2,999,269	515,811
Certificates of participation payable	50,269	-	50,269	-
Due to primary government	-	-	-	2,286
Due to component unit	38	-	38	-
<b>Total liabilities</b>	<b>4,126,744</b>	<b>1,655,786</b>	<b>5,782,530</b>	<b>820,202</b>
<b>Net Position</b>				
Net investment in capital assets	4,357,735	3,422	4,361,157	1,475,656
Restricted for:				
Security of outstanding obligations	-	189,405	189,405	-
Workers' compensation	-	31,038	31,038	-
Tuition contract benefits	-	15,331	15,331	-
Capital projects	4,557	-	4,557	43,579
Debt service	34,854	-	34,854	19,870
Education and support services	2,277	-	2,277	-
Transportation	108,940	-	108,940	-
Recreation and resource development	60,700	-	385,334	-
Law, justice and public safety	94,796	-	94,796	-
Health and social services	105,881	-	105,881	-
Regulation of business	10,322	2	10,324	-
Scholarships	-	-	-	333,997
Loans	-	-	-	8,210
Operations and maintenance	-	-	-	711
Research and development	-	-	-	5,204
Other purposes	114	-	114	1,093
Funds held as permanent investments:				
Nonexpendable	318,789	-	318,789	330,838
Expendable	20	-	20	-
Unrestricted (deficit)	(3,135)	(360,488)	(363,623)	582,039
<b>Total net position</b>	<b>\$ 5,095,850</b>	<b>\$ 203,344</b>	<b>\$ 5,299,194</b>	<b>\$ 2,801,197</b>

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



# Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2013 (Expressed in Thousands)

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 229,136	\$ 180,169	\$ 22,950	\$ -	\$ (26,017)	\$ -	\$ (26,017)
Health and social services	3,484,334	212,310	2,222,918	-	(1,029,106)	-	(1,029,106)
Education and support services	2,290,844	3,624	411,211	-	(1,876,009)	-	(1,876,009)
Law, justice and public safety	657,728	267,060	63,317	40,747	(286,604)	-	(286,604)
Regulation of business	85,688	62,330	7,252	-	(16,106)	-	(16,106)
Transportation	505,354	17,767	349,200	15,121	(123,266)	-	(123,266)
Recreation and resource development	134,578	44,405	38,203	135	(51,835)	-	(51,835)
Interest on long-term debt	106,126	-	1,326	-	(104,800)	-	(104,800)
Unallocated depreciation	2,023	-	-	-	(2,023)	-	(2,023)
Total governmental activities	7,475,811	787,665	3,116,377	56,003	(3,515,766)	-	(3,515,766)
Business-type activities:							
Unemployment insurance	867,600	1,556	449,782	-	-	(416,262)	(416,262)
Housing	34,247	19,840	13,592	-	-	(815)	(815)
Water loans	8,942	8,873	19,728	-	-	19,659	19,659
Workers' compensation and safety	28,685	34,322	2,370	-	-	8,007	8,007
Higher education tuition	25,081	139	36,101	-	-	11,159	11,159
Other	32,107	32,358	2,322	-	-	2,573	2,573
Total business-type activities	996,662	97,088	523,895	-	-	(375,679)	(375,679)
Total primary government	\$ 8,472,473	\$ 884,753	\$ 3,640,272	\$ 56,003	(3,515,766)	(375,679)	(3,891,445)
Total component units	\$ 1,612,073	\$ 702,964	\$ 412,328	\$ 1,486	-	-	(495,295)

General revenues:				
Taxes:				
Gaming	869,644	-	869,644	-
Sales and use	925,699	-	925,699	-
Modified business	386,928	-	386,928	-
Insurance premium	252,195	-	252,195	-
Property and transfer	57,325	-	57,325	-
Motor and special fuel	2,693	-	2,693	-
Other	430,121	212	430,333	-
Restricted for unemployment compensation:				
Other taxes	-	565,925	565,925	-
Restricted for educational purposes:				
Sales and use taxes	101,425	-	101,425	-
Gaming taxes	31,441	-	31,441	-
Other taxes	128,725	-	128,725	-
Restricted for debt service purposes:				
Property and transfer taxes	138,178	-	138,178	-
Motor and special fuel taxes	79,788	-	79,788	-
Other	16,900	-	16,900	-
Restricted for recreation and resource development purposes:				
Other taxes	31,604	-	31,604	-
Restricted for health and social services purposes:				
Property and transfer taxes	19,708	-	19,708	-
Other taxes	71,947	-	71,947	-
Restricted for transportation purposes:				
Motor and special fuel taxes	186,751	-	186,751	-
Other taxes	19,510	-	19,510	-
Restricted for regulation purposes:				
Other taxes	3,743	-	3,743	-
Settlement income	59,159	-	59,159	-
Unrestricted investment earnings	2,892	-	2,892	107,534
Gain on sale of assets	-	-	-	6,699
Other general revenues	153,674	-	153,674	1,695
Contributions to permanent funds	5,376	-	5,376	10,829
Payments from State of Nevada	-	-	-	468,641
Transfers	(22,229)	22,229	-	-
Total general revenues and transfers	3,953,197	588,366	4,541,563	595,398
Change in net position	437,431	212,687	650,118	100,103
Net position - beginning (as restated)	4,658,419	(9,343)	4,649,076	2,701,094
<b>Net position - ending</b>	<b>\$ 5,095,850</b>	<b>\$ 203,344</b>	<b>\$ 5,299,194</b>	<b>\$ 2,801,197</b>

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

## Balance Sheet Governmental Funds

June 30, 2013

	General Fund	State Highway	Municipal Bond Bank
<b>Assets</b>			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 513,593,623	\$ 143,323,315	\$ -
Cash in custody of other officials	6,263,919	175,638	-
Investments	10,101,651	-	270,875,000
<i>Receivables:</i>			
Accounts receivable	42,912,108	1,740,118	-
Taxes receivable	820,972,168	42,299,227	-
Intergovernmental receivables	371,932,753	8,769,335	-
Accrued interest and dividends	2,464,962	-	1,236,761
Notes/loans receivable	14,162,107	-	-
Other receivables	15,830	-	-
Due from other funds	48,151,631	5,442,179	2,102
Due from fiduciary funds	196,089	-	-
Due from component units	82,738	1,546	-
Inventory	12,796,127	13,867,443	-
Advances to other funds	6,067,412	-	-
Prepaid items	1,784,239	152,900	-
<b>Total assets</b>	<b>\$ 1,851,497,357</b>	<b>\$ 215,771,701</b>	<b>\$ 272,113,863</b>
<b>Liabilities and Fund Balances</b>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 335,200,703	\$ 27,392,093	\$ -
Accrued payroll and related liabilities	43,212,865	16,225,253	-
Intergovernmental payables	113,060,777	33,064	-
Interest payable	-	-	-
Contracts/retentions payable	30,416	13,063,697	-
Due to other funds	22,782,164	2,796,837	48,616
Due to fiduciary funds	474,786,156	767,296	-
Due to component units	9,151,943	642,786	-
Unearned revenues	236,808,576	316,843	-
Deferred revenues	198,949,233	4,258,996	1,237,288
Other liabilities	46,495,684	1,267,343	-
<b>Total liabilities</b>	<b>1,480,478,517</b>	<b>66,764,208</b>	<b>1,285,904</b>
<b>Fund balances:</b>			
Nonspendable	33,112,551	14,020,343	270,827,959
Restricted	59,358,721	111,708,663	-
Committed	345,248,424	23,278,487	-
Unassigned	(66,700,856)	-	-
<b>Total fund balances</b>	<b>371,018,840</b>	<b>149,007,493</b>	<b>270,827,959</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,851,497,357</b>	<b>\$ 215,771,701</b>	<b>\$ 272,113,863</b>

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

Consolidated Bond Interest and Redemption	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
\$ 137,725,878	\$ 4,862,681	\$ 372,611,921	\$ 1,172,117,418
-	137,945,904	4,703,959	149,089,420
-	175,583,889	1,233,813	457,794,353
-	-	21,994,504	66,646,730
-	-	23,744,923	887,016,318
638,571	556,765	9,252,050	391,149,474
-	370,806	1,824	4,074,353
-	-	-	14,162,107
-	-	-	15,830
12,776,213	37,037	44,688,680	111,097,842
-	-	396,037	592,126
-	2,285,904	2,932	2,373,120
-	-	467,723	27,131,293
1,054,456	-	-	7,121,868
-	-	6,298	1,943,437
<u>\$ 152,195,118</u>	<u>\$ 321,642,986</u>	<u>\$ 479,104,664</u>	<u>\$ 3,292,325,689</u>
\$ 22,575	\$ -	\$ 8,493,674	\$ 371,109,045
-	-	2,881,178	62,319,296
-	2,608	3,782,307	116,878,756
2,386,356	-	-	2,386,356
-	-	4,777,299	17,871,412
22,470,043	1,665,219	77,447,414	127,210,293
-	-	20,798	475,574,250
-	-	11,194,324	20,989,053
-	-	496,036	237,621,455
1,473	8,380	22,223,282	226,678,652
1,405,000	1,408,025	37,619,786	88,195,838
<u>26,285,447</u>	<u>3,084,232</u>	<u>168,936,098</u>	<u>1,746,834,406</u>
-	318,558,754	704,021	637,223,628
-	-	212,764,271	383,831,655
125,909,671	-	96,700,274	591,136,856
-	-	-	(66,700,856)
<u>125,909,671</u>	<u>318,558,754</u>	<u>310,168,566</u>	<u>1,545,491,283</u>
<u>\$ 152,195,118</u>	<u>\$ 321,642,986</u>	<u>\$ 479,104,664</u>	<u>\$ 3,292,325,689</u>





When Lieutenant John C. Frémont's exhausted expedition searched for a wintertime passage across the Sierra Nevada to Sutter's Fort, Frémont was forced to abandon his howitzer in the West Walker River Canyon. Numerous reports and stories recall discovery of Frémont's Lost Cannon in a variety of locations beginning in 1859.

The Frémont Cannon - college football's largest and most expensive "trophy" - is now over 40 years old and is the prize sought after when two in-state rivals, The University of Nevada, Reno, and University of Nevada, Las Vegas, meet each fall in football.



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



NEVADA

June 30, 2013

## Total fund balances - governmental funds

\$ 1,545,491,283

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 145,536,458	
Construction in progress	157,716,227	
Infrastructure assets	3,605,405,799	
Rights-of-way	618,481,967	
Buildings	1,644,793,690	
Improvements other than buildings	119,384,801	
Furniture and equipment	337,580,270	
Software costs	160,672,714	
Accumulated depreciation/amortization	(993,272,666)	
Total capital assets		5,796,299,260

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

226,678,652

Intergovernmental receivable not providing current resources.

221,045

The Judicial Retirement System of Nevada has a net pension asset not reported as a reduction of expenditures in the funds.

268,106

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

59,848,839

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

30,253,886

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

11,770,670

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

Bonds payable	(2,389,861,881)	
Accrued interest on bonds	(15,482,980)	
Arbitrage rebate liability	(1,042,557)	
Certificates of participation	(52,338,991)	
Capital leases	(24,847,688)	
Compensated absences	(91,407,427)	
Total long-term liabilities		(2,574,981,524)

## Net position of governmental activities

\$ 5,095,850,217

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

# Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

For the Fiscal Year Ended June 30, 2013

	General Fund	State Highway	Municipal Bond Bank
<b>Revenues</b>			
Gaming taxes, fees, licenses	\$ 882,574,969	\$ -	\$ -
Sales taxes	1,024,623,887	-	-
Modified business taxes	386,610,081	-	-
Insurance premium taxes	248,512,421	-	-
Property and transfer taxes	57,324,939	-	-
Motor and special fuel taxes	2,692,758	186,750,970	-
Other taxes	604,968,343	19,482,133	-
Intergovernmental	2,823,207,559	375,228,233	-
Licenses, fees and permits	279,735,953	183,327,963	-
Sales and charges for services	57,266,486	13,859,924	-
Interest and investment income	9,619,955	649,477	11,338,517
Settlement income	-	-	-
Land sales	-	-	-
Other	107,361,217	33,618,369	-
<b>Total revenues</b>	<b>6,484,498,568</b>	<b>812,917,069</b>	<b>11,338,517</b>
<b>Expenditures</b>			
<i>Current:</i>			
General government	142,506,383	-	-
Health and social services	3,154,195,815	-	-
Education and support services	52,475,366	-	-
Law, justice and public safety	420,596,418	149,803,165	-
Regulation of business	62,351,368	-	-
Transportation	-	578,230,682	-
Recreation and resource development	96,833,093	-	-
Intergovernmental	2,469,661,530	87,244,104	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	1,674,074	-	-
Interest, fiscal charges	1,416,125	1,625	-
Debt issuance costs	-	-	-
Arbitrage payments	179,982	-	-
<b>Total expenditures</b>	<b>6,401,890,154</b>	<b>815,279,576</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	82,608,414	(2,362,507)	11,338,517
<b>Other Financing Sources (Uses)</b>			
Sale of general obligation refunding bonds	-	-	23,505,000
Premium on general obligation bonds	-	-	-
Payment to refunded bond agent	-	-	(23,414,867)
Sale of capital assets	91,548	282	-
Transfers in	70,343,358	4,805,962	-
Transfers out	(52,353,206)	(7,494,603)	(26,766,462)
<b>Total other financing sources (uses)</b>	<b>18,081,700</b>	<b>(2,688,359)</b>	<b>(26,676,329)</b>
Net change in fund balances	100,690,114	(5,050,866)	(15,337,812)
Fund balances, July 1	270,328,726	154,058,359	286,165,771
<b>Fund balances, June 30</b>	<b>\$ 371,018,840</b>	<b>\$ 149,007,493</b>	<b>\$ 270,827,959</b>

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



NEVADA

Consolidated Bond Interest and Redemption	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,110,206	\$ 896,685,175
-	-	-	1,024,623,887
-	-	-	386,610,081
-	-	-	248,512,421
138,178,569	-	19,707,594	215,211,102
-	-	79,788,339	269,232,067
-	-	61,497,789	685,948,265
10,182,462	-	132,009,072	3,340,627,326
-	-	24,058,830	487,122,746
457,779	-	16,010,257	87,594,446
1,654,982	765,053	(532,094)	23,495,890
-	-	147,070,764	147,070,764
-	631,755	-	631,755
-	4,762,908	5,965,213	151,707,707
150,473,792	6,159,716	499,685,970	7,965,073,632
279,240	-	349,277	143,134,900
-	-	110,687,810	3,264,883,625
-	-	643,746	53,119,112
-	-	25,248,918	595,648,501
-	-	18,242,661	80,594,029
-	-	-	578,230,682
-	-	24,497,347	121,330,440
3,347,006	-	32,732,141	2,592,984,781
-	-	61,330,381	61,330,381
108,915,000	-	53,300,000	163,889,074
89,753,780	-	25,011,605	116,183,135
1,222,105	-	678,765	1,900,870
-	-	-	179,982
203,517,131	-	352,722,651	7,773,409,512
(53,043,339)	6,159,716	146,963,319	191,664,120
198,720,000	-	131,245,000	353,470,000
27,235,913	-	25,544,705	52,780,618
(224,682,094)	-	(156,081,511)	(404,178,472)
-	-	7,312	99,142
50,091,230	-	68,895,050	194,135,600
(19,218,372)	(655,090)	(109,995,177)	(216,482,910)
32,146,677	(655,090)	(40,384,621)	(20,176,022)
(20,896,662)	5,504,626	106,578,698	171,488,098
146,806,333	313,054,128	203,589,868	1,374,003,185
\$ 125,909,671	\$ 318,558,754	\$ 310,168,566	\$ 1,545,491,283



In 1861, the Warm Springs Hotel was used by Nevada's first territorial legislature as a meeting place. The structure was made of hand-carved sandstone taken from a nearby quarry. Abe Curry, the owner, with his business partners surveyed the site of Carson City. Abe is also responsible for pre-planning the location of the Nevada state capitol building while it was still part of the Utah Territory.



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



For the Fiscal Year Ended June 30, 2013

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 171,488,098</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	\$ 232,772,315	
Depreciation expense	(65,652,809)	
Excess of capital outlay over depreciation expense		167,119,506
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(353,470,000)	
Premiums on debt issued	(52,780,618)	
Total bond proceeds		(406,250,618)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	164,571,677	
Certificates of participation retirement	1,815,000	
Payments to the bond refunding agent	404,178,472	
Capital lease payments	3,171,504	
Total long-term debt repayment		573,736,653
Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.		
		3,580,788
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues unavailable decreased by this amount.		
		(100,967,621)
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		
		(590,722)
In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.		
		1,900,870
Amortization of bond issuance costs is reported as an expense for the statement of activities.		
		(1,173,322)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		
		(9,119,521)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		
		14,491,011
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in pension obligation	269,394	
Decrease in accrued interest	2,743,903	
Increase in compensated absences	(870,438)	
Increase in arbitrage liability	(243,799)	
Decrease in settlement agreement liability	21,317,183	
Total additional expenditures		23,216,243
<b>Change in net position of governmental activities</b>		<b>\$ 437,431,365</b>

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

# Statement of Net Position

## Proprietary Funds

June 30, 2013

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total	
<b>Assets</b>							
<b>Current assets:</b>							
<i>Cash and pooled investments:</i>							
Cash with treasurer	\$ 807,055	\$ -	\$ 82,375,176	\$ 949,218	\$ 53,033,160	\$ 137,164,609	\$ 191,743,430
Cash in custody of other officials	195,935	14,119,464	-	719,225	220,929	15,255,553	100
Investments	90,680,107	-	-	160,605,978	-	251,286,085	-
<i>Receivables:</i>							
Accounts receivable	-	-	-	575	2,066,559	2,067,134	834,574
Assessments receivable	-	201,718,523	-	-	250	201,718,773	-
Intergovernmental receivables	-	-	418,817	-	1,326,877	1,745,694	760,183
Contracts receivable	-	-	-	7,282,815	-	7,282,815	-
Mortgages receivable	16,974,400	-	-	-	-	16,974,400	-
Accrued interest and dividends	7,762,507	-	4,220,903	442,188	-	12,425,598	-
Notes/loans receivable	-	-	-	-	-	-	5,000
Due from other funds	34,391	13,240,597	216,023	70,290	1,271,630	14,832,931	5,517,639
Due from fiduciary funds	-	-	-	-	3,481	3,481	2,735,653
Due from component units	-	-	-	-	-	-	53,091
Inventory	-	-	-	-	1,460,990	1,460,990	299,732
Prepaid items	-	-	-	-	25,345	25,345	73,367
<i>Restricted assets:</i>							
Investments	114,919,501	-	-	-	-	114,919,501	-
<b>Total current assets</b>	<b>231,373,896</b>	<b>229,078,584</b>	<b>87,230,919</b>	<b>170,070,289</b>	<b>59,409,221</b>	<b>777,162,909</b>	<b>202,022,769</b>
<b>Noncurrent assets:</b>							
Investments	208,507,910	-	282,788,596	-	-	491,296,506	-
<i>Receivables:</i>							
Contracts receivable	-	-	-	24,909,879	-	24,909,879	-
Mortgages receivable	510,731,295	-	-	-	-	510,731,295	-
Notes/loans receivable	-	-	41,225,066	-	-	41,225,066	90,000
Deferred charges	2,138,319	-	2,601,636	-	219,520	4,959,475	-
<i>Restricted assets:</i>							
Investments	4,369,121	-	-	-	-	4,369,121	-
Other assets	-	-	-	-	15,000	15,000	-
<i>Capital assets:</i>							
Land	-	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	-	3,388,840	3,388,840	18,789,315
Improvements other than buildings	-	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	745,067	-	35,280	161,874	5,460,358	6,402,579	46,974,924
Software costs	-	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	-	10,122,142	10,122,142	-
Less accumulated depreciation/ amortization	(385,538)	-	(35,280)	(40,384)	(8,179,806)	(8,641,008)	(65,156,922)
<b>Total noncurrent assets</b>	<b>726,106,174</b>	<b>-</b>	<b>326,615,298</b>	<b>25,031,369</b>	<b>12,224,513</b>	<b>1,089,977,354</b>	<b>19,991,702</b>
<b>Total assets</b>	<b>957,480,070</b>	<b>229,078,584</b>	<b>413,846,217</b>	<b>195,101,658</b>	<b>71,633,734</b>	<b>1,867,140,263</b>	<b>222,014,471</b>

### Enterprise Funds

	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total	Internal Service Funds
<b>Liabilities</b>							
<b>Current liabilities:</b>							
<i>Accounts payable and accruals:</i>							
Accounts payable	\$ 19,142,681	\$ 14,821,365	\$ 21,955	\$ 131,636	\$ 1,074,393	\$ 35,192,030	\$ 3,942,702
Accrued payroll and related liabilities	89,909	-	15,041	5,745	1,068,494	1,179,189	1,595,314
Interest payable	5,316,621	13,240,284	1,345,737	-	41,473	19,944,115	-
Intergovernmental payables	-	-	1,000	-	131,483	132,483	497,648
Bank overdraft	-	-	-	-	-	-	10,012,384
Due to other funds	1,536	431,558	278,145	65,987	1,985,480	2,762,706	1,475,413
Due to fiduciary funds	-	-	-	-	166,093	166,093	12,704
Due to component units	-	-	-	32,912	485	33,397	37,972
Unearned revenues	-	-	-	-	12,414,740	12,414,740	21,350,447
Other liabilities	-	-	-	-	11,509	11,509	-
<i>Short-term portion of long-term liabilities:</i>							
Reserve for losses	-	-	-	-	-	-	61,566,693
Compensated absences	79,262	-	16,836	8,644	1,085,216	1,189,958	1,974,646
Benefits payable	-	-	-	14,451,947	-	14,451,947	-
Bonds payable	42,308,000	-	11,453,864	-	163,600	53,925,464	513,323
Obligations under capital leases	-	-	-	-	-	-	114,034
<b>Total current liabilities</b>	<b>66,938,009</b>	<b>28,493,207</b>	<b>13,132,578</b>	<b>14,696,871</b>	<b>18,142,966</b>	<b>141,403,631</b>	<b>103,093,280</b>
<b>Noncurrent liabilities:</b>							
Advances from funds	-	-	-	5,000,000	268,710	5,268,710	1,853,158
Federal unemployment advance	-	573,956,646	-	-	-	573,956,646	-
Reserve for losses	-	-	-	-	-	-	49,963,596
Compensated absences	78,999	-	9,482	5,333	613,962	707,776	1,337,967
Benefits payable	-	-	-	159,946,571	-	159,946,571	-
Bonds payable	697,578,228	-	76,069,984	-	8,885,879	782,534,091	5,762,895
Obligations under capital leases	-	-	-	-	-	-	133,886
<b>Total noncurrent liabilities</b>	<b>697,657,227</b>	<b>573,956,646</b>	<b>76,079,466</b>	<b>164,951,904</b>	<b>9,768,551</b>	<b>1,522,413,794</b>	<b>59,051,502</b>
<b>Total liabilities</b>	<b>764,595,236</b>	<b>602,449,853</b>	<b>89,212,044</b>	<b>179,648,775</b>	<b>27,911,517</b>	<b>1,663,817,425</b>	<b>162,144,782</b>
<b>Net Position</b>							
Net investment in capital assets	359,529	-	-	121,490	2,940,514	3,421,533	13,528,777
<i>Restricted for:</i>							
Tuition contract benefits	-	-	-	15,331,393	-	15,331,393	-
Security of outstanding obligations	189,404,677	-	-	-	-	189,404,677	-
Workers' compensation	-	-	-	-	31,037,940	31,037,940	-
Revolving loans	-	-	324,634,173	-	-	324,634,173	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	3,120,628	(373,371,269)	-	-	9,741,763	(360,508,878)	46,340,912
<b>Total net position</b>	<b>\$ 192,884,834</b>	<b>\$ (373,371,269)</b>	<b>\$324,634,173</b>	<b>\$15,452,883</b>	<b>\$ 43,722,217</b>	<b>203,322,838</b>	<b>\$ 59,869,689</b>

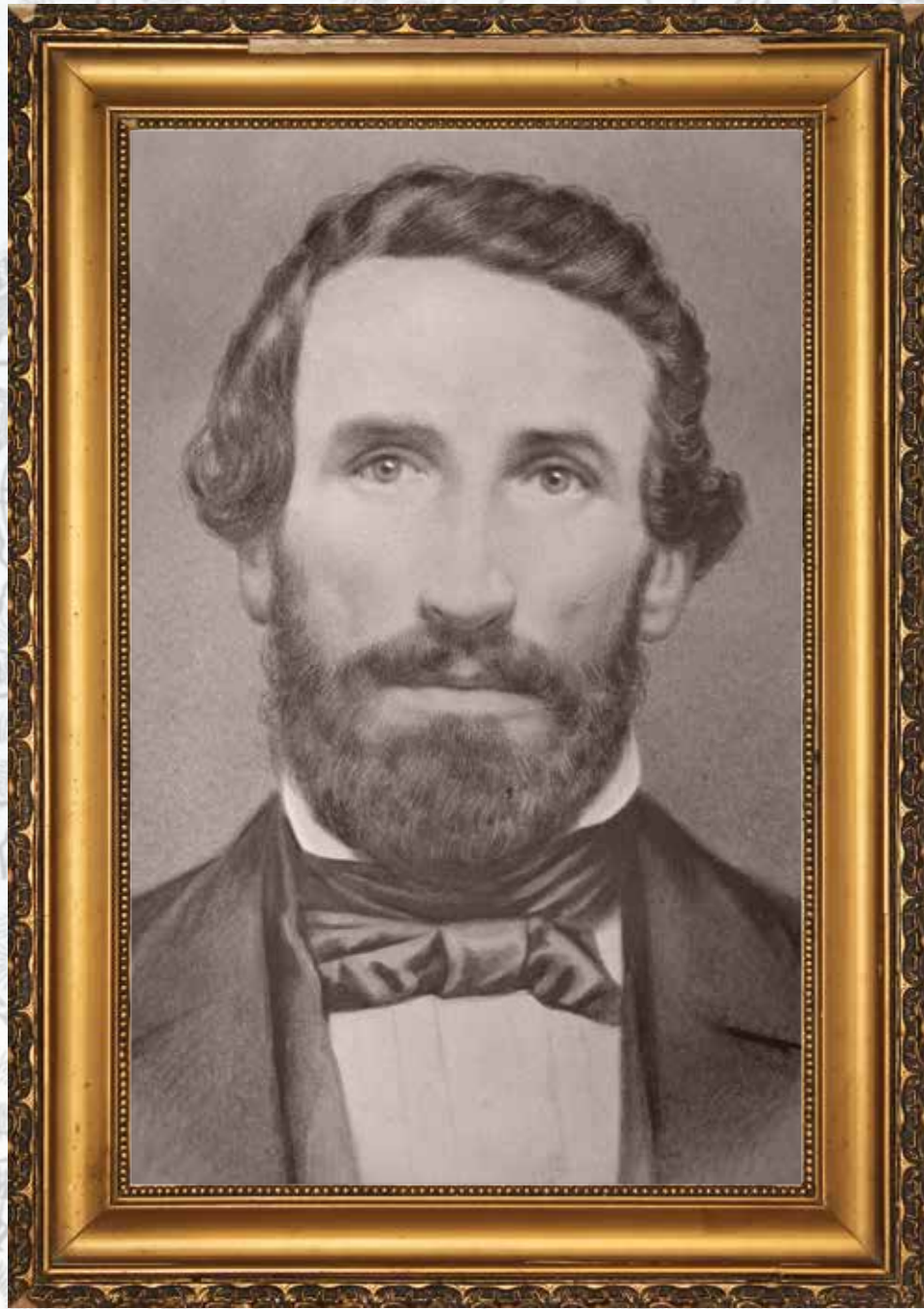
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

Net position of business-type activities

20,850  
\$ 203,343,688

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





**William Matthew Ormsby was one of the key players in the establishment of Carson City and the Nevada Territory. Major Ormsby died May 12, 1860, leading a vigilante force against Paiute Indians near Pyramid Lake.**

Picture Courtesy of Nevada Historical Society

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



NEVADA

For the Fiscal Year Ended June 30, 2013

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total	
<b>Operating Revenues</b>							
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$343,223,124
Sales	-	-	-	19,935,698	6,863,313	26,799,011	2,476,745
Assessments	-	565,925,448	-	-	211,929	566,137,377	-
Charges for services	-	-	150,000	138,800	15,546,288	15,835,088	41,548,670
Rental income	-	-	-	-	80,880	80,880	18,400,716
Interest income on loans/notes	16,545,805	-	8,723,236	-	-	25,269,041	-
Federal government	-	449,782,433	18,121,597	-	-	467,904,030	-
Licenses, fees and permits	-	-	-	-	40,680,715	40,680,715	-
Fines	-	-	-	-	2,979,983	2,979,983	-
Other	3,294,565	1,556,046	-	-	513,222	5,363,833	256,145
<b>Total operating revenues</b>	<b>19,840,370</b>	<b>1,017,263,927</b>	<b>26,994,833</b>	<b>20,074,498</b>	<b>66,876,330</b>	<b>1,151,049,958</b>	<b>405,905,400</b>
<b>Operating Expenses</b>							
Salaries and benefits	1,489,425	-	379,213	153,887	33,181,189	35,203,714	31,800,768
Operating	6,852,731	-	5,296,628	658,722	13,389,879	26,197,960	35,107,579
Claims and benefits expense	-	849,317,267	-	24,255,992	9,926,008	883,499,267	206,683,046
Interest on bonds payable	23,225,661	-	-	-	-	23,225,661	-
Materials or supplies used	-	-	-	-	3,532,798	3,532,798	1,194,618
Servicers' fees	238,872	-	-	-	-	238,872	-
Depreciation	3,021	-	-	15,343	372,154	390,518	2,721,299
Amortization	-	-	-	-	-	-	214,246
Bond issuance costs amortization	286,149	-	485,249	-	-	771,398	-
Insurance premiums	-	-	-	-	-	-	124,993,621
<b>Total operating expenses</b>	<b>32,095,859</b>	<b>849,317,267</b>	<b>6,161,090</b>	<b>25,083,944</b>	<b>60,402,028</b>	<b>973,060,188</b>	<b>402,715,177</b>
Operating income (loss)	(12,255,489)	167,946,660	20,833,743	(5,009,446)	6,474,302	177,989,770	3,190,223
<b>Nonoperating Revenues (Expenses)</b>							
Interest and investment income	11,187,339	-	1,605,962	16,165,633	(156,447)	28,802,487	178,016
Interest expense	-	(18,283,202)	(2,782,660)	-	(428,214)	(21,494,076)	(13,677)
Bond issuance costs amortization	-	-	-	-	(18,890)	(18,890)	-
Federal grant revenue	2,404,186	-	-	-	4,848,169	7,252,355	-
Federal grant expense	(2,155,929)	-	-	-	-	(2,155,929)	-
Gain (loss) on disposal of assets	-	-	-	-	15,579	15,579	46,369
<b>Total nonoperating revenues (expenses)</b>	<b>11,435,596</b>	<b>(18,283,202)</b>	<b>(1,176,698)</b>	<b>16,165,633</b>	<b>4,260,197</b>	<b>12,401,526</b>	<b>210,708</b>
Income (loss) before capital contributions and transfers	(819,893)	149,663,458	19,657,045	11,156,187	10,734,499	190,391,296	3,400,931
<b>Capital Contributions and Transfers</b>							
Capital contributions	-	-	-	-	127,820	127,820	-
Transfers in	-	37,187,380	-	1,923,290	5,162,022	44,272,692	429,628
Transfers out	-	(7,577,897)	(1,168,012)	-	(13,425,968)	(22,171,877)	(183,133)
Change in net position	(819,893)	179,272,941	18,489,033	13,079,477	2,598,373	212,619,931	3,647,426
Net position, July 1 (as restated)	193,704,727	(552,644,210)	306,145,140	2,373,406	41,123,844		56,222,263
<b>Net position, June 30</b>	<b>\$192,884,834</b>	<b>\$ (373,371,269)</b>	<b>\$324,634,173</b>	<b>\$15,452,883</b>	<b>\$ 43,722,217</b>		<b>\$ 59,869,689</b>

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

Change in net position of business-type activities

66,638

\$ 212,686,569

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

# Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2013

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Totals	
<b>Cash flows from operating activities</b>							
Receipts from customers and users	\$ 8,254,252	\$550,677,439	\$ 266,938	\$ 12,459,664	\$64,551,294	\$636,209,587	\$ 85,430,941
Receipts for interfund services provided	16,032	2,563,079	-	10,082	4,552,362	7,141,555	265,105,381
Receipts from component units	-	-	-	-	-	-	78,836,879
Receipts of principal on loans/notes	61,420,477	-	20,730,074	-	-	82,150,551	5,000
Receipts of interest on loans/notes	17,991,278	-	8,313,872	-	-	26,305,150	-
Receipts from federal government	-	449,782,433	18,744,395	-	-	468,526,828	-
Payments to suppliers, other governments and beneficiaries	(11,713,184)	(854,642,955)	(5,361,598)	(4,475,623)	(18,327,395)	(894,520,755)	(339,564,882)
Payments to employees	(1,430,012)	-	(390,314)	(159,221)	(32,546,815)	(34,526,362)	(31,359,965)
Payments for interfund services	(317,145)	-	(119,845)	(226,028)	(8,343,988)	(9,007,006)	(19,453,125)
Payments to component units	-	-	-	(5,183,838)	(57,295)	(5,241,133)	(248,805)
Purchase of loans and notes	(31,384,104)	-	(41,241,447)	-	-	(72,625,551)	-
Net cash provided by (used for) operating activities	42,837,594	148,379,996	942,075	2,425,036	9,828,163	204,412,864	38,751,424
<b>Cash flows from noncapital financing activities</b>							
Grant receipts	2,404,186	-	-	-	4,054,912	6,459,098	-
Advances from federal government	-	363,309,903	-	-	-	363,309,903	-
Proceeds from sale of bonds	-	-	21,940,771	-	-	21,940,771	-
Transfers and advances from other funds	-	23,947,096	-	1,923,290	5,150,994	31,021,380	256,194
Payment on federal advance	-	(509,785,575)	-	-	-	(509,785,575)	-
Payment on refunding bonds	-	-	(21,910,240)	-	-	(21,910,240)	-
Principal paid on noncapital debt	(71,119,384)	-	(9,415,000)	-	-	(80,534,384)	-
Interest paid on noncapital debt	(24,082,703)	(23,947,096)	(3,840,874)	-	-	(51,870,673)	-
Issue costs	-	-	-	-	-	-	-
Transfers and advances to other funds	-	(9,076,751)	(1,118,960)	-	(13,433,541)	(23,629,252)	(183,853)
Payments to other governments and organizations	(2,155,929)	-	-	-	-	(2,155,929)	(2)
Net cash provided by (used for) noncapital financing activities	(94,953,830)	(155,552,423)	(14,344,303)	1,923,290	(4,227,635)	(267,154,901)	72,339
<b>Cash flows from capital and related financing activities</b>							
Proceeds from capital debt	-	-	-	-	800,000	800,000	-
Proceeds from sale of capital assets	-	-	-	-	15,579	15,579	119,212
Purchase of capital assets	-	-	-	-	(134,786)	(134,786)	(2,154,061)
Principal paid on capital debt	-	-	-	-	(981,340)	(981,340)	(1,225,161)
Interest paid on capital debt	-	-	-	-	(446,854)	(446,854)	(13,675)
Payments on construction projects	-	-	-	-	(1,511,356)	(1,511,356)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(2,258,757)	(2,258,757)	(3,273,685)
<b>Cash flows from investing activities</b>							
Proceeds from sale of investments	291,457,169	-	-	264,705,566	-	556,162,735	-
Purchase of investments	(250,943,885)	-	-	(284,428,804)	-	(535,372,689)	-
Interest, dividends and gains (losses)	11,496,500	-	1,854,566	3,442,476	(239,736)	16,553,806	348,278
Net cash provided by (used for) investing activities	52,009,784	-	1,854,566	(16,280,762)	(239,736)	37,343,852	348,278
Net increase (decrease) in cash	(106,452)	(7,172,427)	(11,547,662)	(11,932,436)	3,102,035	(27,656,942)	35,898,356
Cash and cash equivalents, July 1	1,109,442	21,291,891	93,922,838	13,600,879	50,152,054	180,077,104	155,845,174
<b>Cash and cash equivalents, June 30</b>	<b>\$ 1,002,990</b>	<b>\$ 14,119,464</b>	<b>\$82,375,176</b>	<b>\$ 1,668,443</b>	<b>\$ 53,254,089</b>	<b>\$ 152,420,162</b>	<b>\$ 191,743,530</b>

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Totals	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>							
Operating income (loss)	\$ (12,255,489)	\$ 167,946,660	\$ 20,833,743	\$ (5,009,446)	\$ 6,474,302	\$ 177,989,770	\$ 3,190,223
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>							
Depreciation	3,021	-	-	15,343	372,154	390,518	2,721,299
Amortization	-	-	-	-	-	-	214,246
Bond issuance costs amortization	286,149	-	485,249	-	-	771,398	-
Interest on bonds payable	23,225,661	-	-	-	-	23,225,661	-
Decrease (increase) in loans and notes receivable	32,141,073	-	(20,511,373)	-	-	11,629,700	5,000
Decrease (increase) in accrued interest and receivables	(769,504)	(14,240,976)	330,372	-	1,397,406	(13,282,702)	2,180,048
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	(7,604,752)	111,972	(7,492,780)	(90,194)
Increase (decrease) in accounts payable, accruals, other liabilities	206,683	(5,325,688)	(195,916)	15,023,891	1,472,329	11,181,299	30,530,802
Total adjustments	55,093,083	(19,566,664)	(19,891,668)	7,434,482	3,353,861	26,423,094	35,561,201
Net cash provided by (used for) operating activities	\$ 42,837,594	\$ 148,379,996	\$ 942,075	\$ 2,425,036	\$ 9,828,163	\$ 204,412,864	\$ 38,751,424
<b>Noncash investing, capital and financing activities</b>							
Acquisition of equipment	\$ 362,550	\$ -	\$ -	\$ -	\$ -	\$ 362,550	\$ -
Increase (decrease) in fair value of investments	-	-	-	12,692,843	-	12,692,843	-
Capital contribution	-	-	-	-	127,820	127,820	-

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



# Statement of Fiduciary Net Position

## Fiduciary Funds



NEVADA

June 30, 2013

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 3,748,631	\$ 5,906	\$ 5,088,178	\$ 74,252,730
Cash in custody of other officials	686,813,688	3,618,695	15,367,094	34,638,301
<i>Investments:</i>				
Investments	1,060,841	1,091,453,770	11,248,846,275	208,939,789
Fixed income securities	6,445,915,485	-	-	-
Marketable equity securities	12,216,518,375	-	-	-
International securities	7,554,589,905	-	-	-
Real estate	1,265,383,156	-	-	-
Alternative investments	907,783,472	-	-	-
Collateral on loaned securities	4,867,492,944	-	-	-
<i>Receivables:</i>				
Accounts receivable	-	-	114,551	-
Accrued interest and dividends	100,546,841	3,709,903	3,925,971	-
Taxes receivable	-	-	-	53,879,037
Trades pending settlement	144,395,632	-	772,659	-
Intergovernmental receivables	90,908,873	-	136,501	40,354
Contributions receivable	-	-	9,719,092	-
Other receivables	8,419	-	-	107,731
Due from other funds	128,789	-	253,773	475,370,485
Due from fiduciary funds	17,420,555	-	-	10,535,217
Due from component unit	1,350,696	-	-	1,213,449
Other assets	2,060,547	-	-	-
Furniture and equipment	37,728,248	-	-	-
Accumulated depreciation	(33,949,044)	-	-	-
<b>Total assets</b>	<b>34,309,906,053</b>	<b>1,098,788,274</b>	<b>11,284,224,094</b>	<b>858,977,093</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	12,420,788	139,225	2,466,090	-
Accrued payroll and related liabilities	-	-	714	248,890
Intergovernmental payables	-	-	18,651	527,246,644
Redemptions payable	-	-	4,257,052	-
Trades pending settlement	508,861,611	4,369,902	8,983,214	-
Bank overdraft	-	-	521,000	-
Obligations under securities lending	4,866,933,983	-	-	-
Due to other funds	2,735,653	31,939	563,668	-
Due to fiduciary funds	44,752	-	16,009	27,895,011
<i>Other liabilities:</i>				
Deposits	-	-	-	298,869,601
Other liabilities	240,123	-	-	4,716,947
<b>Total liabilities</b>	<b>5,391,236,910</b>	<b>4,541,066</b>	<b>16,826,398</b>	<b>858,977,093</b>
<b>Held in trust for:</b>				
Employees' pension benefits	28,914,222,795	-	-	-
OPEB benefits	4,446,348	-	-	-
Pool participants	-	1,094,247,208	-	-
Individuals	-	-	11,267,397,696	-
<b>Total net position</b>	<b>\$ 28,918,669,143</b>	<b>\$ 1,094,247,208</b>	<b>\$ 11,267,397,696</b>	<b>\$ -</b>

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

# Statement of Changes in Fiduciary Net Position

## Fiduciary Funds



NEVADA

For the Fiscal Year Ended June 30, 2013

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
<b>Additions</b>			
<i>Contributions:</i>			
Employer	\$ 1,354,066,714	\$ -	\$ -
Plan members	99,257,706	-	-
Participants	-	-	2,895,103,204
Repayment and purchase of service	46,467,628	-	-
Total contributions	1,499,792,048	-	2,895,103,204
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	2,429,373,877	9,612,740	766,459,152
Interest, dividends	727,557,507	12,542,761	252,952,778
Securities lending	(13,434,536)	-	-
Other	93,940,400	-	-
	3,237,437,248	22,155,501	1,019,411,930
Less investment expense:			
Cost of securities lending	(6,830,980)	-	-
Other	(27,449,279)	(34,653)	-
Net investment income	3,203,156,989	22,120,848	1,019,411,930
<i>Other:</i>			
Investment from local governments	-	796,588,074	-
Reinvestment from interest income	-	784,164	-
Other	2,601,272	174	-
Total other	2,601,272	797,372,412	-
<b>Total additions</b>	<b>4,705,550,309</b>	<b>819,493,260</b>	<b>3,914,515,134</b>
<b>Deductions</b>			
Principal redeemed	-	789,716,587	1,800,859,664
Benefit payments	1,718,957,509	-	19,061,078
Refunds	26,126,061	-	-
Contribution distributions	895,115	-	-
Dividends to investors	-	839,256	-
Administrative expense	9,709,758	625,423	24,113,695
<b>Total deductions</b>	<b>1,755,688,443</b>	<b>791,181,266</b>	<b>1,844,034,437</b>
Change in net position	2,949,861,866	28,311,994	2,070,480,697
Net position, July 1	25,968,807,277	1,065,935,214	9,196,916,999
<b>Net position, June 30</b>	<b>\$ 28,918,669,143</b>	<b>\$ 1,094,247,208</b>	<b>\$ 11,267,397,696</b>

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

# Combining Statement of Net Position Discretely Presented Component Units



NEVADA

June 30, 2013

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Cash and pooled investments	\$ 8,725,982	\$ 224,433,000	\$ -	\$ 233,158,982
Investments	-	1,094,959,000	1,969,579	1,096,928,579
Due from primary government	69,287	20,991,135	-	21,060,422
Accounts receivable	10,831,418	30,922,865	-	41,754,283
Intergovernmental receivables	-	40,243,000	-	40,243,000
Accrued interest and dividends	21,337	-	-	21,337
Notes/loans receivable	-	13,218,000	-	13,218,000
Other receivables	-	51,454,000	-	51,454,000
Inventory	-	6,515,000	-	6,515,000
Prepaid expenses	20,020,415	-	-	20,020,415
<i>Restricted assets:</i>				
Cash	8,863,006	21,442,000	-	30,305,006
Investments	-	39,241,000	-	39,241,000
Other assets	-	49,334,000	-	49,334,000
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	-	130,137,000	-	130,137,000
Other capital assets, net	50,461,121	1,797,547,000	-	1,848,008,121
<b>Total assets</b>	<b>98,992,566</b>	<b>3,520,437,000</b>	<b>1,969,579</b>	<b>3,621,399,145</b>
Accounts payable	3,182,799	42,777,437	-	45,960,236
Accrued payroll and related liabilities	-	68,807,000	-	68,807,000
Interest payable	839,672	8,431,000	-	9,270,672
Due to primary government	1,744	138,563	-	140,307
Unearned revenues	121,985	48,753,000	-	48,874,985
Other liabilities	14,458,299	26,014,000	-	40,472,299
<i>Long-term liabilities:</i>				
<i>Portion due or payable within one year:</i>				
Obligations under capital leases	-	963,000	-	963,000
Compensated absences	218,730	30,583,000	-	30,801,730
Bonds payable	4,275,699	25,648,000	-	29,923,699
<i>Portion due or payable after one year:</i>				
Federal advances	-	8,194,000	-	8,194,000
Obligations under capital leases	-	2,423,000	-	2,423,000
Compensated absences	130,394	16,144,000	-	16,274,394
Bonds payable	66,164,990	449,646,000	-	515,810,990
Due to primary government	-	-	2,285,904	2,285,904
<b>Total liabilities</b>	<b>89,394,312</b>	<b>728,522,000</b>	<b>2,285,904</b>	<b>820,202,216</b>
Net investment in capital assets	3,865,158	1,471,791,000	-	1,475,656,158
<i>Restricted for:</i>				
Capital projects	-	43,579,000	-	43,579,000
Debt service	-	19,870,000	-	19,870,000
Scholarships	-	333,997,000	-	333,997,000
Loans	-	8,210,000	-	8,210,000
Operations and maintenance	711,215	-	-	711,215
Research and development	5,203,611	-	-	5,203,611
Other purposes	-	1,093,000	-	1,093,000
<i>Funds held as permanent investments:</i>				
Nonexpendable	-	330,838,000	-	330,838,000
Unrestricted (deficit)	(181,730)	582,537,000	(316,325)	582,038,945
<b>Total net position</b>	<b>\$ 9,598,254</b>	<b>\$ 2,791,915,000</b>	<b>\$ (316,325)</b>	<b>\$ 2,801,196,929</b>

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

# Combining Statement of Activities Discretely Presented Component Units

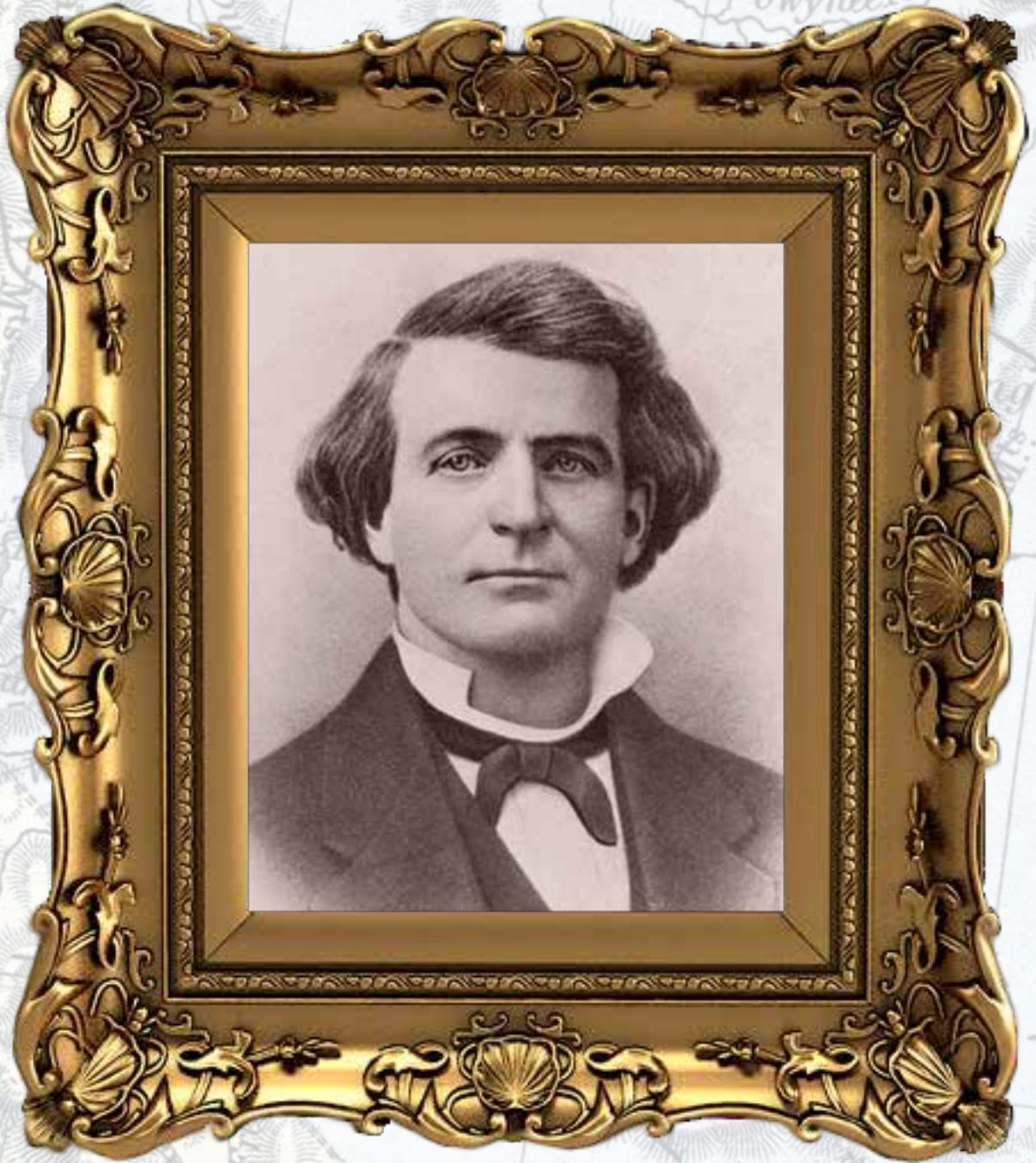


For the Fiscal Year Ended June 30, 2013

	Major Component Units		Nonmajor Component Unit	Total
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	
<b>Expenses</b>	\$ 83,058,999	\$ 1,528,998,000	\$ 16,000	\$ 1,612,072,999
<b>Program revenues</b>				
Charges for services	80,906,325	622,058,000	-	702,964,325
Operating grants and contributions	-	412,328,000	-	412,328,000
Capital grants and contributions	-	1,486,000	-	1,486,000
<b>Total program revenues</b>	80,906,325	1,035,872,000	-	1,116,778,325
<b>General revenues</b>				
Unrestricted investment earnings	107,763	107,726,000	(300,325)	107,533,438
Gain on sale of assets	-	6,699,000	-	6,699,000
Other general revenues	-	1,695,000	-	1,695,000
Contributions to permanent funds	-	10,829,000	-	10,829,000
Payments from State of Nevada	-	468,641,000	-	468,641,000
<b>Total general revenues</b>	107,763	595,590,000	(300,325)	595,397,438
Change in net position	(2,044,911)	102,464,000	(316,325)	100,102,764
Net position, July 1	11,643,165	2,689,451,000	-	2,701,094,165
<b>Net position, June 30</b>	\$ 9,598,254	\$ 2,791,915,000	\$ (316,325)	\$ 2,801,196,929

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





Isaac Newton Roop in 1859 was elected the first (provisional) governor of the newly proposed Nevada Territory.

Picture Courtesy of Nevada Historical Society



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## Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### A. Description of Government-wide Financial Statements

The Government-wide Financial Statements, which consist of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. All fiduciary activities, including component units that are fiduciary in nature, are reported only in the fund financial statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

### B. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the State's activities. Component units are legally separate organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: 1) the ability of the State to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. When the State does not appoint a voting majority of an organization's governing body, GASB requires inclusion in the reporting entity based on financial accountability if: 1) the organization is both fiscally dependent on the State and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State; or 2) it would be misleading to exclude the organization.

**Fiduciary Component Units:** The following fiduciary component units are legally separate from the State. The State is financially accountable for these organizations since it appoints the voting majority of the boards and is able to impose its will on them through the ability to remove appointed members of the organization's governing board. Since these

component units are fiduciary in nature, they are included only in the fund financial statements with the primary government's fiduciary funds. Therefore, these component units are excluded from the government-wide financial statements.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

**Blended Component Unit:** The *Nevada Real Property Corporation* (NRPC) is a legally separate organization. The State is financially accountable for NRPC since it appoints the board of directors, and NRPC provides a financial benefit to the State by providing financing services. NRPC was incorporated to finance certain construction projects which include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the NRPC leases the facilities to the State. Since the NRPC provides financing services solely to the State, these financial transactions are reported as part of the primary government using the blended method.

**Discretely Presented Component Units:** A component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, the component unit does not provide services entirely or almost entirely to the primary government, and the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government. The following discretely presented component units meet these criteria and are reported





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*(Note 1 Continued)*

in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

The *Nevada System of Higher Education* (NSHE) is a legally separate organization consisting of the institutions of public higher education in Nevada, the NSHE Administration entity, and their component units. NSHE is governed by a Board of Regents elected by the voters. NSHE is considered to be fiscally dependent on the primary government since the State can modify and approve their budgets. In addition, NSHE imposes a financial burden on the primary government since the State provides financial support to NSHE through annual operating and capital appropriations.

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

The *Nevada Capital Investment Corporation* (NCIC) is a legally separate organization whose board of directors consists of the State Treasurer, who serves as the chair; five members that are appointed by the primary government; and the Chancellor of NSHE, or his designee. Up to five additional members of the board may be chosen who are direct investors of the corporation. The NCIC is an independent corporation for public benefit, the general purpose of which is to act as a limited partner, shareholder or member to provide private equity funding to businesses located in or seeking to locate in Nevada, and engage in certain industries. The amount invested in the NCIC is not to exceed \$50 million from the State Permanent School Fund. The State is financially accountable for NCIC since it is able to impose its will through veto power by the State Treasurer.

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 organization's administrative offices:

*Public Employees' Retirement System*

*Carson City, NV*

*Legislators' Retirement System*

*Carson City, NV*

*Judicial Retirement System*

*Carson City, NV*

*Retirement Benefits Investment Fund*

*Carson City, NV*

*Nevada System of Higher Education*

*Reno, NV*

*Colorado River Commission*

*Las Vegas, NV*

*Nevada Capital Investment Corporation*

*Carson City, NV*

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

### C. Basis of Presentation

**Government-Wide Financial Statements:** While separate government-wide and fund financial statements are presented, they are interrelated. On the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the State has three discretely presented component units which are shown in a single column in the government-wide financial statements.

In general, the effect of interfund activity has been removed from the government-wide financial statements. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances on the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers on the government-wide statement of activities.

**Fund Financial Statements:** The fund financial statements provide information about the government's funds, including its fiduciary and blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual



(Note 1 Continued)

governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The State reports the following major governmental funds:

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

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

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

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

*Permanent School Fund* - accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education.

The State reports the following major enterprise funds:

*Higher Education Tuition Trust Fund* – accounts for the State program to assist Nevada residents in locking in the cost of future higher education expenses for Nevada colleges and universities. This program is financed through the sale of prepaid tuition contracts.

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

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

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

Additionally, the State reports the following fund types:

*Internal Service Funds* - provide goods or services primarily to other agencies or funds of the State rather than to the general

public. These goods and services include accounting, communications, information technology, motor pool, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

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

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

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

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

## **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State



(Note 1 Continued)

considers revenues to be available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 12, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary, pension and other employee benefit trust, investment trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

#### **E. Assets, Liabilities and Net Position/Fund Balance**

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

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

*Investments* - Investments are stated at fair value. Fair value is defined as the price at which an asset passes from a willing seller to a willing buyer. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Short-term investments are generally reported at cost, which approximates fair value, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value

of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are reported as investment trust funds. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitations of NRS 355.170. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for the Retirement Benefits Investment Fund.

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

*Receivables* - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

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

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



(Note 1 Continued)

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

*Inventories* – In general, inventories in governmental funds are recorded as expenditures when purchased; however, certain inventories in the General Fund, the Highway Fund, and nonmajor governmental funds are recorded as expenditures at the time individual inventory items are consumed. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they are unavailable for appropriation.

*Prepaid Items* – Prepaid items reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items in the governmental funds are offset by nonspendable fund balance to indicate that they are unavailable for appropriation.

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

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

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

In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

*Compensated Absences* – A liability for compensated absences relating to services already rendered and that are not contingent on a specified event is accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Position, the accrued compensated absences for both proprietary and governmental fund types is reported.

*Unearned and Deferred Revenue* – Unearned revenue is recorded when cash or other assets are received prior to being earned. In addition, deferred revenue is recorded in the governmental fund statements when revenue is measurable but not available. In subsequent periods, when revenue recognition criteria are met, or the State has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized. Deferred revenue in the General Fund consists primarily of gaming taxes required by statute to be paid in advance, and other refundable taxes.

*Long-Term Obligations* - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from

(Note 1 Continued)

the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 8.

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

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

- Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government’s highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.
- Assigned fund balance includes amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed for proper classification of fund balance. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. Note 11 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

*Net Position/Fund Balance Flow Assumptions* - The State’s policy is to spend restricted amounts first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available. Therefore, restricted net position/fund balance is depleted before using unrestricted net position/fund balance. In governmental funds, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

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

*Stabilization Arrangement* – NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2013 is \$112,798,382.

## **F. Revenues and Expenditures/Expenses**

*Program Revenues* - In the government-wide statement of activities, program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

*Property Taxes* – Property taxes are recognized as revenues in the year for which they are levied. 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.

*Grants* – The State participates in various federal award programs which are received in both cash and noncash forms.



(Note 1 Continued)

Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

## Note 2 - Budgetary and Legal Compliance

### Budgetary Process and Control

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

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

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$20,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$50,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$34,579,832 were made in the 2013 fiscal year. Unencumbered appropriations lapse at the end of each fiscal

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

year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

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

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain prepaid/deferred assets are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain deferred revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.



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### Note 3 - Deposits and Investments

The Nevada Revised Statutes (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

#### A. Deposits

*Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds*

- The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2013, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$195,609,746, of which \$17,695,199 was uncollateralized and uninsured.

*Component Units* - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2013 NSHE's deposits in money market funds totaled \$189,975,000 and cash in bank was \$5,834,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

#### B. Investments

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

into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities and Net Position/Fund Balance.

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

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further in Note 1, Assets, Liabilities and Net Position/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

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

*Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds* - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays Aggregate Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2013 (expressed in thousands):

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2013



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(Note 3 Continued)

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 2,689,278	\$ 387,230	\$ 1,665,253	\$ 377,526	\$ 259,269
Negotiable certificate of deposit	15,000	15,000	-	-	-
U. S. agencies	4,118,398	1,247,582	479,763	201,186	2,189,867
Mutual funds	3,983	3,983	-	-	-
Asset backed corporate securities	397,456	129,712	142,303	115,289	10,152
Corporate bonds and notes	2,060,946	98,822	971,271	484,855	505,998
Commercial paper	44,006	44,006	-	-	-
Fixed income securities	18,119	18,119	-	-	-
International investments	1,641,249	19,933	725,655	478,888	416,773
Municipal bonds	678,191	20,946	103,918	48,193	505,134
Investment agreements	4,747	-	-	223	4,524
Other short-term investments	737,535	737,535	-	-	-
Collateralized mortgage obligations	193,325	4,563	34,237	18,181	136,344
Other investments	251	-	251	-	-
<b>Total</b>	<b>\$ 12,602,484</b>	<b>\$ 2,727,431</b>	<b>\$ 4,122,651</b>	<b>\$ 1,724,341</b>	<b>\$ 4,028,061</b>

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The mutual funds held by Vanguard, USAA, Upromise, and Putnam have various maturities from 28 days to 12.3 years and are not included in the table above.

**Component Units** – The Nevada System of Higher Education's (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2013 (expressed in thousands):

Less than 1 year	\$ 204,583
1 to 5 years	153,309
6 to 10 years	25,060
More than 10 years	-
<b>Total</b>	<b>\$ 382,952</b>

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

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

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

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

The State's investments as of June 30, 2013 were rated by Standard & Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor's rating scale (at fair value, expressed in thousands):



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(Note 3 Continued)

	Quality Rating						Unrated
	AAA	AA	A	BBB	BB	B	
Negotiable certificate of deposit	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -
U.S. agencies	61,425	2,666,762	823,051	-	-	-	366,684
Mutual funds	3,739	-	-	-	-	-	10,994,440
Asset backed corporate securities	102,240	122,748	106,116	3,631	624	101	7,290
Corporate bonds and notes	72,184	301,585	955,351	656,355	34,725	38	28,200
Commercial paper	-	-	44,006	-	-	-	-
Fixed income securities	-	-	-	-	-	-	18,059
International investments	139,359	60,100	65,014	151,734	-	-	1,225,042
Municipal bonds	-	678,190	-	-	-	-	-
Investment agreements	-	-	2,049	1,832	506	-	360
Other short-term investments	178,538	-	64,824	-	-	-	686,636
Collateralized mortgage obligations	65,040	64,551	19,800	19,023	1,400	1,300	20,604
<b>Total</b>	<b>\$ 622,525</b>	<b>\$ 3,893,936</b>	<b>\$ 2,095,211</b>	<b>\$ 832,575</b>	<b>\$ 37,255</b>	<b>\$ 1,439</b>	<b>\$ 13,347,315</b>

As of June 30, 2013, the State of Nevada held debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed. However, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2013.

**Component Unit** – The NSHE's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2013 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	\$ 546,138
Partnerships	96,310
Equities	4,052
Endowment cash/cash equivalents	1,353
Trust(s)	5,711
Private commingled funds	97,428
<b>Total</b>	<b>\$ 750,992</b>

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2013, the following investments exceeded 5% of the Primary Government and Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	Percentage
<b>Primary government</b>		
Federal Home Loan Bank	\$ 719,110	22.71%
So Nevada Water Authority	206,475	6.52%
<b>Investment Trust Funds</b>		
Federal Farm Credit Bank	59,846	5.19%
Federal Home Loan Bank	324,296	28.14%
Federal National Mortgage Assoc	110,564	9.59%

At June 30, 2013, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal National Mortgage Association- U.S. Agency Coupon Security	\$ 8,153	5.08%
Federal National Mortgage Association- Asset-Backed Mortgage Security	18,655	11.62%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2013, the Housing Division's investments in Fannie Mae and Ginnie Mae are 10.43% and 41.99% respectively, of the Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

**Component Unit** - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, for the purpose of obtaining income. At June 30, 2013 the investment in equity interest of SSOF exceeded 5% of NCIC's total investments.



# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2013



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(Note 3 Continued)

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

*Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds* - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. The following table summarizes the pension and other employee benefit trust funds and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2013 (expressed in thousands):

	Currency by Investment and Fair Value				
	Fixed Income	Equity	Derivatives	Cash	Total
Australian Dollar	\$ 21,387	\$ 336,004	\$ 922	\$ 210	\$ 358,523
British Pound Sterling	106,252	1,132,803	3,473	5,536	1,248,064
Canadian Dollar	37,418	40,300	(1,016)	911	77,613
Danish Krone	12,006	66,715	701	303	79,725
Euro	611,974	1,565,620	5,587	7,868	2,191,049
Hong Kong Dollar	-	141,640	12	706	142,358
Israeli Shekel	-	19,787	(10)	910	20,687
Japanese Yen	556,478	992,023	2,573	9,289	1,560,363
Malaysian Ringgit	7,651	-	-	606	8,257
Mexican New Peso	22,527	-	(304)	1,211	23,434
New Zealand Dollar	-	4,846	-	100	4,946
Norwegian Krone	3,732	80,004	3,501	1,009	88,246
Polish Zloty	10,189	-	204	405	10,798
S. African Comm Rand	7,365	-	1	1,208	8,574
Singapore Dollar	5,430	89,305	2	1,022	95,759
Swedish Krona	8,062	136,163	12	312	144,549
Swiss Franc	2,438	475,946	14	532	478,930
<b>Total</b>	<b>\$ 1,412,909</b>	<b>\$ 5,081,156</b>	<b>\$ 15,672</b>	<b>\$ 32,138</b>	<b>\$ 6,541,875</b>

*Private Purpose Trust Fund* - The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consists of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, and Putnam for America Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments, natural disasters and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the GAA portfolios in U.S. dollars as of June 30, 2013 (expressed in thousands):

	Currency at Fair Value
British Pound	\$ 2
Euro	(2)
Japanese Yen	11
Taiwan Dollar	14
<b>Total</b>	<b>\$ 25</b>

*Component Unit* - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$155,699,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2013.

## C. Securities Lending

*Primary Government and Investment Trust Funds* - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2013 (excluding PERS).

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



(Note 3 Continued)

for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

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

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. The securities lending agent is authorized to invest collateral only in high quality, short-term investment vehicles in accordance with PERS' Investment Objectives and Policies. The maturities of the investments made with cash collateral generally do not match the maturities of the securities loaned because securities lending transactions can be terminated at will.

The fair value of underlying securities on loan at June 30, 2013 is \$4,744,049,545. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2013, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

## D. Derivatives

**Primary Government** – The Office of the State Treasurer's investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective May 2011 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2013.

**Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds** – The PERS, LRS, JRS, and RBIF have exposure to derivatives as of June 30, 2013. Furthermore, the State Retirees' Health and Welfare Benefits Fund, an other employee benefit trust fund, has investments held with the RBIF. Foreign exchange forward contracts are periodically employed by PERS, LRS, JRS, and RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject both to market risk and to counterparty risk. The derivatives utilized typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolios. Counterparty risk, the risk that the "other party" to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. The PERS, LRS, JRS, and RBIF's derivative transactions for fiscal year 2013 are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts					
	Purchases	Realized Gain (Loss)	Sells	Realized Gain (Loss)	Total Realized Gain (Loss)
Australian Dollar	\$ 68,709	\$ (625)	\$ (32,066)	\$ 137	\$ (488)
British Pound Sterling	243,896	(721)	(88,477)	70	(651)
Canadian Dollar	26,467	(11)	(5,077)	12	1
Danish Krone	33,707	8	(14,205)	(59)	(51)
Euro	555,629	(591)	(318,610)	(2,098)	(2,689)
Hong Kong Dollar	23,845	(2)	(6,052)	(1)	(3)
Israeli Shekel	4,389	10	(808)	13	23
Japanese Yen	267,754	(1,717)	(96,515)	395	(1,322)
Malaysian Ringgit	4,955	(12)	-	-	(12)
Mexican New Peso	4,309	(15)	(1,269)	(1)	(16)
New Zealand Dollar	653	(4)	-	-	(4)
Norwegian Krone	26,712	(72)	(14,535)	10	(62)
Polish Zloty	2,330	(25)	(1,850)	(2)	(27)
S African Comm Rand	10,313	(192)	(194)	(4)	(196)
Singapore Dollar	14,765	(43)	(6,356)	26	(17)
Swedish Krona	28,790	(176)	(8,454)	14	(162)
Swiss Franc	85,679	(49)	(57,940)	84	35
<b>Total</b>	<b>\$ 1,402,902</b>	<b>\$ (4,237)</b>	<b>\$ (652,408)</b>	<b>\$ (1,404)</b>	<b>\$ (5,641)</b>

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2013



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(Note 3 Continued)

The PERS, LRS, JRS, and RBIF's derivative pending transactions as of June 30, 2013, are summarized in the following table (expressed in thousands):

	Foreign Exchange Contracts				
	Purchases	Unrealized Gain (Loss)	Sells	Unrealized Gain (Loss)	Total Unrealized Gain (Loss)
Australian Dollar	\$ 1,315	\$ (22)	\$ (344)	\$ -	\$ (22)
British Pound Sterling	3,425	(13)	-	-	(13)
Canadian Dollar	-	-	(1,021)	-	-
Danish Krone	689	(2)	-	-	(2)
Euro	5,563	(5)	-	-	(5)
Hong Kong Dollar	12	-	-	-	-
Israeli Shekel	-	-	(10)	-	-
Japanese Yen	5,797	(66)	(3,148)	-	(66)
Mexican New Peso	-	-	(347)	-	-
Norwegian Krone	3,490	(37)	-	-	(37)
Polish Zloty	206	-	-	-	-
S African Comm Rand	2	-	-	-	-
Singapore Dollar	71	-	-	-	-
Swedish Krona	66	-	-	-	-
Swiss Franc	14	-	(11)	-	-
<b>Total</b>	<b>\$ 20,650</b>	<b>\$ (145)</b>	<b>\$ (4,881)</b>	<b>\$ -</b>	<b>\$ (145)</b>

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

*Private Purpose Trust Fund* – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds. The Portfolios use five types of derivatives: futures contracts, forward currency contracts, OTC (over-the-counter) total return swap contracts, OTC interest rate swap contracts, and OTC credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All five types of derivatives are considered investments. The fair value amount in the table below represents the unrealized appreciation (depreciation) from derivative instruments and is reported in the Statement of Fiduciary Net Position. The net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Position. The Portfolios' investment derivative instruments as of June 30, 2013, and changes in fair value for the year then ended are summarized in the following table (expressed in thousands):

	Contracts/ Notional Amounts	Fair Value	Change in Fair Value
OTC Interest Rate Swap Contracts, gross	\$ 29,432	\$ (143)	\$ (155)
OTC Total Return Swap Contracts, gross	12,811	(10)	(66)
OTC Credit Default Contracts, gross	17,424	(54)	(2)
Forward Currency Contracts, net	75,209	(344)	(187)
Futures Contracts, gross	-	(137)	(195)
<b>Total</b>	<b>\$ 134,876</b>	<b>\$ (688)</b>	<b>\$ (605)</b>

The Portfolios use futures contracts to hedge interest rate risk, gain exposure to interest rates, hedge prepayment risk, equitize cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments.

In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

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

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



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(Note 3 Continued)

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

The Portfolios entered into OTC and/or centrally cleared interest rate swap contracts to hedge interest rate risk and to gain exposure on interest. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults on its obligation to perform. The Portfolios' maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC credit default contracts to hedge credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC credit default contract, the protection buyer typically makes an upfront payment and periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event

on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The OTC credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting OTC credit default contracts which could mitigate their risk of loss. The maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount of the relevant credit default contract.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. The extent of diversification among counterparties is presented below (at fair value, expressed in thousands):

Counterparty	Interest Rate Swap	Total Return Swap	Credit Default	Forward Currency	Futures	Total
Bank of America, N.A.	\$ -	\$ -	\$ (2)	\$ (8)	\$ (137)	\$ (147)
Barclays Bank PLC	(1)	-	(2)	(49)	-	(52)
Citibank, N.A.	(66)	(17)	-	(53)	-	(136)
Credit Suisse International	(16)	7	(32)	(63)	-	(104)
Deutsche Bank AG	-	-	-	(5)	-	(5)
Goldman Sachs International	(61)	-	-	-	-	(61)
HSBC Bank USA, National Association	-	-	-	(21)	-	(21)
JPMorgan Chase Bank, N.A.	-	-	(17)	(24)	-	(41)
Royal Bank of Scotland PLC (The)	-	-	-	(1)	-	(1)
State Street Bank and Trust Co.	-	-	-	(70)	-	(70)
UBS AG	-	-	-	(14)	-	(14)
Westpac Banking Corp.	-	-	-	(36)	-	(36)
<b>Total</b>	<b>\$ (144)</b>	<b>\$ (10)</b>	<b>\$ (53)</b>	<b>\$ (344)</b>	<b>\$ (137)</b>	<b>\$ (688)</b>

All five types of investment derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2013 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
OTC Interest Rate Swap Contracts	\$ -	\$ 59	\$ (209)	\$ 6	\$ (144)
OTC Total Return Swap Contracts	(17)	-	-	7	(10)
OTC Credit Default Contracts	-	(37)	-	(17)	(54)
Forward Currency Contracts	(343)	-	-	-	(343)
Futures Contracts	(137)	-	-	-	(137)
<b>Total</b>	<b>\$ (497)</b>	<b>\$ 22</b>	<b>\$ (209)</b>	<b>\$ (4)</b>	<b>\$ (688)</b>

The Portfolios' investments in foreign securities are subject to foreign currency risk. The following table provides information about the foreign exchange contracts from open/pending forward contracts as of June 30, 2013 (expressed in thousands):





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(Note 3 Continued)

Forward Currency Contracts					
	Buy	Fair Value	Sell	Fair Value	Total Fair Value
Australian Dollar	\$ 2,486	\$ (308)	\$ 2,807	\$ 98	\$ (210)
Brazilian Real	1,841	(123)	1,841	55	(68)
British Pound	1,145	(12)	1,760	19	7
Canadian Dollar	2,406	(82)	3,200	81	(1)
Chilean Peso	1,428	(73)	1,428	20	(53)
Chinese Yuan	329	2	328	(1)	1
Columbian Peso	200	(10)	200	4	(6)
Czech Koruna	-	-	292	5	5
Euro	3,022	(23)	1,673	11	(12)
Hong Kong Dollar	6	-	8	-	-
Indian Rupee	96	(9)	96	4	(5)
Indonesian Rupiah	51	(1)	150	(7)	(8)
Japanese Yen	2,698	35	2,801	84	119
Malaysian Ringgit	413	(20)	413	11	(9)
Mexican Peso	1,582	(92)	1,382	31	(61)
New Taiwan Dollar	199	(3)	199	1	(2)
Norwegian Krone	977	(35)	322	20	(15)
Peruvian New Sol	242	(18)	242	12	(6)
Philippines Peso	291	(14)	291	6	(8)
Polish Zloty	610	(19)	610	16	(3)
Russian Ruble	98	(1)	98	-	(1)
Singapore Dollar	-	-	1,726	-	-
South African Rand	526	(21)	526	25	4
South Korean Won	400	(3)	400	(1)	(4)
Swedish Krona	1,011	(24)	963	20	(4)
Swiss Franc	294	-	959	1	1
Thai Baht	202	(11)	202	5	(6)
Turkish Lira	-	-	98	1	1
<b>Total</b>	<b>\$ 22,553</b>	<b>\$ (865)</b>	<b>\$ 25,015</b>	<b>\$ 521</b>	<b>\$ (344)</b>

At the end of the reporting period the Portfolios had the following foreign currency exposure (expressed in thousands):

	Foreign Currency
British Pound	\$ 2
Euro	(2)
Japanese Yen	11
New Taiwan Dollar	14
<b>Total</b>	<b>\$ 25</b>

## Note 4 - Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	Major Funds		
	General	Permanent School Fund	Total
<b>As shown on financial statements:</b>			
Intergovernmental receivables	\$ 371,933	\$ 557	\$ 372,490
Notes/loans receivable	14,162	-	14,162
Due from Component Unit	83	2,286	2,369
<b>Total</b>	<b>\$ 386,178</b>	<b>\$ 2,843</b>	<b>\$ 389,021</b>
<b>Classified:</b>			
<b>Current portion</b>	<b>\$ 367,001</b>	<b>\$ 557</b>	<b>\$ 367,558</b>
<b>Noncurrent portion:</b>			
Intergovernmental receivables	6,712	-	6,712
Notes/loans receivable	12,465	-	12,465
Due from Component Unit	-	2,286	2,286
<b>Total noncurrent portion</b>	<b>19,177</b>	<b>2,286</b>	<b>21,463</b>
<b>Total</b>	<b>\$ 386,178</b>	<b>\$ 2,843</b>	<b>\$ 389,021</b>

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$34.6 million, and uncollectible accounts receivable are estimated at \$124.0 million. The proprietary funds have \$34.6 million in uncollectible accounts receivable of which \$14.7 million are from uninsured employers' fines and penalties, and \$14.6 million are from unemployment contributions and benefit overpayments.

## Note 5 - Interfund Transactions

### A. Interfund Advances

A summary of interfund advances at June 30, 2013, follows (expressed in thousands):

	Advances From		
	Major Funds		
Advances To	General	Consolidated	Total
		Bond Interest and Redemption	
Major Enterprise Fund:			
Higher Ed Tuition Trust	\$ 5,000	\$ -	\$ 5,000
Nonmajor enterprise	269	-	269
Total Enterprise	5,269	-	5,269
Internal service	799	1,054	1,853
<b>Total other funds</b>	<b>\$ 6,068</b>	<b>\$ 1,054</b>	<b>\$ 7,122</b>

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

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

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

A summary of due from and due to other funds and component units at June 30, 2013, is shown below (expressed in thousands):

Due From	Due To						
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Permanent School	Nonmajor Governmental	Total Governmental
Major Governmental Funds:							
General	\$ -	\$ 1,019	\$ 2	\$ 126	\$ 37	\$ 15,879	\$ 17,063
State Highway	1,418	-	-	-	-	600	2,018
Municipal Bond Bank	49	-	-	-	-	-	49
Consolidated Bond Interest and Redemption	79	-	-	-	-	22,390	22,469
Permanent School Fund	1,665	-	-	-	-	-	1,665
Nonmajor governmental	41,901	4,310	-	12,500	-	5,364	64,075
Total Governmental	45,112	5,329	2	12,626	37	44,233	107,339
Major Enterprise Funds:							
Unemployment Comp	-	-	-	-	-	431	431
Water Projects Loans	278	-	-	-	-	-	278
Higher Ed Tuition Trust	65	-	-	-	-	-	65
Nonmajor enterprise	1,656	10	-	-	-	-	1,666
Total Enterprise	1,999	10	-	-	-	431	2,440
Internal Service	1,041	103	-	151	-	24	1,319
<b>Total other funds</b>	<b>\$ 48,152</b>	<b>\$ 5,442</b>	<b>\$ 2</b>	<b>\$ 12,777</b>	<b>\$ 37</b>	<b>\$ 44,688</b>	<b>\$ 111,098</b>
<b>Fiduciary</b>	<b>\$ 196</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 396</b>	<b>\$ 592</b>
Component Units:							
Nevada System of Higher Education	\$ 83	\$ 1	\$ -	\$ -	\$ -	\$ 3	\$ 87
Nevada Capital Investment Corporation	-	-	-	-	2,286	-	2,286
<b>Total Component Units</b>	<b>\$ 83</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,286</b>	<b>\$ 3</b>	<b>\$ 2,373</b>



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(Note 5 Continued)

	Due To								
	Major Enterprise Funds				Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Ed Tuition Trust					
Major Governmental Funds:									
General	\$ 35	\$ -	\$ 216	\$ 70	\$ 1,257	\$ 1,578	\$ 4,141	\$ 22,782	\$ 474,786
State Highway	-	-	-	-	-	-	779	2,797	767
Municipal Bond Bank	-	-	-	-	-	-	-	49	-
Consolidated Bond Interest and Redemption	-	-	-	-	1	1	-	22,470	-
Permanent School Fund	-	-	-	-	-	-	-	1,665	-
Nonmajor governmental	-	13,240	-	-	10	13,250	122	77,447	21
Total Governmental	35	13,240	216	70	1,268	14,829	5,042	127,210	475,574
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	2	2	-
Unemployment Comp	-	-	-	-	-	-	-	431	-
Water Projects Loans	-	-	-	-	-	-	-	278	-
Higher Ed Tuition Trust	-	-	-	-	-	-	1	66	-
Nonmajor enterprise	-	-	-	-	1	1	318	1,985	166
Total Enterprise	-	-	-	-	1	1	321	2,762	166
Internal Service	-	-	-	-	2	2	155	1,476	13
<b>Total other funds</b>	<b>\$ 35</b>	<b>\$ 13,240</b>	<b>\$ 216</b>	<b>\$ 70</b>	<b>\$ 1,271</b>	<b>\$ 14,832</b>	<b>\$ 5,518</b>	<b>\$ 131,448</b>	<b>\$ 475,753</b>
<b>Fiduciary</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 2,736</b>	<b>\$ 3,331</b>	<b>\$ 27,956</b>
Component Units:									
Colorado River Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ -
Nevada System of Higher Education	-	-	-	-	-	-	51	138	2,564
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	2,286	-
<b>Total Component Units</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53</b>	<b>\$ 2,426</b>	<b>\$ 2,564</b>

	Due To		
	Component Units		Total Component Units
Due From	Colorado River Commission	Nevada System of Higher Education	
Major Governmental Funds:			
General	\$ 23	\$ 9,129	\$ 9,152
State Highway	45	598	643
Nonmajor governmental	-	11,194	11,194
Total Governmental Funds	68	20,921	20,989
Major Enterprise Fund:			
Higher Ed Tuition Trust	-	33	33
Total Enterprise	-	33	33
Internal Service	1	37	38
Total	69	20,991	21,060

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



### C. Transfers From/Transfers To Other Funds

	Transfers Out/To						
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Permanent School	Nonmajor Governmental	Total Governmental
<b>Transfers In/From</b>							
Major Governmental Funds:							
General	\$ -	\$ 6,314	\$ 5	\$ 6	\$ 655	\$ 49,401	\$ 56,381
State Highway	513	-	-	-	-	4,293	4,806
Consolidated Bond Interest and Redemption	4,244	-	26,761	-	-	19,086	50,091
Nonmajor governmental	40,733	1,181	-	19,212	-	8	61,134
Total Governmental	45,490	7,495	26,766	19,218	655	72,788	172,412
Major Enterprise Funds:							
Unemployment Comp	-	-	-	-	-	37,187	37,187
Higher Ed Tuition Trust	1,923	-	-	-	-	-	1,923
Nonmajor enterprise	4,531	-	-	-	-	-	4,531
Total Enterprise	6,454	-	-	-	-	37,187	43,641
Internal Service	410	-	-	-	-	20	430
<b>Total other funds</b>	\$ 52,354	\$ 7,495	\$ 26,766	\$ 19,218	\$ 655	\$ 109,995	\$ 216,483

	Transfers Out/To					
	Major Enterprise Fund					
	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
<b>Transfers In/From</b>						
Major Governmental Funds:						
General	\$ -	\$ 1,168	\$ 12,794	\$ 13,962	\$ -	\$ 70,343
State Highway	-	-	-	-	-	4,806
Consolidated Bond Interest and Redemption	-	-	-	-	-	50,091
Nonmajor governmental	7,578	-	-	7,578	183	68,895
Total Governmental	7,578	1,168	12,794	21,540	183	194,135
Major Enterprise Funds:						
Unemployment Comp	-	-	-	-	-	37,187
Higher Ed Tuition Trust	-	-	-	-	-	1,923
Nonmajor enterprise	-	-	632	632	-	5,163
Total Enterprise	-	-	632	632	-	44,273
Internal Service	-	-	-	-	-	430
<b>Total other funds</b>	<b>\$ 7,578</b>	<b>\$ 1,168</b>	<b>\$ 13,426</b>	<b>\$ 22,172</b>	<b>\$ 183</b>	<b>\$ 238,838</b>

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of \$469 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.



## Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2013 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
<b>Restricted:</b>			
Cash	\$ -	\$ -	\$ 30,305
Investments	119,289	119,289	39,241
<b>Total</b>	<u>\$ 119,289</u>	<u>\$ 119,289</u>	<u>\$ 69,546</u>
<b>Restricted for:</b>			
Debt service	\$ 119,289	\$ 119,289	\$ 3,254
Construction	-	-	22,763
Other purposes	-	-	43,529
<b>Total</b>	<u>\$ 119,289</u>	<u>\$ 119,289</u>	<u>\$ 69,546</u>

## Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2013, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 144,001	\$ 1,691	\$ (25)	\$ 145,667
Construction in progress	139,180	76,521	(57,985)	157,716
Infrastructure	3,476,100	129,306	-	3,605,406
Rights-of-way	609,417	9,838	(773)	618,482
Total capital assets, not being depreciated	<u>4,368,698</u>	<u>217,356</u>	<u>(58,783)</u>	<u>4,527,271</u>
<b>Capital assets, being depreciated/amortized</b>				
Buildings	1,610,115	53,468	-	1,663,583
Improvements other than buildings	120,913	2,311	-	123,224
Furniture and equipment	377,956	17,609	(11,010)	384,555
Software costs	173,459	2,917	(379)	175,997
Total capital assets, being depreciated/amortized	<u>2,282,443</u>	<u>76,305</u>	<u>(11,389)</u>	<u>2,347,359</u>
<b>Less accumulated depreciation/amortization for:</b>				
Buildings	(469,049)	(39,047)	-	(508,096)
Improvements other than buildings	(74,014)	(3,866)	-	(77,880)
Furniture and equipment	(308,211)	(21,509)	10,394	(319,326)
Software costs	(149,340)	(4,166)	379	(153,127)
Total accumulated depreciation/amortization	<u>(1,000,614)</u>	<u>(68,588)</u>	<u>10,773</u>	<u>(1,058,429)</u>
Total capital assets, being depreciated/amortized, net	<u>1,281,829</u>	<u>7,717</u>	<u>(616)</u>	<u>1,288,930</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 5,650,527</u>	<u>\$ 225,073</u>	<u>\$ (59,399)</u>	<u>\$ 5,816,201</u>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	8,607	1,515	-	10,122
Total capital assets, not being depreciated	<u>9,175</u>	<u>1,515</u>	<u>-</u>	<u>10,690</u>
<b>Capital assets, being depreciated</b>				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,887	636	(121)	6,402
Total capital assets, being depreciated	<u>9,907</u>	<u>636</u>	<u>(121)</u>	<u>10,422</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(2,621)	(103)	-	(2,724)
Improvements other than buildings	(571)	(1)	-	(572)
Furniture and equipment	(5,169)	(287)	111	(5,345)
Total accumulated depreciation	<u>(8,361)</u>	<u>(391)</u>	<u>111</u>	<u>(8,641)</u>
Total capital assets, being depreciated, net	<u>1,546</u>	<u>245</u>	<u>(10)</u>	<u>1,781</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 10,721</u>	<u>\$ 1,760</u>	<u>\$ (10)</u>	<u>\$ 12,471</u>



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(Note 7 Continued)

Included in the table above are three Department of Correction facilities that have been closed and are idle, with a carrying value of \$12.2 million.

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

<b>Governmental activities:</b>	
General government	\$ 4,313
Education, support services	1,619
Health, social services	8,668
Law, justice, public safety	30,463
Recreation, resource development	5,415
Transportation	11,036
Regulation of business	2,115
Unallocated	2,023
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets	2,936
<b>Total depreciation/amortization expense - governmental activities</b>	<b>\$ 68,588</b>
<b>Business-type activities:</b>	
Enterprise	\$ 391
<b>Total depreciation expense - business-type activities</b>	<b>\$ 391</b>

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2013, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Nevada System of Higher Education:</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 26,909	\$ 25,303	\$ (17,449)	\$ 34,763
Land	82,627	-	-	82,627
Intangibles	808	-	-	808
Collections	11,315	629	(5)	11,939
Total capital assets, not being depreciated	121,659	25,932	(17,454)	130,137
<b>Capital assets, being depreciated</b>				
Buildings	2,321,115	21,615	(6,459)	2,336,271
Land and improvements	113,982	4,340	-	118,322
Machinery and equipment	333,804	26,507	(17,864)	342,447
Intangibles	39,587	2,597	(917)	41,267
Library books and media	119,874	2,978	(4,162)	118,690
Total capital assets, being depreciated	2,928,362	58,037	(29,402)	2,956,997
<b>Less accumulated depreciation for:</b>				
Buildings	(647,933)	(57,875)	6,192	(699,616)
Land and improvements	(85,704)	(3,985)	-	(89,689)
Machinery and equipment	(235,420)	(25,094)	15,880	(244,634)
Intangibles	(11,276)	(4,117)	532	(14,861)
Library books and media	(110,424)	(4,329)	4,103	(110,650)
Total accumulated depreciation	(1,090,757)	(95,400)	26,707	(1,159,450)
Total capital assets, being depreciated, net	1,837,605	(37,363)	(2,695)	1,797,547
<b>Nevada System of Higher Education activity capital assets, net</b>	<b>\$ 1,959,264</b>	<b>\$ (11,431)</b>	<b>\$ (20,149)</b>	<b>\$ 1,927,684</b>

## Note 8 - Long-Term Obligations

### A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2013 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,870,455	\$ 222,225	\$ (338,160)	\$ 1,754,520	\$ 105,595
Special obligation bonds	557,735	131,245	(191,330)	497,650	56,220
Subtotal	2,428,190	353,470	(529,490)	2,252,170	161,815
Issuance premiums (discounts)	118,509	52,781	(27,322)	143,968	17,588
Total bonds payable	2,546,699	406,251	(556,812)	2,396,138	179,403
Certificates of participation	53,815	-	(1,815)	52,000	1,975
Issuance premiums (discounts)	492	-	(153)	339	95
Total certificates of participation	54,307	-	(1,968)	52,339	2,070
Other Governmental long-term activities:					
Obligations under capital leases	28,395	-	(3,299)	25,096	1,713
Compensated absences obligations	93,485	74,208	(72,973)	94,720	59,566
Arbitrage rebate liability	799	1,043	(799)	1,043	1,043
Total other governmental long-term activities	122,679	75,251	(77,071)	120,859	62,322
<b>Governmental activities long-term obligations</b>	<b>\$ 2,723,685</b>	<b>\$ 481,502</b>	<b>\$ (635,851)</b>	<b>\$ 2,569,336</b>	<b>\$ 243,795</b>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 101,680	\$ 20,845	\$ (31,805)	\$ 90,720	\$ 10,690
Special obligation bonds	810,892	-	(71,095)	739,797	42,305
Subtotal	912,572	20,845	(102,900)	830,517	52,995
Issuance premiums (discounts)	4,984	2,244	(1,286)	5,942	930
Total bonds payable	917,556	23,089	(104,186)	836,459	53,925
Compensated absences obligations	1,644	1,716	(1,462)	1,898	1,190
Federal unemployment advance	720,432	363,310	(509,785)	573,957	-
Tuition benefits payable	159,096	22,601	(7,298)	174,399	14,452
<b>Business-type activities long-term obligations</b>	<b>\$ 1,798,728</b>	<b>\$ 410,716</b>	<b>\$ (622,731)</b>	<b>\$ 1,586,713</b>	<b>\$ 69,567</b>

The General Fund and special revenue funds typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the General Fund and State Highway Fund incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations.

### B. Bonds Payable

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

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of \$5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2013 are comprised of the following (expressed in thousands):



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(Note 8 Continued)

	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Principal Outstanding</u>
<b>Governmental activities:</b>			
<b>General obligation bonds:</b>			
Subject to Constitutional Debt Limitation	.25-7.0%	\$ 1,802,850	\$ 1,172,265
Exempt from Constitutional Debt Limitation	1.6-7.0%	830,450	582,255
<b>Special obligation bonds:</b>			
Exempt from Constitutional Debt Limitation-			
Highway Improvement Revenue Bonds	2.5-6.0%	1,061,660	497,650
Subtotal		3,694,960	2,252,170
<b>Issuance premiums (discounts)</b>		254,779	143,968
<b>Governmental activities bonds payable</b>		3,949,739	2,396,138
<b>Business-type activities:</b>			
<b>General obligation bonds:</b>			
Exempt from Constitutional Debt Limitation	2.0-5.3%	176,275	90,720
<b>Special obligation bonds:</b>			
Housing Bonds	*.5-7.6%	997,570	739,797
Subtotal		1,173,845	830,517
<b>Issuance premiums (discounts)</b>		9,228	5,942
<b>Business-type activities bonds payable</b>		1,183,073	836,459
<b>Total bonds payable</b>		\$ 5,132,812	\$ 3,232,597

\*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2013, of the primary government are summarized in the table following (expressed in thousands):

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 161,815	\$ 102,314	\$ 52,995	\$ 24,290
2015	151,840	95,555	20,716	23,569
2016	160,765	89,040	21,872	22,827
2017	168,300	82,272	20,912	22,028
2018	167,755	75,169	24,987	21,136
2019-2023	806,885	256,780	146,923	88,203
2024-2028	608,330	75,993	121,478	57,255
2029-2033	24,075	2,486	155,790	35,039
2034-2038	2,405	244	177,507	16,697
2039-2043	-	-	85,882	2,786
2044-2048	-	-	1,420	215
2049-2053	-	-	35	1
<b>Total</b>	<b>\$ 2,252,170</b>	<b>\$ 779,853</b>	<b>\$ 830,517</b>	<b>\$ 314,046</b>

### C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2013, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 1,701,164
Less: Bonds and leases payable as of June 30, 2013, subject to limitation	(1,178,185)
Remaining debt capacity	<u>\$ 522,979</u>





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(Note 8 Continued)

**D. Nevada Municipal Bond Bank**

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Sixteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2013, and total investments in local governments amounted to \$270,875,000.

**E. Refunded Debt and Redemptions**

During the fiscal year 2013, the State of Nevada refunded \$248,375,000 in general obligation, limited tax, bonds related to capital improvements, cultural resources, natural resources and water projects loans by issuing refunding bonds with a total par amount of \$243,070,000 at a \$29,846,936 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings, to restructure certain outstanding State general obligation bonds paid from property taxes to more closely align debt service paid from property taxes with projected property tax revenues, and to refund certain outstanding self-supporting bonds to realize debt service savings. In addition, the State refunded \$138,030,000 in special obligation bonds, payable and collectible solely out of the gross pledged revenues, by issuing refunding bonds with a total par amount of \$131,245,000 at a \$25,544,705 premium. The refunding decreased the aggregate debt service payments by \$28,810,236 with an economic or present value gain of \$28,711,375. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$28,850,782. This amount is being reported as a deferred charge and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The impact of the refunding issues is presented in the following table (expressed in thousands):

Issue Description:	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
<b>General obligation bonds:</b>				
Nevada Municipal Bond Bank Projects Nos. 84, 85 and 86 Series 2013A	\$ 23,415	\$ 23,360	\$ 6,800	\$ 5,117
Water Pollution Control Revolving Fund Leveraged Refunding Bonds Series 2013B	18,889	18,240	3,952	3,275
Water Pollution Control Revolving Fund Matching Bonds Series 2013C	3,021	3,210	695	576
Capital Improvement and Cultural Affairs Refunding Bonds Series 2013D-1	118,353	106,285	1,158	4,058
Capital Improvement and Cultural Affairs Refunding Bonds Series 2013E	64,588	58,940	3,306	3,270
Natural Resources Refunding Bonds Series 2013F-1	15,116	13,595	591	604
Open Space, Parks, and Cultural Resources Refunding Bonds Series 2013G	4,033	3,715	251	238
Open Space, Parks, and Natural Resources Refunding Bonds Series 2013H-1	23,508	21,030	(569)	490
<b>Special obligation bonds:</b>				
Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds Series 2013	156,081	138,030	12,626	11,083
<b>Total</b>	<b>\$ 427,004</b>	<b>\$ 386,405</b>	<b>\$ 28,810</b>	<b>\$ 28,711</b>

In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2013 is \$424,390,926.

**F. 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.

**G. Capital Leases**

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2013, include equipment with a historical cost of \$1,369,179

with accumulated depreciation of \$1,216,919 and building improvements of \$27,810,128 with accumulated depreciation of \$3,203,028.

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, 2013 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2014	\$ 2,859
2015	2,905
2016	2,983
2017	3,051
2018	3,157
2019-2023	13,940
2024-2028	3,325
Total minimum lease payments	32,220
Less: amount representing interest	(7,124)
<b>Obligations under capital leases</b>	<b>\$ 25,096</b>



(Note 8 Continued)

**H. Certificates of Participation**

In fiscal year 2010, the Nevada Real Property Corporation, a blended component unit, issued \$7,900,000 of general obligation certificates of participation series 2009 at 5.0-5.125% interest to prepay the remaining outstanding balance of the 1999 issue of the Nevada Real Property Corporation. The original 1999 issue of \$15,000,000 was to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. The 2009 issue is a direct general obligation of the State to which the full faith and credit of the State is pledged. The State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2004, the Nevada Real Property Corporation issued \$21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City. In fiscal year 2005, the Nevada Real Property Corporation issued \$22,435,000 of Lease Revenue Certificates of Participation at 3.0-5.0% interest to finance the acquisition of a site for and the construction of a new correctional facility in Las Vegas. In fiscal year 2007, the Nevada Real Property Corporation issued \$5,760,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises. Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. However, the payment of principal and interest on both issues of certificates is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2013 (expressed in thousands):

Year Ending June 30	Principal	Interest
2014	\$ 1,975	\$ 2,405
2015	2,150	2,314
2016	2,330	2,214
2017	2,530	2,107
2018	2,730	1,992
2019-2023	9,670	8,751
2024-2028	15,160	6,117
2029-2032	15,455	1,955
<b>Total</b>	<b>\$ 52,000</b>	<b>\$ 27,855</b>

**I. Tuition Benefits Payable**

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

APV of the future tuition obligation	\$174,399
Net assets available	189,851
Net assets as a percentage of tuition benefits obligation	108.86%

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

	Universities	Community Colleges
2014-15	0.00%	0.00%
2015-16	8.00%	8.00%
2016-17	8.00%	8.00%
2017-18	6.00%	6.00%
2018-19 and later	6.00%	6.00%

**J. Arbitrage Rebate Requirement**

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2013, and changes for the fiscal year then ended is presented in Section A of this note.

**K. 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.



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(Note 8 Continued)

As of June 30, 2013, there are seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$587,644,508. Excluded from this amount is \$197,700,000 in obligations of the Las Vegas Monorail Company that were extinguished, canceled and discharged as a result of a Chapter 11 bankruptcy reorganization plan that became effective on November 7, 2012.

#### L. Pledged Revenue

*Pledged motor vehicle and special fuel tax* - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. On April 30, 2013 some of these bonds were refunded as discussed in Section E of this note. The outstanding balance as of June 30, 2013 is \$497,650,000. Total principal and interest remaining on the bonds is \$624,428,021 payable through December 2026. Upon completion of eligible projects, federal aid of \$324,955,527 is expected to be received in fiscal year 2014. For the current year, principal and interest paid was \$78,311,225, and total motor vehicle fuel and special fuel tax revenues were \$266,539,309.

*Pledged Nevada Housing Division program funds* - The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans

which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

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

#### M. Federal Unemployment Advance

As of June 30, 2013, the total amount of advances and interest due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act totaled \$573,956,646 and \$13,240,284 respectively. The interest rate reset annually by the Department of the Treasury for calendar year 2013 is 2.58%. Current fiscal year advances and repayments totaled \$363,309,903 and \$509,785,575 respectively.

#### N. Component Unit Obligations

*Nevada System of Higher Education (NSHE)* - Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2013, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 483,941	\$ 150,620	\$ (187,173)	\$ 447,388	\$ 21,688
Issuance premiums	13,136	17,362	(4,977)	25,521	1,575
Total bonds payable	497,077	167,982	(192,150)	472,909	23,263
Obligations under capital leases	1,168	2,967	(890)	3,245	822
Compensated absences obligations	46,760	29,900	(29,933)	46,727	30,583
<b>Total</b>	<b>\$ 545,005</b>	<b>\$ 200,849</b>	<b>\$ (222,973)</b>	<b>522,881</b>	<b>54,668</b>
Discretely presented component units of the NSHE:					
Capital leases				141	141
Long-term debt				2,385	2,385
<b>Total</b>				<b>\$ 525,407</b>	<b>\$ 57,194</b>

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



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(Note 8 Continued)

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2013 (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 23,263	\$ 20,008
2015	23,017	19,991
2016	22,764	19,091
2017	29,825	17,931
2018	19,940	16,947
2019-2023	100,335	71,427
2024-2028	86,328	49,993
2029-2033	93,220	29,886
2034-2038	63,894	9,515
2039-2043	10,323	797
<b>Total</b>	<b>\$ 472,909</b>	<b>\$ 255,586</b>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 912
2015	880
2016	747
2017	610
2018	304
Total minimum lease payments	3,453
Less: amount representing interest	(208)
<b>Obligations under capital leases</b>	<b>\$ 3,245</b>

*Colorado River Commission (CRC)* – Bonds and compensated absences payable by CRC at June 30, 2013, and the changes for the year then ended, consist of the following (expressed in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 75,670	\$ 17,085	\$ (22,370)	\$ 70,385	\$ 3,975
Issuance premiums	2,620	1,727	(1,432)	2,915	660
Unamortized refunding charges	(3,319)	(10)	469	(2,860)	(359)
Total bonds payable	74,971	18,802	(23,333)	70,440	4,276
Compensated absences obligations	306	279	(236)	349	219
<b>Total</b>	<b>\$ 75,277</b>	<b>\$ 19,081</b>	<b>\$ (23,569)</b>	<b>\$ 70,789</b>	<b>\$ 4,495</b>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 3,975	\$ 1,012
2015	4,150	829
2016	4,365	616
2017	7,500	2,587
2018	8,595	2,184
2019-2023	17,480	7,910
2024-2028	21,955	3,264
2029-2030	2,365	91
<b>Total</b>	<b>\$ 70,385</b>	<b>\$ 18,493</b>



## Note 9 - Pensions and Other Employee Benefits

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

### A. PERS

**Plan Description** - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2013, there were 190 participating employers and other contributing entities.

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

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits and survivor benefits. Monthly benefit allowances for regular members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

**Summary of Significant Accounting Policies** - PERS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute, employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

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

**Contributions** - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is provided by statute. New hires of the State of Nevada and public employers, who did not elect the employer-pay contribution plan prior to July 1, 1983, have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

**Funding Policy** - PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis, contributions actually made are in accordance with the required rates established by the Legislature. These statutory rates are increased or decreased pursuant to NRS 286.421 and 286.450.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2013 were as follows:

	Statutory Rate	
	Employer	Employees
<b>Regular employees:</b>		
Employer-pay plan	23.75%	na
Employee/employer plan (matching rate)	12.25%	12.25%
<b>Police and Fire employees:</b>		
Employer-pay plan	39.75%	na
Employee/employer plan (matching rate)	20.25%	20.25%

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



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(Note 9 Continued)

	2013	2012	2011
Primary Government	\$ 162,484	\$ 163,219	\$ 160,959
<b>Component Units:</b>			
Colorado River Commission	485	476	462
Nevada System of Higher Education	26,750	27,019	26,827
<b>Total component units</b>	<b>27,235</b>	<b>27,495</b>	<b>27,289</b>
<b>Total reporting entity</b>	<b>\$ 189,719</b>	<b>\$ 190,714</b>	<b>\$ 188,248</b>
Contributions as % of covered payroll	19%	19%	17%
Percentage of pension costs contributed	100%	100%	100%

when payment is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Unfunded portions of actuarially determined liabilities for retirement benefits are not recorded in the financial statements.

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

## B. LRS

**Plan Description** - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and survivor benefits. Monthly benefit allowances are \$25 for each year of service up to thirty years.

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

**Summary of Significant Accounting Policies** - LRS uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned and become measurable. Per statute employee and employer contributions are recognized in the reporting period for which they are due. Expenses are recorded when the corresponding liabilities are incurred, regardless of

**Contributions** - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$426,702 for fiscal years 2013 and 2014, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2013, of which \$213,351 (half) was recognized as employer contributions in the fiscal year 2013, and the other half will be recognized in fiscal year 2014. Employee contributions of \$53,543 were received in fiscal year 2013, of which, \$26,771 (half) was recorded as employee contributions in the fiscal year 2013, and the remaining \$26,772 will be recorded in fiscal year 2014.

**Actuarial Information** - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. Actuarial methods and significant assumptions used in the June 30, 2012, actuarial valuation include the following:

**Actuarial Cost Method:**

Entry age normal

**Amortization Method:**

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

**Asset Valuation Method:**

Five year smoothed market

**Actuarial Assumptions:**

*Investment rate of return*

8%

*Assumed inflation rate*

3.5% per annum

*Projected salary increases*

None

**Assumed Retirement Age for Active Members:**

Earlier of age 63 with at least 10 years of service, or expiration of combined term limit (any age with 24 years of service after January 1, 1998).

(Continued on next page)

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2013



NEVADA

(Note 9 Continued)

(Continued from previous page)

## Assumed Mortality Rate:

Healthy

RP-2000 Combined Healthy Mortality Table, set forward one Year for females (no age set forward for males).

Disabled

RP-2000 Disabled Retired Mortality Table, set back three years for males and set forward eight years for females.

## Assumed Post-Retirement Increases:

2.0% after 3 years of receiving benefits

3.0% after 6 years of receiving benefits

3.5% after 9 years of receiving benefits

4.0% after 12 years of receiving benefits

5.0% after 14 years of receiving benefits \*

Cap based on CPI if benefits outpace inflation

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

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

Actuarial Valuation Date	For Fiscal Year Ended June 30	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
7/01/10	2011	\$ 182	\$ 182	100%	\$ -
7/01/10	2012	182	182	100%	-
6/30/12	2013	213	213	100%	-

**Funded Status and Funding Progress** – As of June 30, 2012, the most recent actuarial valuation date, the LRS was 68% funded. The actuarial accrued liability for benefits was \$5.6 million, and the actuarial value of assets was \$3.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ .3 million, and the ratio of the UAAL to the covered payroll was 582%.

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

## C. JRS

**Plan Description** - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature under NRS 1A.160. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. As of June 30, 2013, the Supreme Court and ten municipalities in Nevada elected to participate in JRS.

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

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

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

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



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(Note 9 Continued)

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

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

currently available on comparable securities of issuers with similar credit ratings.

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

*Actuarial Information* – Actuarial valuations of the JRS are prepared annually on a fiscal year basis. Significant actuarial assumptions used in the June 30, 2013 valuation include the following:

<i>Actuarial Cost Method:</i>	Entry age normal														
<i>Amortization Method:</i>	Year-by-year closed, level percent of pay (3% payroll growth assumed) over a declining amortization period of:														
	30 years for Supreme Court justices and district judges														
	20 years for each non-state agency														
	5-year smoothed market														
<i>Asset Valuation Method:</i>															
<i>Actuarial Assumptions:</i>															
<i>Investment rate of return</i>	8%														
<i>Assumed inflation rate</i>	3.5% per annum														
<i>Assumed salary increases</i>	1 to 4 years of service increase of 3% per year														
	5 years of service increase of 8% per year														
	6 to 12 years of service increase of 4% per year														
	13 or more years of service increase of 3% per year														
<i>Assumed Retirement Rates:</i>	Retirement rates after completion of five years of service and attainment of the following ages:														
	<table> <tr> <th><u>Age</u></th><th><u>Rate per Age</u></th></tr> <tr> <td>50—59</td><td>5%</td></tr> <tr> <td>60—61</td><td>15%</td></tr> <tr> <td>62—64</td><td>17.5%</td></tr> <tr> <td>65—67</td><td>22.5%</td></tr> <tr> <td>68—69</td><td>25%</td></tr> <tr> <td>70</td><td>100%</td></tr> </table>	<u>Age</u>	<u>Rate per Age</u>	50—59	5%	60—61	15%	62—64	17.5%	65—67	22.5%	68—69	25%	70	100%
<u>Age</u>	<u>Rate per Age</u>														
50—59	5%														
60—61	15%														
62—64	17.5%														
65—67	22.5%														
68—69	25%														
70	100%														
<i>Assumed Mortality Rate:</i>	RP-2000 Combined Healthy Mortality Table Projected to 2013 with scale AA, set back one year for females (no setback for males)														
<i>Assumed Post-Retirement Increases:</i>	The lesser of														
	(a) 2.0% after 3 years of receiving benefits														
	3.0% after 6 years of receiving benefits														
	3.5% after 9 years of receiving benefits														
	4.0% after 12 years of receiving benefits														
	5.0% after 14 years of receiving benefits*														
	(b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years														

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

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





(Note 9 Continued)

	2013	2012	2011
Annual required contribution	\$ 5,337	\$ 5,407	\$ 5,146
Interest on net pension obligation	-	13	(1)
Adjustment to annual required contribution	-	(38)	2
Annual pension cost	5,337	5,382	5,147
State contribution made	(5,606)	(5,546)	(4,972)
Increase (decrease) in net pension obligation	(269)	(164)	175
Net pension obligation (asset) at beginning of year	1	165	(10)
Net pension obligation (asset) at end of year	\$ (268)	\$ 1	\$ 165
Percentage of annual pension costs contributed	100%	100%	97%

**Funded Status and Funding Progress** – As of June 30, 2013, the most recent actuarial valuation date, the JRS was 72% funded. The actuarial accrued liability for benefits was \$102.1 million, and the actuarial value of assets was \$73.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$28.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$17.2 million, and the ratio of the UAAL to the covered payroll was 164%.

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

#### D. Other Postemployment Benefits

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

The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary

information. The State reports the Retirees' Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

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

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

**Contributions and Funding Policy** - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2012 through June 30, 2013 the rate assessed was 2.690% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. Due to statewide revenue shortfalls, in February 2010, the 26<sup>th</sup> Special Session of the Nevada Legislature directed \$24,700,000 be withdrawn from the Retirees' Benefits Investment Fund to be used to pay for retiree healthcare during the year ending June 30, 2011, thereby reducing the amount paid by state agencies to the Retirees' Fund. No additional investments or withdrawals from the Retirees' Benefits Investment Fund occurred during the years ending June 30, 2011, June 30, 2012 or June 30, 2013. For the year ended June 30, 2013, the State and its component units contributed \$36,686,124 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2012, the State and its component units contributed \$27,881,834 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2011, the State and its component units contributed \$9,649,348 to the plan, which is 100% of the contractually required contribution.

## Note 10 - Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 2011	\$ 33,849	\$ 60,629
Claims and changes in estimates	185,271	19,659
Claim payments	(176,132)	(16,539)
Balance June 30, 2012	42,988	63,749
Claims and changes in estimates	188,785	17,898
Claim payments	(186,882)	(15,008)
<b>Balance June 30, 2013</b>	<b>\$ 44,891</b>	<b>\$ 66,639</b>
Due Within One Year	\$ 44,891	\$ 16,675

In accordance with GASB, a liability for claims is reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Position.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2013. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

### A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are eleven public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner

the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-two public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or his designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

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

### B. Insurance Premiums Fund

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

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Effective January 1, 2001, NSHE and PERS were excluded from coverage under this



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*(Note 10 Continued)*

policy. Liabilities in the amount of \$52,926,426 as of June 30, 2013 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2013.

The Fund is financed by the State. The State has a maximum exposure of \$50,000 through October 1, 2007, \$75,000 through October 1, 2011 and \$100,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2013, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty

insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from \$13,375,700 to \$51,773,300 has been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2013 total liabilities exceeded total assets by \$56,133,913. The Fund is liable for approximately \$56,000,000 as of June 30, 2013 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

## **Note 11 - Fund Balances and Net Position**

### **A. Net Position-Restricted by Enabling Legislation**

The government-wide statement of net position reports \$1,301,659,533 of net position-restricted for the primary government, of which \$124,656,302 is restricted by enabling legislation.

### **B. Governmental Fund Balances**

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2013, is shown below (expressed in thousands):



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(Note 11 Continued)

	Major Governmental Funds						Total Governmental
	General	State Highway	Municipal Bond Bank	Consolidated Bond Interest and Redemption	Permanent School	Nonmajor Governmental Funds	
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Municipal securities	\$ -	\$ -	\$ 270,828	\$ -	\$ -	\$ -	\$ 270,828
Long term notes/loans receivable	12,465	-	-	-	-	-	12,465
Inventory	12,796	13,867	-	-	-	468	27,131
Advances	6,067	-	-	-	-	-	6,067
Prepaid items	1,784	153	-	-	-	6	1,943
Permanent fund principal	-	-	-	-	318,559	230	318,789
<b>Restricted for:</b>							
Special purpose agencies	121	-	-	-	-	-	121
Health and social services	2,181	-	-	-	-	15,746	17,927
Education and support services	145	-	-	-	-	2,078	2,223
Law, justice, and public safety	215	-	-	-	-	93,396	93,611
Regulation of business	4,457	-	-	-	-	5,806	10,263
Transportation	-	111,709	-	-	-	-	111,709
Recreation and resource development	52,240	-	-	-	-	18,499	70,739
Debt service	-	-	-	-	-	34,854	34,854
Capital projects	-	-	-	-	-	42,385	42,385
<b>Committed to:</b>							
Finance and administration	10,184	-	-	-	-	-	10,184
Commerce and Industry	11,289	-	-	-	-	-	11,289
Elected officials	9,460	-	-	-	-	-	9,460
Legislative-Judicial	41,433	-	-	-	-	-	41,433
Health and social services	39,283	-	-	-	-	50,522	89,805
Education and support services	4,028	-	-	-	-	18,705	22,733
Law, justice, and public safety	25,099	-	-	-	-	2,262	27,361
Regulation of business	32,509	-	-	-	-	4,920	37,429
Transportation	-	23,278	-	-	-	-	23,278
Recreation and resource development	59,165	-	-	-	-	11,749	70,914
Debt service	-	-	-	125,910	-	4,843	130,753
Capital projects	-	-	-	-	-	3,700	3,700
Fiscal emergency	112,798	-	-	-	-	-	112,798
<b>Unassigned:</b>	(66,701)	-	-	-	-	-	(66,701)
<b>Total fund balances</b>	<u>\$ 371,018</u>	<u>\$ 149,007</u>	<u>\$ 270,828</u>	<u>\$ 125,910</u>	<u>\$ 318,559</u>	<u>\$ 310,169</u>	<u>\$ 1,545,491</u>

### C. Individual Fund Deficit

#### Internal Service Fund:

**Insurance Premiums** - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net position of \$7,810,735 for the year ended June 30, 2013, resulting in negative net position of \$56,133,913 at June 30, 2013.

### Note 12 - Principal Tax Revenues

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

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

**Sales and Use Taxes** are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the bal-

ance distributed to local governmental entities and school districts.

**Modified Business Tax** is imposed at different rates for businesses and financial institutions. If the sum of all the wages paid by the employer exceeds \$85,000 for the calendar quarter, the tax is 1.17% of the amounts the wages exceed \$85,000. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.



(Note 12 Continued)

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

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

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

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

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

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

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

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

## Note 13 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, preserves the rich railroad heritage of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. The East Ely Depot Museum,

located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

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

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



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## Note 14 - Commitments and Contingencies

### A. Primary Government

**Lawsuits** - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per cause of action through October 1, 2007 and \$75,000 per cause of action through October 1, 2011 and \$100,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

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

In litigation filed against the Department of Taxation (DOT), the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the DOT as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is \$98.6 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation is litigating vigorously two lawsuits of like nature against utility companies. The lawsuits arise out of claims for the refund of \$143.0 million in use tax paid, plus interest, on coal purchased out of the state and used in Nevada. The companies claim the use tax is unconstitutional. One case is on appeal to the Nevada Supreme Court. The other is proceeding as a trial de novo in the 1<sup>st</sup> Judicial District Court. The use tax distribution is shared between the State, counties and local governments. The State's exposure upon a potentially unfavorable outcome is \$41.5 million.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of \$20.5 million in exchange for agreeing to purchase certain specified US treasury securities of various maturities and principal amounts from LBCB at different times between June 30, 2002 and November 15, 2027. The State was required to purchase the securities at their matured values, or par value if discount securities were purchased. LBCB would realize revenue at the time of delivery to the custodian. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgment action and a counterclaim requesting a judgment in favor of LBCB in the declaratory relief claim, and seeking other relief, including an award of damages against the State. The parties are discussing a settlement. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB's counterclaim, the State cannot at this time predict the outcome of this action.

The Nevada Department of Transportation (NDOT) in a direct condemnation case is taking a one acre parcel for the I-15 road improvement project known as Project NEON, in Las Vegas. The landowner claims that NDOT's valuation of the property is too low. NDOT made an initial deposit of \$5.7 million. A motion for occupancy was set for December 6, 2013, and NDOT has agreed to deposit \$4.4 million once occupancy is granted. Trial is set for May 2014. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of \$11.0 million, before federal participation.

**PERS** - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional \$770.9 million at some future date.

**Leases** - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Position. Primary government lease expense for the year ended June 30, 2013 amounted to \$36.1 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2013 (expressed in thousands):

For the Year Ending June 30	Amount
2014	\$ 23,876
2015	20,185
2016	14,614
2017	10,578
2018	5,974
2019-2023	12,804
2024-2028	3,303
2029-2033	527
<b>Total</b>	<b>\$ 91,861</b>



(Note 14 Continued)

**Federal Grants** - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2013, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

**Rebate Arbitrage** - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. The present value of the rebateable arbitrage is \$1.0 million and has been recorded as a liability in the Statement of Net Position at June 30, 2013. Future calculations might result in different rebateable arbitrage amounts.

**Encumbrances** - As of June 30, 2013, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	<u>Amount</u>
General Fund	\$ 3,338
State Highway	2,557
Nonmajor governmental funds	230
<b>Total</b>	<u>\$ 6,125</u>

**Construction Commitments** - As of June 30, 2013, the Nevada Department of Transportation had total contractual commitments of approximately \$112.4 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$15.0 million.

## **B. Discretely Presented Component Units**

**Nevada System of Higher Education (NSHE)** - As of June 30, 2013, NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net position, changes in net position or cash flows of NSHE.

The NSHE has an actuarial study of its workers' compensation losses completed every other year. The study addresses the reserves necessary to pay open claims from prior years and projects the rates needed for the coming year. The NSHE uses a third party administrator to adjust its workers' compensation claims.

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the System cannot be reasonably determined as of June 30, 2013.

The System receives Federal grants and awards, and amounts are subject to change based on outcomes of Federal audits. Management believes any changes made will not materially affect the net position, changes in net position or cash flows of the System.

The estimated cost to complete property authorized or under construction at June 30, 2013 is \$33.4 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

The Board of Regents approved at its June 7, 2013 meeting the reimbursement of certain expenditures from proceeds of up to \$40 million of NSHE Universities Revenue bonds. It is anticipated that such bonds, which are subject to final approval by the Board, will be issued in the third quarter of fiscal year 2014.

The University of Nevada Reno sold the Fire Science Academy in Carlin, Nevada in fiscal year 2012. As part of the lease agreement executed at the time of sale, upon termination of said lease, UNR is obligated to remove any and all above ground props from the prop field, and assess for and remediate any contamination in accordance with provisions promulgated in Nevada Revised Statutes and Administrative Code (NAC) 445A. The notice of lease termination was executed by the Chancellor on June 30, 2012. The estimated obligation includes all the anticipated costs to close out the Fire Science Program, including disposition of assets, demolition of the prop field and related fire water supply and treatment systems, assessing for environmental contamination, and remediation of such contamination, if found. The estimated obligation amount of \$4.1 million was developed by the Senior Director for Facilities Maintenance Services in coordination with outside consultants. An obligation amount of \$3.0 million has been included in accounts payable for the year ended June 30, 2013.

**Colorado River Commission (CRC)** - The CRC may from time to time be a party in various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation,



(Note 14 Continued)

if any, will not have a material adverse effect on CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

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

*Nevada Capital Investment Corporation (NCIC)* - The NCIC currently has commitments to the Silver State Opportunity

Fund of \$50.0 million (the First Tranche). As of June 30, 2013, the NCIC has fulfilled \$2.6 million of its total commitment. The NCIC has the right, but not the obligation, to increase its capital commitment by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

## Note 15 - Subsequent Events

### A. Primary Government

*Bonds* - On October 29, 2013, the State issued \$548,900,000 in Unemployment Compensation Fund Special Revenue Bonds. The bonds were issued for purposes of (i) repaying advances made by the federal government to the State's Unemployment Compensation Fund, (ii) funding projected additional capital needs through April, 2014, (iii) funding a deposit into the Interest Account, and (iv) paying costs of issuance and related program costs. The full faith and credit of the State is not pledged for these bonds.

*Certificates of Participation* - On November 6, 2013, the State approved the issuance of Series 2013, Certificates of Participation. The Certificates relate to three projects. The first being the Capitol Complex Project where these Lease Revenue Refunding Certificates for \$17,740,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2004. The second being the Casa Grande Project where these Lease Revenue Refunding Certificates for \$18,045,000 will be issued to refund the outstanding balance of the State's Lease Revenue Certificates of Participation Series 2004B. The final being the Nevada State College Project where these Lease Revenue Certificates for \$50,445,000 will be issued to finance a portion of its construction costs. Each Series evidences an undivided interest in the right to receive base rent under a separate lease purchase agreement to be paid by the State. The separate lease purchase agreement is with Nevada Real Property Corporation. The Certificates are not general obligations of the State.

*Advances from the Federal Unemployment Account* - On November 7, 2013, the State fully paid the advances with \$532.7 million from the Unemployment Compensation Fund Special Revenue Bonds, disclosed above. The State drew repayable advances of \$136.9 million and made voluntary repayments of \$710.9 million between July 1, 2012 and

November 7, 2013. The State has applied for and may still draw up to \$44.4 million to meet State unemployment insurance obligations through December 31, 2013. Thereafter loan requests may be submitted every 90 days.

*Nevada Housing Division* - On July 1, 2013, the Division closed program 1998 Capistrano Pines, which held total assets of \$7.9 million at June 30, 2013. On July 15, 2013, the Division closed program 2002 Oakmont at Reno, which held total assets of \$5.1 million at June 30, 2013. On August 1, 2013, the Division closed programs 1998 Casa Sorrento and 2011 College Villas, which held assets of \$8.9 million and \$12.2 million at June 30, 2013, respectively.

### B. Discretely Presented Component Units

*Nevada System of Higher Education* - The Board of Regents approved at its September 6, 2013 meeting the reimbursement of certain expenditures from proceeds of up to \$85.0 million of State of Nevada general obligation bonds. It is anticipated that such bonds, which are subject to final approval by the Board and the State, will be issued in the fourth quarter of fiscal year 2014.

The Board of Regents approved at its September 6, 2013 meeting the form of a Lease-Purchase and related documents between the Nevada Real Property Corporation (the "Lessor") and the State of Nevada acting by and through NSHE (the "Lessee") whereby the Lessee would lease from the Lessor a not-to-exceed \$61.0 million project to be constructed on the principal campus of the Nevada State College. The State of Nevada issued Certificates of Participation in November 2013.





NEVADA

## Note 16 - Accounting Changes and Restatements

The Housing Division Fund, a major enterprise fund, restated its beginning net position from \$199.8 million to \$193.7 million. The decrease of \$6.1 million results from the decision to no longer present the Nevada Affordable Housing Assistance Corporation (NAHAC) as a discretely presented component unit of the fund. NAHAC was considered a component unit of the Nevada Housing Division because the Nevada Housing Division was financially accountable for NAHAC as it appointed a voting majority of NAHAC's governing body. In February 2013, due to changes in management at the Nevada Housing Division, and the make-up of the Board of NAHAC, the Housing Division determined that NAHAC no longer meets the requirements to present NAHAC as a discretely presented component unit of the Housing Division in accordance with Governmental Accounting Standards Board Statement 61, *The Financial Reporting Entity: Omnibus*.

# REQUIRED SUPPLEMENTARY INFORMATION



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# Budgetary Comparison Schedule

## General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2013

General Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>				
Fund balances, July 1	\$ 676,068,945	\$ 676,068,945	\$ 676,068,945	\$ -
<b>Revenues:</b>				
Sales taxes	858,223,401	919,122,400	923,198,845	4,076,445
Gaming taxes, fees, licenses	862,038,608	845,798,204	855,847,765	10,049,561
Intergovernmental	2,119,724,551	2,461,495,065	2,108,359,482	(353,135,583)
Other taxes	1,286,162,359	1,345,088,752	1,369,269,999	24,181,247
Sales, charges for services	178,206,533	195,672,722	175,299,851	(20,372,871)
Licenses, fees and permits	592,804,763	592,500,977	570,138,757	(22,362,220)
Interest	14,793,255	9,793,392	1,671,465	(8,121,927)
Other	291,422,138	340,627,584	321,569,288	(19,058,296)
<b>Other financing sources:</b>				
Transfers	501,058,568	597,455,669	517,992,725	(79,462,944)
Reversions from other funds	-	-	2,067,219	2,067,219
<b>Total sources</b>	<b>7,380,503,121</b>	<b>7,983,623,710</b>	<b>7,521,484,341</b>	<b>(462,139,369)</b>
<b>Uses of Financial Resources</b>				
<b>Expenditures and encumbrances:</b>				
Elected officials	97,167,533	116,429,343	80,333,534	36,095,809
Legislative and judicial	139,299,437	156,632,135	87,218,938	69,413,197
Finance and administration	76,314,784	104,136,306	61,184,996	42,951,310
Education	2,595,023,066	2,771,195,420	2,548,624,218	222,571,202
Human services	3,172,276,134	3,335,615,789	3,117,757,785	217,858,004
Commerce and industry	299,350,704	331,791,184	250,206,187	81,584,997
Public safety	396,251,502	434,181,904	374,780,687	59,401,217
Infrastructure	289,074,711	337,534,477	157,761,436	179,773,041
Special purpose agencies	61,416,944	120,704,524	66,811,076	53,893,448
<b>Other financing uses:</b>				
Transfers to other funds	29,855,613	52,438,413	52,438,413	-
Reversions to other funds	-	-	1,266,142	(1,266,142)
<b>Projected reversions</b>	<b>(42,500,000)</b>	<b>(133,474,855)</b>	<b>-</b>	<b>(133,474,855)</b>
<b>Total uses</b>	<b>7,113,530,428</b>	<b>7,627,184,640</b>	<b>6,798,383,412</b>	<b>828,801,228</b>
<b>Fund balances, June 30</b>	<b>\$ 266,972,693</b>	<b>\$ 356,439,070</b>	<b>\$ 723,100,929</b>	<b>\$ 366,661,859</b>



NEVADA

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$133,997,683	\$ 133,997,683	\$ 133,997,683	\$ -	\$ 2,627	\$ 2,627	\$ 2,627	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
236,766,453	417,724,646	364,020,404	(53,704,242)	-	-	-	-
292,457,796	286,662,984	286,045,952	(617,032)	-	-	-	-
15,741,452	19,227,892	16,389,932	(2,837,960)	-	-	-	-
164,659,432	184,112,162	183,430,071	(682,091)	-	-	-	-
909,371	723,787	328,615	(395,172)	28,894,426	28,894,426	17,104,175	(11,790,251)
42,933,738	74,050,798	52,920,242	(21,130,556)	-	-	-	-
9,350,673	18,414,775	10,102,650	(8,312,125)	-	-	-	-
-	-	-	-	-	-	-	-
896,816,598	1,134,914,727	1,047,235,549	(87,679,178)	28,897,053	28,897,053	17,106,802	(11,790,251)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
188,310,248	205,875,866	170,170,057	35,705,809	-	-	-	-
575,380,519	866,496,194	661,098,626	205,397,568	-	-	-	-
-	-	-	-	-	-	-	-
83,635,103	84,288,344	84,288,344	-	28,897,053	28,897,053	17,101,451	11,795,602
-	-	14,533	(14,533)	-	-	5,351	(5,351)
(25,991,865)	(114,978,680)	-	(114,978,680)	-	-	-	-
821,334,005	1,041,681,724	915,571,560	126,110,164	28,897,053	28,897,053	17,106,802	11,790,251
\$ 75,482,593	\$ 93,233,003	\$ 131,663,989	\$ 38,430,986	\$ -	\$ -	\$ -	\$ -



## Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2013

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

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

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 29 are reported instead of the amounts disclosed in the original budget. The August 29, 2013 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2013 budget as permitted by NRS 353.220.

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

	General Fund	State Highway	Municipal Bond Bank
<b>Fund balances (budgetary basis) June 30, 2013</b>	\$ 723,101	\$ 131,664	\$ -
<b>Adjustments:</b>			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	6,264	176	-
Investments not recorded on the budgetary basis	10,102	-	270,875
Accrual of certain other receivables	172,402	4,817	1
Inventory	12,796	13,867	-
Advances to other funds	6,397	-	-
Accrual of certain accounts payable and other liabilities	(281,569)	-	-
Deferred revenues	(277,645)	-	-
Encumbrances	3,339	2,557	-
Other	(14,109)	(4,074)	(48)
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	9,941	-	-
<b>Fund balances (GAAP basis) June 30, 2013</b>	<u>\$ 371,019</u>	<u>\$ 149,007</u>	<u>\$ 270,828</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2013, 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)	\$ 723,101
Restricted funds	<u>(430,228)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u><u>\$ 292,873</u></u>

## Schedule of Funding Progress Pension Plans



NEVADA

For the Fiscal Year Ended June 30, 2013

### Legislator's Retirement System (LRS)

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

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
01/01/09	\$ 5,955	\$ 4,229	\$ 1,726	71%	\$ 351	492%
07/01/10	5,608	4,134	1,474	74%	359	411%
06/30/12	5,578	3,806	1,772	68%	304	582%

Trends can be affected by investment experience (favorable or unfavorable), salary experience, retirement experience or changes in demographic characteristics of employees. Changes in benefits provisions and in actuarial methods and assumptions can also affect trends. Actuarial valuation is performed biennially; plans with biennial valuations need not present duplicate information for the intervening years.

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

### Judicial Retirement System (JRS)

*Schedule of Funding Progress* – The most recent actuarial valuation, dated June 30, 2013, is based on June 30, 2013 census data. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
06/30/11	\$ 88,035	\$ 56,614	\$ 31,421	64%	\$ 16,465	191%
06/30/12	93,133	63,934	29,199	69%	16,635	176%
06/30/13	102,125	73,887	28,238	72%	17,186	164%

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

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

## Schedule of Infrastructure Condition and Maintenance Data



NEVADA

For the Fiscal Year Ended June 30, 2013

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,400 centerline miles of roads and approximately 1,100 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. However, the calendar year 2013 assessment is not available as of the date of this report. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The most recent condition assessment shows a decline in the condition level of the roadways. Management is aware of the decline and will continue to monitor the results of future condition assessments. However, the results of the three most recent condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above the condition level established. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show the State's policy and the condition level of the roadways and bridges.

### Condition Level of the Roadways

#### Percentage of roadways with an IRI of less than 80

	I	II	Category III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%

### Condition Level of the Bridges

#### Percentage of substandard bridges

	2011	2009	2007
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	5%	4%

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

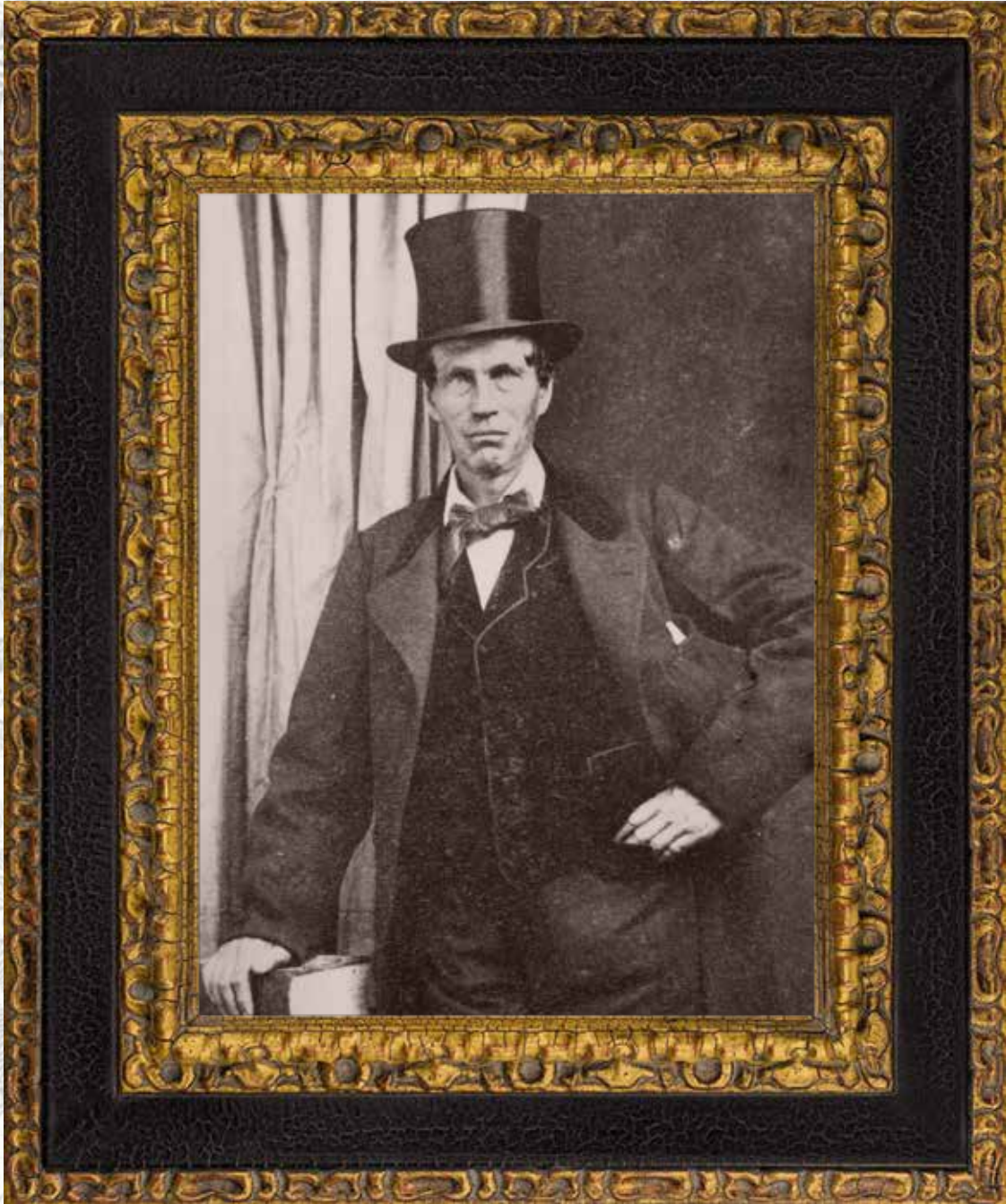
### Maintenance and Preservation Costs

#### (Expressed in Thousands)

	2013	2012	2011	2010	2009
Estimated	\$ 402,650	\$ 322,210	\$ 490,910	\$ 181,054	\$ 124,926
Actual	325,313	304,333	404,871	151,448	121,798

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

# COMBINING STATEMENTS AND SCHEDULES



Abraham Van Santvoord Curry was an assemblyman of the Nevada Territorial Legislature from 1863 to 1864.

Picture Courtesy of Nevada Historical Society



# NONMAJOR GOVERNMENTAL FUNDS

## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

**Tobacco Settlement** Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing

the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926), and sixty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) for the purpose of assisting Nevada residents in obtaining and maintaining good health.

**Attorney General Settlement** Accounts for receipts from the National Mortgage Settlement for purposes of foreclosure relief and housing programs.

**Gift** Accounts for gifts and grants received by the Department of Conservation and Natural Resources (NRS 232.070), the Department of Wildlife (NRS 501.3585), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Human Resources (NRS 232.355).

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

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

**Miscellaneous** Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031; receipts for the care of sites for the disposal of radioactive waste (NRS 459.231); and fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215).

## NONMAJOR DEBT SERVICE FUND

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

## NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

## NONMAJOR PERMANENT FUND

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

# Combining Balance Sheet Nonmajor Governmental Funds



NEVADA

June 30, 2013

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 298,082,061	\$ 34,288,425	\$ 40,191,188	\$ 50,247	\$ 372,611,921
Cash in custody of other officials	4,703,959	-	-	-	4,703,959
Investments	1,233,813	-	-	-	1,233,813
<i>Receivables:</i>					
Accounts receivable	21,994,504	-	-	-	21,994,504
Taxes receivable	23,744,923	-	-	-	23,744,923
Intergovernmental receivables	8,289,706	-	962,344	-	9,252,050
Accrued interest and dividends	1,824	-	-	-	1,824
Due from other funds	13,019,718	565,235	31,103,627	100	44,688,680
Due from fiduciary funds	396,037	-	-	-	396,037
Due from component units	2,932	-	-	-	2,932
Inventory	467,723	-	-	-	467,723
Prepaid items	6,298	-	-	-	6,298
<b>Total assets</b>	<b>\$ 371,943,498</b>	<b>\$ 34,853,660</b>	<b>\$ 72,257,159</b>	<b>\$ 50,347</b>	<b>\$ 479,104,664</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 8,466,676	\$ -	\$ 26,998	\$ -	\$ 8,493,674
Accrued payroll and related liabilities	2,881,178	-	-	-	2,881,178
Intergovernmental payables	2,307,615	-	1,474,692	-	3,782,307
Contracts payable	-	-	3,436,600	-	3,436,600
Retention payable	-	-	1,340,699	-	1,340,699
Due to other funds	63,904,299	-	13,542,988	127	77,447,414
Due to fiduciary funds	20,798	-	-	-	20,798
Due to component units	287,641	-	10,906,683	-	11,194,324
Unearned revenues	496,036	-	-	-	496,036
Deferred revenues	22,222,298	-	960	24	22,223,282
Other liabilities	37,619,786	-	-	-	37,619,786
<b>Total liabilities</b>	<b>138,206,327</b>	<b>-</b>	<b>30,729,620</b>	<b>151</b>	<b>168,936,098</b>
<b>Fund balances:</b>					
Nonspendable	674,021	-	-	30,000	704,021
Restricted	140,062,606	34,853,660	37,827,809	20,196	212,764,271
Committed	93,000,544	-	3,699,730	-	96,700,274
<b>Total fund balances</b>	<b>233,737,171</b>	<b>34,853,660</b>	<b>41,527,539</b>	<b>50,196</b>	<b>310,168,566</b>
<b>Total liabilities and fund balances</b>	<b>\$ 371,943,498</b>	<b>\$ 34,853,660</b>	<b>\$ 72,257,159</b>	<b>\$ 50,347</b>	<b>\$ 479,104,664</b>

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



NEVADA

For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ 14,110,206	\$ -	\$ -	\$ -	\$ 14,110,206
Property and transfer taxes	19,707,594	-	-	-	19,707,594
Motor and special fuel taxes	-	79,788,339	-	-	79,788,339
Other taxes	61,497,789	-	-	-	61,497,789
Intergovernmental	91,166,020	-	40,843,052	-	132,009,072
Licenses, fees and permits	24,058,830	-	-	-	24,058,830
Sales and charges for services	16,010,257	-	-	-	16,010,257
Interest and investment income	(532,505)	-	14	397	(532,094)
Settlement income	147,070,764	-	-	-	147,070,764
Other	5,940,806	-	24,407	-	5,965,213
<b>Total revenues</b>	<b>379,029,761</b>	<b>79,788,339</b>	<b>40,867,473</b>	<b>397</b>	<b>499,685,970</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	349,277	-	-	-	349,277
Health and social services	110,687,810	-	-	-	110,687,810
Education and support services	643,746	-	-	-	643,746
Law, justice and public safety	25,248,918	-	-	-	25,248,918
Regulation of business	18,242,661	-	-	-	18,242,661
Recreation, resource development	24,497,347	-	-	-	24,497,347
Intergovernmental	32,732,141	-	-	-	32,732,141
Capital outlay	-	-	61,330,381	-	61,330,381
<i>Debt service:</i>					
Principal	-	53,300,000	-	-	53,300,000
Interest, fiscal charges	380	25,011,225	-	-	25,011,605
Debt issuance costs	-	678,765	-	-	678,765
<b>Total expenditures</b>	<b>212,402,280</b>	<b>78,989,990</b>	<b>61,330,381</b>	<b>-</b>	<b>352,722,651</b>
Excess (deficiency) of revenues over expenditures	166,627,481	798,349	(20,462,908)	397	146,963,319
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation refunding bonds	-	131,245,000	-	-	131,245,000
Premium on general obligation bonds	-	25,544,705	-	-	25,544,705
Payment to refunded bond agent	-	(156,081,511)	-	-	(156,081,511)
Sale of capital assets	7,312	-	-	-	7,312
Transfers in	42,954,541	-	25,940,509	-	68,895,050
Transfers out	(100,532,260)	-	(9,462,790)	(127)	(109,995,177)
<b>Total other financing sources (uses)</b>	<b>(57,570,407)</b>	<b>708,194</b>	<b>16,477,719</b>	<b>(127)</b>	<b>(40,384,621)</b>
Net change in fund balances	109,057,074	1,506,543	(3,985,189)	270	106,578,698
Fund balances, July 1	124,680,097	33,347,117	45,512,728	49,926	203,589,868
<b>Fund balances, June 30</b>	<b>\$ 233,737,171</b>	<b>\$ 34,853,660</b>	<b>\$ 41,527,539</b>	<b>\$ 50,196</b>	<b>\$ 310,168,566</b>



# Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2013

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 13,655,622	\$ 11,326,340	\$ 4,180,328	\$ 11,648,886
Cash in custody of other officials	125	2,200	-	-
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	14,446	628,068	-	-
Taxes receivable	19,643,923	-	-	-
Intergovernmental receivables	7,608,981	49,605	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	560,929	140,401	11,205,030	108,482
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	-
Prepaid items	240	6,058	-	-
<b>Total assets</b>	<b>\$ 41,484,266</b>	<b>\$ 12,152,672</b>	<b>\$ 15,385,358</b>	<b>\$ 11,757,368</b>
<b>Liabilities and Fund Balances</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 3,351,663	\$ 125,078	\$ -	\$ 212,066
Accrued payroll and related liabilities	1,679,315	735,279	-	-
Intergovernmental payables	1,120,628	234	-	-
Due to other funds	15,429,084	241,664	10,542,100	4,228,889
Due to fiduciary funds	7,909	-	-	-
Due to component units	260,035	5,000	-	-
Unearned revenues	-	496,036	-	-
Deferred revenues	1,239,030	8,269	-	6,556
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>23,087,664</b>	<b>1,611,560</b>	<b>10,542,100</b>	<b>4,447,511</b>
<b>Fund balances:</b>				
Nonspendable	240	6,058	-	-
Restricted	14,347,231	5,615,504	-	-
Committed	4,049,131	4,919,550	4,843,258	7,309,857
<b>Total fund balances</b>	<b>18,396,602</b>	<b>10,541,112</b>	<b>4,843,258</b>	<b>7,309,857</b>
<b>Total liabilities and fund balances</b>	<b>\$ 41,484,266</b>	<b>\$ 12,152,672</b>	<b>\$ 15,385,358</b>	<b>\$ 11,757,368</b>



NEVADA

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Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
\$ 18,316,012	\$ 4,848,663	\$ 3,264,658	\$ 66,992,502	\$ 83,689,570	\$ 3,072,143
-	-	-	-	-	22,865
-	-	-	-	-	222,624
-	2,370	746,695	20,486,293	-	7,798
990,851	3,110,149	-	-	-	-
57,000	-	-	-	-	68,702
-	-	-	-	-	1,824
50,444	232,104	17,012	182,789	437,748	10,474
-	-	372,263	-	-	-
-	-	-	2,932	-	-
-	-	279,082	-	-	-
-	-	-	-	-	-
<u>\$ 19,414,307</u>	<u>\$ 8,193,286</u>	<u>\$ 4,679,710</u>	<u>\$ 87,664,516</u>	<u>\$ 84,127,318</u>	<u>\$ 3,406,430</u>
\$ -	\$ 3,129,299	\$ 79,768	\$ 110,172	\$ 708,920	\$ 47,549
-	84,386	172,309	19,502	12,935	-
-	479,087	-	131,454	-	281,096
19,218,718	141,598	510,094	2,684,257	206,264	921,124
-	-	11,573	-	-	-
-	-	-	22,606	-	-
-	-	-	-	-	-
11,895	-	364,376	20,505,361	70,834	1,680
-	-	-	-	-	-
<u>19,230,613</u>	<u>3,834,370</u>	<u>1,138,120</u>	<u>23,473,352</u>	<u>998,953</u>	<u>1,251,449</u>
-	-	279,082	-	-	-
-	-	3,262,508	-	83,128,365	2,074,894
183,694	4,358,916	-	64,191,164	-	80,087
<u>183,694</u>	<u>4,358,916</u>	<u>3,541,590</u>	<u>64,191,164</u>	<u>83,128,365</u>	<u>2,154,981</u>
<u>\$ 19,414,307</u>	<u>\$ 8,193,286</u>	<u>\$ 4,679,710</u>	<u>\$ 87,664,516</u>	<u>\$ 84,127,318</u>	<u>\$ 3,406,430</u>

# Combining Balance Sheet Nonmajor Special Revenue Funds



NEVADA

June 30, 2013

Page 2 of 2

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 18,634,043	\$ -	\$ 58,453,294	\$ 298,082,061
Cash in custody of other officials	-	4,557,599	121,170	4,703,959
Investments	-	-	1,011,189	1,233,813
<i>Receivables:</i>				
Accounts receivable	-	-	108,834	21,994,504
Taxes receivable	-	-	-	23,744,923
Intergovernmental receivables	107,486	-	397,932	8,289,706
Accrued interest and dividends	-	-	-	1,824
Due from other funds	39,218	-	35,087	13,019,718
Due from fiduciary funds	-	-	23,774	396,037
Due from component units	-	-	-	2,932
Inventory	-	-	188,641	467,723
Prepaid items	-	-	-	6,298
<b>Total assets</b>	<b>\$ 18,780,747</b>	<b>\$ 4,557,599</b>	<b>\$ 60,339,921</b>	<b>\$ 371,943,498</b>
<b>Liabilities and Fund Balances</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 36,272	\$ -	\$ 665,889	\$ 8,466,676
Accrued payroll and related liabilities	-	-	177,452	2,881,178
Intergovernmental payables	295,066	-	50	2,307,615
Due to other funds	98,878	-	9,681,629	63,904,299
Due to fiduciary funds	-	-	1,316	20,798
Due to component units	-	-	-	287,641
Unearned revenues	-	-	-	496,036
Deferred revenues	9,248	-	5,049	22,222,298
Other liabilities	-	-	37,619,786	37,619,786
<b>Total liabilities</b>	<b>439,464</b>	<b>-</b>	<b>48,151,171</b>	<b>138,206,327</b>
<b>Fund balances:</b>				
Nonspendable	-	-	388,641	674,021
Restricted	18,341,283	4,557,599	8,735,222	140,062,606
Committed	-	-	3,064,887	93,000,544
<b>Total fund balances</b>	<b>18,341,283</b>	<b>4,557,599</b>	<b>12,188,750</b>	<b>233,737,171</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,780,747</b>	<b>\$ 4,557,599</b>	<b>\$ 60,339,921</b>	<b>\$ 371,943,498</b>



**Chief Winnemucca, also called Poito or One Moccasin (ca. 1820–1882), was an important chief of the Northern Paiute at the time of the Paiute War of 1860. Winnemucca was distrustful of white settlers, and he was a leading proponent of the Pyramid Lake War of 1860.**

Picture Courtesy of Nevada Historical Society



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

For the Fiscal Year Ended June 30, 2013

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ 14,110,206	\$ -	\$ -
Property and transfer taxes	-	-	-	-	19,707,594
Other taxes	27,378,767	59,974	-	12,749,289	-
Intergovernmental	86,815,496	726,693	-	-	72,000
Licenses, fees and permits	305,484	18,628,421	-	424,502	-
Sales and charges for services	705,414	3,680	-	-	-
Interest and investment income	92,332	33,371	-	117,012	145,604
Settlement income	-	-	-	-	-
Other	32,983	479,560	-	-	-
<b>Total revenues</b>	<b>115,330,476</b>	<b>19,931,699</b>	<b>14,110,206</b>	<b>13,290,803</b>	<b>19,925,198</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	-	-	-	-	-
Health and social services	104,617,975	-	-	-	60,000
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	17,896,600	-	-	-
Recreation, resource development	-	-	-	7,671,801	-
Intergovernmental	-	-	5,000,000	721,558	1,780,616
<i>Debt service:</i>					
Interest	-	55	325	-	-
<b>Total expenditures</b>	<b>104,617,975</b>	<b>17,896,655</b>	<b>5,000,325</b>	<b>8,393,359</b>	<b>1,840,616</b>
Excess (deficiency) of revenues over expenditures	10,712,501	2,035,044	9,109,881	4,897,444	18,084,582
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	3,848	3,464	-	-	-
Transfers in	33,586,927	179,386	-	-	-
Transfers out	(41,137,807)	(522,593)	(11,691,375)	(4,780,573)	(19,218,718)
<b>Total other financing sources (uses)</b>	<b>(7,547,032)</b>	<b>(339,743)</b>	<b>(11,691,375)</b>	<b>(4,780,573)</b>	<b>(19,218,718)</b>
Net change in fund balances	3,165,469	1,695,301	(2,581,494)	116,871	(1,134,136)
Fund balances, July 1	15,231,133	8,845,811	7,424,752	7,192,986	1,317,830
<b>Fund balances, June 30</b>	<b>\$ 18,396,602</b>	<b>\$ 10,541,112</b>	<b>\$ 4,843,258</b>	<b>\$ 7,309,857</b>	<b>\$ 183,694</b>



Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
17,645,471	-	-	-	-
-	-	-	-	-
9,145	-	-	-	997,950
-	14,804,779	-	-	-
(1,871)	45,905	(203,135)	(1,232,319)	59,266
-	-	59,702,334	87,368,430	-
6,742	11,689	20,164	-	485,964
17,659,487	14,862,373	59,519,363	86,136,111	1,543,180
-	-	349,205	-	-
-	-	5,823,869	-	176,787
-	-	-	-	3,640
-	11,487,799	-	2,938,983	-
-	-	-	-	-
14,264,878	-	-	-	443,794
-	-	24,158,752	-	835,803
-	-	-	-	-
14,264,878	11,487,799	30,331,826	2,938,983	1,460,024
3,394,609	3,374,574	29,187,537	83,197,128	83,156
-	-	-	-	-
197,075	-	7,959,932	-	3,051
(4,130,635)	(2,625,321)	(11,728,092)	(68,763)	(920,642)
(3,933,560)	(2,625,321)	(3,768,160)	(68,763)	(917,591)
(538,951)	749,253	25,419,377	83,128,365	(834,435)
4,897,867	2,792,337	38,771,787	-	2,989,416
\$ 4,358,916	\$ 3,541,590	\$ 64,191,164	\$ 83,128,365	\$ 2,154,981

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



NEVADA

For the Fiscal Year Ended June 30, 2013

Page 2 of 2

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 14,110,206
Property and transfer taxes	-	-	-	19,707,594
Other taxes	-	-	3,664,288	61,497,789
Intergovernmental	378,786	-	3,173,045	91,166,020
Licenses, fees and permits	-	-	3,693,328	24,058,830
Sales and charges for services	-	-	496,384	16,010,257
Interest and investment income	266,098	9,233	135,999	(532,505)
Settlement income	-	-	-	147,070,764
Other	266	2,962,506	1,940,932	5,940,806
<b>Total revenues</b>	<b>645,150</b>	<b>2,971,739</b>	<b>13,103,976</b>	<b>379,029,761</b>
<b>Expenditures</b>				
<i>Current:</i>				
General government	-	72	-	349,277
Health and social services	-	-	9,179	110,687,810
Education and support services	-	-	640,106	643,746
Law, justice and public safety	-	-	10,822,136	25,248,918
Regulation of business	-	-	346,061	18,242,661
Recreation, resource development	2,116,874	-	-	24,497,347
Intergovernmental	235,412	-	-	32,732,141
<i>Debt service:</i>				
Interest	-	-	-	380
<b>Total expenditures</b>	<b>2,352,286</b>	<b>72</b>	<b>11,817,482</b>	<b>212,402,280</b>
Excess (deficiency) of revenues over expenditures	(1,707,136)	2,971,667	1,286,494	166,627,481
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	-	7,312
Transfers in	-	-	1,028,170	42,954,541
Transfers out	(322,646)	(3,123,306)	(261,789)	(100,532,260)
<b>Total other financing sources (uses)</b>	<b>(322,646)</b>	<b>(3,123,306)</b>	<b>766,381</b>	<b>(57,570,407)</b>
Net change in fund balances	(2,029,782)	(151,639)	2,052,875	109,057,074
Fund balances, July 1	20,371,065	4,709,238	10,135,875	124,680,097
<b>Fund balances, June 30</b>	<b>\$ 18,341,283</b>	<b>\$ 4,557,599</b>	<b>\$ 12,188,750</b>	<b>\$ 233,737,171</b>



Numaga was a Paiute leader during the Paiute War of 1860. The war was caused by an influx of miners and ranchers after silver was discovered in the Comstock Lode near Carson City. The newcomers assaulted the Paiutes and destroyed their food supplies. When the Paiutes responded, the U.S. Army used force to suppress them. Both before and after the war, Numaga was a strong advocate of peace and did much to reduce the violence on both sides.

Picture Courtesy of Nevada Historical Society



## Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2013

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 335,396	\$ 142,222	\$ 160,347	\$ 6,006,841
<i>Receivables:</i>				
Intergovernmental receivables	79,642	-	-	-
Due from other funds	44,930	-	-	8,181,952
<b>Total assets</b>	<b>\$ 459,968</b>	<b>\$ 142,222</b>	<b>\$ 160,347</b>	<b>\$ 14,188,793</b>
<b>Liabilities and Fund Balances</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 16,278	\$ -	\$ -	\$ 1,325
Intergovernmental payables	-	-	-	-
Contracts payable	33,950	-	-	1,705
Retentions payable	8,353	-	-	-
Due to other funds	309,000	142,222	153,455	3,279,188
Due to component units	-	-	-	10,905,615
Deferred revenues	-	-	-	960
<b>Total liabilities</b>	<b>367,581</b>	<b>142,222</b>	<b>153,455</b>	<b>14,188,793</b>
<b>Fund balances:</b>				
Restricted	-	-	6,892	-
Committed	92,387	-	-	-
<b>Total fund balances</b>	<b>92,387</b>	<b>-</b>	<b>6,892</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 459,968</b>	<b>\$ 142,222</b>	<b>\$ 160,347</b>	<b>\$ 14,188,793</b>



NEVADA

CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
\$ 8,550,404	\$ 10,801,088	\$ 13,984,756	\$ 210,134	\$ 40,191,188
-	-	871,476	11,226	962,344
10,134,065	7,584,372	5,158,308	-	31,103,627
<u>\$ 18,684,469</u>	<u>\$ 18,385,460</u>	<u>\$ 20,014,540</u>	<u>\$ 221,360</u>	<u>\$ 72,257,159</u>
\$ 3,192	\$ 3,184	\$ -	\$ 3,019	\$ 26,998
-	-	1,467,902	6,790	1,474,692
591,700	47,296	2,748,730	13,219	3,436,600
135,189	7,375	1,189,782	-	1,340,699
2,556,000	2,141,737	4,958,950	2,436	13,542,988
-	-	-	1,068	10,906,683
-	-	-	-	960
<u>3,286,081</u>	<u>2,199,592</u>	<u>10,365,364</u>	<u>26,532</u>	<u>30,729,620</u>
13,197,963	15,792,671	8,635,455	194,828	37,827,809
2,200,425	393,197	1,013,721	-	3,699,730
<u>15,398,388</u>	<u>16,185,868</u>	<u>9,649,176</u>	<u>194,828</u>	<u>41,527,539</u>
<u>\$ 18,684,469</u>	<u>\$ 18,385,460</u>	<u>\$ 20,014,540</u>	<u>\$ 221,360</u>	<u>\$ 72,257,159</u>

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

For the Fiscal Year Ended June 30, 2013

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System
<b>Revenues</b>				
Intergovernmental	\$ 79,642	\$ -	\$ -	\$ -
Interest and investment income	14	-	-	-
Other	13,606	-	-	-
<b>Total revenues</b>	<b>93,262</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
<i>Current:</i>				
Capital outlay	678,680	329,492	83,705	-
<b>Total expenditures</b>	<b>678,680</b>	<b>329,492</b>	<b>83,705</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(585,418)	(329,492)	(83,705)	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	677,803	317,207	-	-
Transfers out	-	(142,222)	(153,455)	-
<b>Total other financing sources (uses)</b>	<b>677,803</b>	<b>174,985</b>	<b>(153,455)</b>	<b>-</b>
Net change in fund balances	92,385	(154,507)	(237,160)	-
Fund balances, July 1	2	154,507	244,052	-
<b>Fund balances, June 30</b>	<b>\$ 92,387</b>	<b>\$ -</b>	<b>\$ 6,892</b>	<b>\$ -</b>



NEVADA

CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
\$ -	\$ -	\$ 40,747,151	\$ 16,259	\$ 40,843,052
-	-	-	-	14
-	10,801	-	-	24,407
-	10,801	40,747,151	16,259	40,867,473
7,657,394	9,899,927	41,534,980	1,146,203	61,330,381
7,657,394	9,899,927	41,534,980	1,146,203	61,330,381
(7,657,394)	(9,889,126)	(787,829)	(1,129,944)	(20,462,908)
10,512,666	7,584,372	5,722,439	1,126,022	25,940,509
(2,411,246)	(2,076,808)	(4,679,059)	-	(9,462,790)
8,101,420	5,507,564	1,043,380	1,126,022	16,477,719
444,026	(4,381,562)	255,551	(3,922)	(3,985,189)
14,954,362	20,567,430	9,393,625	198,750	45,512,728
\$ 15,398,388	\$ 16,185,868	\$ 9,649,176	\$ 194,828	\$ 41,527,539



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

### All General Fund Budgets

For the Fiscal Year Ended June 30, 2013

Page 1 of 9

	Final Budget	Actual	Variance
	\$	\$	\$
<b>General Fund Unbudgeted Activity/Refunds</b>	-	8,100,173	(8,100,173)
<b>Elected Officials</b>			
Office of the Governor	2,034,438	1,951,235	83,203
State Fiscal Stabilization	3,974,398	2,371,982	1,602,416
Governor's Mansion Maintenance	328,331	288,433	39,898
Governor's Washington Office	247,079	247,079	-
Ethics Commission	610,497	591,070	19,427
High Level Nuclear Waste	1,269,735	1,057,385	212,350
Governor's Office Energy Conservation	11,342,174	7,730,610	3,611,564
Renewable Energy/Energy Efficiency Loan Program	5,597,125	1,021,908	4,575,217
Renewable Energy	2,569,961	172,514	2,397,447
Lieutenant Governor	494,892	484,547	10,345
Attorney General Administrative Account	26,990,359	24,602,412	2,387,947
Attorney General Extradition Coordinator	704,230	581,940	122,290
Attorney General Special Fund	6,650,462	1,637,554	5,012,908
Attorney General Workers' Compensation Fraud	4,262,576	3,742,299	520,277
Attorney General Crime Prevention	271,335	259,437	11,898
Attorney General Medicaid Fraud	4,054,729	2,132,387	1,922,342
Attorney General Violence Against Women Grants	4,714,380	2,109,672	2,604,708
Attorney General Council For Prosecuting Attorneys	379,116	189,368	189,748
Attorney General Victims of Domestic Violence	599,154	426,391	172,763
Private Investigators Licensing Board	1,155,544	1,106,551	48,993
Secretary of State	11,584,984	10,268,767	1,316,217
Secretary of State HAVA Elections Account	5,653,980	2,026,078	3,627,902
Secretary of State Business Portal	2,335,535	2,328,273	7,262
Secretary of State Advisory Committee Gift	61	-	61
Notary Training	307,122	97,680	209,442
State Treasurer	2,423,554	2,269,743	153,811
Silicosis and Disabled Pensions	188,060	41,751	146,309
Nevada College Savings Trust	1,942,094	1,308,219	633,875
Endowment Account	6,591,764	3,141,646	3,450,118
College Savings Private Entity	83,419	-	83,419
Unclaimed Property	2,093,844	2,071,038	22,806
Controller's Office	4,571,179	4,074,658	496,521
Debt Recovery	403,232	907	402,325
	116,429,343	80,333,534	36,095,809
<b>Legislative-Judicial</b>			
<b>Judicial Branch</b>			
Administrative Office of the Courts	5,503,990	3,218,516	2,285,474
Judicial Programs and Services Division	1,168,389	948,734	219,655
Uniform System of Judicial Records	3,888,775	1,205,810	2,682,965
Judicial Education	1,940,088	951,288	988,800
State Judicial Elected Officials	21,230,151	20,887,286	342,865
Judicial Support, Governance and Special Events	1,008,605	363,185	645,420
Judicial Retirement System State Share	2,243,200	2,243,200	-
Supreme Court	10,461,697	9,836,213	625,484
Specialty Courts	8,718,833	5,627,449	3,091,384
Senior Justice and Senior Judge Program	1,495,303	1,287,054	208,249
Judicial Selection	24,180	14,070	10,110
Foreclosure Mediation Program	3,779,788	1,808,705	1,971,083
Law Library Gift Fund	85,025	5,400	79,625
Law Library	1,663,071	1,603,167	59,904
Judicial Discipline	669,837	548,753	121,084
<b>Legislative Branch</b>			
Interim Finance Committee	86,758,845	36,668,799	50,090,046
Disaster Relief	5,990,893	1,309	5,989,584
So Nevada Community Project Fund	1,465	-	1,465
	156,632,135	87,218,938	69,413,197



	Final Budget	Actual	Variance
<b>Finance and Administration</b>			
<b>Department of Administration</b>			
Construction Education Account	\$ 263,511	\$ 110,138	\$ 153,373
Commission For Women	1,504	-	1,504
State Archives	1,192,453	1,071,548	120,905
Nevada State Library	4,864,350	4,628,791	235,559
Nevada State Library - CLAN	518,682	343,277	175,405
Special Appropriations	1,686,375	186,375	1,500,000
Judicial College/Juvenile and Family Justice	130,430	130,430	-
Budget and Planning	4,142,999	4,110,688	32,311
Internal Audit	1,240,316	1,174,723	65,593
Graffiti Reward Fund	6,706	-	6,706
Merit Award Board	1,100	-	1,100
Roof Maintenance Reserve	758,384	35,525	722,859
Public Works Division	240,470	234,339	6,131
Public Works Inspection	6,603,329	4,201,312	2,402,017
Public Works Retention Payment	355,909	3,842	352,067
Building Official Admin	2,044,240	444,914	1,599,326
State Unemployment Compensation	7,297,823	1,931,320	5,366,503
Hearings and Appeals	4,485,285	4,235,885	249,400
General Fund Salary Adjustment	30,522,005	32,852	30,489,153
State Claims	5,749,882	1,847,175	3,902,707
Emergency Fund	298,229	37,465	260,764
Statutory Contingency	5,112,317	3,201,037	1,911,280
<b>Department of Taxation</b>			
Department of Taxation	26,620,007	25,123,187	1,496,820
	104,136,306	53,084,823	51,051,483
<b>Education</b>			
<b>Department of Education</b>			
Distributive School Account	1,419,316,873	1,339,344,691	79,972,182
School Health Education - AIDS	70,066	29,850	40,216
School Remediation	32,235,464	31,964,854	270,610
State Supplemental School Support	128,848,851	128,848,849	2
Education State Programs	4,414,521	2,756,284	1,658,237
Educational Trust Fund	541,398	3,987	537,411
Career and Technical Education	12,260,397	10,505,075	1,755,322
Gear Up	6,473,453	3,753,396	2,720,057
Gear Up Scholarship Trust	13,841,671	2,018,996	11,822,675
Continuing Education	8,267,309	6,114,492	2,152,817
Proficiency Testing	5,909,025	5,403,972	505,053
Other State Education Programs	7,696,896	7,520,955	175,941
Account for Health Education of Minors	550	-	550
Education Technology Trust	20,371	-	20,371
Professional Licensing and Testing	2,088,854	1,427,318	661,536
Discretionary Grants - Unrestricted	337,656	197,152	140,504
Discretionary Grants - Restricted	31,447,663	17,467,046	13,980,617
Elementary and Secondary Ed - Title I	165,697,343	122,035,433	43,661,910
Elementary and Secondary Ed Titles II, V & VI	55,401,808	38,788,610	16,613,198
Individuals with Disabilities (IDEA)	102,073,676	77,084,797	24,988,879
Education Staffing Services	1,499,354	1,407,570	91,784
Education Support Services	3,251,971	2,623,917	628,054
Incentives for Licensed Educational Personnel	15,874,535	14,331,331	1,543,204
Student Indemnification Account	269,187	-	269,187
<b>Nevada System of Higher Education</b>			
Special Projects	3,103,162	1,909,564	1,193,598
Education for Dependent Children	23,059	14,876	8,183
University of Nevada - Reno	188,640,120	188,293,470	346,650
School of Medical Sciences	35,900,071	35,853,007	47,064

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

## All General Fund Budgets

For the Fiscal Year Ended June 30, 2013

Page 3 of 9

	Final Budget	Actual	Variance
University System Administration	\$ 5,091,560	\$ 5,091,560	\$ -
University of Nevada Las Vegas	239,633,879	233,763,433	5,870,446
System Computing Center	16,669,848	16,669,301	547
UNLV Law School	11,913,635	11,635,947	277,688
National Direct Student Loan Program	35,793	35,793	-
Anatomical Gift Account	503,393	145,000	358,393
UNLV Dental School	14,562,113	14,488,574	73,539
Collegiate License Plate Account	310,950	282,779	28,171
Nevada State College at Henderson	15,129,379	14,997,247	132,132
College of Southern Nevada	125,030,093	120,538,523	4,491,570
Great Basin College	18,012,429	17,475,090	537,339
Desert Research Institute	7,684,930	7,684,616	314
Western Nevada College	20,808,394	19,696,382	1,112,012
Truckee Meadows Community College	45,254,366	43,271,084	1,983,282
WICHE Loan and Stipend	1,045,500	927,270	118,230
WICHE Administration	320,116	317,131	2,985
<b>State Public Charter School Authority</b>	3,267,762	1,501,713	1,766,049
<b>Commission on Postsecondary Education</b>	415,976	403,283	12,693
	2,771,195,420	2,548,624,218	222,571,202
<b>Human Services</b>			
<b>Health and Human Services Director's Office</b>			
DHR Administration	5,980,754	3,481,636	2,499,118
Grants Management Unit	26,277,638	25,158,226	1,119,412
Prevention/Treatment of Problem Gambling	1,361,786	758,788	602,998
Public Defender	3,578,923	3,536,485	42,438
<b>Aging and Disability Services Division</b>			
Aging Federal Programs and Administration	24,549,862	18,348,622	6,201,240
IDEA Part C Compliance	5,524,018	4,457,502	1,066,516
Developmental Disabilities	766,155	727,213	38,942
Disability Services	23,388,729	19,174,085	4,214,644
<b>Division of Health Care Financing and Policy</b>			
Intergovernmental Transfer Program	130,658,464	125,915,478	4,742,986
Health Care Financing and Policy	141,248,635	110,357,864	30,890,771
Increased Quality of Nursing Care	31,360,392	28,220,893	3,139,499
Nevada Check-Up Program	36,750,685	36,416,903	333,782
Nevada Medicaid	1,764,734,324	1,740,345,035	24,389,289
<b>Division of Health</b>			
Radiological Health	4,054,523	2,359,042	1,695,481
Cancer Control Registry	1,323,643	459,160	864,483
HHS - SAPTA	25,790,567	23,196,033	2,594,534
Health Statistics and Planning	1,181,449	859,204	322,245
Consumer Protection	2,217,346	1,543,273	674,073
Consumer Health Assistance	2,066,803	1,597,948	468,855
Early Intervention Services	27,782,827	25,345,055	2,437,772
Immunization Program	7,738,969	5,625,791	2,113,178
Marijuana Health Registry	1,572,528	637,409	935,119
WIC Food Supplement	69,426,048	65,548,803	3,877,245
Communicable Diseases	16,195,174	15,868,843	326,331
Health Facilities	14,785,199	7,696,357	7,088,842
Health Facilities-Admin Penalty	382,316	132,904	249,412
Public Health Preparedness Program	15,373,434	11,599,267	3,774,167
Biostatistics and Epidemiology	5,515,459	4,493,213	1,022,246
Chronic Disease	6,379,426	5,746,141	633,285
Maternal Child Health Services	8,611,440	7,464,347	1,147,093
Office of State Health Administration	8,322,491	4,912,409	3,410,082
Community Health Services	4,304,467	3,427,903	876,564
Emergency Medical Services	998,488	760,231	238,257



	Final Budget	Actual	Variance
<b>Division of Welfare and Supportive Services</b>			
Welfare Administration	\$ 56,662,792	\$ 51,262,354	\$ 5,400,438
Temp Assistance for Needy Families	48,659,084	45,512,301	3,146,783
Assistance to Aged and Blind	8,269,643	8,269,643	-
Welfare Field Services	77,408,835	70,958,545	6,450,290
Child Support Enforcement Program	18,919,794	13,335,192	5,584,602
Collection and Distribution Account	40,903,165	23,216,170	17,686,995
Child Care Assistance and Development	39,301,777	33,249,673	6,052,104
Energy Assistance - Welfare	23,150,775	20,655,110	2,495,665
<b>Division of Mental Health and Developmental Services</b>			
So NV Adult Mental Health Services	87,559,548	80,967,492	6,592,056
No NV Adult Mental Health Services	32,077,251	27,714,112	4,363,139
Mental Health Information System	1,897,512	1,531,327	366,185
Family Preservation Program	2,756,006	2,671,856	84,150
Rural NV Mental Retardation Services	14,996,724	13,876,519	1,120,205
Mental Health Developmental Services	7,888,403	6,938,881	949,522
Desert Regional Center	89,279,313	86,576,539	2,702,774
Sierra Regional Center	35,099,290	33,596,052	1,503,238
Facility for the Mental Offender	8,693,455	8,547,309	146,146
Alcohol Tax Program	1,581,529	866,940	714,589
Rural Clinics	12,774,676	11,321,065	1,453,611
<b>Division of Child and Family Services</b>			
Community Juvenile Justice Programs	5,660,519	3,563,211	2,097,308
Washoe County Integration	31,343,001	30,514,507	828,494
Clark County Integration	85,226,476	79,791,092	5,435,384
UNITY/SACWIS	8,160,760	6,984,346	1,176,414
Children, Youth and Family Administration	18,211,903	16,438,800	1,773,103
Youth Alternative Placement	3,532,099	3,532,099	-
Juvenile Correctional Facility	1,472,940	1,468,693	4,247
Child Care Services	1,593,270	1,338,784	254,486
Caliente Youth Center	8,104,011	7,683,349	420,662
Victims of Domestic Violence	4,248,440	3,030,233	1,218,207
DHR Children's Trust Account	780,173	450,435	329,738
Rural Child Welfare	18,210,538	15,577,800	2,632,738
Review of Death of Children	338,306	89,760	248,546
Nevada Youth Training Center	9,445,011	6,894,425	2,550,586
Youth Parole Services	5,925,476	4,490,040	1,435,436
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	7,750,565	7,403,938	346,627
So NV Child and Adolescent Services	24,857,612	21,580,425	3,277,187
<b>Division of Employment, Training and Rehabilitation</b>			
Blind Business Enterprise Program	6,252,505	2,189,785	4,062,720
Services to the Blind	4,748,955	4,504,771	244,184
Client Assistance Program	201,471	126,915	74,556
Vocational Rehabilitation	18,757,558	16,244,355	2,513,203
Rehabilitation Administration	1,468,665	1,131,773	336,892
Disability Adjudication	18,792,365	15,296,576	3,495,789
Office of Equal Rights	1,297,841	1,209,325	88,516
DETR Administrative Services	5,691,217	5,238,409	452,808
Research and Analysis	3,062,705	2,510,358	552,347
Information Development and Processing	12,387,223	11,234,438	1,152,785
	3,335,615,789	3,117,757,785	217,858,004
<b>Commerce and Industry</b>			
<b>Office of Economic Development</b>			
Governor's Office of Economic Development	7,833,168	7,393,406	439,762
Motion Pictures	996,649	719,198	277,451
Rural Community Development	4,115,998	3,700,182	415,816
NV SSBCI Program	3,936,646	1,977,010	1,959,636
Nevada Catalyst Fund	10,000,000	-	10,000,000
Small Business and Procurement	526,034	431,685	94,349



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

## All General Fund Budgets

For the Fiscal Year Ended June 30, 2013

Page 5 of 9

	Final Budget	Actual	Variance
<b>Commission on Mineral Resources</b>			
Minerals	\$ 3,561,453	\$ 2,523,666	\$ 1,037,787
Bond Reclamation	7,668,521	1,761,468	5,907,053
<b>Department of Agriculture</b>			
Nevada Beef Council	287,370	263,563	23,807
Commodity Food Program	17,731,465	14,008,686	3,722,779
Nutrition Education Programs	130,665,771	124,440,475	6,225,296
Gas Pollution Standards	440,199	307,608	132,591
Weed Abatement and Control	99,776	-	99,776
Plant Health and Quarantine Services	277,275	275,633	1,642
Grade and Certification of Ag Products	426,139	186,453	239,686
Agriculture Research and Promotion	122,939	20,000	102,939
Agricultural Registration/Enforcement	3,724,699	2,080,575	1,644,124
Livestock Inspection	2,081,603	1,284,568	797,035
USDA Specialty Crop Grant	310,587	148,494	162,093
Agriculture License Plates	18,296	1,271	17,025
Veterinary Medical Services	786,485	646,620	139,865
Weights and Measures	2,842,174	1,585,037	1,257,137
Pest, Plant Disease and Noxious Weed	2,220,370	1,280,146	940,224
Junior Agricultural Loan Program	254,845	-	254,845
Agriculture Administration	1,258,909	1,192,400	66,509
Rangeland Resources Commission	202,886	124,944	77,942
Rangeland Grasshopper and Mormon Cricket	511,862	37,013	474,849
Predatory Animal and Rodent Control	939,836	850,270	89,566
<b>Department of Tourism and Cultural Affairs</b>			
Lost City Museum	399,232	291,133	108,099
LV Springs Preserve Museum Dev	637,894	35,060	602,834
Nevada Historical Society	471,176	401,174	70,002
Nevada State Museum	1,398,827	1,274,714	124,113
Museums and History Administration	369,226	330,473	38,753
Nevada State Museum, Las Vegas	1,374,060	1,223,096	150,964
State Railroad Museums	1,221,145	1,030,677	190,468
Nevada Humanities	40,000	40,000	-
Nevada Arts Council	1,917,669	1,845,038	72,631
Indian Commission	197,403	194,989	2,414
<b>Gaming Control Board</b>			
Gaming Control Board	44,586,560	37,750,546	6,836,014
Gaming Control Federal Forfeiture	626,994	26,189	600,805
Gaming Control - Forfeiture Account	521,414	238,182	283,232
Gaming Control - Other State Forfeiture	505,440	-	505,440
Federal Forfeiture Treasury	2,584,832	391,975	2,192,857
Gaming Commission	343,595	306,629	36,966
<b>Department of Business and Industry</b>			
Business and Industry Administration	4,025,677	3,528,660	497,017
Industrial Development Bonds	319,213	12,949	306,264
Insurance Regulation	3,272,467	3,272,467	-
Captive Insurers	377,294	377,294	-
Insurance Recovery	40,000	40,000	-
Insurance Education and Research	585,675	585,675	-
Nat. Assoc. of Insurance Commissioners	44,858	44,858	-
Insurance Cost Stabilization	140,224	140,224	-
Special Housing Assistance	7,419,536	2,736,384	4,683,152
Low Income Housing Trust Fund	20,605,441	4,886,779	15,718,662
DOE Weatherization	6,770,989	4,614,471	2,156,518
Employee Management Relations	614,544	545,405	69,139
Common Interest Communities	3,903,607	1,591,376	2,312,231
Real Estate	2,384,106	2,166,732	217,374
Athletic Commission	783,550	594,768	188,782
Labor Relations	1,428,869	1,320,166	108,703



	Final Budget	Actual	Variance
Division of Mortgage Lending	\$ 3,977,607	\$ 1,947,568	\$ 2,030,039
Attorney for Injured Workers	3,315,064	3,131,336	183,728
Financial Institutions Investigations	880,083	63,028	817,055
Financial Institutions	6,535,656	3,175,425	3,360,231
Financial Institutions Audit	257,666	101,898	155,768
Transportation Services Authority	2,712,921	2,586,268	126,653
TSA Administrative Fines	358,715	122,210	236,505
	331,791,184	250,206,187	81,584,997

#### Public Safety

##### Department of Corrections

Prison Medical Care	45,328,384	44,847,013	481,371
Corrections Administration	21,769,248	19,424,972	2,344,276
Correctional Programs	7,838,584	7,197,401	641,183
So Nevada Correctional Center	286,596	265,425	21,171
Warm Springs Correctional Center	9,932,634	9,802,496	130,138
No Nevada Correctional Center	26,072,300	25,706,840	365,460
Nevada State Prison	124,503	105,854	18,649
Stewart Conservation Camp	1,743,124	1,648,989	94,135
Pioche Conservation Camp	1,633,318	1,562,888	70,430
Restitution Center North	1,227,066	1,206,880	20,186
Three Lakes Valley Conservation Camp	2,215,134	2,096,315	118,819
Southern Desert Correctional Center	21,417,409	20,714,984	702,425
Wells Conservation Camp	1,269,767	1,209,454	60,313
Humboldt Conservation Camp	1,211,814	1,150,916	60,898
Ely Conservation Camp	1,283,599	1,186,971	96,628
Jean Conservation Camp	1,515,597	1,378,904	136,693
Silver Springs Conservation Camp	3,266	3,033	233
Ely State Prison	25,461,574	24,744,735	716,839
Carlin Conservation Camp	1,188,133	1,124,557	63,576
Tonopah Conservation Camp	1,178,595	1,144,435	34,160
Lovelock Correctional Center	22,321,398	21,291,215	1,030,183
Florence McClure Women's Correctional Center	13,695,750	13,355,208	340,542
High Desert State Prison	44,770,157	43,411,456	1,358,701
Casa Grande Transitional Housing	4,932,418	4,775,199	157,219

##### Department of Public Safety

Emergency Management Division	6,062,583	4,484,933	1,577,650
Emergency Mgmt Assistance Grant	45,538,850	25,277,347	20,261,503
Emergency Assistance Subaccount	374,284	29,395	344,889
Parole and Probation	41,232,718	38,666,810	2,565,908
Fund for Reentry Programs	11,515	-	11,515
Investigations	8,044,596	6,568,740	1,475,856
Training Division	1,020,698	996,421	24,277
Parole Board	2,320,627	2,276,424	44,203
Fire Marshal	3,036,152	2,631,970	404,182
Traffic Safety	10,507,801	5,264,559	5,243,242
Highway Safety Plan and Administration	5,768,296	3,522,925	2,245,371
Motorcycle Safety Program	708,120	525,148	182,972
K-9 Program	84,072	49,939	34,133
Forfeitures	1,286,331	767,575	518,756
Justice Assistance Account	3,168,993	2,083,526	1,085,467
Justice Assistance Grant	7,509,647	5,756,102	1,753,545
Criminal History Repository	22,241,263	12,907,968	9,333,295
Office of Homeland Security	468,832	425,049	43,783
Child Volunteer Background Checks Trust	15,087	15,087	-
Contingency Account for Haz Mat	555,715	411,962	143,753
Cigarette Fire Safety Standard	216,026	24,848	191,178
Justice Grant	533,684	507,593	26,091
Dignitary Protection	1,040,989	964,001	76,988

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

## All General Fund Budgets

For the Fiscal Year Ended June 30, 2013

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	Final Budget	Actual	Variance
<b>Department of Motor Vehicles</b>			
Motor Vehicle Pollution Control	\$ 11,541,563	\$ 8,975,061	\$ 2,566,502
<b>Peace Officers Standards and Training</b>	2,473,094	2,291,164	181,930
	434,181,904	374,780,687	59,401,217
<b>Infrastructure</b>			
<b>Department of Wildlife</b>			
Conservation Education	2,300,745	2,177,492	123,253
Law Enforcement	7,950,234	7,245,204	705,030
Game Management	5,203,556	4,531,745	671,811
Fisheries Management	7,778,296	6,174,018	1,604,278
Diversity	2,029,010	1,841,264	187,746
Habitat	6,000,712	5,066,185	934,527
Wildlife Director's Office	3,483,750	3,363,576	120,174
Wildlife Operations	5,964,227	5,568,046	396,181
Wildlife Heritage Account	7,249,819	549,200	6,700,619
Wildlife Fund	30,097,087	14,954,637	15,142,450
Wildlife Habitat Enhancements	9,633,113	2,303,298	7,329,815
<b>Department of Conservation and Natural Resources</b>			
State Environmental Commission	137,059	75,078	61,981
Natural Resources Administration	1,031,201	875,291	155,910
Conservation and Natural Resources Gift	127,500	-	127,500
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Water Resources Legal Cost	2,996,730	171,025	2,825,705
Tahoe Regional Planning Agency	11,514,586	1,287,999	10,226,587
Conservation Districts	266,250	151,807	114,443
Cultural Resource Program	364,513	219,825	144,688
Historic Preservation and Archives	1,629,562	1,419,063	210,499
Comstock Historic District	152,087	145,697	6,390
Comstock Historical District Gifts	85,731	33,881	51,850
Parks Federal Grant Programs	5,067,714	1,322,341	3,745,373
State Parks	12,941,065	9,799,340	3,141,725
State Parks Interpretive and Educational Program	773,244	510,210	263,034
Maintenance of State Parks	2,304,736	229,156	2,075,580
State Parks Facility and Grounds Maintenance	14,955,110	25,547	14,929,563
Coyote Springs Groundwater Basin	38,868	4,986	33,882
Flood Control Revenue Fund	252,517	536	251,981
USGS Co-Op	865,551	745,254	120,297
Groundwater Recharge Projects	334,150	35,174	298,976
Water Right Surveyors	67,121	3,894	63,227
Well Driller's Licenses	72,357	41,219	31,138
Water Resources	5,776,238	5,254,122	522,116
Water Resources Cooperative Project	977,039	298,409	678,630
State Engineer Revenue	255,086	88,501	166,585
Little Humboldt River	163,738	44,805	118,933
Quinn River Distribution	48,543	4,829	43,714
Water Studies	277,000	-	277,000
Adjudication Emergency	16,000	292	15,708
Steptoe Valley Water Basin	21,446	12,815	8,631
Diamond Valley Ground Water	36,225	24,486	11,739
Lake Valley Ground Water Basin	27,605	1,912	25,693
Middle Reese River Ground Water Basin	26,904	3,680	23,224
Dixie Creek/10 Mi Ground Water	18,883	3,069	15,814
Churchill Valley Ground Water	14,367	4,692	9,675
Colorado River Valley	17,489	62	17,427
Washoe Valley Ground Water	11,489	3,140	8,349
Amargosa Valley Ground Water	18,011	3,946	14,065
Las Vegas Basin Water District	3,735,851	1,151,114	2,584,737
Muddy River Surface Water	30,136	12,492	17,644
Pahrnagat Lake	64,464	42,760	21,704



	Final Budget	Actual	Variance
Pahrump Artesian Basin	\$ 171,454	\$ 35,603	\$ 135,851
Boulder Flat Ground Water	113,417	9,526	103,891
Dayton Valley Ground Water	27,195	10,066	17,129
Mason Valley Ground Water	128,954	27,621	101,333
Humboldt Water District	465,322	209,134	256,188
Water District Revenue Fund	30,000	10,000	20,000
Smith Valley Artesian Basin	49,249	20,054	29,195
Currant Creek	5,251	-	5,251
Duckwater Creek	41,786	11,663	30,123
Paradise Valley Ground Water	32,393	12,883	19,510
Upper White River	13,583	1,475	12,108
Muddy River Springs	18,433	3,151	15,282
Kingston Creek	3,785	1,917	1,868
Warm Springs/Winnemucca Creek	14,407	1,736	12,671
Eagle Valley	65,340	11,121	54,219
Carson Valley Ground Water	51,596	13,200	38,396
Fish Lake Valley Artesian	26,722	13,531	13,191
Carico Creek	443	-	443
Lemmon Valley	46,418	7,054	39,364
Truckee Meadows/Sun Valley	104,993	34,388	70,605
Antelope Middle Reese River	15,345	3,385	11,960
Warm Springs Ground Water	31,709	7,986	23,723
Lower Moapa Valley Groundwater	10,092	528	9,564
Honey Lake Valley	18,981	319	18,662
Whirlwind Valley	12,865	290	12,575
Crescent Water Groundwater	27,551	6,112	21,439
Clovers Area Groundwater	39,575	7,997	31,578
Cold Springs Valley	24,718	1,383	23,335
Imlay Ground Water	22,152	13,870	8,282
Kelly Creek Ground Water	34,732	4,580	30,152
Lower Reese River Valley	34,141	6,755	27,386
Maggie Creek	49,153	9,233	39,920
North Fork Ground Water	27,524	5,593	21,931
Pleasant Valley	5,596	1,993	3,603
Forestry	20,160,591	9,592,507	10,568,084
Forest Fire Suppression/Emergency Response	13,057,562	7,724,583	5,332,979
Forestry Conservation Camps	11,275,184	8,122,335	3,152,849
Forestry Inter-Gov Agreements	4,509,298	3,853,079	656,219
Tahoe License Plates	1,981,440	397,981	1,583,459
Nevada Tahoe Regional Planning Agency	1,371	379	992
State Lands	1,812,865	1,442,295	370,570
State Lands Revolving Account	90,100	15,353	74,747
Tahoe Bond Sale	1,246,793	58,739	1,188,054
Tahoe Mitigation	2,760,591	60,723	2,699,868
Nevada Natural Heritage	1,329,143	886,185	442,958
AB9/Q1 Bonds	13,626,147	3,734,366	9,891,781
Storage Tank Management	328,526	-	328,526
Environmental Protection Administration	6,636,753	6,099,619	537,134
Chemical Hazard Prevention	1,230,627	560,962	669,665
Reclamation Surety Account	4,792,518	-	4,792,518
Air Quality Management Account	12,133,077	2,321,606	9,811,471
Air Quality	8,929,849	6,374,996	2,554,853
Bureau of Water	6,990,880	3,551,149	3,439,731
Water Quality Planning	10,024,942	4,052,658	5,972,284
Safe Drinking Water Regulatory Program	3,551,012	2,302,301	1,248,711
Bureau of Waste Management and Corrective Actions	15,576,659	10,093,759	5,482,900

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

## All General Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2013

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	Final Budget	Actual	Variance
Mining Regulation/Reclamation	\$ 6,236,672	\$ 2,304,762	\$ 3,931,910
Interim Fluid Management Trust	1,288,186	-	1,288,186
Hazardous Waste Management	18,468,268	4,725,534	13,742,734
Hazardous Waste - Beatty Site	11,692,406	1,123,668	10,568,738
Water Planning - Capital Improvement	323,427	30,636	292,791
	<u>337,534,477</u>	<u>157,761,436</u>	<u>179,773,041</u>
<b>Special Purpose Agencies</b>			
<b>Office of Veterans' Services</b>			
Office of Veterans' Services	2,963,180	2,782,431	180,749
Veterans' Home Account	19,427,373	15,623,210	3,804,163
Veterans' Gifts and Donations	302,813	65,909	236,904
Veterans' Home Donation	55,880	20,513	35,367
Gift Account for Veterans	1,588,689	646,761	941,928
<b>Office of the Military</b>			
Military	21,795,178	17,574,832	4,220,346
Military Emergency Operations Center	436,038	298,442	137,596
Military Carlin Armory	1,032,988	922,139	110,849
Adjutant General Construction	6,659	373	6,286
National Guard Benefits	73,618	67,338	6,280
Patriot Relief Account	367,646	89,255	278,391
<b>Silver State Health Insurance Exchange Admin</b>	72,099,580	28,404,421	43,695,159
<b>Deferred Compensation Committee</b>	482,135	286,550	195,585
<b>Civil Air Patrol</b>	72,747	28,902	43,845
	<u>120,704,524</u>	<u>66,811,076</u>	<u>53,893,448</u>
<b>Appropriated Transfers to Other Funds</b>			
Legislative Fund	47,747,339	47,747,339	-
Attorney General Fund - Consumer Advocate	1,132,373	1,132,373	-
Highway Fund	15,305	15,305	-
Healthy Nevada Fund	43,396	43,396	-
Capital Project Funds	3,500,000	3,500,000	-
	<u>52,438,413</u>	<u>52,438,413</u>	<u>-</u>
<b>Reversions to Other Funds</b>			
Reversion to Highway Fund	-	261,573	(261,573)
Reversion to Stabilization Fund	-	34,296	(34,296)
Reversion to Workers' Comp and Safety Fund	-	697,938	(697,938)
Reversion to Consolidated Bond Interest and Redemption Fund	-	36,780	(36,780)
Reversion to Tourism Promotion Fund	-	232,100	(232,100)
Reversion to Attorney General Special Fund	-	1,955	(1,955)
Reversion to Employment Security Fund	-	1,500	(1,500)
	-	<u>1,266,142</u>	<u>(1,266,142)</u>
<b>Projected Reversions</b>			
	<u>(133,474,855)</u>	<u>-</u>	<u>(133,474,855)</u>
Total General Fund	<u>\$ 7,627,184,640</u>	<u>\$ 6,798,383,412</u>	<u>\$ 828,801,228</u>



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

## All Special Revenue Fund Budgets



NEVADA

For the Fiscal Year Ended June 30, 2013

Page 1 of 3

	Final Budget	Actual	Variance
<b>State Highway</b>			
<b>Finance and Administration</b>			
Unbudgeted Activity	\$ -	\$ 389,664	\$ (389,664)
Appropriations to Other Funds	4,500,003	4,500,003	-
<b>Infrastructure</b>			
Transportation Administration	804,531,669	637,015,784	167,515,885
Aviation Trust Fund	62,602	23,950	38,652
AB 595 Revenue Rental Car Tax	31,716	10,552	21,164
AB 595 Revenue Clark Co.	40,300,000	19,276,221	21,023,779
AB 595 Revenue Washoe Co.	4,081,010	3,470,357	610,653
NDOT - SB 5 RTC Public Road Project	17,113,173	770,740	16,342,433
System of Providing Information to the Traveling Public	376,024	141,357	234,667
<b>Public Safety</b>			
Director's Office - Public Safety	2,802,225	2,712,258	89,967
Internal Affairs	588,533	587,053	1,480
Records Search	6,020,739	5,867,501	153,238
Highway Patrol	81,235,788	66,842,711	14,393,077
DMV Motor Vehicle Information Technology	9,189,304	7,690,594	1,498,710
Motor Carrier	4,184,122	3,562,655	621,467
PS Highway Safety Grants Account	2,345,444	2,004,986	340,458
Emergency Response Commission	2,813,142	1,129,222	1,683,920
Verification of Insurance	3,879,227	2,374,789	1,504,438
Hearings - DMV and PS	1,190,946	1,128,722	62,224
Special Plates Trust Account	1,913,102	168,042	1,745,060
Salvage Titles Trust Account	291,992	190,851	101,141
Public Safety Technology Division	6,405,400	5,819,925	585,475
DMV Field Services	43,410,011	37,984,307	5,425,704
Forfeitures	2,348	-	2,348
Compliance Enforcement	4,710,710	4,101,750	608,960
Central Services	12,592,067	10,734,148	1,857,919
Evidence Vault	578,224	521,535	56,689
Management Services	1,346,597	1,184,868	161,729
Director's Office - DMV	5,651,194	4,045,978	1,605,216
DMV Real ID	846,682	404,978	441,704
Administrative Services	13,878,070	11,127,719	2,750,351
<b>Debt Service Transfers</b>			
Debt Service	79,788,340	79,788,340	-
<b>Projected Reversions</b>	(114,978,680)	-	(114,978,680)
<b>Total</b>	<b>1,041,681,724</b>	<b>915,571,560</b>	<b>126,110,164</b>
<b>Municipal Bond Bank</b>			
<b>Elected Officials</b>			
Municipal Bond Bank Revenue	28,897,053	17,106,802	11,790,251
<b>Total</b>	<b>28,897,053</b>	<b>17,106,802</b>	<b>11,790,251</b>
<b>Employment Security</b>			
<b>Human Services</b>			
Employment Security	142,623,663	123,218,991	19,404,672
Employment Security Special Fund	19,217,540	9,214,441	10,003,099
<b>Total</b>	<b>161,841,203</b>	<b>132,433,432</b>	<b>29,407,771</b>
<b>Regulatory</b>			
<b>Commerce and Industry</b>			
Manufactured Housing	1,433,125	726,335	706,790
Real Estate Education and Research	1,928,283	547,453	1,380,830
Real Estate Recovery	1,203,414	792,825	410,589
Mobile Home Parks	350,242	140,957	209,285
Mfg Housing-Education/Recovery	279,739	45,944	233,795
Regulatory Fund	13,278,105	10,440,500	2,837,605
Administrative Fines	100,000	91,223	8,777
Taxicab Authority	9,901,392	5,173,381	4,728,011
Dairy Commission	1,913,048	1,230,100	682,948
<b>Total</b>	<b>30,387,348</b>	<b>19,188,718</b>	<b>11,198,630</b>

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

## All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2013

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	Final Budget	Actual	Variance
<b>Higher Education Capital Construction</b>			
<b>Finance and Administration</b>			
Higher Education Capital Construction	\$ 5,000,000	\$ 5,000,000	\$ -
Higher Education Special Construction	9,191,700	9,191,700	-
<b>Total</b>	<b>14,191,700</b>	<b>14,191,700</b>	<b>-</b>
<b>Cleaning Up Petroleum Discharges</b>			
<b>Infrastructure</b>			
Petroleum Clean-Up Trust Fund	21,754,596	13,173,931	8,580,665
<b>Total</b>	<b>21,754,596</b>	<b>13,173,931</b>	<b>8,580,665</b>
<b>Hospital Care to Indigent Persons</b>			
<b>Finance and Administration</b>			
Supplemental Fund - Indigents	21,594,757	21,059,334	535,423
<b>Total</b>	<b>21,594,757</b>	<b>21,059,334</b>	<b>535,423</b>
<b>Tourism Promotion</b>			
<b>Commerce and Industry</b>			
Tourism Development	226,441	197,048	29,393
Commission on Tourism	22,555,526	18,435,451	4,120,075
<b>Total</b>	<b>22,781,967</b>	<b>18,632,499</b>	<b>4,149,468</b>
<b>Offenders' Store</b>			
<b>Public Safety</b>			
Offenders' Store Fund	17,717,818	14,555,588	3,162,230
Inmate Welfare Account	4,664,569	3,931,190	733,379
<b>Total</b>	<b>22,382,387</b>	<b>18,486,778</b>	<b>3,895,609</b>
<b>Tobacco Settlement</b>			
<b>Elected Officials</b>			
Millennium Scholarship Fund	41,946,473	23,068,359	18,878,114
Millennium Scholarship Administration	408,679	359,932	48,747
Guinn Memorial Millennium Scholarship Fund	436,483	4,500	431,983
Trust Fund for Healthy Nevada	64,528,163	18,111,037	46,417,126
Attorney General MSA Admin	742,720	548,193	194,527
<b>Human Services</b>			
Healthy Nevada Fund	5,435,811	5,335,924	99,887
Senior RX and Disability RX	6,336,031	2,711,470	3,624,561
Healthy Nevada Fund Administration	7,469,029	7,038,606	430,423
<b>Total</b>	<b>127,303,389</b>	<b>57,178,021</b>	<b>70,125,368</b>
<b>Attorney General Settlement</b>			
<b>Public Safety</b>			
National Settlement Administration	87,928,256	3,042,042	84,886,214
<b>Total</b>	<b>87,928,256</b>	<b>3,042,042</b>	<b>84,886,214</b>
<b>Gift</b>			
<b>Education</b>			
Education Gift Fund	28,276	-	28,276
Library and Archives Gift Fund	544,196	3,641	540,555
<b>Human Services</b>			
RRC Gift Fund	47,711	35,078	12,633
SNAMHS Gift Fund	28,918	-	28,918
Health Division Gifts	55,444	16,499	38,945
Transition from Foster Care	1,947,752	911,225	1,036,527
Aging Services Gift	43,587	2,802	40,785
Disability Services Gift	18,152	16,903	1,249
CBS Washoe Gift Fund	25,088	2,617	22,471
Indian Commission Gift Acct	36,384	5,741	30,643
Hospital Gift Fund	250,592	20,552	230,040
NNMRS Gift Fund	9,750	-	9,750
NV Equal Rights Commission Gift Fund	10,989	1,627	9,362



NEVADA

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	Final Budget	Actual	Variance
Blind Gift Fund	\$ 162,908	\$ 110	\$ 162,798
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	26,281	550	25,731
Henry Woods Christmas Fund	945	700	245
Nevada Children's Gift Account	568,172	2,212	565,960
CYC Gift Fund	4,767	1,319	3,448
Youth Training Center Gift Fund	39,145	927	38,218
DRC Gift Fund	7,669	70	7,599
<b>Infrastructure</b>			
Wildlife Trust Account	690,614	372,330	318,284
Park Gift and Grants	257,573	70,567	187,006
<b>Total</b>	<b>4,814,800</b>	<b>1,465,470</b>	<b>3,349,330</b>
<b>Natural Resources</b>			
<b>Infrastructure</b>			
Grants To Water Purveyors	648,544	226,914	421,630
Erosion Control Bond Q12	1,074,271	388,772	685,499
Protect Lake Tahoe	21,018,574	2,581,983	18,436,591
<b>Total</b>	<b>22,741,389</b>	<b>3,197,669</b>	<b>19,543,720</b>
<b>Miscellaneous</b>			
<b>Elected Officials</b>			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	6,439,646	4,021,346	2,418,300
Unfair Trade Practices	750,000	134,914	615,086
<b>Commerce and Industry</b>			
Lot Rent Trust Subsidy	562,129	359,691	202,438
<b>Education</b>			
Museums and History Board Trust	23,144	19,784	3,360
Museums Administrator Trust	32,324	3,056	29,268
Nevada Historical Society Trust	329,455	133,586	195,869
Nevada State Museum Trust	654,779	289,074	365,705
Nevada Railroad Museum Trust	456,228	285,803	170,425
Lost City Museum Trust	95,777	65,325	30,452
Las Vegas Museum and Trust	174,410	142,437	31,973
<b>Human Services</b>			
Radioactive Material Disposal	1,052,579	218,445	834,134
<b>Finance and Administration</b>			
Victims of Crime	14,161,755	6,824,478	7,337,277
<b>Total</b>	<b>24,732,351</b>	<b>12,497,939</b>	<b>12,234,412</b>
<b>Legislative (Non-GAAP Fund)</b>			
<b>Legislative Branch</b>			
Nevada Legislative Interim	613,477	589,434	24,043
Legislative Counsel Bureau	53,999,894	44,318,226	9,681,668
Audit Contingency Account	350,388	334,040	16,348
<b>Total</b>	<b>54,963,759</b>	<b>45,241,700</b>	<b>9,722,059</b>
<b>Total Special Revenue Funds</b>	<b>\$ 1,687,996,679</b>	<b>\$ 1,292,467,595</b>	<b>\$ 395,529,084</b>

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

## All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	<b>Employment Security</b>			<b>Regulatory</b>		
Fund balances, July 1	\$ 14,884,217	\$ 14,884,217	\$ -	\$ 8,968,431	\$ 8,968,431	\$ -
<b>Revenues:</b>						
Federal	106,496,116	93,159,995	(13,336,121)	624,237	726,693	102,456
Other taxes	-	-	-	11,067,634	10,663,431	(404,203)
Sales and charges for services	882,184	709,262	(172,922)	5,301,203	5,301,230	27
Licenses, fees and permits	360,000	305,484	(54,516)	2,999,133	2,727,214	(271,919)
Interest	125,000	21,952	(103,048)	30,462	19,515	(10,947)
Other	11,763,892	11,386,467	(377,425)	509,391	489,006	(20,385)
<b>Other financing sources:</b>						
Transfer from other funds	27,329,794	26,009,030	(1,320,764)	886,857	959,711	72,854
<b>Total sources</b>	<b>\$ 161,841,203</b>	<b>\$ 146,476,407</b>	<b>\$(15,364,796)</b>	<b>\$ 30,387,348</b>	<b>\$ 29,855,231</b>	<b>\$ (532,117)</b>
	<b>Higher Education Capital Construction</b>			<b>Cleaning Up Petroleum Discharges</b>		
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 7,504,596	\$ 7,504,596	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	14,110,206	14,110,206	-	-	-	-
Other taxes	-	-	-	13,500,000	12,749,289	(750,711)
Licenses, fees and permits	-	-	-	550,000	424,502	(125,498)
Interest	-	-	-	100,000	31,180	(68,820)
Other	-	-	-	100,000	-	(100,000)
<b>Total sources</b>	<b>\$ 14,110,206</b>	<b>\$ 14,110,206</b>	<b>\$ -</b>	<b>\$ 21,754,596</b>	<b>\$ 20,709,567</b>	<b>\$ (1,045,029)</b>
	<b>Hospital Care to Indigent Persons</b>			<b>Tourism Promotion</b>		
Fund balances, July 1	\$ 1,780,616	\$ 1,780,616	\$ -	\$ 4,898,283	\$ 4,898,283	\$ -
<b>Revenues:</b>						
Other taxes	19,707,594	19,707,594	-	17,662,545	17,645,471	(17,074)
Licenses, fees and permits	-	-	-	9,750	9,145	(605)
Interest	34,547	34,547	-	1,899	89	(1,810)
Other	72,000	72,000	-	9,490	6,742	(2,748)
<b>Other financing sources:</b>						
Transfer from other funds	-	-	-	200,000	432,100	232,100
<b>Total sources</b>	<b>\$ 21,594,757</b>	<b>\$ 21,594,757</b>	<b>\$ -</b>	<b>\$ 22,781,967</b>	<b>\$ 22,991,830</b>	<b>\$ 209,863</b>
	<b>Offenders' Store</b>			<b>Tobacco Settlement</b>		
Fund balances, July 1	\$ 2,719,640	\$ 2,719,640	\$ -	\$ 39,848,086	\$ 39,848,086	\$ -
<b>Revenues:</b>						
Sales, charges for services	15,056,582	14,806,767	(249,815)	-	-	-
Interest	85,558	18,671	(66,887)	55,190	53,478	(1,712)
Other	399,725	393,641	(6,084)	60,173,258	59,745,193	(428,065)
<b>Other financing sources:</b>						
Transfer from other funds	4,120,882	3,946,520	(174,362)	27,226,855	23,045,933	(4,180,922)
<b>Total sources</b>	<b>\$ 22,382,387</b>	<b>\$ 21,885,239</b>	<b>\$ (497,148)</b>	<b>\$127,303,389</b>	<b>\$122,692,690</b>	<b>\$ (4,610,699)</b>



NEVADA

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	<b>Attorney General Settlement</b>			<b>Gift</b>		
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 2,804,918	\$ 2,804,918	\$ -
<b>Revenues:</b>						
Licenses, fees and permits	-	-	-	1,091,252	997,950	(93,302)
Interest	559,826	340,860	(218,966)	50,347	8,843	(41,504)
Other	87,368,430	87,368,430	-	830,081	493,068	(337,013)
<b>Other financing sources:</b>						
Transfer from other funds	-	34,296	34,296	38,202	38,129	(73)
<b>Total sources</b>	<u>\$ 87,928,256</u>	<u>\$ 87,743,586</u>	<u>\$ (184,670)</u>	<u>\$ 4,814,800</u>	<u>\$ 4,342,908</u>	<u>\$ (471,892)</u>
	<b>Natural Resources</b>			<b>Miscellaneous</b>		
Fund balances, July 1	\$ 20,875,517	\$ 20,875,517	\$ -	\$ 9,158,397	\$ 9,158,397	\$ -
<b>Revenues:</b>						
Federal	973,125	378,786	(594,339)	3,150,169	3,173,045	22,876
Other taxes	-	-	-	2,846,501	2,239,866	(606,635)
Sales, charges for services	-	-	-	639,677	526,225	(113,452)
Licenses, fees and permits	-	-	-	5,549,649	4,771,301	(778,348)
Interest	226,303	120,228	(106,075)	25,620	28,841	3,221
Other	523,739	523,004	(735)	2,223,491	2,429,703	206,212
<b>Other financing sources:</b>						
Transfer from other funds	142,705	-	(142,705)	1,138,847	1,132,373	(6,474)
<b>Total sources</b>	<u>\$ 22,741,389</u>	<u>\$ 21,897,535</u>	<u>\$ (843,854)</u>	<u>\$ 24,732,351</u>	<u>\$ 23,459,751</u>	<u>\$ (1,272,600)</u>
	<b>Legislative (Non-GAAP Fund)</b>			<b>Total Nonmajor Special Revenue Funds</b>		
Fund balances, July 1	\$ 5,883,750	\$ 5,883,750	\$ -	\$119,326,451	\$119,326,451	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-	-	-	14,110,206	14,110,206	-
Federal	-	-	-	111,243,647	97,438,519	(13,805,128)
Other taxes	-	-	-	64,784,274	63,005,651	(1,778,623)
Sales, charges for services	384,278	382,143	(2,135)	22,263,924	21,725,627	(538,297)
Licenses, fees and permits	195,000	120,430	(74,570)	10,754,784	9,356,026	(1,398,758)
Interest	-	-	-	1,294,752	678,204	(616,548)
Other	316,837	351,698	34,861	164,290,334	163,258,952	(1,031,382)
<b>Other financing sources:</b>						
Transfer from other funds	431,555	48,171,144	47,739,589	61,515,697	103,769,236	42,253,539
<b>Total sources</b>	<u>\$ 7,211,420</u>	<u>\$ 54,909,165</u>	<u>\$ 47,697,745</u>	<u>\$569,584,069</u>	<u>\$592,668,872</u>	<u>\$23,084,803</u>





Lander County, Nevada, was named after Frederick W. Lander, chief engineer of a federal wagon route through the area in 1857. He also served as Special Indian Agent in the Nevada Territory.

# NONMAJOR ENTERPRISE FUNDS

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

**Insurance Examination** Accounts for residual activities related to examinations of financial records and assets of authorized insurers, which is now accounted for in the Insurance Administration and Enforcement fund (NRS 679B.300).

**Insurance Administration and Enforcement** Accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance (NRS 680C.100).

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

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

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

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

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

# Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2013

	Workers' Compensation and Safety	Insurance Examination	Insurance Admin and Enforcement	Gaming Investigative
<b>Assets</b>				
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 31,178,535	\$ 44,457	\$ 5,197,265	\$ 13,507,676
Cash in custody of other officials	250	-	-	220,479
<i>Receivables:</i>				
Accounts receivable	872,707	-	118,117	138,072
Assessments receivable	-	-	250	-
Intergovernmental receivables	812,622	-	65,321	-
Due from other funds	1,056,965	-	74,659	125
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	16,401
<b>Total current assets</b>	<b>33,921,079</b>	<b>44,457</b>	<b>5,455,612</b>	<b>13,882,753</b>
<b>Noncurrent assets:</b>				
<i>Receivables:</i>				
Deferred charges	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,472,347	-	214,966	163,726
Construction in progress	-	-	-	-
Less accumulated depreciation	(2,104,188)	-	(87,568)	(163,062)
<b>Total noncurrent assets</b>	<b>368,159</b>	<b>-</b>	<b>127,398</b>	<b>664</b>
<b>Total assets</b>	<b>34,289,238</b>	<b>44,457</b>	<b>5,583,010</b>	<b>13,883,417</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	650,053	44,457	218,200	10,575
Accrued payroll and related liabilities	681,763	-	278,315	-
Interest payable	-	-	-	-
Intergovernmental payables	130,999	-	-	224
Due to other funds	303,320	-	17,577	1,605,738
Due to fiduciary funds	66	-	-	-
Due to component units	485	-	-	-
Unearned revenues	-	-	-	12,014,216
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	704,419	-	255,014	-
Bonds payable	-	-	-	-
<b>Total current liabilities</b>	<b>2,471,105</b>	<b>44,457</b>	<b>769,106</b>	<b>13,630,753</b>
<b>Noncurrent liabilities:</b>				
Advances from general fund	-	-	-	-
Compensated absences	412,034	-	103,753	-
Bonds payable	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>412,034</b>	<b>-</b>	<b>103,753</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,883,139</b>	<b>44,457</b>	<b>872,859</b>	<b>13,630,753</b>
<b>Net Position</b>				
Net investment in capital assets	368,159	-	127,398	664
Restricted for workers' compensation	31,037,940	-	-	-
Restricted for regulation of business	-	-	-	2,000
Unrestricted (deficit)	-	-	4,582,753	250,000
<b>Total net position</b>	<b>\$ 31,406,099</b>	<b>\$ -</b>	<b>\$ 4,710,151</b>	<b>\$ 252,664</b>





NEVADA

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 233,646 100	\$ 1,641,225 100	\$ 215,452 -	\$ 1,014,904 -	\$ 53,033,160 220,929
53,743	780,380	103,540	-	2,066,559
-	-	-	-	250
-	270,263	-	178,671	1,326,877
10,828	119,440	8,918	695	1,271,630
-	3,481	-	-	3,481
213,731	1,242,290	4,969	-	1,460,990
-	-	8,944	-	25,345
512,048	4,057,179	341,823	1,194,270	59,409,221
-	-	-	219,520	219,520
-	15,000	-	-	15,000
-	153,140	-	414,672	567,812
-	2,890,227	-	498,613	3,388,840
-	-	-	630,647	630,647
78,561	1,035,563	-	1,495,195	5,460,358
-	-	-	10,122,142	10,122,142
(78,561)	(3,272,189)	-	(2,474,238)	(8,179,806)
-	821,741	-	10,906,551	12,224,513
512,048	4,878,920	341,823	12,100,821	71,633,734
687	98,924	47,862	3,635	1,074,393
5,113	67,855	27,809	7,639	1,068,494
-	-	-	41,473	41,473
-	-	32	228	131,483
21,260	31,327	1,302	4,956	1,985,480
302	165,725	-	-	166,093
-	-	-	-	485
-	241,843	158,681	-	12,414,740
-	9,459	-	2,050	11,509
1,474	92,834	19,628	11,847	1,085,216
-	-	-	163,600	163,600
28,836	707,967	255,314	235,428	18,142,966
268,710	-	-	-	268,710
351	87,458	4,676	5,690	613,962
-	-	-	8,885,879	8,885,879
269,061	87,458	4,676	8,891,569	9,768,551
297,897	795,425	259,990	9,126,997	27,911,517
-	806,741	-	1,637,552	2,940,514
-	-	-	-	31,037,940
-	-	-	-	2,000
214,151	3,276,754	81,833	1,336,272	9,741,763
\$ 214,151	\$ 4,083,495	\$ 81,833	\$ 2,973,824	\$ 43,722,217

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

For the Fiscal Year Ended June 30, 2013

	Workers' Compensation and Safety	Insurance Examination	Insurance Admin and Enforcement	Gaming Investigative
<b>Operating Revenues</b>				
Sales	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	211,929	-
Charges for services	-	-	5,638	15,015,804
Rental income	-	-	-	-
Licenses, fees and permits	31,175,966	-	9,504,749	-
Fines	2,912,833	-	67,150	-
Other	220,012	-	-	-
<b>Total operating revenues</b>	<b>34,308,811</b>	<b>-</b>	<b>9,789,466</b>	<b>15,015,804</b>
<b>Operating Expenses</b>				
Salaries and benefits	13,887,009	-	5,419,378	11,638,960
Operating	4,725,548	-	3,987,787	1,774,604
Claims and benefits expense	9,926,008	-	-	-
Materials or supplies used	-	-	-	-
Depreciation	191,745	-	20,345	11,817
<b>Total operating expenses</b>	<b>28,730,310</b>	<b>-</b>	<b>9,427,510</b>	<b>13,425,381</b>
Operating income (loss)	5,578,501	-	361,956	1,590,423
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	(113,183)	-	(44,654)	-
Interest expense	(42)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,483,029	-	420,669	-
Gain (loss) on disposal/sale of assets	13,579	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,383,383</b>	<b>-</b>	<b>376,015</b>	<b>-</b>
Income (loss) before capital contributions and transfers	7,961,884	-	737,971	1,590,423
<b>Capital Contributions and Transfers</b>				
Capital contributions	-	-	127,820	-
Transfers in	178,156	-	4,983,866	-
Transfers out	(10,198,516)	(453,534)	(1,139,506)	(1,602,245)
Change in net position	(2,058,476)	(453,534)	4,710,151	(11,822)
Net position, July 1	33,464,575	453,534	-	264,486
<b>Net position, June 30</b>	<b>\$ 31,406,099</b>	<b>\$ -</b>	<b>\$ 4,710,151</b>	<b>\$ 252,664</b>





NEVADA

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 964,690	\$ 4,206,715	\$ 1,109,955	\$ 581,953	\$ 6,863,313
-	-	-	-	211,929
-	524,846	-	-	15,546,288
-	80,880	-	-	80,880
-	-	-	-	40,680,715
-	-	-	-	2,979,983
26,031	115,880	6,884	144,415	513,222
990,721	4,928,321	1,116,839	726,368	66,876,330
58,573	1,479,569	526,957	170,743	33,181,189
52,184	2,478,821	167,337	203,598	13,389,879
-	-	-	-	9,926,008
709,501	2,503,002	320,295	-	3,532,798
-	116,553	-	31,694	372,154
820,258	6,577,945	1,014,589	406,035	60,402,028
170,463	(1,649,624)	102,250	320,333	6,474,302
-	1,390	-	-	(156,447)
-	-	-	(428,172)	(428,214)
-	-	-	(18,890)	(18,890)
10,725	1,933,746	-	-	4,848,169
-	-	-	2,000	15,579
10,725	1,935,136	-	(445,062)	4,260,197
181,188	285,512	102,250	(124,729)	10,734,499
-	-	-	-	127,820
-	-	-	-	5,162,022
-	(32,167)	-	-	(13,425,968)
181,188	253,345	102,250	(124,729)	2,598,373
32,963	3,830,150	(20,417)	3,098,553	41,123,844
\$ 214,151	\$ 4,083,495	\$ 81,833	\$ 2,973,824	\$ 43,722,217

# Combining Statement of Cash Flows

## Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2013

	Workers' Compensation and Safety	Insurance Examination	Insurance Admin and Enforcement	Gaming Investigative
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 35,904,515	\$ 56,476	\$ 8,283,142	\$ 15,836,212
Receipts for interfund services provided	162,150	-	1,327,325	-
Payments to suppliers, other governments and beneficiaries	(10,847,047)	(105,629)	(1,126,880)	(1,897,384)
Payments to employees	(13,840,389)	(21,564)	(4,782,296)	(11,638,960)
Payments for interfund services used	(3,475,342)	(277,905)	(2,625,131)	(38,253)
Payments to component units	(54,275)	-	-	-
Net cash provided by (used for) operating activities	7,849,612	(348,622)	1,076,160	2,261,615
<b>Cash flows from noncapital financing activities</b>				
Grant receipts	1,905,564	-	355,348	-
Transfers and advances from other funds	178,156	-	4,972,838	-
Transfers and advances to other funds	(10,244,497)	(442,506)	(1,139,506)	(1,574,865)
Net cash provided by (used for) noncapital financing activities	(8,160,777)	(442,506)	4,188,680	(1,574,865)
<b>Cash flows from capital and related financing activities</b>				
Proceeds from capital debt	-	-	-	-
Proceeds from sale of capital assets	13,579	-	-	-
Purchase of capital assets	(125,892)	-	(8,894)	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(112,313)	-	(8,894)	-
<b>Cash flows from investing activities</b>				
Interest, dividends and gains (losses)	(181,370)	-	(58,681)	-
Net cash provided by (used for) investing activities	(181,370)	-	(58,681)	-
Net increase (decrease) in cash	(604,848)	(791,128)	5,197,265	686,750
Cash and cash equivalents, July 1	31,783,633	835,585	-	13,041,405
<b>Cash and cash equivalents, June 30</b>	<b>\$ 31,178,785</b>	<b>\$ 44,457</b>	<b>\$ 5,197,265</b>	<b>\$ 13,728,155</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 5,578,501	\$ -	\$ 361,956	\$ 1,590,423
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	191,745	-	20,344	11,818
Decrease (increase) in accrued interest and receivables	1,757,854	56,476	(178,999)	(33,871)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	14,844
Increase (decrease) in accounts payable, accruals, other liabilities	321,512	(405,098)	872,859	678,401
Total adjustments	2,271,111	(348,622)	714,204	671,192
Net cash provided by (used for) operating activities	\$ 7,849,612	\$ (348,622)	\$ 1,076,160	\$ 2,261,615
<b>Noncash investing, capital and financing activities</b>				
Transfer of capital assets	\$ -	\$ (11,028)	\$ 11,028	\$ -
Capital contribution	-	-	127,820	-



NEVADA

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 154,716	\$ 2,978,274	\$ 745,082	\$ 592,877	\$ 64,551,294
827,602	1,922,190	313,095	-	4,552,362
(757,250)	(2,962,730)	(439,258)	(191,217)	(18,327,395)
(65,259)	(1,494,086)	(541,126)	(163,135)	(32,546,815)
(23,861)	(1,798,080)	(43,091)	(62,325)	(8,343,988)
-	-	-	(3,020)	(57,295)
135,948	(1,354,432)	34,702	173,180	9,828,163
16,448	1,777,552	-	-	4,054,912
-	-	-	-	5,150,994
-	(32,167)	-	-	(13,433,541)
16,448	1,745,385	-	-	(4,227,635)
-	-	-	800,000	800,000
-	-	-	2,000	15,579
-	-	-	-	(134,786)
(41,340)	-	-	(940,000)	(981,340)
-	-	-	(446,854)	(446,854)
-	-	-	(1,511,356)	(1,511,356)
(41,340)	-	-	(2,096,210)	(2,258,757)
-	315	-	-	(239,736)
-	315	-	-	(239,736)
111,056	391,268	34,702	(1,923,030)	3,102,035
122,690	1,250,057	180,750	2,937,934	50,152,054
\$ 233,746	\$ 1,641,325	\$ 215,452	\$ 1,014,904	\$ 53,254,089
\$ 170,463	\$ (1,649,624)	\$ 102,250	\$ 320,333	\$ 6,474,302
-	116,553	-	31,694	372,154
(8,403)	(14,531)	(47,629)	(133,491)	1,397,406
(19,167)	116,178	117	-	111,972
(6,945)	76,992	(20,036)	(45,356)	1,472,329
(34,515)	295,192	(67,548)	(147,153)	3,353,861
\$ 135,948	\$ (1,354,432)	\$ 34,702	\$ 173,180	\$ 9,828,163
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	127,820



(Above) Curtis Shaft, Savage Mine, Virginia City.

The boom of the Comstock Mining District, beginning in 1859, brought hundreds and then thousands of settlers into the area.

(Below) Virginia City, Miners in cage.

Pictures Courtesy of Nevada Historical Society



# 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 378.143).

**Insurance Premiums** Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

**Administrative Services** Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

**Personnel** Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

**Purchasing** Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

**Information Services** Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

**Printing** Accounts for the operation of the State printing facilities (NRS 344.090).



# Combining Statement of Net Position Internal Service Funds

June 30, 2013

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Assets</b>				
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 168,750,024	\$ 4,628,827	\$ 707,226	\$ 525,040
Cash in custody of other officials	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	646,507	13,324	21,402	-
Intergovernmental receivables	684,797	-	893	4,825
Notes receivable	-	-	-	-
Due from other funds	595,305	381,789	304,673	608,218
Due from fiduciary funds	2,735,621	-	32	-
Due from component units	35,514	-	13,702	225
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total current assets</b>	<b>173,447,768</b>	<b>5,023,940</b>	<b>1,047,928</b>	<b>1,138,308</b>
<b>Noncurrent assets:</b>				
Notes receivable	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	-	-
Buildings	-	2,268,068	873,792	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	350,524	644,050	14,064,227	1,069,669
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(282,755)	(2,048,378)	(12,716,094)	(1,112,157)
<b>Total noncurrent assets</b>	<b>67,769</b>	<b>1,175,356</b>	<b>2,221,925</b>	<b>379,963</b>
<b>Total assets</b>	<b>173,515,537</b>	<b>6,199,296</b>	<b>3,269,853</b>	<b>1,518,271</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,602,806	872,719	311,598	2,257
Accrued payroll and related liabilities	103,757	337,621	34,242	41,870
Intergovernmental payables	-	163,479	617	206,857
Bank overdraft	10,012,384	-	-	-
Due to other funds	15,956	61,093	65,284	18,609
Due to fiduciary funds	-	4,958	1,460	-
Due to component units	-	-	-	-
Unearned revenues	21,350,447	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	44,891,397	-	-	-
Compensated absences	130,979	357,764	40,729	55,254
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total current liabilities</b>	<b>78,107,726</b>	<b>1,797,634</b>	<b>453,930</b>	<b>324,847</b>
<b>Noncurrent liabilities:</b>				
<i>Advances:</i>				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	80,110	157,710	40,109	46,982
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>80,110</b>	<b>157,710</b>	<b>40,109</b>	<b>46,982</b>
<b>Total liabilities</b>	<b>78,187,836</b>	<b>1,955,344</b>	<b>494,039</b>	<b>371,829</b>
<b>Net Position</b>				
Net investment in capital assets	67,769	1,175,356	2,221,925	379,963
Unrestricted (deficit)	95,259,932	3,068,596	553,889	766,479
<b>Total net position</b>	<b>\$ 95,327,701</b>	<b>\$ 4,243,952</b>	<b>\$ 2,775,814</b>	<b>\$ 1,146,442</b>



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 10,015,685	\$ 562,765	\$ 1,856,899	\$ 423,892	\$ 3,023,882	\$ 1,249,190	\$ 191,743,430
-	-	-	-	100	-	100
10,821	-	3,070	7,100	80,392	51,958	834,574
-	-	-	50	69,618	-	760,183
5,000	-	-	-	-	-	5,000
1,028,450	-	60,854	4,956	2,180,011	353,383	5,517,639
-	-	-	-	-	-	2,735,653
-	-	-	-	3,634	16	53,091
-	-	-	-	-	299,732	299,732
66,667	-	6,700	-	-	-	73,367
11,126,623	562,765	1,927,523	435,998	5,357,637	1,954,279	202,022,769
90,000	-	-	-	-	-	90,000
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	14,762,838	744,617	18,789,315
-	-	-	-	-	3,125,954	3,839,621
36,877	59,699	268,238	173,845	26,392,840	3,914,955	46,974,924
-	-	15,323,810	-	-	-	15,323,810
(31,248)	(57,365)	(15,548,820)	(311,108)	(28,383,490)	(4,665,507)	(65,156,922)
95,629	2,334	43,228	98,291	12,787,188	3,120,019	19,991,702
11,222,252	565,099	1,970,751	534,289	18,144,825	5,074,298	222,014,471
592,300	900	59,289	9,732	491,101	-	3,942,702
33,694	106,005	230,049	91,691	525,508	90,877	1,595,314
-	-	124,718	-	1,977	-	497,648
-	-	-	-	-	-	10,012,384
9,962	6,202	302,673	111,732	595,054	288,848	1,475,413
-	-	-	-	-	6,286	12,704
32,240	-	4,500	316	916	-	37,972
-	-	-	-	-	-	21,350,447
16,675,296	-	-	-	-	-	61,566,693
33,658	121,350	267,542	120,004	783,963	63,403	1,974,646
-	-	-	-	513,323	-	513,323
-	-	-	-	114,034	-	114,034
17,377,150	234,457	988,771	333,475	3,025,876	449,414	103,093,280
-	-	202,988	-	595,714	-	798,702
-	-	-	-	1,054,456	-	1,054,456
49,963,596	-	-	-	-	-	49,963,596
15,419	70,714	198,279	110,994	556,850	60,800	1,337,967
-	-	-	-	5,762,895	-	5,762,895
-	-	-	-	133,886	-	133,886
49,979,015	70,714	401,267	110,994	8,103,801	60,800	59,051,502
67,356,165	305,171	1,390,038	444,469	11,129,677	510,214	162,144,782
5,629	2,334	43,228	98,291	6,414,263	3,120,019	13,528,777
(56,139,542)	257,594	537,485	(8,471)	600,885	1,444,065	46,340,912
\$ (56,133,913)	\$ 259,928	\$ 580,713	\$ 89,820	\$ 7,015,148	\$ 4,564,084	\$ 59,869,689

# Combining Statement of Revenues, Expenses and Changes in Fund Net Position

## Internal Service Funds

For the Fiscal Year Ended June 30, 2013

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Operating Revenues</b>				
Net premium income	\$ 325,571,002	\$ -	\$ -	\$ -
Sales	-	-	-	-
Charges for services	-	1,104,808	69,380	6,386,596
Rental income	-	14,976,840	3,228,037	-
Other	(67,587)	29,654	1,077	-
<b>Total operating revenues</b>	<b>325,503,415</b>	<b>16,111,302</b>	<b>3,298,494</b>	<b>6,386,596</b>
<b>Operating Expenses</b>				
Salaries and benefits	2,141,817	5,883,204	781,472	1,020,774
Operating	2,849,885	9,239,279	2,086,469	5,415,434
Claims expense	188,784,712	-	-	-
Materials or supplies used	-	-	610,996	-
Depreciation	30,059	117,414	964,474	71,734
Amortization	-	-	-	-
Insurance premiums	119,840,595	-	-	-
<b>Total operating expenses</b>	<b>313,647,068</b>	<b>15,239,897</b>	<b>4,443,411</b>	<b>6,507,942</b>
Operating income (loss)	11,856,347	871,405	(1,144,917)	(121,346)
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	177,745	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	(38,884)	112,859	-
<b>Total nonoperating revenues</b>				
<b>(expenses)</b>	<b>177,745</b>	<b>(38,884)</b>	<b>112,859</b>	<b>-</b>
Income (loss) before transfers	12,034,092	832,521	(1,032,058)	(121,346)
<b>Transfers</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	12,034,092	832,521	(1,032,058)	(121,346)
Net position, July 1	83,293,609	3,411,431	3,807,872	1,267,788
<b>Net position, June 30</b>	<b>\$ 95,327,701</b>	<b>\$ 4,243,952</b>	<b>\$ 2,775,814</b>	<b>\$ 1,146,442</b>



NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 17,652,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,223,124
-	-	-	-	-	2,476,745	2,476,745
-	2,346,750	7,743,408	2,268,419	21,629,309	-	41,548,670
-	-	-	-	195,839	-	18,400,716
245,770	-	36,786	2,149	305	7,991	256,145
17,897,892	2,346,750	7,780,194	2,270,568	21,825,453	2,484,736	405,905,400
666,784	2,085,491	4,687,376	1,875,794	11,251,571	1,406,485	31,800,768
1,826,861	290,719	2,541,129	587,886	9,941,880	328,037	35,107,579
17,898,334	-	-	-	-	-	206,683,046
-	-	-	-	-	583,622	1,194,618
773	1,139	23,839	4,362	1,245,795	261,710	2,721,299
-	-	214,246	-	-	-	214,246
5,153,026	-	-	-	-	-	124,993,621
25,545,778	2,377,349	7,466,590	2,468,042	22,439,246	2,579,854	402,715,177
(7,647,886)	(30,599)	313,604	(197,474)	(613,793)	(95,118)	3,190,223
271	-	-	-	-	-	178,016
-	-	-	(2)	(13,675)	-	(13,677)
-	-	-	-	(27,606)	-	46,369
271	-	-	(2)	(41,281)	-	210,708
(7,647,615)	(30,599)	313,604	(197,476)	(655,074)	(95,118)	3,400,931
20,013	-	-	-	249,531	160,084	429,628
(183,133)	-	-	-	-	-	(183,133)
(7,810,735)	(30,599)	313,604	(197,476)	(405,543)	64,966	3,647,426
(48,323,178)	290,527	267,109	287,296	7,420,691	4,499,118	56,222,263
\$ (56,133,913)	\$ 259,928	\$ 580,713	\$ 89,820	\$ 7,015,148	\$ 4,564,084	\$ 59,869,689

## Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 2013

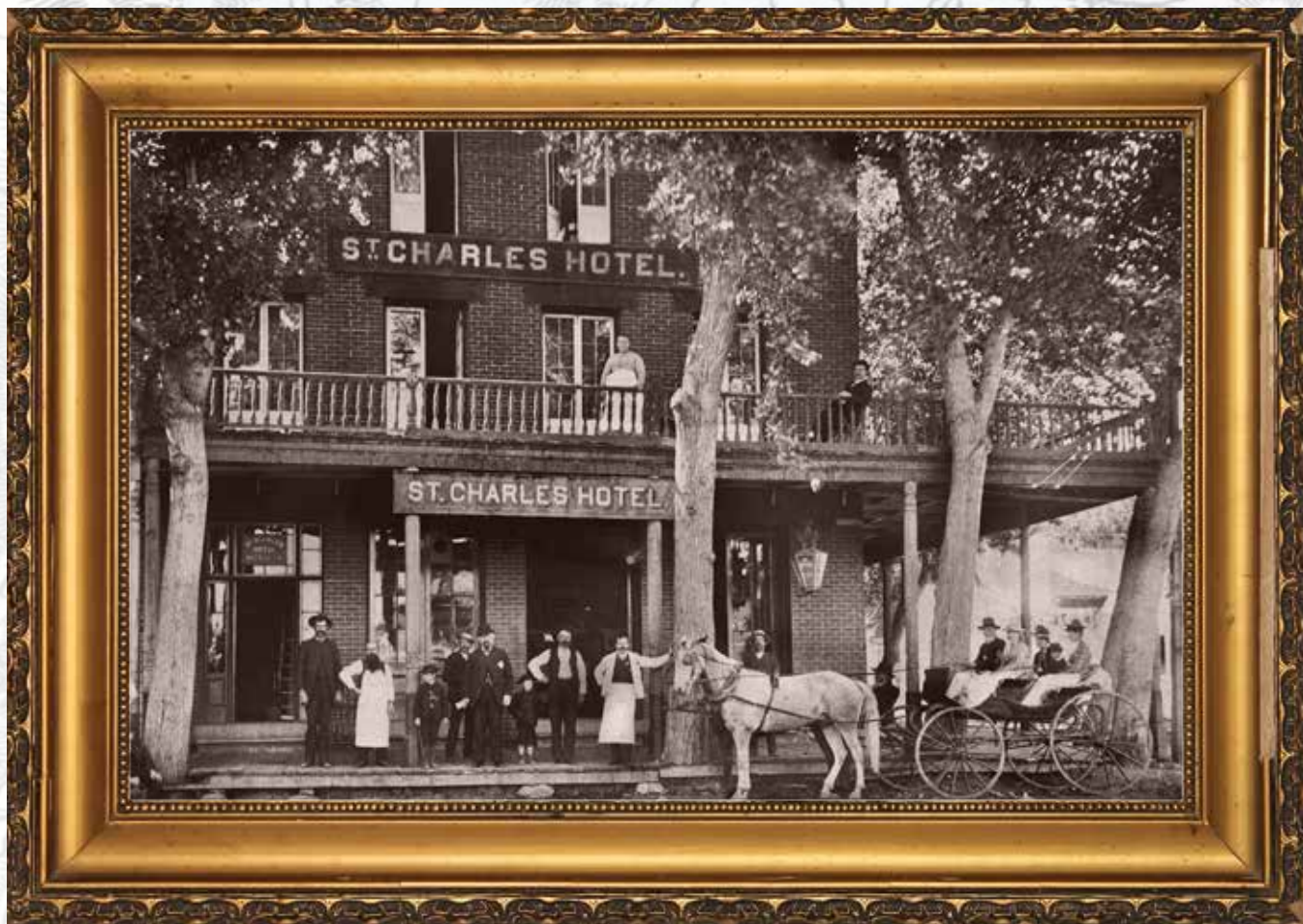
	Self- Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 82,039,304	\$ 34,533	\$ 30,795	\$ 95,234
Receipts for interfund services provided	188,967,499	15,939,848	3,172,765	6,327,664
Receipts from component units	78,340,108	-	84,921	5,027
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(303,858,503)	(8,943,051)	(1,695,449)	(5,091,099)
Payments to employees	(2,124,896)	(5,794,959)	(807,231)	(1,028,067)
Payments for interfund services used	(926,752)	(1,304,887)	(792,301)	(209,181)
Payments to component units	-	(463)	-	-
Net cash provided by (used for) operating activities	42,436,760	(68,979)	(6,500)	99,578
<b>Cash flows from noncapital financing activities</b>				
Transfers and advances from other funds	-	-	-	-
Transfers and advances to other funds	-	-	(720)	-
Other noncapital financing activities	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	(720)	-
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	-	6,353	112,859	-
Purchase of capital assets	(22,615)	(98,140)	(1,006,101)	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(22,615)	(91,787)	(893,242)	-
<b>Cash flows from investing activities</b>				
Interest, dividends and gains (losses)	348,007	-	-	-
Net cash provided by (used for) investing activities	348,007	-	-	-
Net increase (decrease) in cash	42,762,152	(160,766)	(900,462)	99,578
Cash and cash equivalents, July 1	125,987,872	4,789,593	1,607,688	425,462
<b>Cash and cash equivalents, June 30</b>	<b>\$ 168,750,024</b>	<b>\$ 4,628,827</b>	<b>\$ 707,226</b>	<b>\$ 525,040</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 11,856,347	\$ 871,405	\$ (1,144,917)	\$ (121,346)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	30,059	117,414	964,474	71,734
Amortization	-	-	-	-
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	2,568,707	(136,921)	(10,013)	26,105
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	2,037
Increase (decrease) in accounts payable, accruals, other liabilities	27,981,647	(920,877)	183,956	121,048
Total adjustments	30,580,413	(940,384)	1,138,417	220,924
Net cash provided by (used for) operating activities	\$ 42,436,760	\$ (68,979)	\$ (6,500)	\$ 99,578





NEVADA

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 142,153	\$ 2,346,750	\$ 27,048	\$ 43,709	\$ 454,967	\$ 216,448	\$ 85,430,941
17,226,968	-	7,742,301	2,217,436	21,413,349	2,097,551	265,105,381
243,459	-	163,364	-	-	-	78,836,879
5,000	-	-	-	-	-	5,000
(9,272,890)	(50,509)	(768,723)	(167,028)	(9,062,981)	(654,649)	(339,564,882)
(639,607)	(2,082,764)	(4,706,255)	(1,856,764)	(10,928,050)	(1,391,372)	(31,359,965)
(12,938,403)	(239,231)	(1,739,408)	(431,127)	(619,265)	(252,570)	(19,453,125)
(136,096)	-	(18,958)	-	(93,288)	-	(248,805)
(5,369,416)	(25,754)	699,369	(193,774)	1,164,732	15,408	38,751,424
-	-	-	-	96,110	160,084	256,194
(183,133)	-	-	-	-	-	(183,853)
-	-	-	(2)	-	-	(2)
(183,133)	-	-	(2)	96,110	160,084	72,339
-	-	-	-	-	-	119,212
-	-	-	-	(1,027,205)	-	(2,154,061)
-	-	(326,659)	-	(898,502)	-	(1,225,161)
-	-	-	-	(13,675)	-	(13,675)
-	-	(326,659)	-	(1,939,382)	-	(3,273,685)
271	-	-	-	-	-	348,278
271	-	-	-	-	-	348,278
(5,552,278)	(25,754)	372,710	(193,776)	(678,540)	175,492	35,898,356
15,567,963	588,519	1,484,189	617,668	3,702,522	1,073,698	155,845,174
\$ 10,015,685	\$ 562,765	\$ 1,856,899	\$ 423,892	\$ 3,023,982	\$ 1,249,190	\$ 191,743,530
\$ (7,647,886)	\$ (30,599)	\$ 313,604	\$ (197,474)	\$ (613,793)	\$ (95,118)	\$ 3,190,223
773	1,139	23,839	4,362	1,245,795	261,710	2,721,299
-	-	214,246	-	-	-	214,246
5,000	-	-	-	-	-	5,000
(285,312)	2,260	152,519	(9,423)	42,863	(170,737)	2,180,048
-	-	(2,200)	-	-	(90,031)	(90,194)
2,558,009	1,446	(2,639)	8,761	489,867	109,584	30,530,802
2,278,470	4,845	385,765	3,700	1,778,525	110,526	35,561,201
\$ (5,369,416)	\$ (25,754)	\$ 699,369	\$ (193,774)	\$ 1,164,732	\$ 15,408	\$ 38,751,424



The hotel was originally built as two separate buildings. The northern three-story section was started on April 1, 1862, and was named the St. Charles Hotel. Construction on the southern two-story building started one month later, and it opened as the Muller Hotel. The builders were George W. Remington and Albert Muller, and they partnered with Dan Plitt who owned a bakery on the corner where the hotel was to be built. The hotel was first advertised in the October 2, 1862 edition of the Silver Age newspaper. It was called "the most desirable and commodious first-class house in Carson," and "the pleasantest resort in Carson and where everything kept by the bar is the best quality."

The hotel also became a major stage stop for Carson City. It held the offices of the Pioneer Stage Co., which employed famed stage coach driver Hank Monk. It was also a popular hangout for state lawmakers when the Legislature was in session. Mark Twain, who lived in Carson City when the hotel was built, was most likely a patron of the bar on the ground floor.

Picture Courtesy of Nevada Historical Society

# FIDUCIARY FUNDS

## PENSION AND OTHER EMPLOYEE BENEFIT TRUST

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

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

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

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

## INVESTMENT TRUST

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

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

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

## PRIVATE PURPOSE TRUST

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

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

## AGENCY

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

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

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

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

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

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

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

**State Payroll** Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc. (NRS 227.130).

# Combining Statement of Fiduciary Net Position

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

June 30, 2013

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 3,748,631	\$ 3,748,631
Cash in custody of other officials	686,553,439	50,637	209,612	-	686,813,688
<i>Investments:</i>					
Investments	-	-	-	1,060,841	1,060,841
Fixed income securities	6,427,979,583	1,025,399	16,910,503	-	6,445,915,485
Marketable equity securities	12,159,852,276	3,192,115	53,473,984	-	12,216,518,375
International securities	7,550,034,097	290,694	4,265,114	-	7,554,589,905
Real estate	1,265,383,156	-	-	-	1,265,383,156
Alternative investments	907,783,472	-	-	-	907,783,472
Collateral on loaned securities	4,867,492,944	-	-	-	4,867,492,944
<i>Receivables:</i>					
Accounts receivable	-	-	-	-	-
Accrued interest and dividends	100,462,848	5,261	78,732	-	100,546,841
Trades pending settlement	144,328,901	7,152	59,579	-	144,395,632
Intergovernmental receivables	89,710,375	-	305,486	893,012	90,908,873
Contributions receivable	-	-	-	-	-
Other receivables	-	-	8,419	-	8,419
Due from other funds	-	-	-	128,789	128,789
Due from fiduciary funds	17,420,555	-	-	-	17,420,555
Due from component units	-	-	-	1,350,696	1,350,696
Other assets	2,060,547	-	-	-	2,060,547
Furniture and equipment	37,728,248	-	-	-	37,728,248
Accumulated depreciation	(33,949,044)	-	-	-	(33,949,044)
<b>Total assets</b>	<b>34,222,841,397</b>	<b>4,571,258</b>	<b>75,311,429</b>	<b>7,181,969</b>	<b>34,309,906,053</b>
<b>Liabilities</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	12,414,362	1,183	5,243	-	12,420,788
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	508,795,227	7,229	59,155	-	508,861,611
Bank overdraft	-	-	-	-	-
Obligations under securities lending	4,866,933,983	-	-	-	4,866,933,983
Due to other funds	32	-	-	2,735,621	2,735,653
Due to fiduciary funds	44,752	-	-	-	44,752
Other liabilities	-	240,123	-	-	240,123
<b>Total liabilities</b>	<b>5,388,188,356</b>	<b>248,535</b>	<b>64,398</b>	<b>2,735,621</b>	<b>5,391,236,910</b>
<b>Net Position</b>					
<i>Held in trust for:</i>					
Employees' pension benefits	28,834,653,041	4,322,723	75,247,031	-	28,914,222,795
OPEB benefits	-	-	-	4,446,348	4,446,348
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
<b>Total net position</b>	<b>\$28,834,653,041</b>	<b>\$ 4,322,723</b>	<b>\$ 75,247,031</b>	<b>\$ 4,446,348</b>	<b>\$ 28,918,669,143</b>



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ 459	\$ 5,447	\$ -	\$ 5,906	\$ 5,088,178	\$ -	\$ 5,088,178
-	-	3,618,695	3,618,695	-	15,367,094	15,367,094
508,485,817	401,849,585	181,118,368	1,091,453,770	-	11,248,846,275	11,248,846,275
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	114,551	-	114,551
267,155	767,924	2,674,824	3,709,903	-	3,925,971	3,925,971
-	-	-	-	-	772,659	772,659
-	-	-	-	136,501	-	136,501
-	-	-	-	-	9,719,092	9,719,092
-	-	-	-	-	-	-
-	-	-	-	253,773	-	253,773
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
508,753,431	402,622,956	187,411,887	1,098,788,274	5,593,003	11,278,631,091	11,284,224,094
-	115,043	24,182	139,225	113,341	2,353,463	2,466,804
-	-	-	-	18,651	-	18,651
-	-	-	-	-	4,257,052	4,257,052
-	-	4,369,902	4,369,902	-	8,983,214	8,983,214
-	-	-	-	-	521,000	521,000
-	-	-	-	-	-	-
-	31,939	-	31,939	563,668	-	563,668
-	-	-	-	16,009	-	16,009
-	-	-	-	-	-	-
-	146,982	4,394,084	4,541,066	711,669	16,114,729	16,826,398
-	-	-	-	-	-	-
-	-	-	-	-	-	-
508,753,431	402,475,974	183,017,803	1,094,247,208	-	-	-
-	-	-	-	4,881,334	11,262,516,362	11,267,397,696
\$ 508,753,431	\$ 402,475,974	\$ 183,017,803	\$ 1,094,247,208	\$ 4,881,334	\$ 11,262,516,362	\$ 11,267,397,696



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

For the Fiscal Year Ended June 30, 2013

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
<b>Additions</b>					
<i>Contributions:</i>					
Employer	\$ 1,310,082,859	\$ 213,351	\$ 7,084,380	\$ 36,686,124	\$ 1,354,066,714
Plan members	99,230,935	26,771	-	-	99,257,706
Participants	-	-	-	-	-
Repayment and purchase of service	46,467,628	-	-	-	46,467,628
Total contributions	1,455,781,422	240,122	7,084,380	36,686,124	1,499,792,048
<i>Investment income:</i>					
Net increase (decrease) in fair value of investments	2,421,069,482	454,163	7,793,662	56,570	2,429,373,877
Interest, dividends	726,592,336	52,737	876,179	36,255	727,557,507
Securities lending	(13,434,536)	-	-	-	(13,434,536)
Other	93,940,400	-	-	-	93,940,400
	3,228,167,682	506,900	8,669,841	92,825	3,237,437,248
Less investment expense:					
Cost of securities lending	(6,830,980)	-	-	-	(6,830,980)
Other	(27,430,986)	(997)	(16,885)	(411)	(27,449,279)
Net investment income	3,193,905,716	505,903	8,652,956	92,414	3,203,156,989
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,519,896	81,376	-	-	2,601,272
Total other	2,519,896	81,376	-	-	2,601,272
<b>Total additions</b>	4,652,207,034	827,401	15,737,336	36,778,538	4,705,550,309
<b>Deductions</b>					
Principal redeemed	-	-	-	-	-
Benefit payments	1,680,814,209	504,831	4,028,587	33,609,882	1,718,957,509
Refunds	26,126,061	-	-	-	26,126,061
Contribution distributions	895,115	-	-	-	895,115
Dividends to investors	-	-	-	-	-
Administrative expense	9,560,240	80,614	68,904	-	9,709,758
<b>Total deductions</b>	1,717,395,625	585,445	4,097,491	33,609,882	1,755,688,443
Change in net position	2,934,811,409	241,956	11,639,845	3,168,656	2,949,861,866
Net position, July 1	25,899,841,632	4,080,767	63,607,186	1,277,692	25,968,807,277
<b>Net position, June 30</b>	<b>\$ 28,834,653,041</b>	<b>\$ 4,322,723</b>	<b>\$ 75,247,031</b>	<b>\$ 4,446,348</b>	<b>\$28,918,669,143</b>



NEVADA

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	19,277,915	2,875,825,289	2,895,103,204
-	-	-	-	-	-	-
-	-	-	-	19,277,915	2,875,825,289	2,895,103,204
19,919	(5,038,663)	14,631,484	9,612,740	-	766,459,152	766,459,152
837,493	6,985,334	4,719,934	12,542,761	-	252,952,778	252,952,778
-	-	-	-	-	-	-
-	-	-	-	-	-	-
857,412	1,946,671	19,351,418	22,155,501	-	1,019,411,930	1,019,411,930
-	-	-	-	-	-	-
-	-	(34,653)	(34,653)	-	-	-
857,412	1,946,671	19,316,765	22,120,848	-	1,019,411,930	1,019,411,930
781,173,174	-	15,414,900	796,588,074	-	-	-
784,164	-	-	784,164	-	-	-
-	-	174	174	-	-	-
781,957,338	-	15,415,074	797,372,412	-	-	-
782,814,750	1,946,671	34,731,839	819,493,260	19,277,915	3,895,237,219	3,914,515,134
779,644,090	10,072,497	-	789,716,587	-	1,800,859,664	1,800,859,664
-	-	-	-	19,061,078	-	19,061,078
-	-	-	-	-	-	-
-	-	-	-	-	-	-
839,256	-	-	839,256	-	-	-
25,937	566,196	33,290	625,423	-	24,113,695	24,113,695
780,509,283	10,638,693	33,290	791,181,266	19,061,078	1,824,973,359	1,844,034,437
2,305,467	(8,692,022)	34,698,549	28,311,994	216,837	2,070,263,860	2,070,480,697
506,447,964	411,167,996	148,319,254	1,065,935,214	4,664,497	9,192,252,502	9,196,916,999
\$ 508,753,431	\$ 402,475,974	\$ 183,017,803	\$ 1,094,247,208	\$ 4,881,334	\$11,262,516,362	\$ 11,267,397,696

# Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2013

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 13,007,447	\$ 23,853,927	\$ 20,389,126	\$ -
Cash in custody of other officials	-	25,853,235	5,714,405	3,070,661
Investments	-	208,939,789	-	-
<i>Receivables:</i>				
Taxes receivable	11,710,319	-	42,168,718	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	107,731	-
Due from other funds	440,898,311	32,560,713	769,902	-
Due from fiduciary funds	10,474,456	-	763	-
Due from component units	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 476,090,533</b>	<b>\$ 291,207,664</b>	<b>\$ 69,150,645</b>	<b>\$ 3,070,661</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	476,090,533	-	51,154,601	-
Due to fiduciary funds	-	-	10,474,456	-
<i>Other liabilities:</i>				
Deposits	-	291,199,481	7,402,671	-
Other liabilities	-	8,183	118,917	3,070,661
<b>Total liabilities</b>	<b>\$ 476,090,533</b>	<b>\$ 291,207,664</b>	<b>\$ 69,150,645</b>	<b>\$ 3,070,661</b>



NEVADA

<u>Child Welfare Trust</u>	<u>Restitution Trust</u>	<u>Veterans' Custodial</u>	<u>State Payroll</u>	<u>Total</u>
\$ 20,263	\$ 1,482,806	\$ -	\$ 15,499,161	\$ 74,252,730
-	-	-	-	34,638,301
-	-	-	-	208,939,789
-	-	-	-	53,879,037
-	-	-	40,354	40,354
-	-	-	-	107,731
663	1,718	-	1,139,178	475,370,485
-	15,246	-	44,752	10,535,217
-	-	-	1,213,449	1,213,449
-	-	-	-	-
<u>\$ 20,926</u>	<u>\$ 1,499,770</u>	<u>\$ -</u>	<u>\$ 17,936,894</u>	<u>\$ 858,977,093</u>
\$ -	\$ -	\$ -	\$ 248,890	\$ 248,890
1,510	-	-	-	527,246,644
-	-	-	17,420,555	27,895,011
-	-	-	267,449	298,869,601
19,416	1,499,770	-	-	4,716,947
<u>\$ 20,926</u>	<u>\$ 1,499,770</u>	<u>\$ -</u>	<u>\$ 17,936,894</u>	<u>\$ 858,977,093</u>

# Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Intergovernmental</b>				
<b>Assets</b>				
Cash with treasurer	\$ 12,578,437	\$ 2,878,329,215	\$ 2,877,900,205	\$ 13,007,447
Taxes receivable	9,278,578	38,324,718	35,892,977	11,710,319
Due from other funds	423,636,210	440,893,445	423,631,344	440,898,311
Due from fiduciary funds	10,352,621	10,474,456	10,352,621	10,474,456
<b>Total assets</b>	<b>\$ 455,845,846</b>	<b>\$ 3,368,021,834</b>	<b>\$ 3,347,777,147</b>	<b>\$ 476,090,533</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 455,845,846	\$ 3,357,414,885	\$ 3,337,170,198	\$ 476,090,533
<b>Total liabilities</b>	<b>\$ 455,845,846</b>	<b>\$ 3,357,414,885</b>	<b>\$ 3,337,170,198</b>	<b>\$ 476,090,533</b>
<b>State Agency Fund for Bonds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 23,002,370	\$ 6,554,629	\$ 5,703,072	\$ 23,853,927
Cash in custody of other officials	28,304,737	3,094,229	5,545,731	25,853,235
Investments	189,224,684	117,781,444	98,066,339	208,939,789
Due from other funds	33,112,013	783,101	1,334,401	32,560,713
<b>Total assets</b>	<b>\$ 273,643,804</b>	<b>\$ 128,213,403</b>	<b>\$ 110,649,543</b>	<b>\$ 291,207,664</b>
<b>Liabilities</b>				
Deposits	\$ 273,623,382	\$ 126,714,602	\$ 109,138,503	\$ 291,199,481
Other liabilities	20,422	83	12,322	8,183
<b>Total liabilities</b>	<b>\$ 273,643,804</b>	<b>\$ 126,714,685</b>	<b>\$ 109,150,825</b>	<b>\$ 291,207,664</b>
<b>Motor Vehicle</b>				
<b>Assets</b>				
Cash with treasurer	\$ 22,652,989	\$ 1,092,546,270	\$ 1,094,810,133	\$ 20,389,126
Cash in custody of other officials	5,955,705	5,000	246,300	5,714,405
Taxes receivable	36,662,473	47,551,728	42,045,483	42,168,718
Other receivables	109,395	11,041	12,705	107,731
Due from other funds	1,063,383	769,902	1,063,383	769,902
Due from fiduciary funds	1,576	763	1,576	763
<b>Total assets</b>	<b>\$ 66,445,521</b>	<b>\$ 1,140,884,704</b>	<b>\$ 1,138,179,580</b>	<b>\$ 69,150,645</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 48,466,260	\$ 1,102,162,075	\$ 1,099,473,734	\$ 51,154,601
Due to fiduciary funds	10,352,621	10,474,456	10,352,621	10,474,456
Deposits	7,507,721	314,644	419,694	7,402,671
Other liabilities	118,919	28,230,467	28,230,469	118,917
<b>Total liabilities</b>	<b>\$ 66,445,521</b>	<b>\$ 1,141,181,642</b>	<b>\$ 1,138,476,518</b>	<b>\$ 69,150,645</b>
<b>Child Support Disbursement</b>				
<b>Assets</b>				
Cash in custody of other officials	\$ 4,554,539	\$ 206,720,856	\$ 208,204,734	\$ 3,070,661
<b>Total assets</b>	<b>\$ 4,554,539</b>	<b>\$ 206,720,856</b>	<b>\$ 208,204,734</b>	<b>\$ 3,070,661</b>
<b>Liabilities</b>				
Other liabilities	\$ 4,554,539	\$ 207,038,006	\$ 208,521,884	\$ 3,070,661
<b>Total liabilities</b>	<b>\$ 4,554,539</b>	<b>\$ 207,038,006</b>	<b>\$ 208,521,884</b>	<b>\$ 3,070,661</b>
<b>Child Welfare Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 21,524	\$ 198,779	\$ 200,040	\$ 20,263
Due from other funds	2,771	663	2,771	663
<b>Total assets</b>	<b>\$ 24,295</b>	<b>\$ 199,442</b>	<b>\$ 202,811</b>	<b>\$ 20,926</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 19,678	\$ 1,510	\$ 19,678	\$ 1,510
Other liabilities	4,617	196,190	181,391	19,416
<b>Total liabilities</b>	<b>\$ 24,295</b>	<b>\$ 197,700</b>	<b>\$ 201,069</b>	<b>\$ 20,926</b>

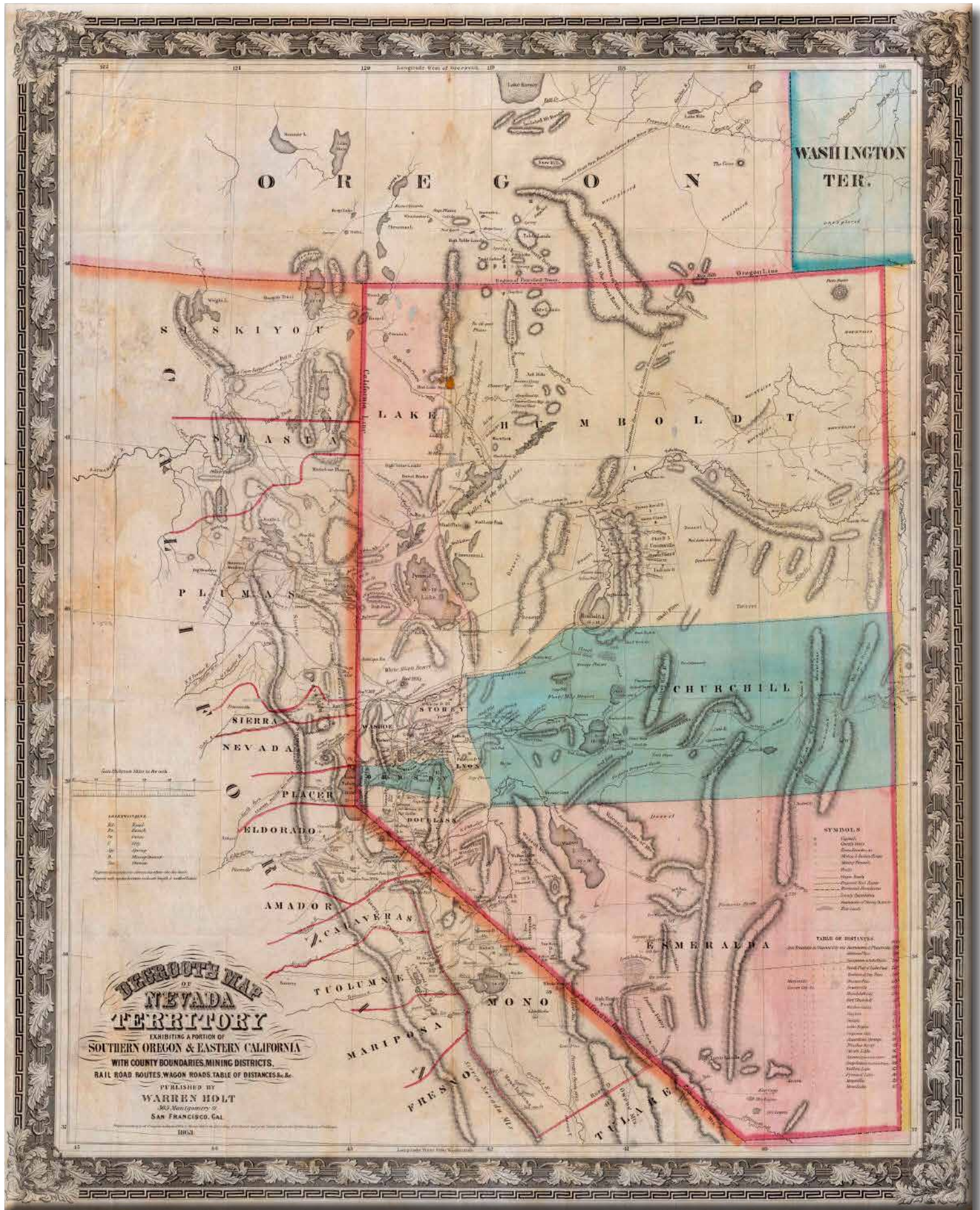




NEVADA

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Restitution Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,622,852	\$ 2,968,028	\$ 3,108,074	\$ 1,482,806
Due from other funds	4,042	1,718	4,042	1,718
Due from fiduciary funds	31,901	15,246	31,901	15,246
<b>Total assets</b>	<b>\$ 1,658,795</b>	<b>\$ 2,984,992</b>	<b>\$ 3,144,017</b>	<b>\$ 1,499,770</b>
<b>Liabilities</b>				
Other liabilities	\$ 1,658,795	\$ 2,895,989	\$ 3,055,014	\$ 1,499,770
<b>Total liabilities</b>	<b>\$ 1,658,795</b>	<b>\$ 2,895,989</b>	<b>\$ 3,055,014</b>	<b>\$ 1,499,770</b>
<b>Veterans Custodial</b>				
<b>Assets</b>				
Cash with treasurer	\$ 29,676	\$ 807	\$ 30,483	\$ -
<b>Total assets</b>	<b>\$ 29,676</b>	<b>\$ 807</b>	<b>\$ 30,483</b>	<b>\$ -</b>
<b>Liabilities</b>				
Other liabilities	\$ 29,676	\$ 807	\$ 30,483	\$ -
<b>Total liabilities</b>	<b>\$ 29,676</b>	<b>\$ 807</b>	<b>\$ 30,483</b>	<b>\$ -</b>
<b>State Payroll</b>				
<b>Assets</b>				
Cash with treasurer	\$ 21,339,665	\$ 706,431,583	\$ 712,272,087	\$ 15,499,161
Intergovernmental receivables	100,713	40,354	100,713	40,354
Due from other funds	702,762	1,130,486	694,070	1,139,178
Due from fiduciary funds	-	44,752	-	44,752
Due from component unit	-	1,213,449	-	1,213,449
<b>Total assets</b>	<b>\$ 22,143,140</b>	<b>\$ 708,860,624</b>	<b>\$ 713,066,870</b>	<b>\$ 17,936,894</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 3,770	\$ 254,796,631	\$ 254,551,511	\$ 248,890
Due to fiduciary funds	17,540,862	229,474,832	229,595,139	17,420,555
Deposits	4,598,508	224,532,149	228,863,208	267,449
<b>Total liabilities</b>	<b>\$ 22,143,140</b>	<b>\$ 708,803,612</b>	<b>\$ 713,009,858</b>	<b>\$ 17,936,894</b>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 81,247,513	\$ 4,687,029,311	\$ 4,694,024,094	\$ 74,252,730
Cash in custody of other officials	38,814,981	209,820,085	213,996,765	34,638,301
Investments	189,224,684	117,781,444	98,066,339	208,939,789
Taxes receivable	45,941,051	85,876,446	77,938,460	53,879,037
Intergovernmental receivables	100,713	40,354	100,713	40,354
Other receivables	109,395	11,041	12,705	107,731
Due from other funds	458,521,181	443,579,315	426,730,011	475,370,485
Due from fiduciary funds	10,386,098	10,535,217	10,386,098	10,535,217
Due from component unit	-	1,213,449	-	1,213,449
<b>Total assets</b>	<b>\$ 824,345,616</b>	<b>\$ 5,555,886,662</b>	<b>\$ 5,521,255,185</b>	<b>\$ 858,977,093</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 3,770	\$ 254,796,631	\$ 254,551,511	\$ 248,890
Intergovernmental payables	504,331,784	4,459,578,470	4,436,663,610	527,246,644
Due to fiduciary funds	27,893,483	239,949,288	239,947,760	27,895,011
Deposits	285,729,611	351,561,395	338,421,405	298,869,601
Other liabilities	6,386,968	238,361,542	240,031,563	4,716,947
<b>Total liabilities</b>	<b>\$ 824,345,616</b>	<b>\$ 5,544,247,326</b>	<b>\$ 5,509,615,849</b>	<b>\$ 858,977,093</b>







# STATISTICAL SECTION

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

<b><u>TABLES</u></b>	<b><u>PAGES</u></b>
<b>FINANCIAL TRENDS</b>	
These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	<b>154</b>
<b>REVENUE CAPACITY</b>	
These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales.	<b>158</b>
<b>DEBT CAPACITY</b>	
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<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	<b>163</b>
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These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	<b>166</b>

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



NEVADA

**Table 1 - Net Position by Component**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 3,493,458	\$ 3,257,469	\$ 3,445,629	\$ 3,486,155	\$ 3,522,177	\$ 3,492,205	\$ 3,622,787	\$ 3,875,141	\$ 4,017,147	\$ 4,357,735
Restricted	484,164	663,901	675,966	613,375	697,168	702,743	683,526	749,818	700,341	741,250
Unrestricted (deficit) (a)	(153,370)	303,704	504,541	623,787	289,123	(236,912)	(224,799)	(276,924)	(59,069)	(3,135)
<b>Total governmental activities net position</b>	<b>\$3,824,252</b>	<b>\$ 4,225,074</b>	<b>\$ 4,626,136</b>	<b>\$ 4,723,317</b>	<b>\$ 4,508,468</b>	<b>\$ 3,958,036</b>	<b>\$ 4,081,514</b>	<b>\$ 4,348,035</b>	<b>\$ 4,658,419</b>	<b>\$ 5,095,850</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 3,047	\$ 2,906	\$ 2,824	\$ 2,783	\$ 3,393	\$ 3,286	\$ 3,615	\$ 3,120	\$ 3,076	\$ 3,422
Restricted	821,829	956,895	1,143,248	1,293,737	1,297,613	819,348	484,346	503,090	538,143	560,410
Unrestricted (deficit)	8,475	8,470	6,428	9,441	10,206	(5,466)	(303,705)	(558,265)	(544,418)	(360,488)
<b>Total business-type activities net position</b>	<b>\$833,351</b>	<b>\$ 968,271</b>	<b>\$ 1,152,500</b>	<b>\$ 1,305,961</b>	<b>\$ 1,311,212</b>	<b>\$ 817,168</b>	<b>\$ 164,256</b>	<b>\$ (52,055)</b>	<b>\$ (3,199)</b>	<b>\$ 203,344</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 3,496,505	\$ 3,260,375	\$ 3,448,453	\$ 3,488,938	\$ 3,525,570	\$ 3,495,491	\$ 3,626,402	\$ 3,878,261	\$ 4,020,223	\$ 4,361,157
Restricted	1,305,993	1,620,796	1,819,214	1,907,112	1,994,781	1,522,091	1,147,872	1,252,908	1,238,484	1,301,660
Unrestricted (deficit) (a)	(144,895)	312,174	510,969	633,228	299,329	(242,378)	(528,504)	(835,189)	(603,487)	(363,623)
<b>Total primary government net position</b>	<b>\$4,657,603</b>	<b>\$ 5,193,345</b>	<b>\$ 5,778,636</b>	<b>\$ 6,029,278</b>	<b>\$ 5,819,680</b>	<b>\$ 4,775,204</b>	<b>\$ 4,245,770</b>	<b>\$ 4,295,980</b>	<b>\$ 4,655,220</b>	<b>\$ 5,299,194</b>

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

**Table 2 - Changes in Net Position**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 226,585	\$ 304,926	\$ 349,224	\$ 421,291	\$ 439,682	\$ 389,943	\$ 375,219	\$ 334,616	\$ 240,417	\$ 229,136
Health and social services	1,888,806	2,082,562	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013	3,209,237	3,250,926	3,464,334
Education and support services	1,663,862	1,717,479	1,830,236	2,254,626	2,381,731	2,475,416	2,430,923	2,393,536	2,280,899	2,290,844
Law, justice and public safety	485,480	535,371	578,049	624,149	650,657	687,410	690,104	667,598	646,701	657,728
Regulation of business	86,318	92,240	101,857	104,385	114,786	118,086	100,380	122,679	101,687	85,688
Transportation	474,416	665,315	508,569	680,281	576,815	762,610	644,976	630,657	801,797	505,354
Recreation and resource development	132,106	157,881	156,933	173,037	167,627	165,741	161,048	153,404	138,599	134,578
Interest on long-term debt	130,902	141,154	132,969	150,486	146,312	138,304	132,238	128,606	122,080	106,126
Unallocated depreciation	1,315	1,441	1,513	720	992	976	1,448	1,402	1,755	2,023
<b>Total governmental activities expenses</b>	<b>\$5,089,790</b>	<b>\$5,698,369</b>	<b>\$5,857,901</b>	<b>\$6,749,859</b>	<b>\$6,933,445</b>	<b>\$7,405,905</b>	<b>\$7,553,349</b>	<b>\$7,641,735</b>	<b>\$7,584,861</b>	<b>\$7,475,811</b>
Business-type activities:										
Unemployment insurance	334,065	238,386	239,232	296,784	439,632	1,336,043	2,233,382	1,767,632	1,286,839	867,600
Housing	60,250	53,011	45,397	46,152	43,953	44,382	57,342	83,467	50,979	34,247
Water loans	5,856	7,710	8,226	7,885	6,836	6,218	14,697	16,476	8,249	8,942
Workers' compensation and safety	20,685	21,004	23,991	25,381	26,258	26,801	26,084	29,642	27,706	28,685
Higher education tuition (a)	-	11,496	18,940	10,504	8,109	13,103	14,051	18,959	26,067	25,081
Other	13,021	14,706	15,601	16,424	20,496	16,967	23,175	28,905	26,187	32,107
<b>Total business-type activities expenses</b>	<b>433,877</b>	<b>346,313</b>	<b>351,387</b>	<b>403,130</b>	<b>545,284</b>	<b>1,443,514</b>	<b>2,368,731</b>	<b>1,945,081</b>	<b>1,426,027</b>	<b>996,662</b>
<b>Total primary government expenses</b>	<b>\$ 5,523,667</b>	<b>\$ 6,044,682</b>	<b>\$ 6,209,288</b>	<b>\$ 7,152,989</b>	<b>\$ 7,478,729</b>	<b>\$ 8,849,419</b>	<b>\$ 9,922,080</b>	<b>\$ 9,586,816</b>	<b>\$ 9,010,888</b>	<b>\$ 8,472,473</b>

Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 181,530	\$ 200,390	\$ 226,191	\$ 254,947	\$ 254,198	\$ 281,997	\$ 285,927	\$ 301,856	\$ 183,278	\$ 180,169
Health and social services	127,743	133,651	138,675	125,915	147,785	141,473	131,408	156,698	212,730	212,310
Law, justice and public safety	214,363	261,254	242,262	256,015	257,355	252,755	236,004	234,385	267,060	253,431
Other	114,516	142,430	162,028	148,959	135,034	118,668	143,689	177,342	145,116	128,126
Operating grants and contributions	1,638,073	1,829,252	1,848,091	2,025,361	1,982,315	2,544,032	3,141,986	3,050,092	3,091,556	3,116,377
Capital grants and contributions	9,320	7,795	27,080	16,010	21,871	19,608	56,711	164,711	73,749	56,003
Total governmental activities program revenues	2,285,545	2,574,772	2,644,327	2,827,207	2,798,558	3,358,533	3,995,733	4,085,084	3,959,860	3,960,045
Business-type activities:										
Charges for services:										
Unemployment insurance	-	-	-	-	-	1,460	1,669	1,587	1,544	1,556
Housing	41,183	34,931	33,589	32,372	30,721	26,604	23,693	21,385	20,105	19,840
Water loans	5,526	5,580	6,484	9,907	8,978	8,648	8,409	8,370	8,371	8,873
Workers' compensation and safety	32,385	33,892	25,593	36,037	35,632	38,955	30,144	35,071	37,946	34,322
Higher education tuition (a)	-	102	92	76	52	73	89	89	102	139
Other	20,713	21,852	24,035	24,652	31,844	29,504	23,352	30,854	25,856	32,358
Operating grants and contributions	98,469	83,672	111,598	99,546	88,335	525,550	1,335,177	1,251,949	862,548	523,895
Total business-type activities program revenues	198,276	180,029	201,391	202,590	195,562	630,794	1,422,533	1,349,305	956,472	620,983
Total primary government program revenues	\$ 2,483,821	\$ 2,754,801	\$ 2,845,718	\$ 3,029,797	\$ 2,994,120	\$ 3,989,327	\$ 5,418,266	\$ 5,434,389	\$ 4,916,332	\$ 4,581,028
Net (Expense)/Revenue										
Governmental activities	\$ (2,804,245)	\$ (3,123,597)	\$ (3,213,574)	\$ (3,922,652)	\$ (4,134,887)	\$ (4,047,372)	\$ (3,557,616)	\$ (3,556,651)	\$ (3,625,001)	\$ (3,515,766)
Business-type activities	(235,601)	(166,284)	(149,996)	(200,540)	(349,722)	(812,720)	(946,198)	(595,776)	(469,555)	(375,679)
Total primary government net expense	\$ (3,039,846)	\$ (3,289,881)	\$ (3,363,570)	\$ (4,123,192)	\$ (4,484,609)	\$ (4,860,092)	\$ (4,503,814)	\$ (4,152,427)	\$ (4,094,556)	\$ (3,891,445)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Sales and use taxes	\$ 855,687	\$ 999,623	\$ 1,097,939	\$ 1,149,456	\$ 1,101,741	\$ 943,787	\$ 870,474	\$ 931,911	\$ 967,374	\$ 1,027,124
Gaming taxes	834,791	900,261	1,003,111	1,029,044	1,011,506	883,054	844,470	850,021	884,928	901,085
Modified business taxes (b)	161,650	226,924	255,252	282,729	297,161	281,605	381,300	378,971	373,156	386,928
Insurance premium taxes	194,218	215,353	238,297	261,378	256,847	241,252	233,280	233,334	238,083	252,195
Property and transfer taxes (b)	204,866	287,410	318,941	296,498	280,896	278,881	266,878	231,758	215,649	215,211
Motor and special fuel taxes	269,131	281,726	297,383	300,182	297,087	272,614	268,554	267,649	267,181	269,232
Other taxes	350,185	362,797	398,460	427,109	425,250	407,469	642,979	688,752	696,431	685,650
Investment earnings	10,996	25,238	87,729	143,013	105,075	9,026	(1,246)	(4,182)	(11,543)	2,892
Other	205,597	162,869	86,371	99,476	116,082	148,321	146,879	214,277	300,430	229,733
Contributions to permanent fund	31,693	44,598	76,553	12,208	8,801	7,019	8,165	6,637	6,705	5,376
Special item	-	-	(276,773)	-	-	-	-	-	-	-
Transfers	17,339	17,620	31,373	18,740	19,592	23,912	19,361	24,044	(3,009)	(22,229)
Total governmental activities	3,136,153	3,524,419	3,614,636	4,019,833	3,920,038	3,496,940	3,681,094	3,823,172	3,935,385	3,953,197
Business-type activities:										
Other taxes	273,357	320,622	365,598	372,741	374,565	342,588	314,657	403,509	515,402	565,925
Other	-	-	-	-	-	-	-	-	-	212
Transfers	(17,339)	(17,620)	(31,373)	(18,740)	(19,592)	(23,912)	(19,361)	(24,044)	3,009	22,229
Total business-type activities	256,018	303,002	334,225	354,001	354,973	318,676	295,296	379,465	518,411	588,366
Total primary government	\$ 3,392,171	\$ 3,827,421	\$ 3,948,861	\$ 4,373,834	\$ 4,275,011	\$ 3,815,616	\$ 3,976,390	\$ 4,202,637	\$ 4,453,796	\$ 4,541,563
Change in Net Position										
Governmental activities	\$ 331,908	\$ 400,822	\$ 401,062	\$ 97,181	\$ (214,849)	\$ (550,432)	\$ 123,478	\$ 266,521	\$ 310,384	\$ 437,431
Business-type activities	20,417	136,718	184,229	153,461	5,251	(494,044)	(650,902)	(216,311)	48,856	212,687
Total primary government	\$ 352,325	\$ 537,540	\$ 585,291	\$ 250,642	\$ (209,598)	\$ (1,044,476)	\$ (527,424)	\$ 50,210	\$ 359,240	\$ 650,118

**Notes:**

(a) Effective in fiscal year 2005, The Higher Education Tuition Trust Fund was reclassified from a private-purpose trust fund to an enterprise fund.

(b) The 2003 legislative session enacted changes in the State's tax structure which went into effect in October 2003. The first full fiscal year results of these changes can be seen beginning with fiscal year 2005.





Table 3 - Fund Balances of Governmental Funds

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved	\$ 66,523	\$ 65,656	\$ 35,336	\$ 17,585	\$ 15,088	\$ 13,512	\$ 12,463	\$ -	\$ -	\$ -
Unreserved	275,586	474,342	486,160	427,506	384,663	179,310	222,095	-	-	-
Nonspendable	-	-	-	-	-	-	-	18,456	23,801	33,113
Restricted	-	-	-	-	-	-	-	73,687	61,049	59,359
Committed	-	-	-	-	-	-	-	270,568	281,751	345,248
Unassigned	-	-	-	-	-	-	-	(115,965)	(96,272)	(66,701)
<b>Total General fund</b>	<b>\$ 342,109</b>	<b>\$ 539,998</b>	<b>\$ 521,496</b>	<b>\$ 445,091</b>	<b>\$ 399,751</b>	<b>\$ 192,822</b>	<b>\$ 234,558</b>	<b>\$ 246,746</b>	<b>\$ 270,329</b>	<b>\$ 371,019</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 651,738	\$ 798,715	\$ 1,004,407	\$ 1,244,430	\$ 1,311,024	\$ 947,719	\$ 1,078,045	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,156,797	1,225,603	1,038,753	771,887	403,715	396,520	203,466	-	-	-
Capital projects funds	41,871	48,316	39,365	87,057	17,402	73,892	59,944	-	-	-
Permanent funds	22	21	21	22	22	20	20	-	-	-
Nonspendable	-	-	-	-	-	-	-	607,134	614,697	604,111
Restricted	-	-	-	-	-	-	-	414,040	276,666	324,473
Committed	-	-	-	-	-	-	-	188,796	212,311	245,888
Unassigned	-	-	-	-	-	-	-	(191)	-	-
<b>Total all other governmental funds</b>	<b>\$ 1,850,428</b>	<b>\$ 2,070,655</b>	<b>\$ 2,082,546</b>	<b>\$ 2,103,396</b>	<b>\$ 1,732,163</b>	<b>\$ 1,418,151</b>	<b>\$ 1,341,475</b>	<b>\$ 1,209,779</b>	<b>\$ 1,103,674</b>	<b>\$ 1,174,472</b>

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

Table 4 - Changes in Fund Balances of Governmental Funds

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Gaming taxes, fees, licenses	\$ 834,791	\$ 900,261	\$ 1,003,111	\$ 1,028,663	\$ 1,008,516	\$ 880,573	\$ 842,359	\$ 849,733	\$ 884,331	\$ 896,685
Sales taxes	858,866	993,324	1,099,483	1,132,418	1,088,024	953,112	870,539	925,899	965,060	1,024,624
Modified business taxes (a)	161,649	226,923	255,252	278,953	284,600	277,516	385,110	381,901	369,661	386,610
Insurance premium taxes	194,218	215,353	238,297	259,275	256,693	238,524	233,906	234,831	236,787	248,512
Property and transfer taxes (a)	204,866	287,410	318,941	296,498	280,895	278,881	266,878	231,758	215,649	215,211
Motor and special fuel taxes	269,132	281,726	297,383	300,182	297,088	272,614	268,554	267,649	267,181	269,232
Other taxes	348,238	352,321	343,292	373,436	372,652	387,449	620,543	664,427	657,138	685,948
Intergovernmental	1,825,723	1,943,630	1,972,799	2,108,916	2,058,071	2,672,751	3,273,266	3,372,565	3,335,558	3,340,627
Licenses, fees and permits	344,238	377,419	422,934	429,501	432,729	419,514	452,838	497,847	490,240	487,123
Sales and charges for services	76,173	81,561	80,134	97,408	95,407	85,401	84,422	81,923	85,211	87,595
Interest and investment income	74,003	120,901	152,801	239,651	185,006	44,831	37,855	31,853	22,599	23,496
Settlement income	38,300	39,114	35,685	37,351	45,976	50,062	41,963	39,517	40,291	147,071
Fines	4,235	-	-	-	-	-	-	-	-	-
Land sales	27,413	39,770	71,231	5,756	2,503	663	965	560	397	632
Other	48,153	71,372	88,006	91,086	105,475	141,808	112,728	143,461	160,921	151,708
<b>Total revenues</b>	<b>5,309,998</b>	<b>5,931,085</b>	<b>6,379,349</b>	<b>6,679,094</b>	<b>6,513,635</b>	<b>6,703,699</b>	<b>7,491,926</b>	<b>7,723,924</b>	<b>7,731,024</b>	<b>7,965,074</b>

<b>Expenditures</b>													
General government	121,169	163,100	183,194	230,011	212,659	166,909	137,994	141,366	134,889	143,135			
Health and social services	1,822,074	2,021,152	2,060,371	2,220,212	2,298,239	2,510,530	2,833,205	3,009,386	3,096,457	3,264,884			
Education and support services	15,616	27,692	39,021	39,257	45,240	57,815	57,196	53,796	53,959	53,119			
Law, justice and public safety	450,956	480,922	530,247	583,601	617,151	628,500	633,890	609,230	604,364	595,649			
Regulation of business	86,396	88,995	95,467	100,119	104,844	105,631	107,145	109,928	91,792	80,594			
Transportation	674,837	691,328	706,543	776,852	612,493	747,425	691,931	751,647	846,335	578,231			
Recreation and resource development	113,081	121,385	134,841	144,245	166,347	135,272	130,800	129,770	125,809	121,330			
Intergovernmental	1,814,582	1,917,752	2,104,075	2,502,222	2,634,976	2,706,025	2,704,690	2,716,157	2,569,693	2,592,985			
Capital outlay	43,473	88,882	114,226	71,999	167,959	176,599	59,520	41,105	34,222	61,330			
Debt service:													
Principal	115,468	136,263	296,771	348,072	424,971	183,976	176,982	194,920	171,004	163,889			
Interest, fiscal charges	127,740	137,058	120,683	137,972	143,181	145,169	140,495	135,842	125,978	116,183			
Debt issuance costs	3,815	3,844	1,116	3,167	2,440	2,080	1,734	1,300	1,795	1,901			
Arbitrage payment	562	-	74	-	-	-	-	-	-	22			
Advance escrow payment	762	-	-	-	-	-	-	-	-	-			
Total expenditures	5,390,531	5,878,373	6,386,629	7,157,729	7,430,500	7,565,931	7,675,582	7,894,447	7,856,319	7,773,410			
Excess (deficiency) of revenues over (under) expenditures	(80,533)	52,712	(7,280)	(478,635)	(916,865)	(862,232)	(183,656)	(170,523)	(125,295)	191,664			
<b>Other Financing Sources (Uses)</b>													
Capital leases	1,073	1,113	4,143	8,487	2,926	20	18,209	408	-	-			
Sale of general obligation bonds	375,702	293,921	231,623	387,155	448,379	300,384	109,244	22,655	42,020	-			
Sale of general obligation refunding bonds	80,791	677,231	-	118,346	-	-	33,746	117,415	243,080	353,470			
Premium on general obligation bonds	35,228	51,003	9,703	17,635	17,861	18,494	3,928	13,172	40,530	52,780			
Payment to refunded bond agent	(84,237)	(718,919)	-	(122,039)	-	-	(35,677)	(128,529)	(279,916)	(404,178)			
Sale of certificates of participation	21,550	22,435	-	5,760	-	-	-	-	-	-			
Sale of refunding certificates of participation	-	-	-	-	-	-	7,900	-	-	-			
Premium (discount) on certificates of participation	555	(37)	-	(78)	-	-	743	-	-	-			
Payment to refunded certificates of participation agent	-	-	-	-	-	-	(8,466)	-	-	-			
Sale of capital assets	731	23,350	166	646	11,489	684	92	89	103	99			
Transfers in	341,819	436,899	380,858	587,137	763,988	476,147	358,113	221,167	156,037	194,136			
Transfers out	(325,650)	(421,592)	(349,050)	(579,970)	(744,350)	(454,439)	(339,116)	(195,362)	(159,081)	(216,483)			
Total other financing sources (uses)	447,562	365,404	277,443	423,079	500,293	341,290	148,716	51,015	42,773	(20,176)			
<b>Special Item</b>													
One-time tax rebate	-	-	(276,773)	-	-	-	-	-	-	-			
<b>Net change in fund balances</b>	<b>\$ 367,029</b>	<b>\$ 418,116</b>	<b>\$ (6,610)</b>	<b>\$ (55,556)</b>	<b>\$ (416,572)</b>	<b>\$ (520,942)</b>	<b>\$ (34,940)</b>	<b>\$ (119,508)</b>	<b>\$ (82,522)</b>	<b>\$ 171,488</b>			
Total expenditures	\$ 5,390,531	\$ 5,878,373	\$ 6,386,629	\$ 7,157,729	\$ 7,430,500	\$ 7,565,931	\$ 7,675,582	\$ 7,894,447	\$ 7,856,319	\$ 7,773,410			
Less: Capitalized assets included in the functional categories	273,824	177,863	387,287	245,032	295,926	227,812	209,123	245,790	221,991	232,772			
<b>Total noncapital expenditures</b>	<b>\$ 5,116,707</b>	<b>\$ 5,700,510</b>	<b>\$ 5,999,342</b>	<b>\$ 6,912,697</b>	<b>\$ 7,134,574</b>	<b>\$ 7,338,119</b>	<b>\$ 7,466,459</b>	<b>\$ 7,648,657</b>	<b>\$ 7,634,328</b>	<b>\$ 7,540,638</b>			
<b>Debt service (principal and interest) as a percentage of noncapital expenditures (b)</b>	<b>4.75%</b>	<b>4.79%</b>	<b>6.96%</b>	<b>7.03%</b>	<b>7.96%</b>	<b>4.49%</b>	<b>4.25%</b>	<b>4.32%</b>	<b>3.89%</b>	<b>3.71%</b>			
(a) The 2003 legislative session enacted changes in the State's tax structure which went into effect in October 2003. The first full fiscal year results of these changes can be seen beginning with fiscal year 2005.													
(b) The percentages have been revised for fiscal years 2003 through 2010 to only include debt service principal and interest in the calculation.													



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**Table 5 - Taxable Sales by County**

Last Ten Fiscal Years, (Expressed in Thousands)

**Taxable Sales by County:**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Carson City	\$ 913,495	\$ 979,049	\$ 1,021,210	\$ 991,893	\$ 919,266	\$ 761,379	\$ 678,626	\$ 735,161	\$ 756,079	\$ 779,297
Churchill	240,352	280,304	331,338	306,426	294,411	321,713	251,257	249,112	320,188	387,570
Clark	28,075,636	32,430,309	35,604,392	36,262,388	35,930,374	31,376,242	27,969,288	29,046,720	31,080,881	32,566,665
Douglas	750,928	805,334	815,590	765,218	691,609	584,679	537,187	532,984	557,660	592,823
Elko	757,714	857,707	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158	1,477,347	1,545,691	1,595,351
Esmeralda	7,575	8,707	8,598	16,523	12,645	9,226	6,551	11,832	20,399	19,806
Eureka	162,155	194,943	315,450	501,077	328,505	285,942	266,356	304,276	367,340	370,492
Humboldt	332,605	386,364	483,366	474,811	508,713	498,791	533,667	748,153	740,656	921,112
Lander	55,421	157,114	170,539	280,378	228,213	264,109	220,348	249,321	443,458	440,677
Lincoln	24,131	30,023	31,529	15,398	26,967	25,257	25,871	33,116	50,417	30,055
Lyon	323,078	390,743	441,896	375,523	385,591	340,284	290,241	300,843	346,511	305,525
Mineral	36,424	31,532	33,445	35,679	38,843	37,247	36,280	42,181	57,696	66,463
Nye	366,330	477,921	522,296	540,377	473,291	427,505	397,570	466,836	498,130	832,077
Pershing	54,925	56,847	62,992	68,332	67,279	62,892	65,681	78,096	106,443	96,442
Storey	54,571	85,416	109,411	204,717	121,244	59,578	48,299	61,863	70,859	77,729
Washoe	6,003,368	6,660,263	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982	5,282,935	5,522,605	5,824,726
White Pine	80,819	127,928	175,147	192,877	197,818	220,815	174,705	314,235	469,737	296,598
<b>Total</b>	<b>\$ 38,239,527</b>	<b>\$ 43,960,504</b>	<b>\$ 48,402,487</b>	<b>\$ 49,427,707</b>	<b>\$ 48,196,849</b>	<b>\$ 42,086,614</b>	<b>\$ 37,772,067</b>	<b>\$ 39,935,011</b>	<b>\$ 42,954,750</b>	<b>\$ 45,203,408</b>

The State receives a portion of sales taxes at a rate of 2% on taxable sales.

**Source:** Department of Taxation

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

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

	Fiscal Year 2004			Fiscal Year 2013		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
<b>Business Type:</b>						
Food services and drinking places	\$ 7,073,035	18.5%	\$ 141,461	\$ 10,025,378	22.2%	\$ 200,508
Motor vehicle and parts dealers	5,814,395	15.2%	116,288	4,941,303	10.9%	98,826
General merchandise stores	3,423,683	9.0%	68,474	4,346,530	9.6%	86,931
Clothing and clothing accessories stores	1,667,357	4.4%	33,347	3,799,624	8.4%	75,992
Merchant wholesalers, durable goods	2,353,198	6.2%	47,064	3,033,397	6.7%	60,668
Building material, garden equipment, supplies	2,602,867	6.8%	52,057	1,751,056	3.9%	35,021
Food and beverage stores	1,464,944	3.8%	29,299	1,601,745	3.5%	32,035
Rental and leasing services	-	0.0%	-	1,420,870	3.1%	28,417
Electronics and appliance stores	-	0.0%	-	1,376,939	3.0%	27,539
Specialty Trade Contractors	-	0.0%	-	948,622	2.1%	18,972
Miscellaneous retail	3,883,303	10.2%	77,666	-	-	-
Furniture and home furnishings stores	2,230,654	5.8%	44,613	-	-	-
Business services	1,211,660	3.2%	24,233	-	-	-
<b>Total</b>	<b>\$ 31,725,096</b>	<b>83.1%</b>	<b>\$ 634,502</b>	<b>\$ 33,245,464</b>	<b>73.4%</b>	<b>\$ 664,909</b>

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

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

**Table 7 - Ratios of Outstanding Debt by Type**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
General obligation bonds	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455	\$ 1,754,520
Highway revenue bonds	238,265	380,945	541,680	693,285	774,300	722,880	668,840	612,045	557,735	497,650
Obligations under capital leases	8,236	7,712	9,866	15,955	19,891	17,916	33,846	30,970	28,395	25,096
Certificates of participation	34,655	56,400	55,680	60,455	59,320	58,030	56,770	56,066	54,307	52,339
Total governmental activities	2,567,705	2,738,850	2,682,984	2,734,311	2,763,236	2,878,631	2,827,071	2,651,966	2,510,892	2,329,605
<b>Business-type Activities</b>										
General obligation bonds	120,530	120,455	118,540	117,310	115,805	113,055	105,060	108,975	101,680	90,720
Special obligation bonds	970,087	862,966	745,780	782,307	886,195	911,783	994,044	920,508	810,892	739,797
Total business-type activities	1,090,617	983,421	864,320	899,617	1,002,000	1,024,838	1,099,104	1,029,483	912,572	830,517
<b>Total primary government</b>	<b>\$ 3,658,322</b>	<b>\$ 3,722,271</b>	<b>\$ 3,547,304</b>	<b>\$ 3,633,928</b>	<b>\$ 3,765,236</b>	<b>\$ 3,903,469</b>	<b>\$ 3,926,175</b>	<b>\$ 3,681,449</b>	<b>\$ 3,423,464</b>	<b>\$ 3,160,122</b>
<b>Debt as a Percentage of Personal Income</b>										
<b>Amount of Debt per Capita</b>	\$ 5.11%	\$ 4.72%	\$ 4.09%	\$ 3.93%	\$ 3.63%	\$ 3.72%	\$ 3.94%	\$ 3.68%	\$ 3.29%	\$ 3.07%
<b>Amount of Debt per Capita</b>	\$ 1,632	\$ 1,595	\$ 1,469	\$ 1,456	\$ 1,468	\$ 1,501	\$ 1,485	\$ 1,363	\$ 1,257	\$ 1,145

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

See table 11 for personal income and population data.

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

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



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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Bonded Debt</b>										
<b>Outstanding</b>										
General obligation bonds	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455	\$ 1,754,520
Certificates of participation	13,105	12,415	11,695	10,940	10,155	9,335	24,280	15,800	13,870	11,840
Water projects bonds	120,530	120,455	120,782	117,355	110,286	107,534	99,511	102,089	97,472	87,524
Housing bonds (b)	970,087	862,966	745,780	782,307	886,195	911,783	994,044	920,508	810,892	739,797
Total	3,390,271	3,289,629	2,954,015	2,875,218	2,916,361	3,108,457	3,185,450	2,991,282	2,792,689	2,593,681
Less: amounts restricted to repaying principal	110,906	110,467	125,884	129,087	136,309	142,539	145,793	149,715	103,361	119,289
<b>Net general bonded debt</b>	<b>\$ 3,279,365</b>	<b>\$ 3,179,162</b>	<b>\$ 2,828,131</b>	<b>\$ 2,746,131</b>	<b>\$ 2,780,052</b>	<b>\$ 2,965,918</b>	<b>\$ 3,039,657</b>	<b>\$ 2,841,567</b>	<b>\$ 2,689,328</b>	<b>\$ 2,474,392</b>

**Actual Taxable Property**

<b>Value</b>	\$179,822,444	\$ 198,569,862	\$ 245,075,283	\$ 327,140,473	\$ 383,571,013	\$410,130,698	\$ 341,886,423	\$ 264,840,276	\$246,391,220	\$234,900,598
<b>Percentage of Actual Taxable</b>										
<b>Value of Property</b>	1.82%	1.60%	1.15%	0.84%	0.72%	0.72%	0.89%	1.07%	1.09%	1.05%
<b>Debt Per Capita (a) (c)</b>	\$ 1,406	\$ 1,316	\$ 1,133	\$ 1,071	\$ 1,047	\$ 1,105	\$ 1,124	\$ 1,044	\$ 975	N/A

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

(a) See Table 11 for population data.

(b) Balances for housing bonds is updated for the years 2010 and 2011. There is no change to percentage of taxable property value calculations.

(c) Debt Per Capita has been updated for years 2008 through 2011 due to revised population data.



**Table 9 - Legal Debt Margin Information**

Last Ten Fiscal Years, (Expressed in Thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 1,408,688	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849	\$ 2,963,124	\$ 2,482,138	\$ 1,900,366	\$ 1,756,111	\$ 1,671,513	\$ 1,701,164
Total debt applicable to limit	925,183	944,732	920,737	1,015,375	1,214,991	1,405,781	1,410,211	1,342,660	1,293,386	1,178,185
<b>Legal debt margin</b>	<b>\$ 483,505</b>	<b>\$ 799,004</b>	<b>\$ 1,418,856</b>	<b>\$ 1,741,474</b>	<b>\$ 1,748,133</b>	<b>\$ 1,076,357</b>	<b>\$ 490,155</b>	<b>\$ 413,451</b>	<b>\$ 378,127</b>	<b>\$ 522,979</b>
<b>Legal debt margin as a percentage of the debt limit</b>	<b>34.32%</b>	<b>45.82%</b>	<b>60.65%</b>	<b>63.17%</b>	<b>59.00%</b>	<b>43.36%</b>	<b>25.79%</b>	<b>23.54%</b>	<b>22.62%</b>	<b>30.74%</b>

**Computation of Legal Debt Margin at June 30, 2013:**

<b>Assessed value of taxable property at June 30, 2013 (a)</b>	<b>\$ 85,058,177</b>
Debt limitation (2% of assessed value)	\$ 1,701,164
General Obligation Bonds subject to limit	\$ 1,172,265
Certificates of participation	52,000
<i>Less obligations exempt from debt margin:</i>	
Lease revenue certificates of participation	(46,080)
Debt subject to debt limitation	(1,178,185)
<b>Legal debt margin at June 30, 2013</b>	<b>\$ 522,979</b>

**Note:**

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



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**Table 10 - Pledged Revenue Coverage**

Last Ten Fiscal Years, (Expressed in Thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Highway Improvement Revenue Bonds</b>										
<b>Revenue - fuel taxes</b>	\$ 265,964	\$ 278,641	\$ 294,348	\$ 297,142	\$ 293,941	\$ 269,479	\$ 265,487	\$ 264,699	\$ 264,369	\$ 266,564
Debt service										
Principal	\$ 21,675	\$ 30,665	\$ 30,710	\$ 41,125	\$ 48,955	\$ 51,420	\$ 54,040	\$ 56,795	\$ 120,800	\$ 191,330
Interest	11,712	18,719	23,739	30,106	32,727	37,157	33,876	31,136	28,450	25,011
<b>Total</b>	\$ 33,387	\$ 49,384	\$ 54,449	\$ 71,231	\$ 81,682	\$ 88,577	\$ 87,916	\$ 87,931	\$ 149,250	\$ 216,341
Coverage (c)	7.97	5.64	5.41	4.17	3.60	3.04	3.02	3.01	1.77	1.23
<b>Mortgage Revenue Bonds</b>										
<b>Revenue (a)</b>	\$ 335,062	\$ 251,806	\$ 435,332	\$ 355,328	\$ 129,286	\$ 70,051	\$ 42,123	\$ 126,957	\$ 109,194	\$ 83,366
Expenses (b)	10,335	9,512	6,720	4,595	4,368	5,277	6,548	7,610	15,751	8,867
<b>Net available revenues</b>	\$ 324,727	\$ 242,294	\$ 428,612	\$ 350,733	\$ 124,918	\$ 64,774	\$ 35,575	\$ 119,347	\$ 93,443	\$ 74,499
Debt service										
Principal (d)	\$ 297,681	\$ 155,791	\$ 136,186	\$ 51,003	\$ 37,897	\$ 33,592	\$ 67,079	\$ 132,536	\$ 157,962	\$ 71,095
Interest	50,034	42,298	38,644	37,002	38,051	36,354	33,236	29,111	26,444	23,226
<b>Total</b>	\$ 347,715	\$ 198,089	\$ 174,830	\$ 88,005	\$ 75,948	\$ 69,946	\$ 100,315	\$ 161,647	\$ 184,406	\$ 94,321
Coverage (c)	0.93	1.22	2.45	3.99	1.64	0.93	0.36	0.74	0.51	0.79

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

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

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

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

(d) Principal paid on mortgage revenue bonds is updated for years 2010 and 2011. There is no change to coverage ratio.

# Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Population</b>										
Nevada	2,241,700	2,332,898	2,414,807	2,495,529	2,565,382	2,653,630	2,684,665	2,704,283	2,723,322	2,758,931
Percentage change	3.4%	4.1%	3.5%	3.3%	2.8%	3.4%	1.2%	0.7%	0.7%	1.3%
United States	290,850,005	293,656,842	296,410,404	299,398,484	301,621,157	304,093,966	306,771,529	309,330,219	311,591,917	313,914,040
Percentage change	1.0%	1.0%	0.9%	1.0%	0.7%	0.8%	0.9%	0.8%	0.7%	0.7%
<b>Total Personal Income</b>										
Nevada ( <i>in millions</i> ) (a)	71,606	78,822	86,650	92,557	103,847	105,824	96,430	96,751	100,665	103,076
Percentage change	7.5%	10.1%	9.9%	6.8%	12.2%	1.9%	-8.9%	0.3%	4.0%	2.4%
United States ( <i>in millions</i> ) (a)	9,157,257	9,705,504	10,251,639	10,860,917	11,645,882	12,451,660	11,852,715	12,308,496	12,949,905	13,401,869
Percentage change	3.2%	6.0%	5.6%	5.9%	7.2%	6.9%	-4.8%	3.8%	5.2%	3.5%
<b>Per Capita Personal Income</b>										
Nevada (a)	31,943	33,787	35,883	37,089	40,480	39,879	35,919	35,777	36,964	37,361
Percentage change	3.9%	5.8%	6.2%	3.4%	9.1%	-1.5%	-9.9%	-0.4%	3.3%	1.1%
United States (a)	31,484	33,050	34,586	36,276	38,611	40,947	38,637	39,791	41,560	42,693
Percentage change	2.2%	5.0%	4.6%	4.9%	6.4%	6.1%	-5.6%	3.0%	4.4%	2.7%
<b>Labor Force and Employment</b>										
Nevada Labor Force	1,148,519	1,177,558	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891	1,350,309	1,385,872	1,378,876
Unemployed	58,810	51,212	49,002	54,217	64,380	91,450	161,270	200,772	187,732	152,468
Unemployment Rate	5.1%	4.3%	4.0%	4.2%	4.8%	6.7%	11.8%	14.9%	13.5%	11.1%
United States Labor Force	146,510,000	147,401,000	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000	153,617,000	154,975,000
Unemployed	8,774,000	8,149,000	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000	13,747,000	12,506,000
Unemployment Rate	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%

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

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

(a) Revised estimates for 2009 through 2011



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**Table 12 - Principal Employers**

Current Year and Nine Years Ago

	Calendar Year 2003			Calendar Year 2012		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
<b>Employer:</b>						
Clark County School District	20,000 - 29,999	1	2.18%	30,000 - 39,999	1	2.54%
State of Nevada	20,000 - 29,999	2	2.18%	20,000 - 29,999	2	1.81%
Washoe County School District	7,500 - 7,999	4	0.67%	8,000 - 8,499	3	0.60%
Clark County	9,000 - 9,499	3	0.76%	8,000 - 8,499	4	0.60%
Wynn Las Vegas	-	-	-	7,500 - 7,999	5	0.56%
Bellagio, LLC	-	-	-	7,500 - 7,999	6	0.56%
MGM Grand Hotel/Casino	-	-	-	7,500 - 7,999	7	0.56%
Aria Resort & Casino, LLC	-	-	-	7,000 - 7,499	8	0.53%
Mandalay Bay Resort & Casino	-	-	-	6,000 - 6,499	9	0.45%
Caesar's Palace	4,500 - 4,999	7	0.39%	5,500 - 5,999	10	0.42%
Mirage Casino-Hotel	5,000 - 5,499	5	0.39%	-	-	-
Las Vegas Metropolitan Police	4,500 - 4,999	6	0.50%	-	-	-
Rio Suite Hotel & Casino	4,000 - 4,499	8	0.37%	-	-	-
Treasure Island at the Mirage	3,500 - 3,999	9	0.33%	-	-	-
Bally's & Paris Casino Hotels	3,500 - 3,999	10	0.33%	-	-	-
<b>Total</b>	81,500 - 105,490		8.10%	107,000 - 130,990		8.63%

**Sources:** Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Administration**Note:** Percentage of total state employment is based on the midpoints in the ranges given.

### Table 13 - School Enrollment

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public School Enrollment</b>										
Primary (K - 6)	223,973	229,419	201,465	239,418	240,453	235,295	239,723	240,774	243,668	244,425
Secondary (7 - 12)	177,245	183,833	189,501	193,822	196,325	196,014	196,921	198,092	200,335	200,095
<b>Total</b>	<b>401,218</b>	<b>413,252</b>	<b>390,966</b>	<b>433,240</b>	<b>436,778</b>	<b>431,309</b>	<b>436,644</b>	<b>438,866</b>	<b>444,003</b>	<b>444,520</b>
<b>Public Higher Education Enrollment</b>										
University of Nevada, Reno	12,451	12,660	12,444	12,429	12,709	12,889	13,601	14,025	14,330	14,830
University of Nevada, Las Vegas	20,077	20,569	20,180	20,007	20,297	20,670	20,160	19,217	19,142	19,848
Nevada State College	856	1,017	1,310	1,418	1,340	1,622	1,867	1,963	2,045	2,061
College of Southern Nevada	17,676	18,234	18,320	19,501	20,906	21,751	22,286	20,231	19,536	18,904
Great Basin College	1,356	1,353	1,584	1,613	1,781	2,002	1,996	1,826	1,743	1,796
Truckee Meadows Community College	5,953	6,213	6,210	6,454	6,800	7,312	7,143	6,262	6,499	6,249
Western Nevada College	2,288	2,410	2,463	2,427	2,438	2,908	2,960	2,380	2,283	2,248
<b>Total</b>	<b>60,657</b>	<b>62,456</b>	<b>62,511</b>	<b>63,849</b>	<b>66,271</b>	<b>69,154</b>	<b>70,013</b>	<b>65,904</b>	<b>65,578</b>	<b>65,936</b>

**Sources:** Nevada Department of Education and Nevada System of Higher Education

**Note:** Public higher education enrollment represents full-time equivalent students at fall enrollment.

### Table 14 - Full-time Equivalent State Government Employees by Function

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function</b>										
General government	1,470	1,513	1,536	1,558	1,570	1,539	1,487	1,443	1,445	1,548
Health and social services	5,044	4,992	5,364	5,773	6,145	5,823	6,151	6,061	5,937	5,925
Education and support services	7,092	7,762	8,118	8,670	9,030	8,930	8,670	8,383	8,015	7,663
Law, justice and public safety	5,244	5,449	5,654	5,946	5,924	5,815	5,812	5,707	5,760	5,838
Regulation of business	1,298	1,315	1,331	1,412	1,390	1,363	1,374	1,309	1,284	1,289
Transportation	1,798	1,783	1,771	1,792	1,829	1,810	1,776	1,769	1,797	1,776
Recreation and resource development	1,425	1,455	1,479	1,403	1,186	1,172	1,172	1,142	1,134	1,145
<b>Total</b>	<b>23,371</b>	<b>24,269</b>	<b>25,253</b>	<b>26,554</b>	<b>27,074</b>	<b>26,452</b>	<b>26,442</b>	<b>25,814</b>	<b>25,372</b>	<b>25,184</b>

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





NEVADA

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>										
<i>Department of Taxation</i>										
Number of sales and use tax audits	1,377	1,643	1,668	1,994	1,346	1,397	1,254	1,066	950	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	31,042	33,395	35,049	38,936	42,049	44,232	43,943	42,830	40,615	40,176
Generic drug utilization (b)	52%	59%	59%	65%	65%	72%	72%	78%	78%	N/A
<i>Department of Administration</i>										
Square feet of non-state owned space leased (major urban areas) (i)	1,376,534	1,377,525	1,377,525	1,547,467	1,547,467	1,393,872	1,393,872	1,466,102	1,408,617	1,511,207
Job applications processed	48,089	36,317	54,378	92,353	66,041	68,552	76,129	77,428	88,394	101,062
<i>Nevada State Library and Archives</i>										
Volumes (excludes documents and microfilm)	73,005	76,527	76,527	79,917	82,913	81,368	82,848	84,460	86,231	87,942
Government publications (U.S., Nevada and California)	771,258	779,194	798,013	813,142	827,697	833,705	849,112	851,855	854,727	862,764
<b>Health and Social Services</b>										
<i>Department of Education, Training &amp; Rehabilitation</i>										
Vocational Rehabilitation clients entering full-time employment with insurance (b)	65%	48%	48%	58%	58%	48%	48%	46%	46%	N/A
Career Enhancement Program clients entering employment (b)	91%	84%	84%	90%	90%	72%	72%	N/A	N/A	N/A
<i>Health Care Financing &amp; Policy</i>										
Nevada Medicaid - average monthly eligibles	172,779	176,418	172,685	168,197	180,369	197,313	240,528	279,840	303,214	315,434
NV Check-Up Program - average monthly enrollment (i)	25,025	27,492	27,492	29,075	29,075	21,713	21,713	21,193	21,296	21,132
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	538,857	567,076	602,100	602,784	711,018	793,166	870,398	887,796	896,465	884,946
<i>Welfare Division</i>										
Average monthly number of TANF recipients	24,956	21,748	19,880	17,706	21,022	22,556	29,084	30,854	29,331	28,837
Average monthly number of Mental Health clients	16,616	14,981	14,655	13,249	14,582	15,575	15,160	15,138	14,058	14,414
Average monthly number of Mental Health inpatients	153	182	198	246	265	253	225	211	209	221
Average monthly number of SNAP (Food Stamp) recipients	119,750	122,042	118,474	119,596	137,589	179,790	260,417	323,290	352,156	358,611
Average monthly number of Developmental Services clients	3,522	3,888	4,057	4,387	4,672	4,876	5,086	5,346	5,550	5,694
Percent of current child support owed that is collected (FFY) (k)	47%	46%	46%	48%	48%	48%	49%	51%	56%	N/A
TANF recipient children receiving child care (f)	15,843	17,977	17,977	16,797	24,705	19,119	17,407	20,269	19,883	18,742
Non-TANF children receiving child care (f)	44,998	104,463	104,463	112,452	113,426	84,517	69,541	83,399	67,955	43,215
Applications for energy assistance received	19,081	24,846	24,846	27,515	27,515	38,674	38,674	42,611	38,643	36,764
Households served with energy assistance	15,986	14,552	14,552	16,846	16,846	25,458	25,458	32,544	20,484	25,631
<b>Education and Support Services</b>										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (f)	89%	88%	88%	N/A	93%	95%	88%	85%	75%	70%
Percent of public schools participating in the Nat'l School Lunch Program (b)	93%	94%	94%	94%	94%	95%	95%	N/A	N/A	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program (b) (i)	34%	41%	41%	43%	43%	42%	42%	47%	52%	54%
Number of meals served in the Children & Adult Food Care Program (b)	4,297,850	4,256,701	4,256,701	3,093,889	3,093,889	4,330,289	4,330,289	N/A	N/A	N/A
Number of special education students receiving a high school diploma (f)	675	503	503	458	437	703	560	747	725	677
Percent/number of elementary students identified as being at risk receiving supplemental instruction from Title I funds (b)	60%	5,389	5,389	5,993	5,993	5,025	5,025	N/A	N/A	N/A

<b>Law, Justice and Public Safety</b>												
<i>The Supreme Court of Nevada</i>												
Cases filed (c)												N/A
Cases disposed (c)												N/A
Number of opinions written (c)												N/A
<i>Nevada Department of Corrections</i>												
Total admissions (e)												5,666
Total releases (e)												5,614
In-house population at year-end (e)												12,665
<i>Department of Public Safety, Highway Patrol Division</i>												
Total number of DUI arrests (g)												3,177
Total number of safety inspections (g)												28,737
<i>Department of Motor Vehicles</i>												
Motor vehicle registrations												2,190,660
<b>Regulation of Business</b>												
<i>Nevada Gaming Commission</i>												
Licenses issued & active at fiscal year-end												2,933
Licensed devices at fiscal year-end:												
Games												5,676
Tables												902
Slots												179,776
<i>Department of Business and Industry</i>												
Units of affordable housing produced (b) (i)												727
Taxicab Authority notices of violation issued (f)												4,419
Taxicab Authority vehicle inspections made (f)												6,849
Number of worksite safety & health inspections												1,272
Number of boiler and elevator inspections												14,564
Insurance license and renewal applications processed (b) (i)												41,382
<b>Transportation</b>												
<i>Nevada Department of Transportation</i>												
Miles of highways - rural (e)												4,726
Miles of highways - urban (e)												654
<b>Recreation and Resource Development</b>												
<i>Commission on Tourism</i>												
Inquiries from advertising campaign (d)												162,117
Tourism web site visitors (d)												1,249,030
<i>Commission on Economic Development</i>												
Number of projects requesting Community Development Block Grants (f)												35
Number of projects funded (f)												27
<i>Department of Conservation and Natural Resources</i>												
Percent of human caused wildland fires in NDF's jurisdiction investigated												100%
Number of State Park users (h)												3,046,049
Number of State Park users per FTE employees (b) actual beginning 2012												27,174
Number of State Park users per arrest (b), actual beginning 2005												216,787

N/A = not available

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

**Notes:**

- (a) See table 13 for public school enrollment.
- (b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Base year figures have been used for odd numbered years in this table.
- (c) Data based on calendar year.
- (d) Revised figures provided by Commission on Tourism for 2003-2006 and 2009.
- (e) Data prior to 2009 was based on calendar year.
- (f) Data from Executive Budget prior to 2006.
- (g) Revised figures for 2011, 2012
- (h) 2003 through 2011 data based on calendar year. 2012 and 2013 data is fiscal year.
- (i) Data from Executive Budget prior to 2011
- (j) Data from Executive Budget prior to 2012
- (k) Revised figures for 2007, 2008, 2010, 2011



NEVADA

**Table 16 - Capital Asset Statistics by Function**

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>										
State owned office space (square feet)	146,045	142,733	214,747	215,867	201,688	201,688	202,229	214,611	219,927	215,416
Vehicles (motor pool)	789	741	824	790	849	851	828	798	775	777
<b>Health and Social Services</b>										
State owned office space (square feet)	93,509	93,509	122,415	52,626	33,093	33,344	70,939	70,770	64,506	68,648
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	1	1	1	1	1	1	1	1	1	1
Youth correctional centers	3	3	3	3	3	3	2	2	2	2
Vehicles	249	251	241	240	225	232	219	193	183	167
<b>Education and Support Services</b>										
State owned office space (square feet)	19,767	19,767	28,200	28,200	28,200	27,949	28,031	28,200	28,200	28,200
Number of State museums	7	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
<b>Law, Justice and Public Safety</b>										
State owned office space (square feet)	459,331	478,724	550,648	540,125	596,564	596,564	646,446	646,223	645,775	645,322
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	20	21	21	19	20	20	20	19	19
Vehicles	1,020	1,065	1,091	1,067	1,172	1,217	1,199	1,161	1,191	1,118
<b>Regulation of Business</b>										
State owned office space (square feet)	72,259	71,811	107,547	107,547	107,547	107,547	106,027	102,038	102,478	102,245
Vehicles	250	283	279	285	292	293	323	263	253	242
<b>Transportation</b>										
State owned office space (square feet)	179,948	179,948	184,988	251,658	251,658	251,658	258,056	280,728	273,327	308,532
NDOT lane miles	13,199	13,199	13,087	13,131	13,137	13,055	13,055	13,055	13,368	13,613
NDOT bridges	997	1,015	1,025	1,045	1,092	1,092	1,092	1,109	1,116	1,101
NDOT vehicles	803	829	872	864	901	826	625	538	628	633
NDOT heavy equipment	1,802	1,826	1,875	1,900	1,913	1,886	2,033	2,058	1,943	1,931
NDOT maintenance stations (staffed)	45	45	41	51	48	45	45	42	42	42
<b>Recreation and Resource Development</b>										
State owned office space (square feet)	36,593	36,593	146,982	137,353	139,874	139,874	140,998	142,638	142,140	143,150
Number of State Parks	25	25	26	24	25	24	24	24	24	24
Acres of State Parks	132,800	132,800	132,800	132,800	132,117	145,750	145,750	145,750	145,745	145,760
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	117,959	117,959	116,888	118,993	118,993	120,254	121,086
Vehicles	927	1,007	998	803	811	854	919	805	797	790

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

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



## Old Las Vegas Mormon Fort State Historic Park

The first settlers arrived on June 14, 1855 and selected a site along one of the creeks that flowed from the Las Vegas Springs, on which they would build the fort. The fort served as the midpoint on the trail from Salt Lake City, Utah and Los Angeles, California. Around 1860, a small detachment of U.S. Army troops was assigned to protect the settlers at the fort.

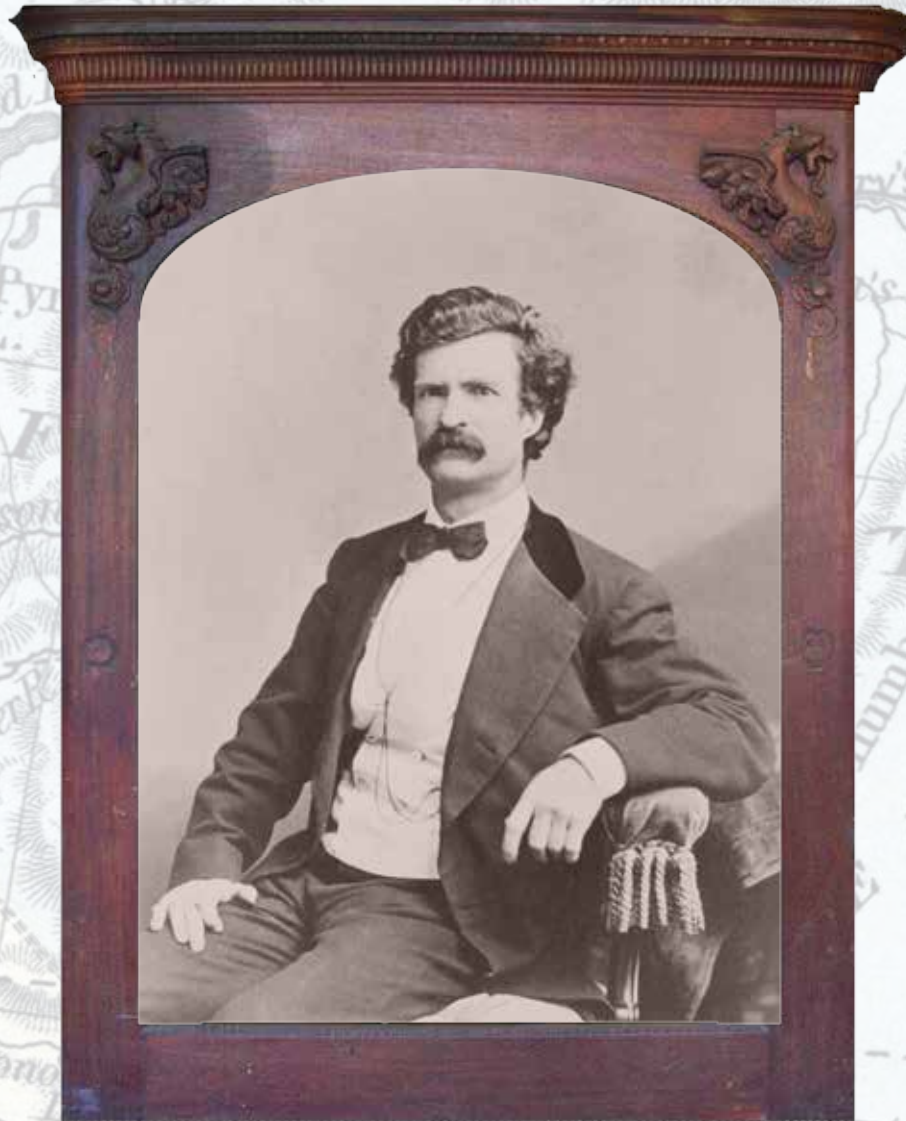








# COMPLIANCE SECTION



Virginia City could be considered the “birthplace” of Mark Twain, as it was here in February 1863 that writer Samuel Clemens, then a reporter on the local Territorial-Enterprise newspaper, first used his famous pen name. Virginia City historical documents state that Clemens was mugged on November 10, 1863, as he walked over the hill from the south while returning to Virginia City. The muggers relieved Clemens of his watch and his money. The robbery turns out to have been a practical joke played on Clemens by his friends, to give him material to write about. He did not appreciate the joke, but he did retrieve his belongings – particularly his gold watch (worth \$300), which had great sentimental value. Clemens mentions the incident in his book *Roughing It* (published Feb. 1872), apparently still sore about it.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated December 16, 2013. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund – Investment Trust Fund, and the Division of Museums and History Dedicated Trust Fund, as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of the Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Nevada's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### Compliance and Other Matters

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
December 16, 2013



Joseph Gossling, Architect No 9 Post St.  
San Francisco

PHOTO. 7/24/35