

State of Nevada

*Comprehensive Annual
Financial Report*

Comprehensive Annual Financial Report

*For The Fiscal Year Ended
June 30, 1997*

*Darrel R. Daines,
State Controller*

Darrel Daines, State Controller

The State Controller is a constitutional officer elected for a four year term by the general electorate. The Controller is the ex-officio chief fiscal officer of the State and is empowered to represent the State in fiscal matters with the Federal Government. The Controller is charged with the responsibility of paying State obligations, paying employee salaries and maintaining the official accounting records of the State. He is responsible for demonstrating accountability to the public by preparing the Comprehensive Annual Financial Report.

The State Controller serves as member of both the State Board of Finance and the State Transportation Board.

Mr. Daines is in the third year of his fourth term of office.



STATE OF NEVADA

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DARREL DAINES
State Controller

STATE OF NEVADA

OFFICE OF

STATE CONTROLLER

STATE CAPITOL BUILDING

101 NORTH CARSON STREET, SUITE 5

CARSON CITY, NEVADA 89701-4786

PHONE: (702) 687-4330

FAX: (702) 687-6748

E-mail: <ddaines@govmail.state.nv.us>

KEN WEST

Chief Deputy Controller

December 12, 1997

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

I am pleased to present the comprehensive annual financial report for the fiscal year ended June 30, 1997. The State's principal revenue source, tax revenues, has continued to grow in concert with the 6% increase in population from 1996 to 1997. The total of unreserved general fund and rainy day fund balances ("unallocated reserves") has remained at a healthy level, \$120 million, after funding the additional governmental service demands of this increased population.

Responsibility for the accuracy, completeness and fairness of this financial presentation rests with my office as State Controller. I am confident that the information reported is accurate in all material respects, is reported in a manner which fairly presents the financial position and results of operations of the State, and includes all disclosures necessary to enable the reader to gain an understanding of the State's financial activities.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this letter, organization chart, major initiatives, a report on the economic outlook and a special feature from the Nevada Commission on Tourism. The financial section includes the independent auditor's opinion, the general purpose financial statements, and the combining, individual fund and account group statements and schedules. Trend information on fiscal, social and demographic measures on a multi-year basis is included in the statistical section.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB). The independent accounting firm of Kafoury, Armstrong & Co. has audited the accompanying financial statements. The audit was conducted in accordance with generally accepted auditing standards and the auditor's unqualified opinion appears first in the financial section.

Nevada was honored for the ninth consecutive year in receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the State's 1996 report. This prestigious award represents the highest form of recognition in the area of governmental financial reporting. We believe our current report continues to conform to the high standards and will be submitted to GFOA for review in their Certificate of Achievement Program.

Reporting Entity - Nevada, named the "Silver State" due to the vast quantities of silver mined from the Comstock Lode in the 1800s, is bordered by California, Oregon, Idaho, Utah and Arizona. The State lies in the Great Basin, an arid region east of the Sierra Nevada Mountains, where the average annual rainfall is less than ten inches. Approximately 87.6 percent of the 110,000 square miles of valleys and north-south mountain ranges is under federal ownership.

The economy and the tax base of the State are dependent upon the interrelated gaming and tourism industries, as well as upon federal activities, mining, warehousing, manufacturing, and agriculture. Nevada has experienced one of the fastest rates of population growth in the nation. The 1990 census showed a 55% increase over 1980 and the 1997 forecast of 1.7 million people indicates that Nevada's population has grown over 40% since 1990.

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

The following State agencies issue independent financial reports:

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

Copies of these independently audited reports are available upon request.

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

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

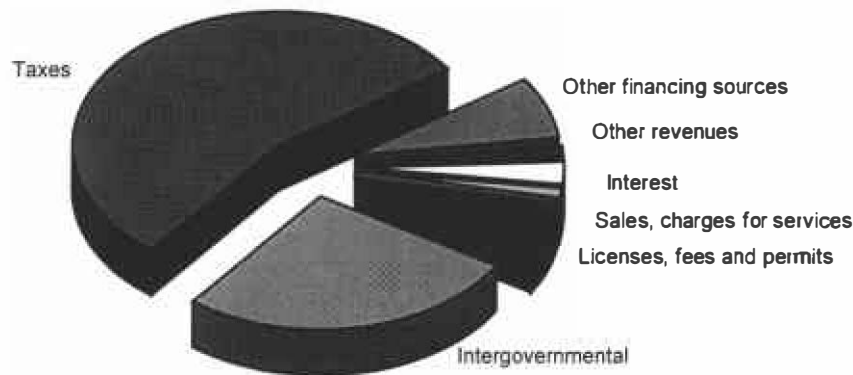
Such controls require judgment by management that the costs of controls should not exceed the benefits derived.

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

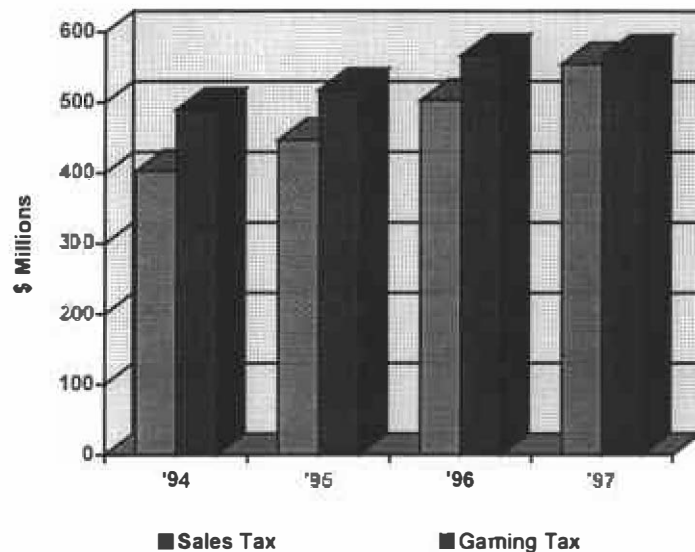
General Government Functions - The following schedule presents a summary of revenues and other financing sources for the fiscal years ended June 30, 1997 and 1996, of the general fund, special revenue funds, debt service funds, capital projects funds, and expendable trust funds. Net transfers from/to other funds are included as other financing sources.

Revenues and Other Financing Sources
(Expressed in thousands)

	1997		1996		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 1,893,533	50.6%	\$ 1,799,602	54.8%	\$ 93,931	5.2%
Intergovernmental	908,806	24.3	877,735	26.7	31,071	3.5
Licenses, fees and permits	198,622	5.3	185,375	5.6	13,247	7.1
Sales and charges for services	44,885	1.2	41,458	1.3	3,427	8.3
Interest	113,061	3.0	91,595	2.8	21,466	23.4
Other revenues	52,396	1.4	42,699	1.3	9,697	22.7
Other financing sources	529,460	14.2	244,717	7.5	284,743	116.4
	<u>\$ 3,740,763</u>	<u>100.0%</u>	<u>\$ 3,283,181</u>	<u>100.0%</u>	<u>\$ 457,582</u>	<u>13.9</u>



The increase in taxes was due to growth in the economy and population rather than new taxes or increased tax rates. Taxes represent almost 50% of the resources available to the State for general government functions with sales taxes and gaming taxes representing approximately 60% of total taxes. The following chart depicts graphically sales and gaming taxes over the past four years.



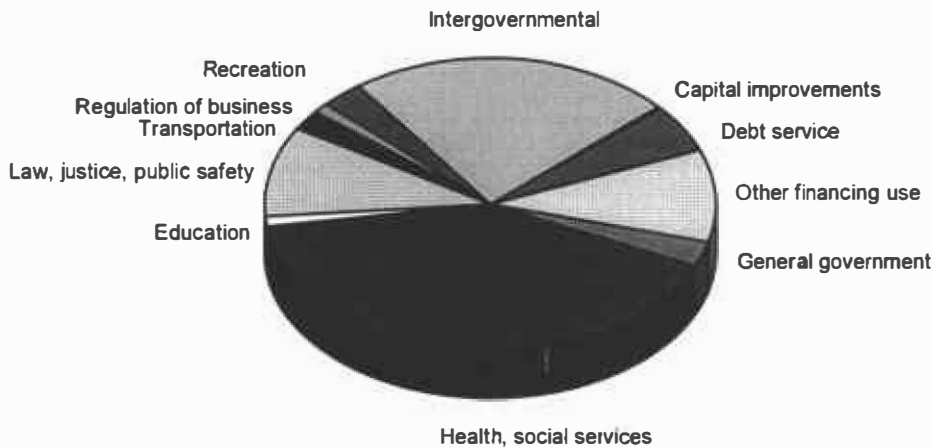
The chart shows that sales taxes have increased 38% over the four years, and gaming taxes have increased 16%. Sales taxes continued their consistent growth in 1997 while gaming taxes remained flat. Increased gaming revenues from the new themed mega-resorts in Las Vegas was offset by decreases in revenues from traditional casinos.

Intergovernmental revenues, the next largest source, are predominantly federal. Interest derived from the investment of idle cash, increased substantially. This increase was due to increased earnings rates as well as to the increase of cash and investment balances due to the improved fiscal health of the State. Other financing

sources show a substantial increase, due primarily to proceeds from bonds. Municipal bond bank bonds totalling \$484 million were sold in 1997 to provide local governments with financing for their capital improvement needs at the most advantageous rate possible. Table II in the statistical section shows a ten-year time profile of resources for general government.

The following schedule presents a summary of general fund, special revenue funds, debt service funds, capital projects funds, and expendable trust funds expenditures and other financing uses for the fiscal years ended June 30, 1997 and 1996. Net transfers to/from the university system are the other financing use.

	1997		1996		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 101,565	3.2%	\$ 75,770	2.6%	\$ 25,795	34.0%
Health, social services	1,090,069	34.2	1,061,930	36.0	28,139	2.6
Education	26,460	0.8	24,019	0.8	2,441	10.2
Law, justice, public safety	276,275	8.7	256,015	8.7	20,260	7.9
Regulation of business	63,730	2.0	58,819	2.0	4,911	8.3
Transportation	312,592	9.8	344,183	11.7	(31,591)	-9.2
Recreation	89,011	2.8	80,713	2.7	8,298	10.3
Intergovernmental	672,812	21.1	613,244	20.8	59,568	9.7
Capital improvements	49,298	1.5	27,932	0.9	21,366	76.5
Debt service	151,422	4.8	138,791	4.7	12,631	9.1
Other financing uses	350,404	11.0	266,381	9.0	84,023	31.5
	<u>\$ 3,183,638</u>	<u>100.0%</u>	<u>\$ 2,947,797</u>	<u>100.0%</u>	<u>\$ 235,841</u>	<u>8.0</u>



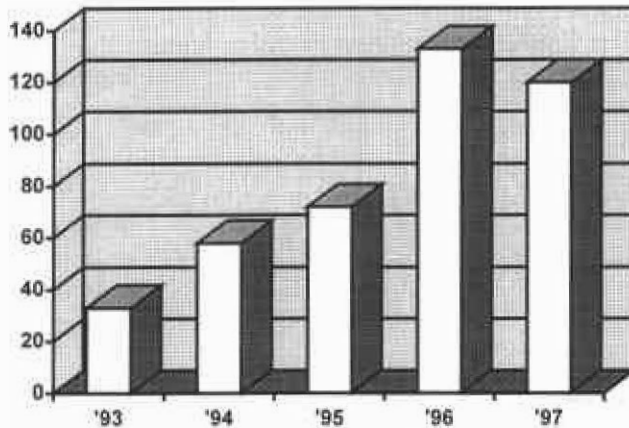
Expenditures for general governmental functions increased by approximately 34% over 1996 as shown in the preceding table. This was due primarily to 1997 expenditures of approximately \$17 million for remodeling the legislative building in Carson City and \$8 million in costs related to the 1997 legislative session. Expenditures for transportation declined primarily due to the \$22 million decrease in bond-related projects.

The increase in intergovernmental expenditures is primarily due to:

- \$44 million increase in payments to local school districts required by a 5% increase in public school enrollment, and
- \$11 million of federal emergency management assistance (FEMA) expenditures that assisted in cleaning up flood damages which occurred in early January 1997.

Wide swings in capital improvement expenditures occur due to the biennial cycle of the Legislature and their authorization of projects. The 9% increase in debt service was anticipated. The other financing use consists of net transfers to the University System (a component unit). Enrollment at the University System increased by 7% in the last year and additional capital improvement projects totaling \$77 million were funded.

Unallocated Reserves



An important indicator of fiscal health is "unallocated reserves" which include the undesignated fund balance in the General Fund and the "rainy day" fund balance. The accompanying chart depicts those balances. Table III in the statistical section provides a ten year comparison. The combined amounts of undesignated General Fund and "rainy day" fund balances decreased \$14 million in 1997, but remain at the healthy level of \$120 million.

Proprietary Operations - Internal Service Funds - The internal service funds charge and recover costs from State agencies for services such as building maintenance, printing, insurance, data processing, motor pool and others. Rates charged to State agencies for the operations of the internal service funds are adjusted in following years to offset gains and losses. In 1997, these funds showed a net loss of \$1.8 million. The Self-Insurance Fund incurred an anticipated net loss of \$7.3 million for the year. Management used surplus earnings accumulated from prior years, rather than premium increases, to offset the anticipated increased costs for claims expense and insurance premiums.

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

- The Colorado River Commission (CRC) purchasing and selling electrical power from Nevada's share of the generating facilities at Hoover Dam.
- The Housing Division providing low interest loans to low and moderate income households.
- The State Industrial Insurance System (SIIS) providing benefits of medical care, disability compensation and rehabilitation services to Nevada workers who are injured or contract a disease in the course of their employment.

Combined assets of enterprise funds increased by \$339 million in 1997 and combined liabilities decreased by \$166 million, resulting in a net reduction to fund deficit of \$505 million. These improvements over 1996 were primarily due to improvements realized by SIIS. SIIS reported net income of \$439 million and unrealized investment gains of \$57 million. SIIS fund deficit decreased from \$1,352 million in 1996 to \$856 million in 1997. The laws enacted by the 1993 Legislature and management efficiencies are proving effective in reducing the SIIS fund deficit which peaked at \$2,159 million at June 30, 1993.

Pension Trust Operations - The Public Employees' Retirement System (PERS) covers most public employees of the State and its political subdivisions, as well as other public employees. PERS net assets held in trust for pension benefits increased \$1,486 million in 1997; however, PERS unfunded accrued liability, using the entry age normal cost method, increased \$400 million to \$2,700 million at June 30, 1997. The funded ratio decreased from 75.8% in 1996 to 75.6% in 1997. Under the present plan and actuarial method the unfunded liability will be fully

amortized over a period of 27 years from July 1, 1996. Additional information is available in the Actuarial Section of PERS separately issued financial statements.

Debt Administration - The bond ratings from Moody's Investor Service and Standard and Poor's remained at Aa and AA respectively. These ratings reflect a good economic base and sound financial management. On June 30, 1996, outstanding bonded debt was (*expressed in thousands*):

General Obligation Bonds	\$ 1,692,296
Highway Revenue Bonds	35,400
Mortgage Revenue Bonds	814,623
	<u>\$ 2,542,319</u>

Only \$527 million of the \$1,692 million general obligation bonds are paid through a tax levy on property. The remaining \$1,165 million are serviced through user fees from enterprise fund operations, slot machine taxes, and revenues from local governments for the municipal bond bank and the water pollution control bonds.

The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State. As of June 30, 1997, the debt limit and remaining capacity were as follows (*expressed in millions*):

Debt limit (2% of assessed value)	\$ 762.2
Less: Bonds and leases payable	476.9
Remaining debt capacity	<u>\$ 285.3</u>

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

New bonds sold during the 1997 fiscal year were (*expressed in thousands*):

Municipal Bond Bank Project 52	7/1/96A	\$ 180,000
Municipal Bond Bank Projects 53-56	7/1/96B	19,220
Cultural Affairs	7/1/96C	4,060
Capital Improvement	11/15/96A	41,185
Natural Resources	11/15/96B	720
Municipal Bond Bank Projects 57-64	6/1/97A	285,490
Cultural Affairs	6/1/97B	2,000
Natural Resources	6/1/97C	10,000
Housing Single Family	7/1/96	30,000
Housing Single Family	9/20/96	30,000
Housing Single Family	11/21/96	25,000
Housing Single Family	3/7/97	25,000
Housing Single Family	5/8/97	25,000
Housing Multi-family Saratoga Palms East II	8/16/96	10,750
Housing Multi-family Pecos Owen Court	11/21/96	11,500
Housing Multi-family Oakmont at Ft. Apache	11/21/96	9,320
Housing Multi-family Oakmont at Flamingo	11/21/96	10,675
Housing Multi-family Fremont Meadows	4/1/97	3,350

Capital Projects - To keep pace with demands of the growing population and economy, the State has a substantial capital project program. The following is a summary of major projects during 1997.

(<i>Expressed in millions</i>)	<i>Expended by June 30, 1997</i>	<i>Total Budget</i>
Additions to Lovelock Correction Center - Medium Security Prison	\$ 25.9	\$ 35.1
State Library - Carson City	17.1	20.2
Legislative Building	20.4	20.4
Clark County Armory	11.9	15.0
Juvenile Treatment Facility - Las Vegas	3.4	8.8
Construction of a 125-bed Housing Unit, Prisons - Carson City	0.7	7.4

Not shown in the capital projects funds nor in the general fixed assets account group are the efforts of the Department of Transportation in improving and maintaining our highway infrastructure. During 1997 the Department of Transportation spent \$48 million constructing freeways, state routes, bridges, and widening projects. The State also spent \$106 million reconstructing, re-paving, or rehabilitating 173 miles of roadways and 9 bridges. The expenditures for these efforts are recorded in the State Highway Fund, a special revenue fund.

University and Community College System of Nevada Funds (University System) - An elected nine-member Board of Regents supervises the operation of the University System, comprising two universities, four community colleges and a research institute. Revenues in the current operating funds increased by \$29 million to \$330 million. Expenditures of current operating funds were recorded at \$530 million, an increase of \$31 million. State support increased \$19 million to \$243 million. Enrollment data are available in Table XVII of the statistical section.

Cash Management - Cash temporarily idle is invested by the State Treasurer. All cash except for monies in pension trust funds, deferred compensation fund, SIRS, University System, and Housing are combined in the State Treasurer's investment pool. Uncommitted balances are invested in collateralized repurchase agreements, bankers acceptances (only those eligible for discount with the Federal Reserve), commercial paper issued by U.S. corporations (rated A-1, P-1 or better), corporate bonds issued by U.S. corporations (rated A or better), and securities of the U.S. government with typical maturities ranging from one day to five years.

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

Risk Management - The State is self-financed against certain property and liability claims. The Risk Management Division manages the Self-Insurance Fund for group health insurance. Revenues are generated through charges to employees and departments to pay for contracted insurance and self-funded plans. The Division also manages the Insurance Premiums Fund to provide fidelity, property and workers' compensation coverages. The State finances the first \$250,000 of property and contents losses and the remainder is insured up to \$500 million through commercial insurers.

Conclusion - This report continues my commitment to inform and clearly demonstrate the financial condition of the State to the citizenry and the financial community. Considerable effort and cooperation has been exhibited by all of the State agencies, the Legislature and the Judiciary. Without their efforts, this financial report could not have been produced. I extend my sincere appreciation to the management and the leaders of State government for their stewardship. I especially thank John P. Comeaux and William D. Anderson for their contributions of the major initiatives and economic outlook sections. Our pictorial theme highlights the tourist sites in Nevada. I appreciate and thank the Nevada Commission on Tourism for their outstanding efforts in this feature.

Last but not least, I commend the efforts of the accounting firm of Kafoury, Armstrong & Co., my staff and others who contributed to the production of this report.

Respectfully submitted,



Darrel R. Daines
Nevada State Controller

STATE OF NEVADA CONSTITUTIONAL OFFICERS



Robert J. Miller
Governor



Lonnie L. Hammargren, M.D.
Lieutenant Governor



Dean Heller
Secretary of State



Robert Seale
Treasurer

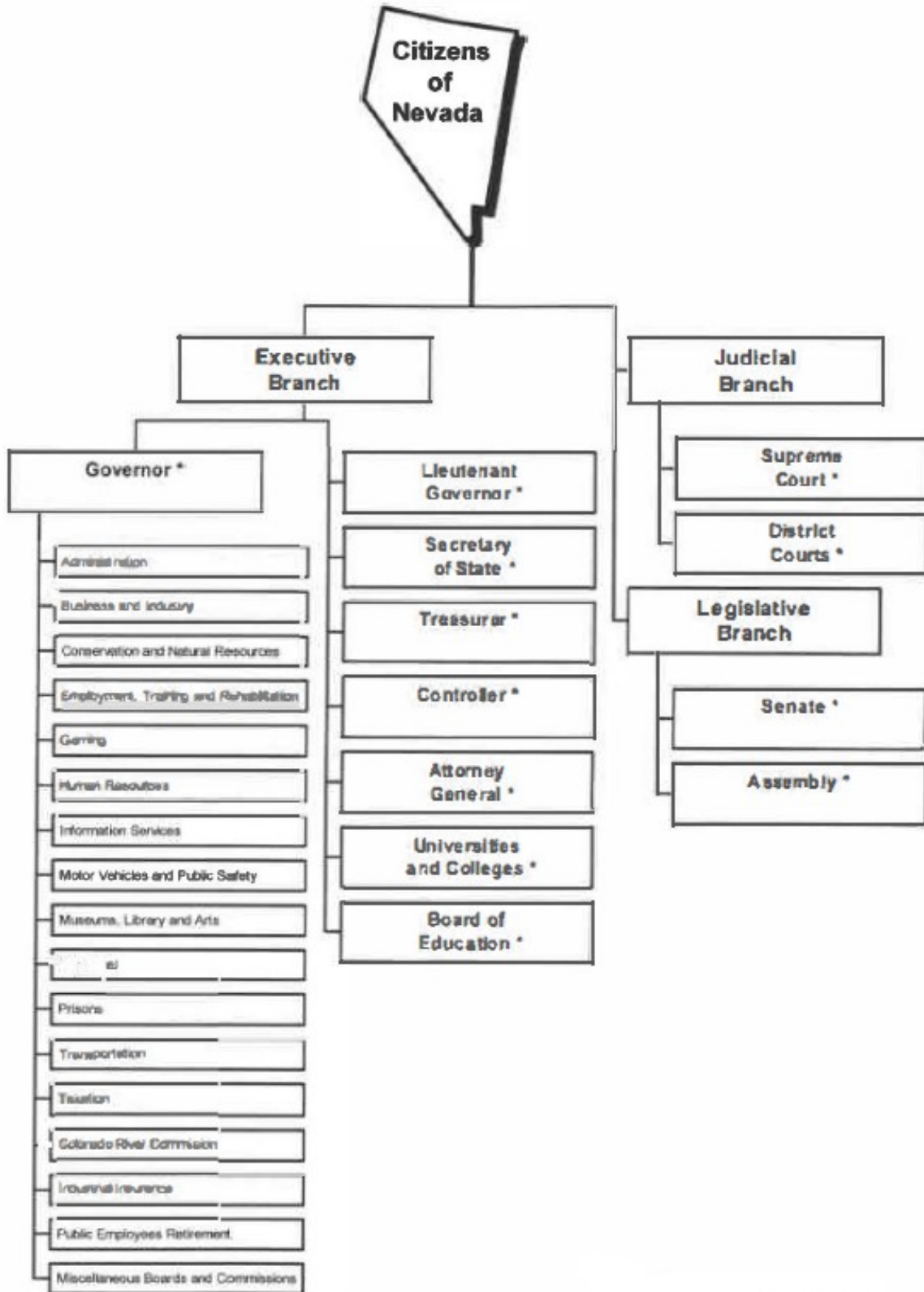


Darrel R. Daines
Controller



Frankie Sue Del Papa
Attorney General

NEVADA STATE GOVERNMENT



* Elected Officials or Bodies

MAJOR INITIATIVES

John P. Comeaux
Director, Department of Administration

During the 1997 - 1999 biennium, the State of Nevada will undergo significant changes as a result of legislation passed during the 1997 Nevada Legislative Session. The changes include a comprehensive package of elementary and secondary education reforms; a new welfare program, to comply with the federal Personal Responsibility and Work Opportunities Reconciliation Act; the *Family to Family Connection* program, to provide support services to families with infants; increased funding for Family Resource Centers; and a long list of capital improvement projects.

EDUCATION REFORM

As a result of Senate Bill 482, the elementary and secondary education system in Nevada will experience a major overhaul. The legislation – the *Nevada Education Reform Act of 1997* – holds students, teachers, schools, and parents responsible for the academic performance of Nevada's students. The four major provisions of the Act are: Standards, Assessment, Accountability, and Technology.

Standards and Assessment

The Act establishes a 9-member *Council to Establish Academic Standards*, comprised of the President of the State Board of Education, parents, teachers, business leaders, and legislators, to develop statewide academic standards and achievement tests in core subjects. The standards and achievement tests will be developed in phases. The Phase I standards for English, mathematics, and science will be developed by September 1, 1998, with the corresponding achievement tests developed by November 1, 1998. The Phase II standards for the arts, computer literacy, health/physical education, and social studies will be developed by September 1, 1999, with achievement tests developed by November 1, 1999.

The State Board of Education must adopt the standards developed by the Council, but has some flexibility in adopting the achievement tests. Phase I standards take effect for the 1999 - 2000 school year, while Phase II standards take effect the following year.

Accountability

Each school must complete a yearly "Accountability Report" that includes information on student performance on statewide achievement tests. The tests will be given to every fourth, eighth, and tenth grader in Nevada public schools. In addition to a school's ranking on these statewide tests, schools must report items such as: the number of students taking the statewide tests, the average daily attendance of students and teachers, school expenditures, incidents involving the possession of alcohol and/or controlled substances, the percentage of the school's graduates in remedial courses at the University and Community College System of Nevada, and the participation rate of parents in school activities.

On the basis of the Accountability Reports, all schools in the state will be identified as High Achievement, Adequate Achievement, or Inadequate Achievement. Schools initially identified as Inadequate will be required to develop a plan of improvement and will be evaluated by a panel established to review the school. If the school fails to improve for three consecutive years, the panel can take any action needed, including the appointment of a new administrator, to improve the school's performance.

Technology

The Nevada Education Reform Act also creates an 11-member *Education Technology Commission* comprised of educational personnel, representatives of public libraries, the University and Community College System of Nevada, private sector, parents and legislators. The Commission is charged with developing a statewide plan for the use of educational technology at each school. The plan will make recommendations to incorporate technology within the schools, increase student access to the Internet, increase teacher access to continuing education opportunities

through technology, improve student achievement, and incorporate teacher training needs associated with the new technology. The final technology plan is due by January 1999 in time for the 1999 Nevada Legislative Session.

The Commission will also allocate funds to school districts, state youth training centers, and public libraries from the newly-created *Trust Fund for Educational Technology*. The Legislature allocated on July 1, 1997, \$27.5 million to the Trust for the purchase and installation of computer hardware, software, and electric wiring for computer laboratories, upgrading existing computer software, purchase of additional computers for instructional use in the classroom, and for other forms of educational technology. Also available is \$8.6 million for repair, maintenance, and replacement of computer hardware, upgrading computer software, contracting for technical support, and training for teachers.

Legislative Oversight

The Act also establishes a *Legislative Committee on Education* comprised of four Senators and four Assembly Members to review school accountability programs, monitor the status of public education, prescribe standards for school review, and recommend remedial programs for schools. Also, the Act sets up a *Legislative Bureau of Education*, within the Legislative Counsel Bureau, to collect and analyze data and reports on statewide school performance, class-size reduction, special education and other reform initiatives.

WELFARE REFORM

To understand the status of welfare reform for the 1997 - 1999 biennium, it is necessary to give some background on where we have been. Although the federal Personal Responsibility and Work Opportunity Reconciliation Act did not pass until 1996, the State of Nevada started its welfare reform initiative in the Fall of 1993 when it convened a welfare reform task force. This early task force recommended that Nevada change its welfare system to "make work pay," thereby making work a more lucrative option for the average welfare recipient. This recommendation was central to Governor Miller's 1995 welfare reform package and gained the approval of state legislators.

It was also during this time that welfare staff began discussing with clients the fact that welfare assistance was temporary, and that clients were better off working. Other highlights of the 1995 - 1997 biennium were: establishment of the New Employees of Nevada (NEON) employment and training program; the Supporting Teens Achieving Real-life Success (STARS) program, to enable teen mothers to become better parents and achieve at least a GED; and various initiatives to help welfare recipients with job searches and placement and in receiving much-needed child support payments. A second welfare reform task force was convened during the 1995 - 1997 biennium to provide input and make recommendations on how to comply with the federal welfare reform legislation signed by President Clinton in August, 1996.

Assembly Bill 401 of the 1997 Nevada Legislative Session was the ultimate result of this second welfare reform task force. This is the bill that brings Nevada into compliance with the federal welfare reform legislation.

The federal welfare reform legislation replaces the 60-year-old Aid to Families with Dependent Children (AFDC) program with a block grant, Temporary Assistance for Needy Families (TANF), allowing states to experiment with new forms of assisting low-income families. Although federal law mandates specific reforms, states may elect several options in conjunction with their reform packages. A.B. 401 defines Nevada's options and leaves the door open for future changes.

The primary provisions of A.B. 401 and the federal legislation are: job skills assessment; a *Personal Responsibility Plan* to identify each household member's role in becoming self-sufficient; an *Agreement of Cooperation* stating that the head of household will comply with all conditions of receiving assistance; sanctions for non-cooperation; school attendance requirements for children of welfare recipients; and time limits for receiving public assistance.

Although the federal lifetime limit is 60 months, or 5 years, Nevada opted for a more conservative position. Under Nevada law, each recipient may receive 24 months (2 years) of assistance, after which the recipient must remain off TANF for 12 months (1 year). Then the recipient may receive benefits for another 24 months until the lifetime limit of 60 months is reached. Nevada opted for this strategy to prevent a person from using the entire 60 month limit all at once. The lifetime limit applies only to the cash portion (TANF), and not to Medicaid, Food Stamps or Supplemental Security Income (SSI).

As for the work requirements, federal law mandates that the work participation rate for all families be 25% by FY 1998 and increase to 50% by 2002. For two-parent families, the rates are 75% and 90%, respectively. Recipients must work or participate in a work-related activity at least 20 hours per week. To comply with these mandates, the state Welfare Division and the Department of Employment, Training and Rehabilitation are working together to build and refine a system of employment, training, and job services for those on public assistance. The State is also working with Nevada community colleges to train welfare recipients for specific jobs, and with private industry to encourage the hiring of those on public assistance.

As mentioned previously, in addition to the federal requirements, Nevada also chose several options in its welfare reform package. Those options include: (1) the *Diversion Program*, to provide short-term payments to prevent people from going on public assistance in the first place; (2) the *Non-custodial Parent Program*, to provide employment services to non-custodial parents so they can afford to pay child support; (3) domestic violence screening; (4) sanctions to recipients for failure to immunize their children; (5) transitional assistance for those who have left the welfare system, including child care and medical coverage; and (6) continued child care assistance to enable welfare recipients to work.

What if we can't meet the federal work requirements? Consequences are stiff. There is a 5% sanction to the TANF Block Grant, equaling about \$2.2 million, for failure to meet the 1998 and 2002 standards. Thereafter, the sanction increases by 2% each year for continued failure. Meeting these requirements will get even tougher in the coming years, as increasingly, those who remain on public assistance will be the more "difficult to serve" clients. Thus, Nevada is working diligently to provide an increasing array of job services, life skills training, educational services, and child care to smooth the transition from welfare to work.

FAMILY TO FAMILY CONNECTION

The Family to Family Connection is a celebration and recognition of Nevada's infants and their families. The Family to Family Connection builds upon the strengths of children, families and communities to support the child within the family, and the family within the neighborhood. This statewide effort creates a comprehensive connection that encourages optimal child growth and development through community-based public and private partnerships.

The Family to Family Connection is offered to all families with newborns; there are no other eligibility requirements. Participation in the program is voluntary, and no assessments of the child or the family are completed unless at the request of the family.

To implement the Family to Family Connection, the state has been divided into two regions with thirteen service delivery districts called *Infant Support Districts* (ISD). Each ISD is administered and operated at the local level, with involvement of those in the affected communities, and supported through block grants offered by the Nevada Department of Human Resources.

Although variations in services will exist between ISDs, as the needs of each community differ, each Infant Support District will offer three components of services: Home and Hospital Visitation; New Baby Centers; and Resource Lending Centers. Under the first component, *Home and Hospital Visitation*, the Department's goal is an average of 2 visits for a minimum of 50% of the birth population in each ISD. Visits will be provided upon request and made by licensed professionals and family specialists. The purpose of the visits is to provide information and support services to families with newborns. Topics covered will include child growth and development, immunization, and information about other resources, as requested by the family.

The second component, *New Baby Centers*, are designed as places within the Infant Support District for families to network and have a central location for formal and informal activities that foster learning and support. In addition, the New Baby Centers will provide limited respite services for infants up to age one. Respite services are not intended as long-term child care, nor for drop-in child care. Rather, respite care will be offered to families on a short-term basis to facilitate individual and group educational opportunities. Examples of how respite services might be used are: parents who have been newly hired and have been unable to arrange for ongoing child care, and families who are seeking employment and need child care while they go for interviews.

Finally, each ISD will have a *Resource Lending Center* that contains resources that focus on the needs of families with newborns. Resources will be available to families on a loan basis and will include such things as instructional materials (e.g., books and videotapes), toys, and safety equipment.

Total funding for the Family to Family Connection is \$9,323,073 over the biennium. This total includes \$1,215,729 in federal money.

FAMILY RESOURCE CENTERS

Established pursuant to Senate Bill 405 of the 1995 Nevada Legislature, Family Resource Centers are intended to provide a range of services to families in at-risk neighborhoods throughout the state. Each Family Resource Center (FRC) is governed by a Neighborhood Council composed of parents of children from the neighborhood. Because each neighborhood is different, the services provided by each FRC differ. However, services typically include parenting education, child care resources and referrals, family counseling, support groups, child abuse/neglect prevention, recreational programs and youth development activities. The Nevada Department of Human Resources selected two Local Governing Boards (one in Northern Nevada; the other in Southern Nevada) to allocate funding for the FRCs. During the 1995 - 1997 biennium, total funding for FRCs was \$1,130,000, and there were a total of 21 FRCs throughout the State. For the 1997 - 1999 biennium, total funding for FRCs is \$2,832,000, a 151% increase. This increase will allow for an additional 21 FRCs in various locations around the state, to be established in phases. The Department is close to its goal of 42 FRCs. By January 1, 1998, there will be 35 Family Resource Centers in various locations throughout the state, with the rest coming on-line during the remainder of the biennium.

CAPITAL IMPROVEMENT PROJECTS

There are several Capital Improvement Projects, or CIPs, planned for the 1997 - 1999 biennium. The projects consist of construction and maintenance activities for state prisons and conservation camps, the University and Community College System, and various state agencies. The total legislatively-approved CIP budget for the biennium is \$316,130,678. The CIP budget is financed in three ways: cash, bonds, and other sources, such as donations. The cash portion of the CIP budget is \$146,265,673, or 46.3%. The portion financed by bonds is \$149,611,405, or 47.3%. Other sources total \$20,253,600, or 6.4% of the total CIP budget. The state prison system and higher education together account for over 80% of the total CIP budget. The state prison system accounts for 34.8% of the total CIP, while higher education accounts for 46.5%.

ECONOMIC REVIEW AND OUTLOOK

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

INTRODUCTION

Economic conditions are of major concern to state policymakers throughout the U.S. The importance of the economy's performance is a critical determinant of, among other things, perceptions of quality of life, the overall well-being of the population, and a state's fiscal health.

It takes only a brief glance at the information contained in recent issues of *Western Blue Chip Economic Forecast*, a widely-read Arizona State University publication, to conclude that Nevada's economy is turning in a solid, if not spectacular, performance on all fronts:

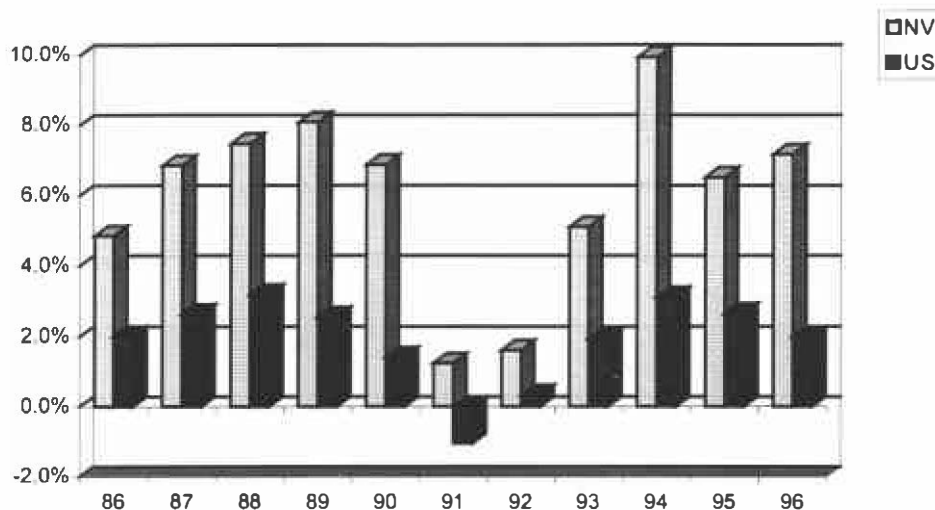
- *Silver State takes crown for top employment growth in 1996* (April 1997);
- *Nevada, Utah, Washington, and Texas set the pace among the Western states for growth in residential construction permits in 1996* (March 1997); and
- *Nevada, Arizona, Utah lead nation in population growth in 1996* (January/February 1997).

Clearly, Nevada's economy appears to be on solid ground as the 1990s draw to a close and the 21st century approaches.

REVIEW

Nevada's strong economic showing of late is evident across the board. Perhaps the most watched barometer of regional economic conditions is job and employment trends. Between 1986 and 1996, job growth in the State exceeded that for the U.S. in every year (figure 1). During that ten-year period, job growth averaged 6.6% annually, more than three times the rate of growth for the nation as a whole. That trend has continued into the first half of 1997. Nationwide, job growth stands at 2.2%. In Nevada, job growth has come in at 7.2%.

Figure 1
Nevada and U.S. Nonfarm Job Growth



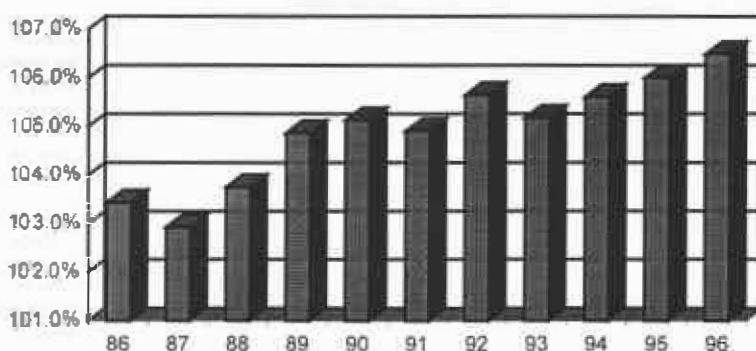
In the midst of this rapid expansion in jobs, the structure of Nevada's economy continues to evolve and diversify. While the gaming and related industries continue to play significant, if not dominant, roles in the State's economy, other industries are growing and prospering (table 1). In fact, the share of total jobs accounted for by the hotels/gaming/recreation sector is lower than it was a decade ago (24.9% of the total in 1996 vs. 27.5% ten years earlier). The share of jobs accounted for by other service industries is on the rise. Perhaps more importantly, the share of jobs accounted for by nonservice industries has increased from 55.9% in 1986 to 56.9% in 1996.

	Table 1 Nevada Job Structure Jobs (in thousands)		Share of Total	
	1986	1996	1986	1996
Hotels/Gaming/Recreation	128.9	209.5	27.5%	24.9%
Other Services	77.7	154.0	16.6%	18.3%
Other	261.5	479.0	55.9%	56.9%
	468.1	842.5	100.0%	100.0%

Another broad gauge of the economy's health revolves around personal income trends. Again, it is clearly evident that Nevada has turned in a solid showing relative to trends unfolding throughout the country. Nevada personal income growth came in at 9.9% in 1996, nearly double the 5.6% rate of growth in the U.S. That trend continued in the first quarter of 1997 as income grew at an 8.7% clip in Nevada, well ahead of the 6.3% gain turned in by the nation as a whole.

In 1996, per capita personal income totaled \$26,011 in the State. This equates to about 106.5% of the national average. Per capita income in Nevada, expressed as a percentage of the U.S. average, has risen steadily over the past decade (figure 2), a further sign of the State's relatively strong economic performance during that period.

Figure 2
Nevada Per Capita Personal Income as a Percent of the U.S.



Just as the Nevada economy as a whole has evolved and diversified, the State's most notable industry is also going through a period of significant change. It appears that the State's "gaming" industry is well on its way to evolving into the "gaming/leisure" industry, providing a multitude of services and opportunities to customers which extend well beyond those provided by traditional casinos and showrooms. Mr. Glenn Schaeffer, president and CFO of Circus Circus highlights this shift:

The boldest and most expensive buildings under way today in a country famed for its skylines lie on a four-mile stretch of the Mojave Desert called the Las Vegas Strip. Circus' Luxor pyramid attracts more visitors annually than all of Egypt—by a factor of three to four times. The very idea of the entertainment megastore is to relieve people of their ordinary experience. In Las Vegas, we promote the sights and sounds and spectacle that you can't find back home, or anywhere else.¹

This apparent shift is reflected in the balance sheets of Nevada's gaming establishments, as noted in a recent study undertaken by the State's Budget and Planning Division:

An examination of the combined income statement revenue of Nevada's gaming establishments, as reported in the State Gaming Control Board's annual Nevada Gaming Abstract, suggests that there was, in fact, a shift in consumer behavior in the mid-1990s. Between FY 1986 and FY 1993, gaming's share of total revenues in these establishments barely budged, ranging from 60.7% to 61.8%. However, that changed beginning in FY

¹ As quoted in: Joseph V. Coccimiglio, Prudential Securities Equity Research, *Portfolio Managers Wrap-Up*, "As Casinos Become More Spectacular, is Gaming Still the Draw?", January 1997, p. 4.

1994, when gaming accounted for just 59.7%. As of FY 1996, that share had declined further, to 57.7% of total revenue.²

This shift in consumer spending patterns is evident in the various gauges of the health of Nevada's gaming/leisure industry (figures 3 and 4). Clark County visitor volume continues to move forward, doubling between 1986 and 1996 in reaching 30 million visitors annually. The gaming industry's real (i.e., inflation-adjusted) total win rose by about 50% over the same period, despite a relatively poor showing in 1996. These same general trends are evident through the first half of 1997. Visitor volume is up a solid 4.3% relative to a year ago. Real gaming win is up a more modest 1.3% through the first half of the year. Hence, it appears that Nevada is still drawing significant numbers of visitors, yet the State's gaming establishments are not generating proportionate increases in win, further evidence that consumers are diversifying their budgets. While these trends have been unfolding, taxable sales, a good measure of retail activity, have been surging. Real sales growth has been 8% or greater in three of the past four years. This surge has likely been driven by a number of factors, including a building boom in southern Nevada, growth in the State's population, and, arguably, growth in nongaming expenditures on the part of the State's visitors. Growth has continued through the first half of 1997, as sales are up nearly 5% after adjustment for inflation.

Figure 3
Nevada Gaming/Leisure Activity Barometers

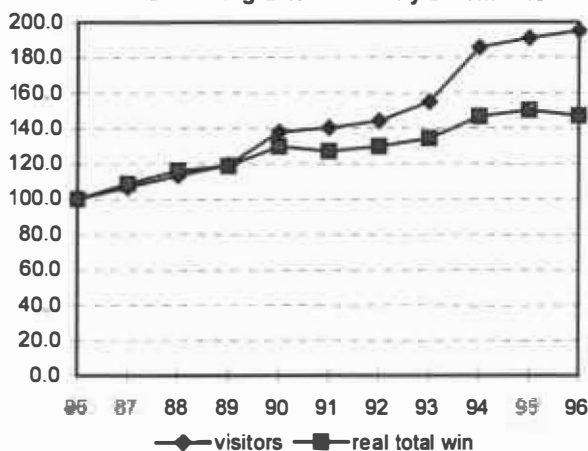
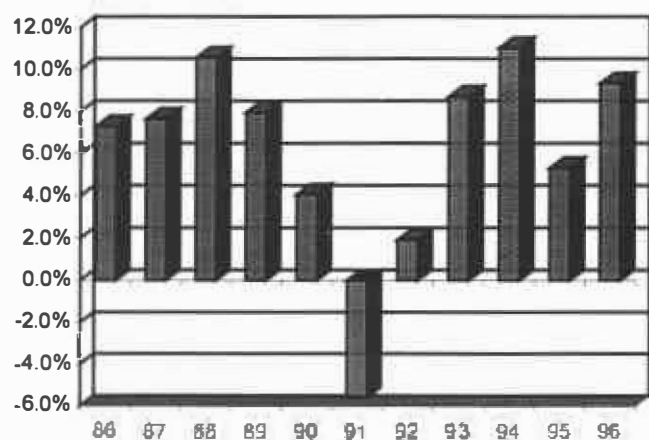


Figure 4
Nevada Real Taxable Sales Growth



OUTLOOK

Clearly, the Nevada economy is on solid ground. If the U.S. economy continues to move forward, the State will, in all likelihood, once again be at or near the top of the economic rankings in the years ahead.

As for the U.S. economy, the current expansion, which began in March 1991, is the third longest post-WWII recovery. Despite its longevity, there are few indications of problems on the horizon. Labor markets continue to generate ample employment opportunities, keeping the unemployment rate near 5%. Spending remains fairly robust as consumers are confident of their future job and income prospects. Perhaps most importantly, inflation, at roughly 2.5%, remains quite tame by recent historical standards. Typically, one of the earliest signs of impending problems is upward pressure on inflation.

The consensus is that the U.S. economy should continue to move forward at a steady and sustainable clip. WEFA, Inc., a well-known economic forecasting firm, expects real GDP growth in the neighborhood of 2.5% (annually) well into the foreseeable future. Their baseline forecast calls for job growth of 1% to 2%. Inflation is forecast to come in below 3% on a yearly basis.

Against this backdrop, Nevada's economy should continue to expand at a solid rate. Healthy economic conditions in the nation as a whole will help pave the way for continued visitor growth. In response, Nevada's gaming establishments have scheduled significant new development and expansion projects in the spirit of the entertainment megastore noted above, involving roughly 12,000-15,000 new hotel rooms. These new properties will be designed to cater to the gaming and nongaming needs of visitors. Many industry-insiders view this evolution from the traditional

² State of Nevada Budget and Planning Division, Interpreting FY 1997 Percentage Fee Collection Trends, April 1997.

casino-dominated gaming market to the gaming/leisure market characterized by today's megaresorts in a positive light. The Prudential Securities report cited earlier notes that:

The potential for nongaming revenue growth is enormous, as it taps into the \$440 billion leisure industry. We think casino companies with more to offer than gaming can achieve superior growth of revenues and cash flow through the end of the decade. (p. 3)

Some have expressed concern over the possibility that, as a result of several years of nonstop growth, Nevada's gaming/leisure market has reached the point of over-capacity. Research undertaken in the Budget and Planning Division suggests that this is not the case. The findings suggest that it remains profitable for firms to continue to add capacity. The fact that significant expansions are on-going suggests that this is, indeed, the case. It is quite unlikely that these projects would be undertaken if there were major concerns about their future profitability.

With that said, the Budget Office's analysis suggests that the current round of expansions, once complete, will likely bring the State's gaming capacity to the limit. Hence, while the following years will bring about continuous re-tooling of existing capacity, significant expansions are not expected beyond those currently planned and in progress.

The State of Nevada Economic Forum, a panel of outside experts which establishes the revenue projections upon which the State's budget is developed and adopted, looks for a rebound in gaming activity. Percentage fee collections from taxable winnings on the part of Nevada's gaming establishments, the State's major source of gaming tax revenue, is forecast to grow at around 6% annually during the 1997-1999 biennium. In addition, their outlook is for solid growth in the neighborhood of 8.5% to 9% in sales tax collections, suggesting, among other things, further growth in the "leisure" component of Nevada's gaming/leisure industry.

Current expectations are for the State's labor market to continue generating substantial job opportunities for Nevadans. The Department of Employment, Training, and Rehabilitation is forecasting job growth of 6.5% in 1998. WEFA expects slightly slower growth of about 5% annually through 1999. Even if job growth does slow to the extent expected by WEFA, it will still be well in excess of the pace of job growth forecast for the nation as a whole.

Expectations concerning other economic indicators also point to continued strength. WEFA is forecasting annual real personal income growth of 6% to 7% through 1999. The State's strong economy is likely to continue attracting new residents to Nevada. The State Demographer expects population growth to average 4% annually through the end of the decade. As a result, residential construction activity should continue at a fairly robust pace.

Taken as a whole, these expectations suggest that economic activity in Nevada will continue at a strong level. However, it remains to be seen whether the rapid rate of expansion evident in the mid-1990s will be repeated. Most likely, growth will ease a bit, but only marginally. Most, if not all, other states would welcome the pace of economic activity Nevada is likely to experience in the near future.

Two notes of caution are in order. First, as is always the case, there is some downside potential to this forecast. Perhaps the most likely source of problems would be an unforeseen cyclical downturn in the national economy which would, among other things, negatively impact consumer confidence and put a dent in disposable incomes, reducing the demand for the services provided by Nevada's gaming/leisure industry. While such a downturn is not expected, WEFA attaches a 30% probability to such an occurrence. Even so, should this scenario unfold, the downturn would likely be relatively brief, resulting in just two quarters of negative GDP growth in the second half of 1998.

Secondly, the favorable economic conditions which have been evident in Nevada in recent years, and which are likely to continue, have not, and will not, lessen the need for difficult fiscal decisions on the part of State policymakers. While the positive impacts of a strong economy outweigh any negative side effects, accommodating growth and paving the way for continued economic strength in the future is not a simple task. As the State has grown, so has, to name just a few examples, the student population, demands placed upon the criminal justice system, and the utilization of our infrastructure network. Addressing these, and other, "growth" issues will likely require increasing amounts of scarce public resources.



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Lisa M. Savitsky
President

Jeffrey L. Esler
Executive Director

*Special Feature
On Nevada Tourism*

Reno-Tahoe Territory

*The Reno-Tahoe Territory borders the scenic eastern
slopes of the Sierra Nevada mountain range.*



Nevada's Reno-Tahoe Territory has it all: Lake Tahoe's crystalline waters, rolling forests of pine and fir, snow-covered mountains, gaming resorts filled with superstars, an ancient sea turned into a desert lake, historic mining towns, Indian pow-wows and well-manicured golf courses.

Starting in the north, the territory begins with the desolate beauty of Smoke Creek and the Black Rock Desert. Pyramid Lake is located at the southern end of this desert and is a remnant of an ancient inland sea.

Reno-Sparks

To the south are the sister cities of Reno and Sparks. Reno was Nevada's original gaming town, and today Reno and Sparks are the center of nightlife and entertainment in northwest Nevada. In downtown Reno, the National Bowling Stadium has brought national and international bowling tournament crowds to the "Biggest Little City in the World."

There's always something happening in Victorian Square, the heart of Sparks' casino/entertainment district. Many special events, such as the Cinco de Mayo celebration and the Nugget Best-In-The-West Rib Cook-Off, attract thousands of visitors annually.

A short trip down the highway, tourists can visit the town of Genoa, which was first settled by Mormons in the 1850s. It was originally a log cabin trading post, but today the state's first settlement is a picturesque village and state park.

Gold, Silver And Nevada's Capital

When other gold rushes began to wane, prospectors worked their way up a canyon at the foot of the Sierra Nevada in 1858, and founded the towns of Dayton, Silver City, Gold Hill and Virginia City. This Comstock mining

district gave up tons of gold and silver to miners and once represented the richest lifestyles. Virginia City is the main attraction of the district today, and its Old West saloons, churches, mines and museums can be visited on foot or seen from an original Virginia & Truckee Railroad steam-powered train.

Carson City, the state capital, is a small thriving city with numerous points of historic interest, including the Nevada State Museum, the State Railroad Museum, the State Capitol and numerous Victorian homes clustered on the city's shady west side. Just beyond Carson City is the most famous and largest alpine lake in North America: Lake Tahoe. It is one of the clearest, deepest lakes in the world.

Recreation

Outdoor recreation is a year-round experience in Reno-Tahoe Territory. In the winter, Lake Tahoe offers skiing, snowboarding, snowmobiling and other winter sports. In the summer, the spectacular 150-mile Tahoe Rim Trail, a perfect hiking experience, follows the ridge around the lake's basin.

With thousands of square miles of U.S. Forest Service land in the area, it's a paradise for biking, hiking, camping and horseback riding. There also are numerous golf courses in the region.

Sand Harbor, at the Lake Tahoe Nevada State Park, features a swimming beach, boat launch and picnic area. It is the home of the annual Shakespeare at Sand Harbor Festival held under the stars each August.

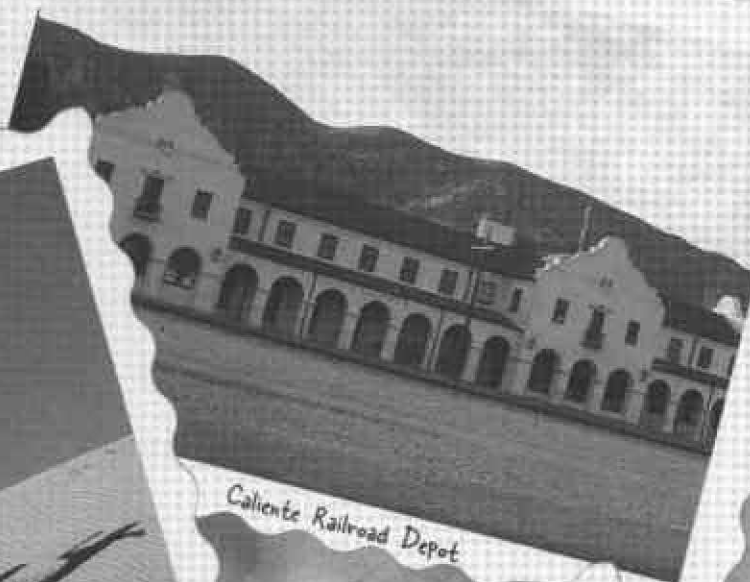
In the Reno-Tahoe Territory you can experience all the unique characteristics of Nevada's history and vast resources. ■

Pioneer Territory

*Pioneer Territory is the south central heartland of Nevada
and home to the newly designated Extraterrestrial Highway.*



Death Valley



Caliente Railroad Depot



The Extraterrestrial Highway

There aren't many places left in the United States where you'll find real pioneers in a true frontier setting. Nevada's Pioneer Territory is one of the last. There are a variety of natural wonders here, from the eerie badlands of Death Valley National Park to the alpine grandeur of the Toiyabe and Monitor mountain ranges.

The Mason Valley

One of the most beautiful sections of this land is Mason Valley in the northwest corner of Pioneer Territory. This is cattle country filled with vast fields of alfalfa and grazing livestock with its center at the picturesque town of Yerington, a great place to stop and spend a few hours enjoying the casino activity, a round of golf or bird watching at the Mason Valley Wildlife Refuge.

The Walker River, which irrigates the Mason Valley, winds its way south to Walker Lake, one of two remnants of an ancient inland sea.

The northern end of the lake, and the town of Schurz, is the ancestral home of the Walker Lake Paiute tribe. At the southern end is the town of Hawthorne. Hawthorne is home to the Mineral County Museum, the place to learn the history of this 116-year-old railroading town.

Prehistoric Fossils And Old Mining Towns

One of the region's most cherished oddities is the Berlin-Ichthyosaur State Park east of the town of Gabbs. Berlin is a turn-of-the-century mining camp maintained in a state of "arrested decay." The buildings are frozen in time, not allowed to deteriorate further, yet not restored to pristine condition.

Just up the hill is the site of a 1955 excavation that yielded the fossilized remains of 40 Ichthyosaurs. The 60-foot fish-lizard was a prehistoric, whale-like creature that swam the seas 240 million to 90 million years ago.

The colorful old mining town of Tonopah is perched on a windswept mountain top at the junctions of U.S. Hwys. 95 and 6. Founded in 1900, Tonopah became one of the

West's most important mining towns, producing extraordinary amounts of silver well into the current century. Today, it offers a wide range of dining and lodging options, including the 1907 Mizpah Hotel.

Goldfield, once the center of urban sophistication when it was Nevada's largest city in 1907, can be found further along Hwy. 95. The town's Goldfield Hotel, now closed, was once the most opulent hostel between Kansas City and San Francisco.

Beatty, known as the gateway to Death Valley National Park, is right next door to the old mining town of Rhyolite, one of the state's most popular ghost towns.

Outdoor Beauty Via The E.T. Highway

In the center of Pioneer Territory is State Rt. 375, Nevada's world-famous Extraterrestrial Highway. The desolation of the area and the road's proximity to a top-secret Air Force base have made the route a favorite among UFO spotters.

Heading east, the ET Highway joins U.S. Hwy. 93 near Cathedral Gorge State Park. This is a fanciful land of towering spires and labyrinthine canyons, some of which are only a few feet wide. Camping and picnic sites are available at the state park.

In nearby Pioche, the Lincoln County Museum is the repository of local artifacts, but it's the "Million Dollar Courthouse" that is the town's main historical attraction. The Courthouse and jail are restored to original condition, complete with mannequin jurors and an animated judge.

Caliente, a placid little railroad town with a huge depot, offers an exquisite example of Mission-style architecture. The vast and verdant Pahrnagat Wildlife Refuge, where 100-year-old cottonwood trees skirt a large lake is the perfect spot for a roadside picnic or afternoon fishing.

The present-day beauty and natural resources of Nevada's Pioneer Territory will sweep you away to the past when gold and silver mining and cattle ranching ruled this unique and historic land. ■

Pony Express Territory

*Pony Express Territory is home to U.S. Highway 50,
"The Loneliest Road in America," and Great Basin National Park.*

The Ghost Train of Ely



Great Basin National Park



Highway 50, The Loneliest Road in America



Nevada's Pony Express Territory is an open-air museum of natural history and western Americana.

The territory spans north central Nevada, and the main route is U.S. Hwy. 50, which follows the old Pony Express route. This part of the highway was once an important link in the Pony Express' system of horse-and-rider mail transportation stretching from St. Joseph, Mo., to Sacramento, Ca. in the early 1860s.

As it was then, there are now still only a few small towns that dot the area along the road. In fact, the highway was described some years ago by a *Life* magazine writer as "The Loneliest Road in America."

Great Basin National Park

Traveling east to west, the first stop along U.S. Hwy. 50 is the Great Basin National Park, which was created in 1906. It is home to the oldest living object on earth, the Bristlecone Pine. One gnarly old tree was found to have sprouted only 700 years after the date the Old Testament gives for the creation of the earth. Hiking trails lead to pristine alpine ponds and lakes and to the crest of 13,063-foot Wheeler Peak.

At the peak's base are the Lehman Caves, a fantastic display of geologic decorations, including an array of stalactites and stalagmites.

Nearby Ely, a former copper mining town, makes a great base for trips to the area's outdoor recreation areas and historic sites.

Ely And Its Ghost Train

Ely's pride and joy is the Nevada Northern Railroad Museum, the intact rail yards, shops and rolling stock of the Nevada Northern Railroad.

The highlight of the stop is old Number 40, "The Ghost Train of Ely." A coal-fired 1910 Baldwin steam locomotive,

The Ghost Train and Number 99, a 1909 American Consolidated steam engine, both offer passenger rides.

Mining Towns

The next stop brings visitors to one of the oldest mining towns in the state. Founded in 1864, Eureka boasts many of its original buildings, which have been restored. The most impressive structure is the Eureka Courthouse, currently under restoration. Once near collapse, the Eureka Opera House, built in 1880, has been completely renovated and reopened in 1994.

From Eureka, the drive takes visitors to another mining town. Austin, like most mining towns, was built in a high mountain canyon dubbed Porty Canyon in honor of the retired Pony Express rider who made the initial silver discovery here in 1862. Many of the substantial stone-and-brick buildings survive.

Fallon: Farming And F-16s

The next stop is Fallon, known for cantaloupes and F-16s. Fallon's award-winning "Heart O' Gold" cantaloupes are one of the top products of this rich farmland. Fallon also is the headquarters of the U.S. Navy's famous "Top Gun" flight school.

There's great fishing at Lahontan Reservoir, just 17 miles away. Canyons also are welcome at adjacent Fort Churchill, an 1860s Army post that's maintained in a state of arrested decay. Both areas are state parks.

The nearby Stilwater National Wildlife Refuge is an important breeding, feeding and migratory habitat for waterfowl. Bird watchers can get a close-up look at pelicans, swans, ibises and dozens of varieties of ducks.

No matter how much time is spent in this area, "The Loneliest Road in America" will take you through the most beautiful country in America — the Pony Express Territory. ■

Cowboy Country

Cowboy Country is famous for trailblazers, wagon trains, cattle drives and cowboy poetry gatherings.

Old West Remnants



The Ruby Mountains



Jarvis Wildlife Area

The Humboldt River's course has defined the main road of Cowboy Country, the same route visitors now travel along Interstate 80. Many of the area emigrants' lives also were defined by the river when they returned following failed dreams of finding gold or silver. These pioneers created an enduring inland cattle ranching empire, built upon the practice of open-range grazing.

Salt Flats, Marshes And Wilderness

The traditional and the modern live side by side in Cowboy Country. The latter is on display as soon as travelers cross the border from Utah to West Wendover, NV.

Food, drink and lodging bargains abound in Wendover, and there's a grand view of the vast Bonneville Salt Flats, where numerous land speed records have been set.

The next stop up the road, Wells, is a travelers' town and offers visitors food and fuel plus comfortable, inexpensive lodging and RV facilities. Tired travelers can get a break by taking a side trip to Angel Lake, 12 miles above Wells in the East Humboldt Range.

The Ruby Marshes area southwest of Wells is one of the state's hottest fishing areas during wet years, as well as a wildlife sanctuary attracting large numbers of migratory waterfowl.

North of Wells is Jackpot, another booming resort town near the Nevada-Idaho border. As an unabashed gambling town, Jackpot has spectacular deals on food, first-class lodging and entertainment. This rugged country also is home to the magnificent Jarvisburg Wilderness Area.

Elko And Cowboy Poetry

Elko is the bustling center of commerce and government for northeastern Nevada. Lately, it has evolved into a

showcase for western American folk art. Long famous for its National Basque Festival held each Fourth of July, a new era in Elko's cultural history began in 1985. That's when the first Cowboy Poetry Gathering was held. Now every January, the country's best cowboy poets come to Elko to share their tales of life on the range.

Mountains, Rodeos And Basque Festivals

The picturesque village of Lamolle at the foot of the Ruby Mountains is headquarters for one of America's few heli-skiing operations, a unique way for skiers to access the elusive virgin powder. The Lamolle Canyon Road, a Nevada Scenic Byway, takes visitors into the heart of the Ruby Mountains.

Winnemucca, located toward the central western side of the territory, was named for a famous Paiute Indian chief. It is another crossroads community and the gateway to the rugged highland splendor and outdoor recreational opportunities of the Santa Rosa Mountains. It also leads visitors to the well-preserved old west towns of Unionville, Midas and Paradise Valley.

The Winnemucca Rodeo is the oldest rodeo in the state. The Winnemucca Basque Festival, held in June, honors the culture and cuisine of the Basque settlers and allows visitors to sample a taste of the Pyrenees.

At the center of Lovelock is one of the state's architectural oddities, the Pershing County Courthouse, the only round courthouse in the county. Around the building is the town's large city park, shaded by 80-year-old trees.

Natural and historic wonders abound in Cowboy Country, and visitors catch a mild case of cowboy fever while touring this land of independent spirit and rugged integrity. ■

Las Vegas Territory

*Las Vegas Territory is home to the most
exciting city in the world.*

Hoover Dam



Fishing at Tule Springs



Las Vegas



How did the once sleepy desert railroad town of Las Vegas transform itself into a now overwhelming center of sensual saturation? And how does it continue to conjure up completely new entertainment concepts so quickly — and so often?

The answer to these questions can be answered in a word: imagination. Almost from its founding days, Las Vegas' leaders imagined the city would become the world's playground — and it did. People began to call Las Vegas "The Entertainment Capital of the World" long before it had really gained that status. But Las Vegas imagined it so, and the city became what it imagined.

Las Vegas Neon

Las Vegas has 12 of the 13 largest hotels in the world, and more entertainment choices than any place in the world. Its stages have featured every type of entertainer, from Frank Sinatra and Elvis to the Rolling Stones and Pearl Jam.

From a pirate ship firing its cannons and a medieval castle complete with knights to an Egyptian pyramid and sphinx, a Roman kingdom and the New York skyline, the wide array of fantasy sights is not to be missed along the Las Vegas Strip. Visitors can enjoy hotel-casino replicas of all types while they enjoy the excitement of 24-hour gaming, gourmet restaurants and star-studded entertainment in the many spectacular resorts that make Las Vegas a unique vacation destination. If all this were not enough, downtown Las Vegas includes a massive latticework canopy along five blocks of Fremont Street. The canopy comes alive with light and sound shows, especially during special events and holidays.

South of Las Vegas is the quiet, shady community of Boulder City and nearby Hoover Dam, which was completed in 1935. There's a visitors' center and tours of the dam's interior are offered.

Desert Lakes And Mountain

Behind the dam is Lake Mead, the largest man-made lake in the Western Hemisphere. Both it and Lake Mohave to

the south are part of the massive Lake Mead National Recreation Area.

On the northeast side of Lake Mead, about 55 miles from Las Vegas, a scenic byway leads travelers to the Valley of Fire State Park, a series of red sandstone mountains and valleys where the wind has sculpted the landscape into bizarre shapes that move and mutate with the changing light of day. Some fine examples of prehistoric Indian writings called petroglyphs can be found on the rocks.

Just 20 miles along a scenic byway from downtown Las Vegas is the magnificent Red Rock Canyon National Conservation Area — a rock climber's haven.

Mount Charleston, at nearly 12,000 feet, has been described as "a garden island in a sea of desert." In the summer, it is the place in southern Nevada where you can stay cool without air-conditioning; in the winter, it's the only place in the area for skiing and other snow sports.

Mesquite, 77 miles northeast of Las Vegas on the Virgin River, is a rapidly developing resort town with golf, horseback riding, trap shooting and all the indoor activities for which Nevada is famous.

Resort Towns

Approaching the Nevada state line from southern California, drivers are greeted by the bright lights of Primm and Jean. Once just lonely highway outposts, the towns are now resort areas with a complete measure of Nevada-style action and unique hotel-casinos that boast several amusement rides, including one of the tallest roller coasters in the world.

In the extreme southern tip of Nevada on the Colorado River, is the community of Laughlin. Laughlin is a lively town of world-class resorts offering great food, big-name entertainment and first-class accommodations.

A magnificent dam and majestic mountain peaks, Canyon hiking trails and the neon lights of the famous Las Vegas Strip. Variety and unique attractions are what the Las Vegas Territory is all about. ■

Indian Territory

A territory without geographic boundaries, it covers the entire state with the ancient and rich cultures of Native American tribes.

Te Moak Princess



Petroglyphs



Mother Earth Awakening Pow Wow, Carson City

American natives lived in a unique environment. Sometime between 12,000 and 10,000 years ago, various hunter-gatherer cultures flourished in both southern and northern Nevada. Prehistoric Lake Lahontan, an ancient inland sea that covered much of Nevada and Utah, provided abundant fish, and the land was home to the mammoth, bison and numerous other game. The ancients left behind few clues about their lives, except for numerous petroglyphs or "rock etchings." Some of the best are found at such places as Grimes Point near Fallon, Hickison Summit near Austin and in Valley of Fire State Park outside of Las Vegas.

The huge Lake Lahontan became two smaller lakes, Pyramid and Walker, and their shores became the home of the northern Paiute people. The southern Paiute relied on the springs of the Las Vegas Valley and the tributaries of the Colorado River. The Shoshone and the Washo lived in the shadows of Nevada's many high mountain ranges, which provided water, small game and pine nuts.

Native Americans In Northern Nevada

Today, many Nevada Indians still occupy their native land. The northern Paiute own Pyramid Lake, the moody, mysterious lake that was once a desert sea and often is called the most beautiful desert lake in the world. It is no wonder the Pyramid Lake Road has been designated a National Scenic Byway — the only byway in the nation entirely within a tribal reservation.

It's a prime fishing spot, too. The Pyramid Lake Visitor Center at Sutcliffe can provide licenses, boat rentals and supplies. The center also houses a fascinating museum on the natural history of the lake and the culture of the native people.

Likewise, the Walker River Paiute Tribe owns most of the north end of Walker Lake and the town of Schurz. Walker Lake also boasts great fishing, dramatic scenery and uncrowded camping spots.

The Nevada State Museum in Carson City has an extensive display of native Nevadan artifacts, as well as dioramas showing daily life before the arrival of the white settlers. The Stewart Indian Cultural Center, south of town, was a federal boarding school for Indians until 1980. It now houses exhibits on what life was like at the school.

Native Americans In Southern Nevada

The predecessors of the southern Paiute people were known as the Anasazi. These pueblo dwellers constructed enormous adobe colonies along the Muddy River in the Moapa Valley south of Las Vegas more than 1,000 years ago. Today, one of the finest Native American exhibits in the state can be found at the Lost City Museum in Overton. It houses artifacts from the area, as well as a full-size model of the home of these ancient people.

In addition to its numerous petroglyphs, nearby Valley of Fire State Park also contains a unique formation called "Mouse's Tank." It is a natural sandstone bowl that fills with water when it rains and was the hide-out of Little Mouse, an Indian outlaw of the 1890s.

As for the modern Paiutes, today they are active in the southern Nevada tourism industry as proprietors of the Las Vegas Paiute Resort, two golf courses located 20 miles northwest of downtown Las Vegas in the spectacular shadow of the 11,918-foot Charleston Peak. ■





Rhyolite, Nevada is one of the most photographed ghost towns in the West





AFOURY, ARMSTRONG & CO.

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6140 PLUMAS STREET, RENO, NEVADA 89509-6060 • (702) 689-9100

INDEPENDENT AUDITOR'S REPORT

The Honorable Darrel R. Daines
State Controller

We have audited the accompanying general purpose financial statements of the State of Nevada as of and for the year ended June 30, 1997. These general purpose financial statements are the responsibility of the management of the State of Nevada. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Water Treatment Fund, Water Transmission Fund or Power Marketing Fund (collectively, the "Colorado River Commission"), the Housing Division Fund, or the Industrial Insurance Fund (State Industrial Insurance System) which statements reflect 99.8 percent of the assets and 99.0 percent of the operating revenues of the Enterprise Funds. We also did not audit the University and Community College System, a discretely presented component unit. The statements not audited by us were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Enterprise Funds and the University and Community College System Funds is based solely on the reports of such other auditors.

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

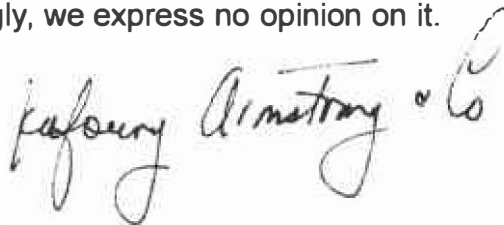
In our opinion, based on our audit and the reports of other auditors, such general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Nevada as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

The report of other auditors on the financial statements of the State Industrial Insurance System (SIIS), which statements reflect 62.6 percent and 83.5 percent, respectively, of the assets and operating revenues of the Enterprise Funds, includes an explanatory paragraph emphasizing matters pertaining to the financial situation of SIIS. Such auditor's report on the SIIS financial statements for the year ended June 30, 1997 states:

"The accompanying financial statements have been prepared assuming that the System will continue as a going concern. As discussed in Note 2 to the [SIIS] financial statements, [Notes 2A and 15 to the accompanying General Purpose Financial Statements of the State of Nevada], the system has experienced income from underwriting activities and positive cash flows from operations in recent years to partially offset cumulative losses for years prior to 1994. The remainder of this accumulated deficit, which aggregates \$981,883,000 at June 30, 1997, will need to be recovered from future revenues, operating efficiencies or from other sources to be provided to the System. Management has implemented an action plan and initiated changes to applicable law and believes such steps will continue to improve the financial condition of the System."

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

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



Reno, Nevada
December 12, 1997

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

*General Purpose
Financial Statements*



Snowboarding at Mt. Rose, south of Reno

STATE OF NEVADA

Combined Balance Sheet

All Fund Types, Account Groups and Discretely Presented Component Unit

June 30, 1997 with Comparative Totals for 1996 (Expressed in Thousands)

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Assets and Other Debits					
Assets:					
Cash and pooled investments (Note 3)	\$ 438,144	\$ 414,951	\$ 40,294	\$ 102,879	\$ 103,978
Cash, pooled investments-nonexpendable trust (Note 3)	-0-	-0-	-0-	-0-	-0-
Investments (Note 3)	-0-	856,975	-0-	-0-	1,528,183
Collateral on loaned securities	-0-	-0-	-0-	-0-	-0-
Food stamp coupons	14,498	-0-	-0-	-0-	-0-
Receivables (Note 4)	400,146	39,270	406,323	98	206,915
Due from other funds (Note 5B)	20,948	73,699	8,956	119,752	1,546
Due from component unit (Note 5C)	2	-0-	-0-	-0-	5
Due from primary government (Note 5C)	-0-	-0-	-0-	-0-	-0-
Interfund receivables (Note 5A)	436	2	-0-	-0-	-0-
Inventory	-0-	10,253	-0-	-0-	1,608
Advances to other funds (Note 5A)	3,622	27	-0-	-0-	-0-
Restricted assets (Note 6):					
Cash	-0-	-0-	-0-	-0-	17,201
Non-cash	-0-	45,757	-0-	-0-	73,686
Loans receivable	-0-	-0-	-0-	-0-	670,452
Deferred charges and other assets	736	69	-0-	-0-	62,715
Land	-0-	-0-	-0-	-0-	4,242
Structures and improvements	-0-	-0-	-0-	-0-	18,838
Furniture and equipment	-0-	-0-	-0-	-0-	35,551
Accumulated depreciation	-0-	-0-	-0-	-0-	(29,250)
Construction in progress	-0-	-0-	-0-	-0-	15,942
Other debts:					
Amounts available in special revenue/debt service funds	-0-	-0-	-0-	-0-	-0-
Amount to be provided by other government	-0-	-0-	-0-	-0-	-0-
Amount to be provided for retirement of debt	-0-	-0-	-0-	-0-	-0-
Total assets and other debits	\$ 878,532	\$ 1,441,003	\$ 455,573	\$ 222,729	\$ 2,711,612
Liabilities, Equity and Other Credits					
Liabilities:					
Accounts payable and accruals	\$ 155,428	\$ 27,906	\$ 7,242	\$ 197	\$ 2,477,502
Contracts payable	1,703	11,176	-0-	12,250	-0-
Obligations under securities lending activities	-0-	-0-	-0-	-0-	-0-
Due to other funds (Note 5B)	343,990	22,447	7,890	995	11,050
Due to component unit (Note 5C)	4,369	212	-0-	100,934	-0-
Due to primary government (Note 5C)	-0-	-0-	-0-	-0-	-0-
Interfund payables (Note 5A)	-0-	-0-	-0-	-0-	74
Compensated absences (Note 8)	-0-	-0-	-0-	-0-	3,437
Deferred revenues	98,097	5,446	405,815	75	843
Notes payable (Note 8)	-0-	-0-	-0-	-0-	-0-
Bonds payable, other obligations (Note 8)	-0-	-0-	4,725	-0-	876,383
Advances from other funds (Note 5A)	-0-	-0-	-0-	-0-	322
Obligations under capital leases (Note 8)	-0-	-0-	-0-	-0-	6,223
Claims and judgments (Note 8)	-0-	-0-	-0-	-0-	-0-
Arbitrage rebate liability (Note 8)	-0-	-0-	-0-	-0-	-0-
Other liabilities	7,875	45,757	-0-	-0-	94,830
Total liabilities	611,462	112,944	425,672	114,451	3,470,664
Equity and other credits:					
Investment in general fixed assets/plant	-0-	-0-	-0-	-0-	-0-
Contributed capital	-0-	-0-	-0-	-0-	5,201
Retained earnings (deficit):					
Reserved (Note 12)	-0-	-0-	-0-	-0-	90,604
Unreserved	-0-	-0-	-0-	-0-	(980,319)
Net unrealized gain on equity securities	-0-	-0-	-0-	-0-	125,462
Fund balances:					
Reserved:					
Encumbrances and contracts	2,441	118,463	-0-	19,192	-0-
Inventory	-0-	10,253	-0-	-0-	-0-
Advances	3,622	27	-0-	-0-	-0-
Balances forward	268,635	30,539	-0-	-0-	-0-
Other (Note 12)	1,732	1,040,483	29,901	-0-	-0-
Unreserved:					
Designated (Note 12)	-0-	-0-	-0-	89,086	-0-
Undesignated	(9,360)	128,294	-0-	-0-	-0-
Total equity and other credits	267,070	1,328,059	29,901	108,278	(759,052)
Total liabilities, equity, other credits	\$ 878,532	\$ 1,441,003	\$ 455,573	\$ 222,729	\$ 2,711,612

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

Exhibit 1

Fund Types	Fiduciary Fund Types	Account Groups		Total - (Memorandum Only)	Component Unit	Totals - (Memorandum Only)	
		General Fixed Assets	General Long- Term Obligations			1997	1998 (Restated)
Internal Service	Trust and Agency			Primary Government	University System		
\$ 36,990	\$ 795,565	\$ -0-	\$ -0-	\$ 1,932,801	\$ 21,826	\$ 1,954,627	\$ 2,094,433
-0-	9,468	-0-	-0-	9,468	-0-	9,468	2,798
-0-	9,448,786	-0-	-0-	11,833,944	265,222	12,099,166	9,717,777
-0-	1,527,081	-0-	-0-	1,527,081	-0-	1,527,081	1,526,089
-0-	-0-	-0-	-0-	14,498	-0-	14,498	24,252
2,115	153,648	-0-	-0-	1,208,515	28,308	1,236,823	1,128,258
21,480	210,307	-0-	-0-	456,868	-0-	456,868	398,677
334	-0-	-0-	-0-	341	-0-	341	1,171
-0-	-0-	-0-	-0-	-0-	107,152	107,152	27,280
-0-	-0-	-0-	-0-	438	-0-	438	580
858	295	-0-	-0-	13,014	3,999	17,013	17,705
-0-	-0-	-0-	-0-	3,649	-0-	3,649	3,919
-0-	-0-	-0-	-0-	17,201	-0-	17,201	30,889
-0-	-0-	-0-	-0-	119,443	-0-	119,443	109,495
-0-	-0-	-0-	-0-	670,452	8,358	678,810	559,973
265	650	-0-	-0-	64,435	64,801	129,236	158,987
131	3	82,923	-0-	87,299	79,502	166,801	156,949
6,183	-0-	581,155	-0-	606,176	598,059	1,204,235	975,605
29,938	1,109	203,252	-0-	269,850	203,623	473,473	478,627
(24,236)	(709)	-0-	-0-	(54,195)	(328,190)	(382,385)	(374,726)
-0-	-0-	97,941	-0-	113,883	37,891	151,774	257,854
-0-	-0-	-0-	886,864	886,864	-0-	886,864	419,390
-0-	-0-	-0-	405,815	405,815	-0-	405,815	416,021
-0-	-0-	-0-	615,386	615,386	-0-	615,386	616,442
<u>\$ 74,058</u>	<u>\$ 12,146,203</u>	<u>\$ 965,271</u>	<u>\$ 1,908,065</u>	<u>\$ 20,803,046</u>	<u>\$ 1,090,551</u>	<u>\$ 21,893,597</u>	<u>\$ 18,749,465</u>
\$ 28,175	\$ 616,997	\$ -0-	\$ -0-	\$ 3,313,447	\$ 22,979	\$ 3,336,426	\$ 3,661,191
-0-	-0-	-0-	-0-	25,129	-0-	25,129	17,168
-0-	1,527,081	-0-	-0-	1,527,081	-0-	1,527,081	1,526,089
1,586	68,730	-0-	-0-	456,688	-0-	456,688	398,677
1,637	-0-	-0-	-0-	107,152	-0-	107,152	27,290
-0-	-0-	-0-	-0-	-0-	341	341	1,171
364	-0-	-0-	-0-	438	-0-	438	580
2,313	-0-	-0-	61,732	67,482	18,453	85,935	80,203
-0-	98	-0-	-0-	510,374	11,402	521,776	534,787
-0-	9,393	-0-	-0-	9,393	-0-	9,393	9,482
-0-	-0-	-0-	1,836,996	2,718,104	69,777	2,787,881	2,256,765
3,327	-0-	-0-	-0-	3,649	-0-	3,649	3,919
1,294	27	-0-	5,004	12,548	-0-	12,548	17,706
-0-	-0-	-0-	452	452	-0-	452	334
-0-	-0-	-0-	1,918	1,918	-0-	1,918	1,104
-0-	246,249	-0-	1,963	396,674	7,922	404,596	371,672
<u>38,696</u>	<u>2,468,575</u>	<u>-0-</u>	<u>1,908,065</u>	<u>9,150,529</u>	<u>130,874</u>	<u>9,281,403</u>	<u>8,908,138</u>
-0-	-0-	965,271	-0-	965,271	523,276	1,488,547	1,373,406
4,764	-0-	-0-	-0-	9,965	-0-	9,965	9,965
-0-	-0-	-0-	-0-	90,604	-0-	90,604	81,851
30,598	-0-	-0-	-0-	(949,721)	-0-	(949,721)	(1,387,094)
-0-	-0-	-0-	-0-	125,462	-0-	125,462	68,245
-0-	3	-0-	-0-	140,099	2,145	142,244	123,417
-0-	295	-0-	-0-	10,548	-0-	10,548	10,993
-0-	-0-	-0-	-0-	3,649	-0-	3,649	3,919
-0-	-0-	-0-	-0-	299,174	-0-	299,174	266,071
-0-	9,262,491	-0-	-0-	10,334,607	386,628	10,721,235	8,653,096
-0-	1,074	-0-	-0-	90,160	-0-	90,160	110,963
-0-	413,765	-0-	-0-	532,699	47,628	580,327	526,495
<u>35,362</u>	<u>9,677,628</u>	<u>965,271</u>	<u>-0-</u>	<u>11,652,517</u>	<u>959,677</u>	<u>12,612,194</u>	<u>9,841,327</u>
<u>\$ 74,058</u>	<u>\$ 12,146,203</u>	<u>\$ 965,271</u>	<u>\$ 1,908,065</u>	<u>\$ 20,803,046</u>	<u>\$ 1,090,551</u>	<u>\$ 21,893,597</u>	<u>\$ 18,749,465</u>

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with Comparative Totals for 1996

(Expressed in Thousands)

Exhibit 2

	Governmental Fund Types				Fiduciary Fund Types	Totals - (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	1997	1996
Revenues							
Gaming taxes, fees, licenses	\$ 545,585	\$ 20,494	\$ -0-	\$ -0-	\$ -0-	\$ 566,079	\$ 566,834
Sales taxes	554,891	-0-	-0-	-0-	-0-	554,891	502,960
Intergovernmental	719,932	159,638	16,414	6,120	6,702	908,806	877,735
Other taxes	249,515	255,555	79,271	-0-	188,222	772,563	729,808
Licenses, fees and permits	82,031	116,591	-0-	-0-	-0-	198,622	185,375
Sales and charges for services	24,778	19,570	-0-	-0-	537	44,885	41,458
Interest, investment gain	36,531	49,625	2,991	41	23,873	113,061	91,595
Other	29,223	14,655	1	314	8,203	52,396	42,699
Total revenues	2,242,486	636,128	98,677	6,475	227,537	3,211,303	3,038,464
Expenditures							
Current:							
General government	56,400	45,165	-0-	-0-	-0-	101,565	75,770
Health and social services	889,956	38,457	-0-	-0-	161,656	1,090,069	1,061,930
Education and support services	24,575	665	-0-	-0-	1,220	26,460	24,019
Law, justice and public safety	192,382	83,697	-0-	-0-	196	276,275	256,015
Regulation of business	35,209	28,336	-0-	-0-	185	63,730	58,819
Transportation	-0-	312,592	-0-	-0-	-0-	312,592	344,183
Recreation and resource development	72,328	16,539	-0-	-0-	144	89,011	80,713
Intergovernmental:							
Education	549,925	55,714	-0-	-0-	-0-	605,639	574,138
Other	48,277	12,312	-0-	-0-	6,584	67,173	39,106
Capital improvements	-0-	-0-	-0-	49,298	-0-	49,298	27,932
Debt service:							
Principal	522	742	71,995	-0-	-0-	73,259	78,485
Interest, fiscal charges	95	166	77,601	-0-	-0-	77,862	60,036
Bond issuance costs	-0-	-0-	149	-0-	-0-	149	270
Arbitrage payments	138	-0-	14	-0-	-0-	152	-0-
Total expenditures	1,869,807	594,385	149,759	49,298	169,985	2,833,234	2,681,416
Excess (deficiency) of revenues over expenditures	372,679	41,743	(51,082)	(42,823)	57,552	378,069	357,048
Other Financing Sources (Uses)							
Proceeds from capital leases	1,318	1,817	-0-	-0-	-0-	3,135	149
Proceeds from sale of bonds	6,030	475,440	30	41,185	-0-	522,685	239,531
Proceeds from sale of fixed assets	73	18	-0-	-0-	-0-	91	208
Operating transfers in (Note 5E)	51,972	92,455	53,431	39,351	300	237,509	161,800
Transfers from component unit (Note 5D)	247	-0-	290	-0-	-0-	537	233
Operating transfers out (Note 5E)	(129,819)	(96,679)	(11)	(1,211)	(6,240)	(233,960)	(156,971)
Transfers to component unit (Note 5D)	(313,391)	(1,305)	(173)	(36,072)	-0-	(350,941)	(266,614)
Proceeds of refunding bonds	-0-	19,990	-0-	-0-	-0-	19,990	-0-
Payment to refunded bond agent	-0-	(19,990)	-0-	-0-	-0-	(19,990)	-0-
Total other financing sources (uses)	(383,570)	471,746	53,567	43,253	(5,940)	179,056	(21,664)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(10,891)	513,489	2,485	430	51,612	557,125	335,384
Fund balances, July 1	277,961	814,570	27,416	107,848	364,093	1,591,888	1,256,504
Fund balances, June 30	\$ 267,070	\$ 1,328,059	\$ 29,901	\$ 108,278	\$ 415,705	\$ 2,149,013	\$ 1,591,888

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

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997
(Expressed in Thousands)

Exhibit 3

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Sources of Financial Resources									
Fund balances, July 1	\$ 400,728	\$ 400,728	\$ -0-	\$ 349,573	\$ 349,573	\$ -0-	\$ 750,301	\$ 750,301	\$ -0-
Prior period adjustment	-0-	-0-	-0-	(17,705)	(17,705)	-0-	(17,705)	(17,705)	-0-
Revenues:									
Sales taxes	503,337	504,375	1,038	-0-	-0-	-0-	503,337	504,375	1,038
Gaming taxes, fees, licenses	520,400	516,506	(3,894)	21,325	20,492	(833)	541,725	536,998	(4,727)
Federal	775,441	827,561	(147,880)	178,944	158,785	(20,159)	954,385	788,346	(188,039)
Other taxes	332,931	338,951	6,020	251,946	288,694	16,748	584,877	607,645	22,768
Sales, charges for services	74,187	69,518	(4,670)	25,870	21,223	(4,647)	100,057	90,741	(9,317)
Licenses, fees and permits	166,841	151,890	(14,951)	96,534	116,671	20,137	263,375	268,561	5,186
Interest	29,064	28,586	(478)	76,165	78,882	2,517	105,229	107,268	2,039
Other	233,032	159,262	(73,771)	16,286	16,050	(236)	249,318	175,312	(74,007)
Other financing sources:									
Proceeds from sale of bonds	-0-	-0-	-0-	70,721	10,721	(60,000)	70,721	10,721	(60,000)
Transfers from other funds	51,304	51,304	-0-	97,427	126,222	28,795	148,731	177,526	28,795
Reversions from other funds	-0-	2,146	2,146	-0-	-0-	-0-	-0-	2,146	2,146
Total sources	3,087,265	2,850,828	(236,439)	1,167,086	1,149,408	(17,678)	4,254,351	4,000,234	(254,117)
Uses of Financial Resources									
Expenditures, encumbrances:									
Constitutional agencies	70,924	44,261	26,663	50,839	43,882	6,957	121,783	88,143	33,620
Finance and administration	93,165	34,993	58,172	16,969	13,179	3,790	110,134	48,172	61,962
Education	1,053,220	915,401	137,819	56,830	56,719	111	1,110,050	972,120	137,930
Human services	1,270,470	956,256	314,214	41,854	33,359	8,495	1,312,324	989,615	322,709
Commerce and industry	71,118	48,848	22,268	42,011	37,868	4,143	113,127	88,718	26,411
Public safety	225,394	189,625	35,769	99,816	79,212	20,604	325,210	268,837	56,373
Infrastructure	126,094	73,058	53,038	477,840	352,071	125,769	603,934	425,129	178,805
Special purpose agencies	5,926	4,764	1,162	-0-	-0-	-0-	5,926	4,764	1,162
Other financing uses:									
Debt service transfers	-0-	-0-	-0-	96,969	96,867	301	98,989	96,667	301
Transfers to other funds	206,646	201,396	5,250	59,198	40,564	18,614	265,844	241,980	23,864
Refunds	-0-	1,091	(1,091)	-0-	-0-	-0-	-0-	1,091	(1,091)
Reversions to other funds	-0-	393	(393)	-0-	1,278	(1,278)	-0-	1,871	(1,671)
Projected reversions	(115,132)	-0-	(115,132)	-0-	-0-	-0-	(115,132)	-0-	(115,132)
Total uses	3,007,823	2,470,086	537,736	942,325	754,819	187,506	3,950,148	3,224,905	725,242
Fund balances, June 30									
(Note 2C)	\$ 79,443	\$ 380,740	\$ 301,297	\$ 224,761	\$ 394,589	\$ 189,828	\$ 304,203	\$ 775,329	\$ 471,125

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

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with Comparative Totals for 1996
(Expressed in Thousands)

Exhibit 4

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non- expendable Trust	1997	1996 (Restated)
Operating Revenues					
Net premium income	\$ 472,670	\$ 95,943	\$ -0-	\$ 568,613	\$ 549,284
Sales	29,174	4,806	-0-	33,980	54,961
Charges for services	1,119	30,175	-0-	31,294	29,437
Rental income	136	9,627	-0-	9,763	9,480
Interest, dividends	60,935	-0-	3,979	64,914	56,444
Other	19,771	1,280	4,133	25,184	20,750
Total operating revenues	583,805	141,831	8,112	733,748	720,356
Operating Expenses					
Salaries and benefits	43,214	18,868	-0-	62,082	59,924
Operating	65,245	20,994	-0-	86,239	88,025
Claims expense	78,705	68,353	-0-	147,058	169,995
Interest on bonds payable	48,761	-0-	-0-	48,761	43,156
Materials or supplies used	1,636	1,798	-0-	3,434	4,911
Servicers' fees	1,565	-0-	-0-	1,565	1,433
Depreciation	3,493	3,304	-0-	6,797	10,061
Insurance premiums	-0-	32,277	-0-	32,277	33,264
Administrative expense	6,664	-0-	-0-	6,664	5,325
Investment losses	-0-	-0-	-0-	-0-	-0-
Total operating expenses	249,283	145,594	-0-	394,877	416,094
Operating income (loss)	334,522	(3,763)	8,112	338,871	304,262
Nonoperating Revenues (Expenses)					
Interest income	55,568	1,704	-0-	57,272	46,382
Investment gains	58,228	-0-	-0-	58,228	32,643
Interest expense	(124)	(210)	-0-	(334)	(6,634)
Federal grants/intergovernmental	62	(106)	-0-	(44)	620
Gain (loss) on disposal of assets	(1)	(19)	-0-	(20)	53
Other	(59)	-0-	-0-	(59)	2,364
Total nonoperating revenues (expenses)	113,674	1,369	-0-	115,043	75,428
Income (loss) before operating transfers	448,196	(2,394)	8,112	453,914	379,690
Operating Transfers					
Operating transfers in (Note 5E)	-0-	1,827	150	1,977	641
Operating transfers out (Note 5E)	(292)	(1,211)	(3,979)	(5,482)	(5,426)
Net income (loss)	447,904	(1,778)	4,283	450,409	374,905
Fund equity(deficit)/balances, July 1	(1,264,173)	37,140	56,982	(1,170,051)	(1,615,414)
Transfer of deficit to other government	-0-	-0-	-0-	-0-	54,576
Changes in unrealized gains	57,217	-0-	-0-	57,217	15,882
Fund equity(deficit)/balances, June 30	\$ (759,052)	\$ 35,362	\$ 61,265	\$ (662,425)	\$ (1,170,051)

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

STATE OF NEVADA

Combined Statement of Changes in Plan Net Assets Pension Trust Fund Type

*For the Fiscal Year Ended June 30, 1997 with Comparative Totals for 1996
(Expressed in Thousands)*

Exhibit 5

	1997	1996 (Restated)
Additions		
Retirement contributions	\$ 518,076	\$ 471,707
Investment income:		
Interest, dividends	396,018	300,842
Investment gains	756,561	484,694
Other	228,079	196,267
	1,380,659	981,803
Less: Investment expense	(102,384)	(104,964)
Net investment income	1,278,276	876,839
Other income	1,827	1,790
Total additions	1,798,179	1,350,335
Deductions		
Benefit payments	300,430	267,850
Refunds	8,952	8,875
Administrative expense	3,149	2,898
Total deductions	312,531	279,623
Net increase	1,485,648	1,070,713
Operating Transfers		
Operating transfer out (Note 5E)	(44)	(44)
Net assets held in trust for pension benefits, July 1(Restated)	7,715,054	6,644,386
Net assets held in trust for pension benefits, June 30	\$ 9,200,658	\$ 7,715,054

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



STATE OF NEVADA

Combined Statement of Cash Flows

Proprietary Fund Types and Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 1997 with Comparative Totals for 1996

(Expressed in Thousands)

Exhibit 6

	Proprietary Fund Types			Non- expendable Trust	Totals	
	Internal		(Memorandum Only)			
	Enterprise	Service	1997		1996	
Cash flows from operating activities						
Cash received from customers, other governments	\$ 500,906	\$ 11,269	\$ 4,050	\$ 516,225	\$ 516,167	
Cash received from other funds	7,171	108,340	-0-	115,511	123,227	
Cash received from component unit	43	21,489	-0-	21,532	22,058	
Cash received from mortgage loans	101,030	-0-	-0-	101,030	94,310	
Cash paid to suppliers, other governments, beneficiaries	(266,676)	(117,076)	-0-	(383,752)	(385,098)	
Cash paid to employees for services	(43,133)	(18,554)	-0-	(61,687)	(60,367)	
Cash paid to other funds	(2,012)	(10,340)	-0-	(12,352)	(41,752)	
Cash paid to component unit	-0-	(245)	-0-	(245)	(8)	
Purchase of mortgage loans	(173,510)	-0-	-0-	(173,510)	(107,489)	
Net cash provided by (used for) operating activities	123,819	(5,117)	4,050	122,752	161,048	
Cash flows from noncapital financing activities						
Proceeds from sale of bonds	180,595	-0-	-0-	180,595	182,487	
Grants, transfers, advances received	3,254	440	44	3,738	7,063	
Retirement of bonds and notes	(75,448)	-0-	-0-	(75,448)	(82,210)	
Interest payments on bonds	(48,028)	-0-	-0-	(48,028)	(44,877)	
Operating/equity transfers out	(280)	(2,701)	(3,916)	(6,905)	(5,468)	
Payments for prepaid power	(4,578)	-0-	-0-	(4,578)	(5,426)	
Transfers to other government	(53,818)	-0-	-0-	(53,818)	(86,188)	
Other cash used for noncapital financing activities	(4,952)	-0-	-0-	(4,952)	(4,021)	
Net cash used for noncapital financing activities	(3,265)	(2,261)	(3,871)	(9,397)	(37,639)	
Cash flows from capital and related financing activities						
Proceeds from sale of bonds and equipment, other financing	7,593	77	-0-	7,670	119,440	
Acquisition of property, plant, equipment	(15,676)	(2,496)	-0-	(18,172)	(32,352)	
Retirement of bonds/notes/mortgages	(17,981)	(1,990)	-0-	(19,971)	(125,008)	
Interest paid on obligations	(124)	(210)	-0-	(334)	(6,679)	
Other cash used for capital financing activities	(5,273)	-0-	-0-	(5,273)	(4,019)	
Net cash used for capital financing activities	(31,461)	(4,619)	-0-	(36,080)	(48,618)	
Cash flows from investing activities						
Proceeds from sale of investments	2,359,062	-0-	14,000	2,373,062	2,111,006	
Purchase of investments	(2,779,665)	-0-	(11,519)	(2,791,184)	(2,184,304)	
Interest/dividends on investments	66,101	1,746	4,010	71,857	70,681	
Net cash provided by (used for) investing activities	(354,502)	1,746	6,491	(346,265)	(2,617)	
Net increase (decrease) in cash	(265,409)	(10,251)	6,670	(268,990)	72,174	
Cash and cash equivalents, July 1	386,588	47,241	2,798	436,627	364,453	
Cash and cash equivalents, June 30	\$ 121,179	\$ 36,990	\$ 9,468	\$ 167,637	\$ 436,627	
Reconciliation of cash and cash equivalents to the balance sheet						
Cash and pooled investments from the balance sheet	\$ 103,978	\$ 36,990	\$ -0-	\$ 140,968	\$ 402,940	
Cash, pooled investments-nonexpendable trust funds	-0-	-0-	9,468	9,468	2,798	
Restricted assets - cash from the balance sheet	17,201	-0-	-0-	17,201	30,889	
Cash and cash equivalents at end of year	\$ 121,179	\$ 36,990	\$ 9,468	\$ 167,637	\$ 436,627	
Reconciliation of operating income to net cash provided by operating activities						
Operating income (loss)	\$ 334,522	\$ (3,765)	\$ 8,112	\$ 338,869	\$ 304,262	
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	3,493	3,304	-0-	6,797	10,061	
Income on investments	(15,817)	-0-	-0-	(15,817)	(10,773)	
Interest on bonds payable	48,761	-0-	-0-	48,761	43,156	
Increase in loans receivable and real estate owned	(120,640)	-0-	-0-	(120,640)	(52,248)	
Decrease (increase) in accrued receivables	16,301	(6,297)	(83)	9,921	3,185	
Decrease (increase) in inventory, deferred charges and other assets	(35,595)	(363)	-0-	(35,958)	3,811	
Increase (decrease) in accrued payables, other liabilities	(116,401)	1,999	-0-	(114,402)	(144,787)	
Other adjustments	9,195	5	(3,979)	5,221	4,381	
Total adjustments	(210,703)	(1,352)	(4,062)	(216,117)	(143,214)	
Net cash provided by (used for) operating activities	\$ 123,819	\$ (5,117)	\$ 4,050	\$ 122,752	\$ 161,048	
Noncash investing, capital and financing activities						
Property leased, accrued or acquired	\$ -0-	\$ 237	\$ -0-	\$ 237	\$ 2,838	
Interest/dividends on investments accrued	-0-	-0-	-0-	-0-	(386,589)	
Other non-cash activities	-0-	30	-0-	30	608	

STATE OF NEVADA

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

*For the Fiscal Year Ended June 30, 1997 with Comparative Totals for 1996
(Expressed in Thousands)*

	Current Operating Funds			Total
	General Operating		Auxiliary	Current
	Unrestricted	Restricted	Enterprises	Operating
Revenues and Other Additions				
Current fund revenues	\$ 148,286	\$ 138,286	\$ 58,421	\$ 344,993
Federal grants and contracts, restricted	-0-	-0-	-0-	-0-
Private gifts, grants and contracts, restricted	-0-	-0-	-0-	-0-
Estate taxes	-0-	-0-	-0-	-0-
Investment income, restricted	-0-	-0-	-0-	-0-
Interest on loans receivable	-0-	-0-	-0-	-0-
Student fees	-0-	-0-	-0-	-0-
Retirement of indebtedness	-0-	-0-	-0-	-0-
Realized gain on investments, net	-0-	-0-	-0-	-0-
Expended for plant facilities, including \$22,421				
charged to current funds expenditures	-0-	-0-	-0-	-0-
Proceeds from notes payable	-0-	-0-	-0-	-0-
Retirement of capital lease obligations	-0-	-0-	-0-	-0-
Other sources	-0-	-0-	-0-	-0-
Total revenues and other additions	148,286	138,286	58,421	344,993
Expenditures and Other Deductions				
Educational and general expenditures	405,374	124,142	-0-	529,516
Auxiliary enterprises expenditures	-0-	-0-	47,907	47,907
Indirect costs recovered	-0-	14,512	-0-	14,512
Loan administration and collection costs	-0-	-0-	-0-	-0-
Loan cancellations, write-offs and provision for bad debts	-0-	-0-	-0-	-0-
Expended for plant facilities, including				
noncapitalized expenditures of \$6,748	-0-	-0-	-0-	-0-
Depreciation	-0-	-0-	-0-	-0-
Retirement of indebtedness	-0-	-0-	-0-	-0-
Interest on indebtedness	-0-	-0-	-0-	-0-
Disposal of plant assets	-0-	-0-	-0-	-0-
Proceeds of bonds and notes payable	-0-	-0-	-0-	-0-
Distribution of estate taxes	-0-	-0-	-0-	-0-
Obligations under capital leases	-0-	-0-	-0-	-0-
Other deductions	-0-	-0-	-0-	-0-
Total expenditures and other deductions	405,374	138,654	47,907	591,935
Transfers Among Funds, Additions (Deductions)				
Mandatory transfers:				
Principal and interest	(487)	(540)	(3,901)	(4,928)
Student loan matching	(11)	-0-	-0-	(11)
Net transfers (voluntary)	(156)	(604)	(1,595)	(2,355)
Transfers from primary government (Note 5D)	243,357	-0-	-0-	243,357
Transfers to primary government (Note 5D)	(537)	-0-	-0-	(537)
Total transfers	242,166	(1,144)	(5,496)	235,526
Net increase (decrease) for the year	(14,922)	(1,512)	5,018	(11,416)
Fund balances, July 1	46,910	18,359	12,767	78,036
Fund balances, June 30	\$ 31,988	\$ 16,847	\$ 17,785	\$ 66,620

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

Exhibit 7

Nonoperating Funds							
Student Loan	Endowment	Plant				Totals	
		Unexpended Plant	Retirement of Indebtedness	Investment in Plant	Combined Plant	1997	1996
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 344,993	\$ 320,137
144	250	78	-0-	12,155	12,233	12,627	695
148	624	4,240	-0-	10,772	15,012	15,784	8,706
-0-	10,483	-0-	-0-	-0-	-0-	10,483	15,648
44	248	359	131	-0-	490	782	936
125	-0-	-0-	-0-	-0-	-0-	125	149
-0-	-0-	6,371	-0-	-0-	6,371	6,371	5,757
-0-	-0-	-0-	-0-	23,399	23,399	23,399	3,469
-0-	16,137	-0-	-0-	-0-	-0-	16,137	7,183
-0-	-0-	-0-	-0-	67,795	67,795	67,795	73,401
-0-	-0-	17,393	-0-	-0-	17,393	17,393	5,135
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
69	2,595	25,516	-0-	-0-	25,516	28,180	44,095
530	30,337	53,957	131	114,121	168,209	544,069	485,311
-0-	-0-	-0-	-0-	-0-	-0-	529,516	499,127
-0-	-0-	-0-	-0-	-0-	-0-	47,907	39,108
-0-	-0-	-0-	-0-	-0-	-0-	14,512	15,464
25	-0-	-0-	-0-	-0-	-0-	25	43
408	-0-	-0-	-0-	-0-	-0-	408	446
-0-	-0-	54,494	-0-	-0-	54,494	54,494	56,280
-0-	-0-	-0-	-0-	37,396	37,396	37,396	36,042
-0-	-0-	-0-	23,399	-0-	23,399	23,399	3,469
-0-	-0-	-0-	4,316	-0-	4,316	4,316	4,479
-0-	-0-	-0-	-0-	3,426	3,426	3,426	8,277
-0-	-0-	-0-	-0-	17,393	17,393	17,393	5,135
-0-	225	-0-	-0-	-0-	-0-	225	231
-0-	-0-	-0-	-0-	90	90	90	1,447
-0-	-0-	-0-	408	43	451	451	586
433	225	54,494	28,123	58,348	140,965	733,558	670,134
-0-	-0-	(12,090)	17,019	-0-	4,929	1	-0-
11	-0-	-0-	-0-	-0-	-0-	-0-	-0-
112	87	(8,290)	10,676	(230)	2,156	-0-	-0-
-0-	-0-	107,584	-0-	-0-	107,584	350,941	266,614
-0-	-0-	-0-	-0-	-0-	-0-	(537)	(233)
123	87	87,204	27,695	(230)	114,669	350,405	266,381
220	30,199	86,667	(297)	55,543	141,913	160,916	81,558
9,939	145,211	94,528	3,315	467,732	565,575	798,761	717,203
\$ 10,159	\$ 175,410	\$ 181,195	\$ 3,018	\$ 523,275	\$ 707,488	\$ 959,677	\$ 798,761

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with Comparative Totals for 1996
(Expressed in Thousands)

Exhibit 8

	Totals (Memorandum Only)			
	Unrestricted	Restricted	1997	1998
Revenues				
Tuition and fees	\$ 91,297	\$ -0-	\$ 91,297	\$ 81,588
Federal grants and contracts	10,552	72,874	83,426	81,925
State grants and contracts	893	14,551	15,444	17,164
Local grants and contracts	293	8,114	8,407	6,917
Private gifts, grants and contracts	7,391	24,223	31,614	30,987
Endowment income	177	2,523	2,700	2,492
Investment income	7,688	22	7,710	7,242
Sales and services of educational departments	29,769	1,736	31,505	27,016
Sales and services of auxiliary enterprises	55,670	-0-	55,670	40,349
Realized gain on investments	3	-0-	3	283
Other sources	2,974	99	3,073	5,565
Total revenues	206,707	124,142	330,849	301,528
Expenditures and Mandatory Transfers				
<i>Educational and general:</i>				
Instruction	183,638	19,614	203,252	182,476
Research	15,683	47,439	63,122	63,943
Public service	9,886	32,300	42,186	46,165
Academic support	49,724	3,330	53,054	49,131
Institutional support	58,763	2,086	60,849	58,555
Student services	37,327	6,632	43,959	40,144
Operation and maintenance of plant	40,522	166	40,688	37,101
Scholarships and fellowships	9,831	12,575	22,406	21,609
Total educational and general expenditures	405,374	124,142	529,516	499,124
<i>Auxiliary enterprises:</i>				
Expenditures for food, housing and other auxiliary services	47,907	-0-	47,907	39,108
<i>Mandatory transfers:</i>				
Principal and interest	4,388	540	4,928	3,285
Student loan matching	11	-0-	11	18
Total expenditures and mandatory transfers	457,680	124,682	582,362	541,535
Other Transfers and Additions (Deductions)				
Voluntary transfers, net	(1,751)	(604)	(2,355)	(2,311)
Excess of restricted receipts over transfers to revenue	-0-	(368)	(368)	3,145
Transfers from primary government	243,357	-0-	243,357	224,476
Transfers to primary government	(537)	-0-	(537)	(233)
Total other transfers and additions (deductions)	241,069	(972)	240,097	225,077
Net decrease in fund balances	\$ (9,904)	\$ (1,512)	\$ (11,416)	\$ (14,930)

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

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units: The Public Employees' Retirement System (PERS) and the Legislators' Retirement System (LRS) are administered by a seven-member board appointed by the Governor. Although PERS and LRS are legally separate from the State, the State Legislature retains certain significant governing powers. Therefore, PERS and LRS are reported as if they were part of the primary government under the provisions of GASB Statement No. 14.

Discretely Presented Component Unit: The University and Community College System of Nevada (University System) is governed by a Board of Regents elected by the voters. However, the University System is fiscally dependent upon the State because of appropriations from the State Legislature, the Legislative approval of the budget for those appropriations, the levying of taxes, if necessary, and the issuance of debt to support the University System. The financial statements of the University System have been prepared in conformity with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Audit Guide, *Audits of Colleges and Universities*, and the National Association of College and University Business Officers' publication *College and University Business Administration: Administrative Service*.

Complete financial statements for each of the individual component units may be obtained at that entity's administrative offices:

*Public Employees' Retirement System
Carson City, NV*

*Legislators' Retirement System
Carson City, NV*

*University and Community College System of Nevada
Reno, NV*

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

B. Basis of Presentation

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

Governmental Fund Types:

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

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

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

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

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 1 continued)

Proprietary Fund Types:

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

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

Fiduciary Fund Types:

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

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

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

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

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

Account Groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the State, other than those accounted for in enterprise funds, internal service funds and trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the State, except those

required to be paid from the operations of proprietary fund types, pension trust funds, and component unit.

Component Unit:

The accounts of the University System are organized as follows:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

GASB Statement No. 20 requires proprietary funds to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements, all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 1 continued)

Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. As permitted by the Statement, the State has elected not to apply FASB pronouncements issued after that date.

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

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter.

The State considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 13, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

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

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

D. Assets, Liabilities and Fund Equity

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is

invested. These investments are reported on the combined balance sheet as equity in pooled investments. Earnings from these pooled investments are credited to the General Fund and to certain other funds which have specific statutory authority to receive a prorated share based on weekly cash balances. No entry is made to reduce the cash balance in each fund since the cash management pool has the same general characteristics as demand deposit accounts. Also included in this account is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool.

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

Investments - Bonds, U.S. Government obligations and government guaranteed mortgage notes are stated at original cost, adjusted where appropriate for bond premiums or discounts, except as noted below. Premiums or discounts are amortized over the life of the issue using the straight-line method. The net amortization of premium and accretion of discount of those investments using straight-line amortization is not materially different from use of the effective-interest method. Interest income is adjusted by amortization of premium and accretion of discount. Bonds are normally held until maturity dates to improve yields. The cost of bonds and mortgages sold is determined by specific identification.

Marketable equity securities are stated at cost, except as noted below. Premium income on options written is deferred and recognized upon expiration, exercise or sale. The cost of marketable equity securities sold is determined on the average cost method. Dividend income on marketable equity securities is recorded as of the ex-dividend date.

Investments of \$145,743,207 in the Deferred Compensation Fund, an agency fund, are stated at market value.

Investment securities held by the State Industrial Insurance System (SIIS) are reported at market value. Unrealized gains and losses on securities are reported as

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 1 continued)

a separate component of equity. Realized gains or losses are recognized as income upon the maturity or disposition of the investment or when a decline in market value is considered other than temporary.

Plan investments in the Public Employees' Retirement System and the Legislators' Retirement System, pension trust funds, are stated at fair value. Fair value for short-term investments, corporate bonds, and mortgage-backed securities is derived from end-of-day pricing data obtained from nationally recognized data vendors. Equity 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 investment is based on interim valuations and MAI (Member, Appraisal Institute) independent appraisals. There is no concentration of 5% or more of the plans' net investments in securities of a single organization.

During fiscal year 1997, PERS and LRS entered into certain derivative transactions. These included options related to marketable equity securities, asset-backed securities and collateralized mortgage obligations related to fixed income securities. In addition, PERS' and LRS' investments in commingled funds include derivative instruments such as forward rate contracts, futures contracts, currency swaps, and interbank currency forward contracts.

These transactions are designed to stabilize investment cash flows, to enhance return on investment of cash and to manage market risks associated with the underlying securities. They may also reduce PERS' and LRS' exposure to changes in stock prices, interest rates and currency exchange rates. PERS' and LRS' management believe that there are no significant credit or legal risks associated with these transactions because of the credibility of investment counsel, counter parties and the ready marketability for these types of instruments.

Receivables - The composition of receivables at June 30, 1997, is presented in Note 4. Most licenses, fees, permits and similar revenues are not susceptible to accrual, and are recognized on a cash basis. Receivables in proprietary fund types have arisen in the ordinary course of business. Accounts receivable for SIIS are net of an allowance for uncollectible accounts. No allowance for uncollectible accounts has been established in any other fund, as collection history has been excellent.

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

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

- 1) Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
- 2) Operating appropriations/subsidies are accounted for as operating transfers in the funds involved.
- 3) Equity contributions are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

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

Inventories - Inventories are stated at cost on the first-in, first-out basis. Inventory in the State Highway Fund, a special revenue fund, consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. The reserve for inventory of supplies is equal to the amount of inventory of supplies and recognizes that a portion of the fund balance is not available for expenditure on a budgetary basis.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable and as a reserve to maintain the accountability and to disclose properly the amount available for appropriation (unreserved fund balance). Repayments are credited to the receivable and corresponding reductions are made in the reserve. A summary of interfund advances at June 30, 1997, is presented in Note 5.

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

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 1 continued)

during construction has not been capitalized on general fixed assets. Certain public domain fixed assets (including highways, bridges, highway lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets.

Enterprise fund, internal service fund and pension trust fund fixed assets are stated at cost which includes net capitalized interest. They are depreciated principally on a straight-line basis over estimated useful lives ranging from 5 to 40 years for structures and improvements and 2 to 30 years for furniture and equipment.

In the University System, where current operating funds are used to finance plant assets, those amounts are accounted for as (1) expenditures, in the case of normal acquisition and/or replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest, and for equipment renewal and replacement; and (3) as voluntary transfers for all other cases. Property, buildings and equipment are stated at cost at the date of acquisition or fair market value at date of donation in the case of gifts, less accumulated depreciation computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment.

Compensated Absences - Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types and pension trust funds report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group.

Deferred Revenues - Deferred revenues in the General Fund consist primarily of food stamp coupons and refundable gaming taxes and fees.

Long-Term Obligations - The State records long-term debt of governmental funds at face value in the General Long-Term Obligations Account Group. Certain other governmental fund obligations are also recorded in the General Long-Term Obligations Account Group. Long-term debt and other obligations financed by proprietary funds and pension trust funds are recorded as liabilities in the appropriate funds.

Fund Equity - Fund equity in the governmental fund types and fiduciary fund types consists of reserved fund balances, and unreserved, designated and undesignated fund balances. Fund equity in the proprietary fund types consists of contributed capital, reserved retained earnings, unreserved retained earnings and net unrealized gain on equity securities. The nature of reserved and designated fund balances is explained below:

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

"Inventory" indicates consumable supplies held in stock by governmental fund types and expendable trust funds.

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

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

"Other" generally indicates assets, which because of their nature, are unavailable for expenditures. See Note 12.

"Designated" indicates assets which have been designated by the Legislature or governing board for specific purposes. See Note 12.

E. Intergovernmental Assistance Programs

The State participates in various federal award programs. Federal awards are received by the State in both cash and noncash forms. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Certain grants have matching requirements in which the State must contribute a

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 1 continued)

proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations which include subjecting grants to financial and compliance audits.

F. "Memorandum Only" Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. Comparative Data/Reclassifications

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

H. Implementation of Accounting Principles

During fiscal year 1997, PERS and LRS, pension trust funds, adopted the provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. GASB Statement No. 25 requires pension trust funds to

account for plan assets, liabilities and net assets at their fair values.

GASB Statement No. 25 was applied retroactively to July 1, 1995. The impact of the adoption of this statement was an increase in net assets from amounts previously reported as follows:

	July 1, 1996	July 1, 1995
PERS	\$ 1,134,182,746	\$ 838,834,150
LRS	450,880	412,015
Total	\$ 1,134,633,626	\$ 839,246,165

In connection with the adoption of GASB Statement No. 25, the State has adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

During fiscal year 1997, the State also adopted the provisions of GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*. GASB Statement No. 28 requires that cash received as collateral on securities lending transactions and investments made with that cash be reported as an asset and a liability.

GASB Statement No. 28 was applied retroactively by restating the 1996 financial statements. The restatement of 1996 financial statements resulted in an increase in total assets of \$1,526,088,747 and an increase in total liabilities of \$1,526,088,747 in trust and agency funds.

NOTE 2 - BUDGETARY AND LEGAL COMPLIANCE

A. Individual Fund Deficits Enterprise Funds

Industrial Insurance (SIIS) - During the year ended June 30, 1997, SIIS recorded net income of \$438,650,000, and unrealized gains on equity securities of \$57,217,000, resulting in a decrease of its deficit fund balance to \$856,421,000 at June 30, 1997. Changes to the claims management process and statutory changes in 1993 have contributed to the improvements in the overall financial condition of SIIS. See Note 15A.

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

residual equity transfer (contributed capital) of \$66,849, representing the value of inventory and property, established the new fund. Although Nevada Magazine had a liability for deferred subscription revenues of \$278,774 at June 30, 1983, no cash was transferred. This resulted in a deficit beginning retained earnings of \$278,774. The retained deficit is \$419,828, and the deficit fund equity is \$352,979 at June 30, 1997.

Marlette Lake Water System - The Marlette Lake Water System was acquired by the State in 1962 by the issuance of general obligation bonds. These bonds were serviced with general State revenues rather than

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 2 continued)

revenues of the fund. The original bonded debt, along with any additional General Fund appropriations for capital improvements to the System, have resulted in contributed capital of \$2,885,884. Operating losses and retained earnings deficit are the result of not charging water users for depreciation expense on the contributed assets, with no foreseeable change in this policy of charging users. The retained deficit is \$1,720,279 at June 30, 1997.

Internal Service Fund

Administrative Services - The Administrative Services fund has deficit retained earnings of \$28,745. This deficit is due to certain accruals that are not funded in the budget until the liability is liquidated and to depreciation expense that is not included in billings to customers.

B. Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature by the 10th day of each regular session, which convenes every odd-numbered year. The budget presented spans the next two fiscal years, and contains detailed estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

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

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. Revisions of more than \$2,000, which would increase or decrease program expenditures by the lesser of 10% of the level approved by the Legislature or \$25,000 must be approved by the Legislative Interim Finance Committee (LIFC). Revisions not exceeding this threshold require only budget director approval. The LIFC approval is not equivalent to governing body approval as total appropriations for a

program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Fund (a special revenue fund), which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$6,215,595 were made in the 1997 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year, unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources under the Authorized Expenditures Act are carried forward for expenditure in the next fiscal period.

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

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

Actual amounts in the budgetary comparison statements are presented on a budgetary basis. Because this basis differs from generally accepted accounting principles (GAAP), as described above, a reconciliation between the budgetary and GAAP basis is presented in Note 2C.

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Noted 2 continued)

C. Budgetary Basis vs. GAAP

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

	General Fund	Special Revenue Funds
Fund balances (budgetary basis) June 30, 1997	\$ 380,740	\$ 394,589
Adjustments:		
Basis Differences:		
Petty cash or outside bank accounts	1,873	824
Investments not recorded on the budgetary basis	-0-	856,975
Accrual of receivables under GASB 22	4,576	12,095
Accrual of certain other receivables	3,950	21,416
Inventory	-0-	10,253
Advances to other funds	3,622	27
Deferred charges and other assets	-0-	45,770
Accrual of certain accounts payable and accruals	(46,749)	(18,072)
Accrual of longevity pay	(724)	(205)
Contract retentions payable	-0-	(188)
Deferred revenues	(82,144)	(85)
Encumbrances	2,442	3,730
Other	(516)	930
Fund balances (GAAP basis) June 30, 1997	<u>\$ 267,070</u>	<u>\$ 1,328,059</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 1997, 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)	\$ 380,740
Restricted Funds	(272,194)
Unrestricted fund balance (budgetary basis)	<u>\$ 108,546</u>

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

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Balance Sheet

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

	Total Primary Government	Component Unit	Total Reporting Entity
Cash and pooled investments	\$ 1,932,801	\$ 21,826	\$ 1,954,627
Cash, pooled investments- nonexpendable trust	9,468		9,468
Investments	11,833,944	265,222	12,099,166
Restricted assets (Note 6)	136,644	-0-	136,644
Less restricted assets other than cash and investments (Note 6)	(46,800)	-0-	(46,800)
Total	<u>\$ 13,866,057</u>	<u>\$ 287,048</u>	<u>\$ 14,153,105</u>

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 3 continued)

B. Deposits

The Statutes of the State authorize the State Treasurer to deposit in any insured state or national bank, credit union or savings and loan association. Insured deposits are covered by the Federal Deposit Insurance Corporation. Statutes require all deposits within the custody of the State Treasurer not within the limits of insurance provided by an instrumentality of the United States to be secured by collateral composed of obligations of the United States; bonds of this State; bonds of any county, municipality or school district within this State; promissory notes secured by first deeds of trust or instruments in which the State is permitted to invest.

At June 30, 1997, deposits were held in various institutions throughout the state as follows (expressed in thousands):

	Carrying Value	Bank Balance
Primary government:		
Insured or collateralized with securities held by the State or by an agent of the State in State's name	\$ 101,955	\$ 161,155
Deposits in the U.S. Treasury investment pool in the name of the State	366,934	366,934
Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the State's name	37,841	37,841
Total deposits primary government	506,730	565,930
Component unit:		
Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the State's name	21,826	21,826
Total deposits component unit	21,826	21,826
Total deposits reporting entity	\$ 528,556	\$ 587,756

C. Investments

Statutes authorize the State to invest in United States Treasury notes, bonds, and certificates; bonds of this or of other states; bonds of certain political subdivisions of this or of other states; bonds, notes, debentures and loans if they are underwritten by or their payment is guaranteed by the United States; obligations or certificates of the Federal National Mortgage Association, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Banks Funding Corporation or the Student Loan Marketing

Association, whether or not guaranteed by the United States; farm mortgage loans fully insured and guaranteed by the Farmers Home Administration of the U.S. Department of Agriculture; negotiable certificates of deposit issued by commercial banks or insured savings and loan associations; certain banker's acceptances, commercial paper, and notes, bonds and other unconditional obligations for the payment of money issued by corporations or depository institutions organized and operating in the United States; money market mutual funds registered with the SEC, rated "AAA", or its equivalent, and invested only in securities issued by the federal government or in repurchase agreements fully collateralized by such securities. Limited types of repurchase agreements are proper and lawful investments of the State; generally no money of the State may be invested pursuant to a reverse-repurchase agreement. The State's Permanent School Fund is further limited by statute to the types of investments it may purchase.

Investments are made after diligent inquiry by the governmental unit and written legal opinion of the Attorney General. Investment policies of the State are reviewed at least every four months by the Board of Finance.

The following table (expressed in thousands) provides information about the credit and market risks associated with the State's investments at June 30, 1997. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the State's name.

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

(Note 3 continued)

	Category			Unclassified as to Risk	Carrying Amount	Market Value
	1	2	3			
Primary government:						
Equity securities	\$ 4,604,089	\$ -0-	\$ -0-	\$ -0-	\$ 4,604,089	\$ 4,604,610
U.S. Government securities	1,949,691	-0-	24,122	-0-	1,973,813	1,970,495
Foreign investments	545,180	-0-	-0-	-0-	545,180	545,180
Corporate bonds	107,859	-0-	-0-	-0-	107,859	110,932
Repurchase agreements	27,649	-0-	74,689	-0-	102,338	102,338
Municipal bonds	865,986	-0-	-0-	-0-	865,986	867,392
Mutual funds	9	-0-	-0-	-0-	9	9
Bank acceptances	38,017	-0-	-0-	-0-	38,017	38,014
Commercial paper	308,228	-0-	-0-	-0-	308,228	308,217
Negotiable certificates of deposit	60,001	-0-	-0-	-0-	60,001	60,001
	<u>8,506,709</u>	<u>-0-</u>	<u>98,811</u>	<u>-0-</u>	<u>8,605,520</u>	<u>8,607,188</u>
Guaranteed investment contracts				1,704,511	1,704,511	1,704,228
Real estate				851,774	851,774	851,774
Mortgages				299,188	299,188	299,188
Secured loans				6,242	6,242	6,242
Investment in limited partnerships				82,159	82,159	82,159
				<u>2,943,874</u>	<u>2,943,874</u>	<u>2,943,591</u>
Investments held by agents in mutual funds for:						
Fiduciary funds				1,664,190	1,664,190	1,664,190
Deferred compensation				145,743	145,743	145,743
				<u>1,809,933</u>	<u>1,809,933</u>	<u>1,809,933</u>
Total primary government	<u>8,506,709</u>	<u>-0-</u>	<u>98,811</u>	<u>4,753,807</u>	<u>13,359,327</u>	<u>13,360,712</u>
Component unit:						
Equity securities			27,446	-0-	27,446	32,982
U.S. Government securities			34,714	-0-	34,714	35,350
Foreign investments			5,763	-0-	5,763	6,160
Corporate bonds			6,135	-0-	6,135	5,715
Other short term investments			7,403	-0-	7,403	7,411
			<u>81,461</u>	<u>-0-</u>	<u>81,461</u>	<u>87,618</u>
Real estate				4,966	4,966	3,823
Investment held by agents in mutual funds for:						
University System				178,795	178,795	209,473
Total component unit	<u>-0-</u>	<u>-0-</u>	<u>81,461</u>	<u>183,761</u>	<u>265,222</u>	<u>300,914</u>
Total reporting entity	<u>\$ 8,506,709</u>	<u>\$ -0-</u>	<u>\$ 180,272</u>	<u>\$ 4,937,568</u>	<u>\$ 13,624,549</u>	<u>\$ 13,661,626</u>

D. Securities Lending

The Public Employees Retirement System (PERS) pension trust fund, also maintains a securities lending program by authorization of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities and international equity securities. Collateral received is made up of cash, cash equivalents and U.S. Treasury Obligations. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The maturities of the investments made with cash collateral generally match the maturities of securities loans. At balance sheet date, the Weighted Average Maturities (WAM) are 10.55 days for loans outstanding and 9.5 days for collateral/reinvestments. Collateral received must equal at least 102% of the market value of the underlying security. Collateral is marked to market daily. In accordance with PERS' Investment Objectives and

Policies, the securities lending agent is authorized to invest collateral only in high quality short term investment vehicles. Therefore management believes there is no credit risk associated with the securities lending program. In addition, securities loaned may not exceed 33 1/3% of the total portfolio. Full loss indemnification is provided by agents. There were no losses during the period resulting from default nor were there recoveries or prior period losses.

The fair value of securities loaned at June 30, 1997 is \$1,559,465,695. Cash collateral received in securities lending arrangements of \$1,527,080,837 is reported on the Statement of Plan Net Assets as an asset with a related liability as required under GASB 28. At June 30, 1997, PERS has collateral totalling \$1,671,932,436 which consists of cash and fixed income securities, and is in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

NOTE 4 - RECEIVABLES

A summary of receivables by fund type at June 30, 1997, is as follows (expressed in thousands):

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Component Unit			
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total Primary Government	University System	Total Reporting Entity
Accounts receivable	\$ 6,632	\$ 1,770	\$ -0-	\$ -0-	\$ 189,470	\$ 805	\$ 51,098	\$ 249,775	\$ -0-	\$ 249,775
Taxes receivable	277,591	15,954	-0-	-0-	-0-	-0-	-0-	293,545	-0-	293,545
Accrued interest, dividends	11,077	-0-	-0-	-0-	17,420	-0-	56,247	84,744	-0-	84,744
Trades pending settlement	-0-	-0-	-0-	-0-	-0-	-0-	344	344	-0-	344
Intergovernmental receivable	104,028	18,845	406,323	98	25	1,310	33,341	563,970	13,436	577,406
Accounts, notes receivable	818	2,701	-0-	-0-	-0-	-0-	-0-	3,519	14,841	18,360
Accrued investment income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	31	31
Other receivables	-0-	-0-	-0-	-0-	-0-	-0-	12,618	12,618	-0-	12,618
Total	\$ 400,146	\$ 39,270	\$ 406,323	\$ 98	\$ 206,915	\$ 2,115	\$ 153,648	\$ 1,208,515	\$ 28,308	\$ 1,236,823

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund Advances and Interfund Receivables and Payables

A summary of interfund advances and of interfund receivables and payables at June 30, 1997, follows (expressed in thousands). Interfund receivables and payables are the current portion of interfund advances.

	Advances To Other Funds	Advances From Other Funds	Interfund Receivables	Interfund Payables
<i>General Fund</i>	\$ 3,622	\$ -0-	\$ 436	\$ -0-
<i>Special Revenue Fund</i>				
State Highway	27	-0-	2	-0-
<i>Enterprise Funds</i>				
Colorado River Commission	-0-	-0-	-0-	55
Prison Industry	-0-	175	-0-	15
Marlette Lake Water System	-0-	147	-0-	4
Total Enterprise Funds	-0-	322	-0-	74
<i>Internal Service Funds</i>				
Buildings and Grounds	-0-	1,558	-0-	195
Motor Pool	-0-	580	-0-	54
Purchasing	-0-	322	-0-	24
Information Services	-0-	677	-0-	70
Printing	-0-	190	-0-	21
Total Internal Service Funds	-0-	3,327	-0-	364
Total	\$ 3,649	\$ 3,649	\$ 438	\$ 438

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 5 continued)

B. Due From/Due To Other Funds

A summary of due from and due to other funds at June 30, 1997, is shown below (expressed in thousands):

	Due From Other Funds	Due To Other Funds		Due From Other Funds	Due To Other Funds
General Fund	\$ 20,948	\$ 343,990	Enterprise Funds		
Special Revenue Funds			Colorado River Commission	172	331
State Highway	41,756	13,412	Housing Division	-0-	12
Class-Size Reduction	915	-0-	Industrial Insurance	946	10,605
Employment Security	439	715	Forestry Nurseries	11	21
Regulatory	84	1,237	Prison Industry	384	74
Legislative	2,960	452	Nevada Magazine	1	2
Municipal Bond Bank	7,890	134	Marlette Lake Water System	32	5
Workers' Compensation and Safety	362	979	Total Enterprise Funds	1,546	11,050
Higher Education Capital Construction	64	5,135	Internal Service Funds		
Cleaning Up Petroleum Discharges	-0-	185	Self-Insurance	917	20
Hospital Care to Indigent Persons	790	-0-	Buildings and Grounds	525	22
Tourism Promotion	3	30	Motor Pool	1,444	170
Offenders' Store	143	23	Communications	671	91
Colorado River Commission	378	3	Insurance Premiums	10,329	834
Contingency	1,389	40	Administrative Services	21	259
Care of Sites for Radioactive Waste			Personnel	8	115
Disposal	132	-0-	Purchasing	4,300	3
Stabilize the Operations of State Government	5,474	-0-	Information Services	2,841	68
Miscellaneous	10,920	102	Printing	424	4
Total Special Revenue Funds	73,699	22,447	Total Internal Service Funds	21,480	1,586
Debt Service Funds			Trust and Agency Funds		
Consolidated Bond Interest and Redemption	8,893	7,890	Museums and History	-0-	2
Highway Revenue Bonds	63	-0-	Gift Funds	20	17
Total Debt Service Funds	8,956	7,890	Custodial Funds	70	5,847
Capital Projects Funds			Henry Wood Christmas	-0-	3
Parks Capital Project Construction	799	32	Permanent School	376	892
CIP Motor Vehicle	15,330	182	Public Employees' Retirement	6,579	2
CIP Human Resources	12,787	83	Intergovernmental	194,979	7,669
CIP University System	72,205	293	State Agency Fund for Bonds	7,535	-0-
CIP General State Government	16,244	277	Motor Vehicle	1	47,857
CIP Prison System	1,980	128	Restitution Trust	-0-	3
Miscellaneous	407	-0-	Veterans Custodial	25	-0-
Total Capital Projects Funds	119,752	995	Local Government Pooled Investment	-0-	7
			State Payroll	722	6,431
			Total Trust and Agency Funds	210,307	68,730
			Total	\$ 456,688	\$ 456,688

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 5 continued)

C. Due From/Due To Component Unit

A summary of balances receivable or payable between the primary government and the University System (a component unit) at June 30, 1997, is shown below (expressed in thousands):

	Due From Component Unit	Due To Component Unit
General Fund	\$ 2	\$ 4,369
Special Revenue Funds		
State Highway	-0-	33
Employment Security	-0-	139
Regulatory	-0-	3
Miscellaneous	-0-	37
Total Special Revenue Funds	-0-	212
Capital Projects Funds		
CIP University System	-0-	75,706
CIP General State Government	-0-	25,228
Total Capital Projects Funds	-0-	100,934
Enterprise Funds		
Prison Industry	\$	-0-
Total Enterprise Funds	\$	-0-
Internal Service Funds		
Self-Insurance	191	-0-
Motor Pool	16	-0-
Insurance Premiums	-0-	1,637
Purchasing	126	-0-
Printing	1	-0-
Total Internal Service Funds	334	1,637
Total	\$ 341	\$ 107,152

D. Transfers From/Transfers to Component Unit

A summary of transfers between the primary government and the University System (a component unit) for the year ended June 30, 1997, is shown below (expressed in thousands):

	Transfers From Component Unit	Transfers To Component Unit
General Fund	\$ 247	\$ 313,391
Special Revenue Funds		
State Highway	-0-	4
Class-Size Reduction	-0-	131
Higher Education		
Capital Construction	-0-	1,170
Total Special Revenue Funds	0	1,305
Debt Service Fund		
Consolidated Bond		
Interest and Redemption	290	173
Capital Projects Fund		
CIP University System	-0-	36,072
Total Transfers	\$ 537	\$ 350,941

E. Transfers

A summary of interfund operating transfers for the year ended June 30, 1997, is shown below (expressed in thousands):

	Transfers In	Transfers Out
General Fund	\$ 51,972	\$ 129,819
Special Revenue Funds		
State Highway	2,178	8,545
Class-Size Reduction	39,110	-0-
Employment Security	303	5,587
Regulatory	1,160	4,871
Legislative	32,112	58
Municipal Bond Bank	11	45,387
Workers Compensation and Safety	-0-	6,092
Higher Education Capital Construction	-0-	15,318
Tourism Promotion	25	3,080
Contingency	1,208	6,216
Stabilize the Operations of State Government	5,474	-0-
Miscellaneous	10,874	1,525
Total Special Revenue Funds	92,455	96,679
Debt Service Fund		
Consolidated Bond		
Interest and Redemption	\$3,431	11
Capital Projects Funds		
Parks Capital Project Construction	1,069	1
CIP Motor Vehicle	7,282	149
CIP Human Resources	12,787	83
CIP General State Government	15,885	689
CIP Prison System	2,328	289
Total Capital Projects Funds	39,351	1,211
Enterprise Funds	-0-	292
Internal Service Funds	1,827	1,211
Expendable Trust Funds		
Custodial Funds	300	6,237
Gift Funds	-0-	3
Total Expendable Trust Funds	300	6,240
Nonexpendable Trust Funds		
Permanent School	150	3,976
Henry Wood Christmas	-0-	3
Total Nonexpendable Trust Funds	150	3,979
Pension Trust Funds	-0-	44
Total Transfers	\$ 239,486	\$ 239,486

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

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 enterprise fund and special revenue fund balance sheets. These restricted

assets are established either from bond proceeds or retained earnings. The components of restricted assets at June 30, 1997, are as follows (expressed in thousands):

	Special Revenue Fund	Enterprise Funds		Total Reporting Entity
	State Highway	Colorado River Commission	Housing Division	
<i>Restricted:</i>				
Cash	\$ -0-	\$ 17,201	\$ -0-	\$ 17,201
Investments	-0-	-0-	72,643	72,643
Interest receivable Right of way acquisitions	-0-	-0-	1,043	1,043
	45,757	-0-	-0-	45,757
Total	\$ 45,757	\$ 17,201	\$ 73,686	\$ 136,644
<i>Restricted for:</i>				
Debt service	\$ -0-	\$ 1,717	\$ -0-	\$ 1,717
Debt service reserve	-0-	363	73,686	74,049
Construction reserve	45,757	14,228	-0-	59,985
Other and all purpose reserve	-0-	893	-0-	893
Total	\$ 45,757	\$ 17,201	\$ 73,686	\$ 136,644

NOTE 7 - GENERAL FIXED ASSETS

A statement of changes in general fixed assets for the year ended June 30, 1997, is shown below (expressed in thousands):

	Land	Structures and Improvements	Furniture and Equipment	Construction in Progress	Total
Balance, July 1, 1996	\$ 81,862	\$ 393,172	\$ 205,141	\$ 225,499	\$ 905,674
Additions	1,061	192,464	26,764	67,271	287,560
Deletions	0	(4,481)	(28,653)	(194,829)	(227,963)
Balance, June 30, 1997	<u>\$ 82,923</u>	<u>\$ 581,155</u>	<u>\$ 203,252</u>	<u>\$ 97,941</u>	<u>\$ 965,271</u>

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

	Project Authorization	Expended to June 30, 1997	Committed	Required Future Financing
Prisons	\$ 56,858	\$ 29,796	\$ 7,358	None
Natural resources & wildlife	22,482	12,523	614	None
State library	20,283	17,151	62	None
Military	16,216	12,043	121	None
Other projects	62,874	26,428	11,037	None
Totals	\$ 178,713	\$ 97,941	\$ 19,192	

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

NOTE 8 - LONG-TERM OBLIGATIONS

A. Long-Term Obligations

Long-term obligations at June 30, 1997 of the primary government comprise the following (expressed in thousands):

	Interest Rate	Authorized	Issued	Principal and Interest in FY 1997	Principal Outstanding
General Long-Term Obligations Account Group					
<i>General obligation bonds:</i>					
Subject to Constitutional Debt Limitation	3.85-10.00%	\$ 774,824	\$ 774,824	\$ 50,420	\$ 471,975
Exempt from Constitutional Debt Limitation	3.50-9.80%	1,432,196	1,430,271	71,346	1,153,836
<i>Special obligation bonds:</i>					
Exempt from Constitutional Debt Limitation - Highway Improvement Revenue Bonds	4.00-7.00%	122,100	122,100	27,829	35,400
Total Bonds		<u>\$ 2,329,120</u>	<u>\$ 2,327,195</u>	<u>\$ 149,595</u>	<u>1,661,211</u>
Obligations under capital leases	4.90-12.94%		<u>\$ 6,397</u>	<u>\$ 1,526</u>	5,004
Compensated absences obligations					61,732
Arbitrage rebate liability					1,918
Claims and judgments					452
Federal repayment contract					175,785
Judicial retirement net pension obligation					1,963
Total general long-term obligations					<u>\$ 1,908,065</u>
Enterprise funds					
<i>Colorado River Commission:</i>					
General obligation bonds exempt from Constitutional Debt Limitation	6.00-10.75%	\$ 172,310	\$ 151,810	\$ 6,364	\$ 61,760
<i>Housing Division:</i>					
Mortgage revenue bonds	4.30-11.00%	1,250,000	1,174,787	121,697	814,623
Total general obligations		<u>\$ 1,422,310</u>	<u>\$ 1,326,597</u>	<u>\$ 128,061</u>	<u>876,383</u>
Net obligations under capital leases			<u>\$ 26,470</u>	<u>\$ 1,471</u>	6,223
Compensated absences obligations					3,437
Total enterprise funds					<u>\$ 886,043</u>
Internal service funds					
Obligations under capital leases	4.06-7.97%		<u>\$ 6,721</u>	<u>\$ 1,793</u>	2,877
Less current portion					1,583
Net obligations under capital leases					1,294
Compensated absences obligations					2,313
Total internal service funds					<u>\$ 3,607</u>
Pension trust funds					
Notes payable	9.30%		\$ 9,563	\$ 967	\$ 9,393
Obligations under capital lease	5.74%		296	108	27
Total pension trust funds			<u>\$ 9,859</u>	<u>\$ 1,075</u>	<u>\$ 9,420</u>

B. Changes in General Long-Term Obligations Account Group

The following is a summary of changes in General Long-Term Obligations Account Group for the fiscal year ended June 30, 1997 (expressed in thousands):

	Balance July 1, 1996	New Obligations Incurred and Changes in Estimates	Obligations Retired	Balance June 30, 1997
Bonds	\$ 1,209,241	\$ 542,675	\$ (90,705)	\$ 1,661,211
Obligations under capital leases	3,287	2,980	(1,263)	5,004
Compensated absences obligations	57,018	4,714	-0-	61,732
Arbitrage rebate liability	1,104	814	-0-	1,918
Claims and judgments	334	452	(334)	452
Federal repayment contract	175,906	-0-	(3,121)	175,785
Judicial retirement net pension obligation	1,963	-0-	-0-	1,963
Total	<u>\$ 1,451,853</u>	<u>\$ 551,635</u>	<u>\$ (95,423)</u>	<u>\$ 1,908,065</u>

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

(Note 8 continued)

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregated principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation or for obtaining the benefits of any property or natural resources within the State. At June 30, 1997, the debt limit and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 762,212
Less: Bonds and leases payable as of June 30, 1997, subject to limitation	476,979
Remaining debt capacity	<u>\$ 285,233</u>

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A and NRS 349.950. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the constitutional debt limitation. Proceeds from the bonds are used to purchase the validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Thirty-three projects were funded through the Nevada Municipal Bond Bank as of June 30, 1997, and total investments in local governments amounted to \$856,963,038.

E. Refunded Debt and Redemptions

On June 4, 1997, the State issued \$285,490,000 General Obligation (Limited Tax) Municipal Bond Bank Bonds, of which \$19,990,250 was to partially advance refund \$18,710,000 of the December 1, 1994 Municipal Bond Bank Projects 43 and 44 Bonds. The State completed the refunding to reduce its total future debt service payments by \$1,627,304 and to obtain an economic gain or present value savings of \$753,014.

On December 12, 1996, the Colorado River Commission (CRC) deposited with First Bank, N.A. \$17,999,649 to advance refund term bonds in Series 1992 with a face value of \$17,235,000. The total amount deposited included refunding costs of \$764,649. To accomplish the advanced refunding (defeasance), the CRC used the \$17,999,649 to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. The advance refunding met the requirements of an in-substance debt defeasance, and the liability for those bonds has been removed from the CRC's balance sheet. The advance refunding resulted in no gain or loss, since there was no new debt involved.

In the current and prior years the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total amount of defeased issues at June 30, 1997 is \$712,491,000.

F. Debt Service Requirements for Bonds

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 1997, of the primary government are summarized in the table following (expressed in thousands). Debt service requirements for all capital leases and installment purchases are presented in Section I of this note. No debt service requirements are presented for compensated absences obligations since the repayment dates are unknown. All amounts listed for Housing Bonds are projections and are subject to change based upon changes in the mortgage interest market rate. Actual results may vary considerably from these projections at any point in time, depending upon market rates of interest.

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 8 continued)

	For The Fiscal Year Ending June 30					
	1998	1999	2000	2001	2002	Thereafter
General Long-Term Obligations Account Group						
<i>General obligations serviced from Consolidated Bond Interest and Redemption Debt Service Fund:</i>						
General obligation bonds (taxes)	\$ 56,846	\$ 57,418	\$ 57,548	\$ 57,622	\$ 57,293	\$ 485,418
General obligation bonds (loan repayments)	2,611	2,588	2,534	2,466	2,373	21,330
General obligation bonds (user fees)	17,719	17,395	18,253	18,266	18,288	334,841
Municipal bond bank bonds (investments in municipal bonds)	52,501	56,160	61,160	61,511	61,018	1,239,048
Federal repayment contract (user fees)	8,935	8,935	8,935	8,935	8,935	244,193
University System projects bonds (slot machine tax)	7,782	7,791	7,793	7,801	3,869	30,842
Total general obligation bonds	146,394	150,287	156,223	156,601	151,776	2,355,672
<i>Special obligation bonds serviced from Highway Bonds Debt Service Fund:</i>						
Highway improvement revenue bonds (fuel tax)	19,780	18,939	-0-	-0-	-0-	-0-
Total General Long-Term Obligations Account Group	\$ 166,174	\$ 169,226	\$ 156,223	\$ 156,601	\$ 151,776	\$ 2,355,672
Enterprise Funds						
<i>General obligation bonds serviced from:</i>						
Colorado River Commission Fund (user fees)	5,799	5,804	5,798	5,795	5,785	88,776
Housing Fund (investments in mortgages)	106,818	108,621	106,822	97,869	88,902	908,025
Total enterprise funds	\$ 112,617	\$ 114,425	\$ 112,620	\$ 103,664	\$ 94,687	\$ 996,801
Pension Trust Fund						
Notes payable serviced from PERS	\$ 967	\$ 967	\$ 9,403	-0-	-0-	-0-

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

At June 30, 1997, the amount available in debt service funds to service debt is \$29,900,743. This total consists of \$693,251 available in the Highway Revenue Bonds Debt Service Fund to service the Special Obligation Highway Revenue (Motor Vehicle Fuel Tax) Bonds and \$29,207,492 available in the Consolidated Bond Interest and Redemption Debt Service Fund. At June 30, 1997, the amount available in special revenue funds is \$856,963,038. This amount is available to service the Municipal Bond Bank Bonds in the Municipal Bond Bank Special Revenue Fund.

The amount to be provided by other governments of \$405,815,195 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996, the Colorado River Commission, an enterprise fund which is responsible for managing Nevada's interest in the water and power resources available from the Colorado River, operated the Southern Nevada Water System (SNWS). In accordance with Chapter 393 of the 1995 Legislature, certain rights, powers, duties and liabilities of SNWS were transferred from the State and CRC to the SNWA effective January 1, 1996. These

rights, powers duties and liabilities included, but were not limited to, the State of Nevada General Obligation bonds, the existing water user contracts, the Federal Repayment Contract, the Service Contract between CRC and the Las Vegas Valley Water District, and all other contracts related to the SNWS including contracts for capital improvement. Accordingly, on January 1, 1996 the State recorded the general obligation bonds and federal repayment contract previously reported in CRC and an associated amount to be provided by other government in the General Long-Term Obligations Account Group.

H. Bond Indenture Provisions

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

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 8 continued)

I. Capital Leases

The State has entered into various agreements for the lease of equipment. Assets acquired under such leases of the primary government at June 30, 1997, consist of the following (expressed in thousands):

	General Fixed Assets Account Group	Enterprise Funds	Internal Service Funds	Pension Trust Funds	Total
Equipment	\$ 6,397	\$ 26,470	\$ 6,721	\$ 301	\$ 39,889
Less accumulated depreciation	-0-	16,303	3,171	165	19,639
Total	\$ 6,397	\$ 10,167	\$ 3,550	\$ 136	\$ 20,250

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, 1997 follow (expressed in thousands):

For the year ending June 30	Amount
1998	\$ 5,557
1999	4,854
2000	3,572
2001	893
2002	721
Total payments	15,597
Less: Amount representing interest	1,466
	14,131
Less: Current portion for internal service funds	1,583
Total	\$ 12,548

J. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a), must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, an arbitrage rebate liability has been calculated as of June 30, 1997. The liability is payable as follows (expressed in thousands):

For the year ending June 30	Amount
1998	\$ 21
1999	615
2000	539
2001	224
2002	267
Thereafter	252
Total	\$ 1,918

K. Federal Repayment Contract

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

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

L. Component Unit Obligations

Bonds, notes and capital leases payable by the University System at June 30, 1997, consist of the following (expressed in thousands):

	Annual Rate of Interest	Final Maturity	Principal Outstanding
Student fee revenue bonds	3.00-8.50 %	2017	\$ 60,705
Notes payable	5.05-13.06 %	2015	8,488
Capital leases	4.79-19.59 %	2001	584
Total			\$ 69,777

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 8 continued)

The student fee revenue bonds are secured by tuition and fees, auxiliary enterprises revenue and certain other revenue as defined in the bond indentures.

Accrued compensated absences payable by the University System at June 30, 1997, were \$18,453,000.

Debt service requirements (principal and interest) for bonds, notes, and capital leases payable by the University System for the years ending June 30 are as follows (expressed in thousands):

<u>Fiscal year ending June 30</u>	<u>Amount</u>
1998	\$ 4,392
1999	5,443
2000	4,978
2001	4,524
2002	4,562
Thereafter	45,878
Total	\$ 69,777

At June 30, 1997 debt in the amount of \$23,646,000 is considered to be extinguished through refunding of prior issues by a portion of the current issues. Sufficient

proceeds were invested in state and local government securities and placed in escrow to assure the timely payment of the maturities of prior issues. Neither the debt nor the escrowed assets are reflected on the financial statements.

M. Conduit Debt Obligations

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

As of June 30, 1997, there were eighteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$49,797,992.

NOTE 9 - PENSIONS AND OTHER EMPLOYEE BENEFITS

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

A. PERS

Plan Description - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. Any government employer in the State may elect to have its general, police and fire department employees covered by PERS.

At June 30, 1997, the number of participating government employers was:

State and its component units	1
Cities	20
Counties and related agencies	26
School districts	18
Hospitals and health care	10
Utility and irrigation districts	16
Special districts and agencies	30
Total employers	121

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and death benefits. Monthly benefit allowances for regular members are computed at 2.5% of average compensation (36 consecutive months of highest compensation) for each accredited year of service before retirement with a ceiling of 75% of the average compensation. Regular members are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service or at any age with 30 years of service. Police and firemen are eligible for

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

(Note 9 continued)

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

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

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

Actuarially required and statutory employee and employer contribution rates, as a percentage of covered payroll, for regular and police and fire members in effect for the fiscal year ended June 30, 1997, were as follows:

	Funding Basis	Statutory Rate
Regular employees:		
Employer -pay plan	18.33%	18.75%
Employee and employer plan	9.75%	10.00%
Police and Fire employees:		
Employer -pay plan	27.36%	27.00%
Employee and employer plan	14.21%	14.00%

Required Supplementary Information - Schedules of funding progress and employer contributions are presented in the PERS June 30, 1997, comprehensive annual financial report. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

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

	1997			1996			1995		
	Employees' Contribution	Employers' Contribution	Total State Contribution Requirement	Employees' Contribution	Employers' Contribution	Total State Contribution Requirement	Employees' Contribution	Employers' Contribution	Total State Contribution Requirement
Primary government	\$ 28,218	\$ 73,588	\$ 101,806	\$ 25,276	\$ 68,629	\$ 93,905	\$ 21,757	\$ 62,517	\$ 84,274
Component unit:									
University System	4,194	11,851	16,045	3,242	9,569	12,811	3,065	9,794	12,859
Rural Housing	-0-	-0-	-0-	-0-	-0-	-0-	-0-	86	86
Total reporting entity	\$ 32,412	\$ 85,439	\$ 117,851	\$ 28,518	\$ 78,198	\$ 106,716	\$ 24,822	\$ 72,355	\$ 97,177
Contributions as % of covered payroll	6%	18%	21%	6%	15%	21%	5%	15%	20%
Contributions as % of total contributions of all participating entities of \$517,645, \$471,707 and \$415,965	6%	17%	23%	6%	17%	21%	6%	17%	23%

B. LRS

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

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and death benefits.

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

(Note 9 continued)

Monthly benefit allowances are \$25 for each year of service up to thirty years. Contributions and investment earnings provide benefits under the system. Legislators become fully vested as to benefits at age 60 and 8 years of service before July 1, 1985, or at age 60 and 10 years of service after July 1, 1985.

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

Funding Policy - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218.2387(2) which states "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$357,428 for calendar years 1997 and 1998, which is the annual required State contribution as determined by the actuary. This amount was paid by the Legislative Fund and was recorded as an employer contribution in the fiscal year ended June 30, 1997, since the Legislature was in session in fiscal year 1997.

Actuarial Information - Actuarial methods and significant assumptions used in the January 1, 1997, actuarial valuation include the following:

Actuarial Cost Method: Entry age

Amortization Method: Level percent closed

Remaining Amortization Period: 28 years

Asset Valuation Method: 5 year smoothed market

Actuarial Assumptions:

Investment yield	8%
Projected salary increases	None

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

Assumed Mortality Rate: 1983 Group Annuity Mortality Table

Cost of Living (Post-Retirement) Increases:

2% after 3 years of receiving benefits
3% after 6 years of receiving benefits
3.5% after 9 years of receiving benefits

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

Required Supplementary Information - Actuarial valuations of the LRS are prepared every two years to determine State contributions required to fund the system on an actuarial basis. A schedule of funding progress is as follows (expressed in thousands):

Valuation Year	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual covered Payroll
1993	\$ 4,665	\$ 1,976	\$ 2,689	42%	\$ 492	547%
1995	4,605	2,198	2,407	48%	491	490%
1997	4,778	2,957	1,821	62%	491	371%

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

Fiscal Year Ended	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/95	\$ 215	\$ 430	200%	\$ 0
6/30/96	215	0	0%	0
6/30/97	179	357	200%	0

STATE OF NEVADA

Notes to Financial Statements For the year ended June 30, 1997

(Note 9 continued)

C. The Judicial Retirement System

Plan Description - The justices of the Supreme Court and district court judges have been granted special retirement provisions by various Legislatures. This is a single-employer, State of Nevada, defined benefit, unfunded plan that is administered by the clerk of the Supreme Court. The plan does not issue separate financial statements, nor is it included in the report of another PERS. An actuarial valuation for this plan was prepared according to the provisions of Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. At the actuarial valuation date of July 1, 1995, (the most recent valuation date) membership consisted of 49 active members and 28 retirees and beneficiaries receiving benefits.

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

Funding Policy - No contributions are required of the justices and judges. Funding is provided from the General Fund on a pay-as-you-go basis, according to statute. Benefit expenditures are reported in the law, justice and public safety function of the General Fund. The State's contribution for the years ended June 30, 1996 and 1997, were \$917,822 and \$969,390, respectively. The actuarial valuation at July 1, 1995, determined the annual required contribution for the year ended June 30, 1996, using the entry-age-normal level percent of pay cost method for salary related benefits and level dollar for non-salary related benefits. The annual required contribution, annual pension cost and net pension obligation for the year ended June 30, 1996, are as follows (expressed in thousands):

Annual required contribution	
Annual normal cost, beginning of year	\$ 1,097
40 year amortization of unfunded actuarial accrued liability, beginning of year	1,571
Interest to end of year	213
Annual required contribution, end of year	2,881
Interest on net pension obligation	-0-
Adjustment to annual required contribution	-0-
Annual pension cost	2,881
Benefits paid	918
Increase in net pension obligation	1,963
Net pension obligation, beginning of year	-0-
Net pension obligation, end of year	\$ 1,963

The net pension obligation of \$1,963,000, is reported in the General Long-Term Obligations Account Group. Historically, an actuarial determination of the actuarial required contribution has not been made. The contribution to the plan has equaled the benefit payments from the plan. As a result, the net pension obligation at transition is equal to zero as of July 1, 1995, in accordance with GASB Statement No. 27.

The plan accumulates no assets to pay benefits. The unfunded actuarial accrued liability as of July 1, 1995, was \$20,229,000. This unfunded actuarial accrued liability is to be amortized, using the level dollar method, over a period of 40 years on a closed basis from July 1, 1995.

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

Interest Rate: 8%

Salary Increase: Position pay increases are assumed to be 3% per year in anticipation of legislated increases. Longevity increases at 6% after six years and 1% per year for each subsequent year up to 17 additional years.

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

Termination Prior to Retirement: None.

Permanent Incapacity: None.

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

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

STATE OF NEVADA

Notes to Financial Statements For the year ended June 30, 1997

(Note 9 continued)

Required Supplementary Information - The schedule of funding progress for the transition year is as follows (expressed in thousands):

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/95	\$ -0-	\$ 20,229	\$ 20,229	0%	\$ 4,154	487%

The schedule of employer contributions for the transition year is as follows (expressed in thousands):

Fiscal Year Ended	Annual Required Contribution (ARC)	State Contribution	State Contribution as a % ARC
6/30/96	\$ 2,881	\$ 918	32%

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

Fiscal Year Ended	Annual Pension Cost	% of Annual Pension Cost Contributed	Net Pension Obligation
6/30/96	\$ 2,881	31.9%	\$ 1,963

D. Post-Retirement Insurance Benefits

Any retiree of the State who meets the eligibility requirements for retirement as outlined in sections A through C of this note, and at the time of retirement is covered or had his dependents covered by any group insurance or medical and hospital service, has the option upon retirement to continue group insurance. NRS 287.023 establishes this benefit upon the retiree assuming the portion of the premium not covered by the State. For the year ended June 30, 1997, 3,521 retirees

were covered at a cost of \$5,875,781 which represents 63% of total costs. The State allocates funds for payment of insurance benefits as a percentage of payroll. The cost of the employer contribution is recognized in the year the costs are charged. Any unused funds are carried forward to the next fiscal year. The carry forward to fiscal year 1998 was \$86,628.

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

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. The claims liabilities of \$451,486 in General Long-Term Obligations Account Group, \$9,830,000 in the Self-Insurance Fund, and \$5,848,323 in the Insurance Premiums Fund at June 30, 1997, is recorded in accordance with GASB Statement No. 10, which requires that a liability for claims be reported if information received before the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities do not include incremental claims adjustment costs.

The property casualty insurance functions that are accounted for in the General Fund are financed by the State. At June 30, 1997, incurred but not reported claims liability is based upon experience trends.

The Self-Insurance Fund is financed primarily by the State for group health insurance coverage. At June 30, 1997, incurred but not reported claims liability is based upon the actuary's estimate for the Self-Insurance Fund.

The Insurance Premiums Fund provides self-insurance for general, civil (tort) and auto liabilities of State agencies. It also accumulates workers' compensation premiums for State employees and buys insurance from Industrial Insurance (SIIS) which is reported as an enterprise fund. At June 30, 1997, incurred but not reported claims liability is based upon the actuary's estimate for the Insurance Premiums Fund.

The State has a maximum exposure of \$50,000 for each general liability and fleet liability claim. It has a self-insured retention of \$200,000 for property and contents per occurrence with an aggregate annual limit of \$400,000. When the \$400,000 aggregate limit is met, the deductible per occurrence is reduced to \$50,000 and the remainder is insured up to \$100,000. Per State statute, in the event of future general liability or fleet catastrophic losses and fund coverage is exhausted, coverage would revert to the General Fund.

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

There were no material settlements in excess of insurance coverage for each of the past three fiscal years.

Interfund premiums are reported as quasi-external transactions of the Self-Insurance and Insurance Premiums funds. All State funds participate in the insurance program. Interfund premiums paid to the General Fund are reported as reimbursements. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	General Long-Term Obligations Account Group	Self Insurance Fund	Insurance Premiums Fund
Balance, July 1, 1995	\$ 85	\$ 7,698	\$ 4,463
Claim and changes in estimates	590	53,831	2,662
Claim payments	(341)	(52,431)	(1,741)
Balance, June 30, 1996	334	9,098	5,384
Claim and changes in estimates	794	65,796	2,556
Claim payments	(676)	(65,064)	(2,092)
Balance, June 30, 1997	\$ 452	\$ 9,830	\$ 5,848

SIIS has established a liability for both reported and unreported insured events, which includes estimates of future payments of claims and related claim adjustment expenses, and which is based on the estimated ultimate cost of settling claims. In estimating its liability for incurred but unpaid claims, SIIS considers prior experience, industry information, currently recognized trends affecting data specific to SIIS and other factors relating to worker's compensation insurance underwritten by SIIS. Because actual claim costs depend upon such factors as duration of worker disability, medical cost trends, occupational disease and inflation, the process used in computing the ultimate cost of settling claims and expense for administering claims is necessarily based on estimates. The following represents changes in the aggregate liabilities for incurred but unpaid claims (IBUC), net of reinsurance recoverable, for SIIS during the past two fiscal years (expressed in thousands):

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 10 continued)

	1997	1996
Liability for IBUC and claims adjustment expenses, July 1, undiscounted	\$ 2,443,000	\$ 2,600,000
Incurred claims:		
Provision for insured events of the current year	371,000	408,000
Decreases in provision for insured events of prior years	(302,000)	(316,000)
Total incurred claims	69,000	92,000
Claims payments attributable to:		
Insured events of the current year	42,000	51,000
Insured events of prior years	170,000	198,000
Total payments	212,000	249,000
Liability for IBUC and claims adjustment expenses, June 30, undiscounted	\$ 2,300,000	\$ 2,443,000

Underwriting income totaled \$310,254,000 and \$272,272,000 for the years ended June 30, 1997 and 1996, respectively.

NOTE 11 DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provision of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal

to the fair market value of the deferred account for each participant. It is the opinion of the State's legal counsel that the State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. At this time it is unlikely that the State will use the assets to satisfy the claims of general creditors in the future.

The Small Business Job Protection Act (SBJPA) of 1996 repealed the requirement that Section 457 plan assets must be the sole property of the State subject to the claims of the State's general creditors. The State has until January 1, 1999 to place all plan assets in a trust for the exclusive benefit of the participants and their beneficiaries.

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

NOTE 12 - FUND EQUITY

Fund balances, reserved for other and unreserved, designated fund balances at June 30, 1997, are explained as follows (expressed in thousands):

	Governmental Fund Types					Total Primary Government	Component Unit University System	Total Reporting Entity
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Fund Types			
<i>Fund balances, reserved for other:</i>								
Reserved for prepaid items	\$ 736	\$ -0-	\$ -0-	\$ -0-	\$ -0-	736	\$ -0-	\$ 736
Reserved for noncurrent receivables - accounts, notes	818	12,648	-0-	-0-	90	13,516	2,661	16,177
Reserved for noncurrent receivables - intergovernmental	178	22	-0-	-0-	-0-	200	-0-	200
Reserved for fiscal emergency	-0-	128,867	-0-	-0-	-0-	128,867	-0-	128,867
Reserved for debt service	-0-	856,963	29,901	-0-	-0-	886,864	3,018	889,882
Reserved for employees' retirement system	-0-	-0-	-0-	-0-	9,200,658	9,200,658	-0-	9,200,658
Reserved for the principal portion of non- expendable trust funds	-0-	-0-	-0-	-0-	61,244	61,244	-0-	61,244
Reserved for endowment	-0-	-0-	-0-	-0-	30	30	175,410	175,440
Reserved for specific future allocations	-0-	4,000	-0-	-0-	500	4,500	-0-	4,500
Reserved for University System unexpended plant	-0-	-0-	-0-	-0-	-0-	-0-	181,195	181,195
Reserved for University System current operating restricted fund	-0-	-0-	-0-	-0-	-0-	-0-	16,847	16,847
Reserved for appropriations subject to reversion and for refundable federal grants	-0-	11,620	-0-	-0-	-0-	11,620	7,497	19,117
Miscellaneous	-0-	26,363	-0-	-0-	9	26,372	-0-	26,372
Total fund balances, reserved for other	\$ 1,732	\$ 1,040,483	\$ 29,901	\$ -0-	\$ 9,262,491	\$ 10,334,607	\$ 386,628	\$ 10,721,235
<i>Unreserved, designated fund balances:</i>								
Designated for approved capital projects	\$ -0-	\$ -0-	\$ -0-	\$ 89,086	\$ -0-	\$ 89,086	\$ -0-	\$ 89,086
Designated to preserve a portion of principal per NRS 504.450	-0-	-0-	-0-	-0-	900	900	-0-	900
Designated by Board of Museums and History	-0-	-0-	-0-	-0-	174	174	-0-	174
Total unreserved, designated fund balances	\$ -0-	\$ -0-	\$ -0-	\$ 89,086	\$ 1,074	\$ 90,160	\$ -0-	\$ 90,160

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

	Proprietary Fund Types		
	Enterprise	Internal Service	Total
<i>Retained earnings, reserved:</i>			
Reserved for operation and maintenance	\$ 893	\$ -0-	\$ 893
Reserved as security for outstanding obligations	89,711	-0-	89,711
Total retained earnings, reserved	\$ 90,604	\$ -0-	\$ 90,604

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

NOTE 13 - PRINCIPAL TAX REVENUES

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

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

Sales and Use Taxes are imposed at a total rate of 6.5%, with local county option up to an additional .5%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts. Motor Vehicle Fuel Tax is levied at 23 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, the remainder to the counties. Insurance Premium Tax is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due. Other Sources of tax revenues are: Property Tax, Cigarette Tax, Estate Tax, Net Proceeds of Minerals Tax, Business Tax, and Liquor 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:

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

Casino Entertainment Taxes are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment as specified in NRS 463.401. Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees remit from \$20 to \$106 per quarter per machine and pay a fee at variable rates on the number of games operated as established in NRS 463.373, NRS 463.375 and NRS 463.383. Several Other Sources of gaming tax revenues are: Annual State Slot Machine taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

The Colorado River Commission (CRC) is responsible for managing Nevada's interest in the water and power resources available from the Colorado River. The Power Marketing Fund is required by the bond resolution authorizing the financing of Nevada's share of the cost of uprating the generating facilities at Hoover Dam. It is used to record purchases and sales of power and other power marketing related activities.

The Nevada Housing Division was created to make available additional funds to assist private enterprise and

governmental agencies in providing housing facilities for low and moderate income households. The Division is currently authorized to issue its bonds, notes and other obligations in an aggregate amount not to exceed \$1,250,000,000. These funds may be used to make loans to purchase mortgage loans from mortgage lenders, and to make temporary loans and advances in anticipation of insured mortgage loans or to finance permanent mortgage loans for the construction or rehabilitation of multi-unit residential housing.

Industrial Insurance (SIIS) is a separate self-supporting agency of the State, which provides insurance to employers against liability for workers' compensation claims. SIIS also operates a rehabilitation center in Las Vegas.

STATE OF NEVADA

Notes to Financial Statements For the Fiscal Year Ended June 30, 1997

(Note 14 continued)

Other funds include: Forestry Nurseries propagates, maintains and distributes plants for conservation purposes. Prison Industry produces various products,

while employing and training inmates. Nevada Magazine publishes the State magazine to promote tourism. Marlette Lake Water System operates a water distribution system.

Segment information for the fiscal year ended June 30, 1997, is as follows (expressed in thousands):

	Colorado River Commission	Housing Division	Industrial Insurance	Other	Total
Operating revenues	\$ 24,775	\$ 65,849	\$ 487,436	\$ 5,745	\$ 583,805
Depreciation expense	-0-	33	3,273	187	3,493
Operating income	55	8,731	325,380	356	334,522
Operating grants	-0-	-0-	-0-	62	62
Operating interfund transfers out	-0-	(31)	(235)	(26)	(292)
Net income (loss)	133	8,700	438,650	421	447,904
Property, plant and equipment:					
Additions and adjustments	-0-	63	10,949	53	11,065
Deletions and adjustments	-0-	-0-	574	-0-	574
Net working capital	20,909	n/a	n/a	2,323	23,232
Total assets	76,422	932,517	1,697,052	5,621	2,711,612
Bonds and other long-term liabilities:					
Payable from operating revenues	70,294	814,747	9,163	596	894,800
Payable from other sources	2,233	-0-	84,155	-0-	86,388
Total equity (deficit)	1,090	92,094	(856,421)	4,185	(759,052)

NOTE 15 - COMMITMENTS AND CONTINGENCIES

A. Through the 1993 fiscal year, SIIS experienced several years of continuing severe operating losses and cash flow deficiencies that resulted in an accumulated deficit of over \$2 billion at June 30, 1993. In reaction, the Governor, the State Legislature and SIIS' management undertook a sweeping plan of legislation and management reforms to address the issues affecting SIIS' operational profitability. Beginning with the 1994 fiscal year, SIIS began a record of profitability and positive cash flows. These changes resulted in improvements that reduced the accumulated deficit to \$981,883,000 at June 30, 1997,

Management believes that the combination of changes initiated to the operational and claims management processes as well as the impact of recent legislative changes have enabled SIIS to generate net income and positive cash flow, as well as decrease overall claims liabilities. Further, as explained in Note 16, other legislative changes enacted subsequent to June 30, 1997 are intended to bring about other positive changes in SIIS' financial outlook.

SIIS is involved in litigation arising out of matters incident to the conduct of its insurance operations. In the opinion

of management, resolution of this litigation will not have a material adverse effect on SIIS' financial position.

B. In 1977 and 1989 the State issued \$13,730,000 and \$14,755,000, respectively, in General Obligation Sewer Improvement Bonds for and on behalf of Clark County. To date, the bonds have been completely serviced by Clark County; however, the State remains contingently liable on the bonds through maturity on July 1, 2004. The amount of bonds outstanding at June 30, 1997, is \$15,700,000.

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

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per claim. Such limitation does not apply to

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 15 continued)

federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Tort claims are handled in accordance with NRS 41.

The State is a party to several lawsuits that have been filed under the federal civil rights statutes. In the district of Nevada, none of the United States district judges have ruled that the State is directly liable for damages awarded under federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time.

D. PERS has entered into investment funding commitments as of June 30, 1997. For alternative investments, PERS has committed to fund \$44,437,000 at some future date.

E. The State is obligated by leases accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the account groups. Lease expense for the year ended June 30, 1997, amounted to \$16,849,789. Following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 1997, (expressed in thousands):

For the Year Ending June 30	Amount
1998	\$ 12,762
1999	11,170
2000	9,237
2001	6,837
2002	3,490
Thereafter	15,938
Total	\$ 59,434

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

G. The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a), is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebutable arbitrage is computed as of each installment computation date. The present value of the rebatable arbitrage has been recorded in the General Long-Term Obligations Account Group at June 30, 1997. Future calculations might result in different rebatable arbitrage amounts.

NOTE 16 - SUBSEQUENT EVENTS

General Obligation Bonds - The following bonds were sold after June 30, 1997:

\$81,090,000 Series July 15, 1997, A-1 and A-2 General Obligation (Limited Tax) Refunding Bonds due in annual installments of \$5,000 to \$15,135,000, plus interest, at 3.75% to 6.00% through May 15, 2011. Bonds are callable on or after May 15, 2007, at par plus a premium of 5.0%. Series 1997 A-1 Bonds are subject to the constitutional debt limit. Series 1997 A-2 bonds are exempt from the constitutional debt limit.

\$5,545,000 Series September 15, 1997B (Limited Tax/Revenue Supported) Water Refunding Bonds due in annual installments of \$30,000 to \$775,000, plus interest at 4.00% to 5.125% through July 1, 2012. Bonds are callable on and after July 1, 2008, at par.

Colorado River Commission - The following bonds have been sold by the Colorado River Commission after June 30, 1997:

STATE OF NEVADA

Notes to Financial Statements

For the Fiscal Year Ended June 30, 1997

(Note 16 continued)

\$49,270,000 Series September 15, 1997A (Limited Tax/Revenue Supported) Power Delivery Project Bonds due in annual installments of \$815,000 to \$1,940,000, plus interest at 4.25% to 7.00% through September 15, 2017. Bonds are callable on and after September 15, 2008 at par.

Lease Purchase/Management Agreement - On October 31, 1997, the State consummated a \$27,971,319 lease purchase agreement with Corrections Corporation of America for a correctional facility for women in Southern Nevada. The lease is payable in monthly installments of \$192,411 including interest at 5.5% through June 30, 2015, at which time all remaining unpaid principal is also due. The management agreement calls for payment of \$40.03 per inmate day, with an annual inflation adjustment. The management agreement concludes June 30, 2015, or may be terminated by mutual consent or unilaterally by the State without cause upon one hundred eighty day notice.

Housing Division - In July 1997, the Housing Division issued 1997 Issue C Single Housing Revenue Bonds in the amount of \$30,615,000. The last maturity of the

bonds is April 1, 2029. On September 26, 1997, the Division redeemed \$2.8 million of the 1982 Issue A Multi-Family Revenue Bonds for \$2,554,924, resulting in a net gain of \$245,075.

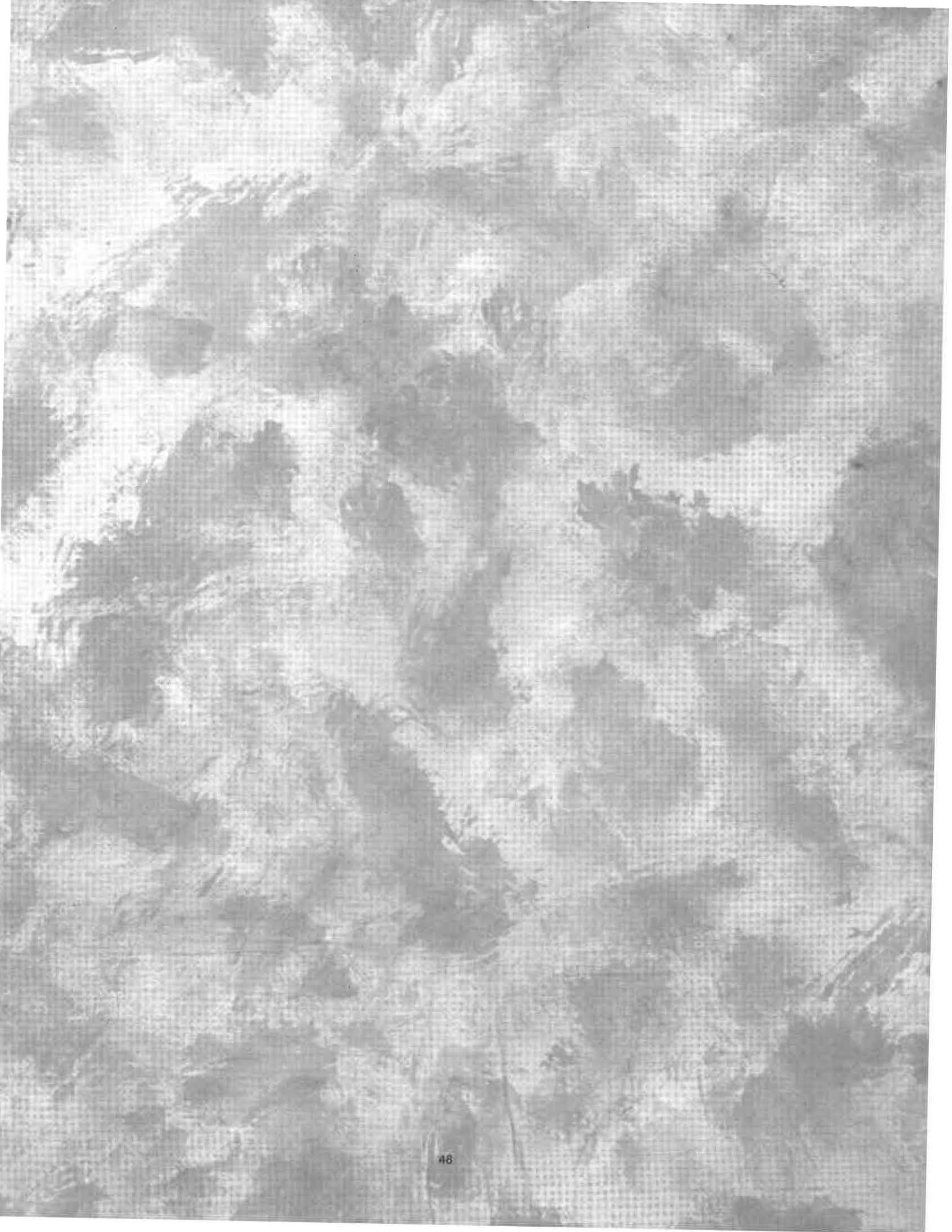
Industrial Insurance (SIIS) - In July 1997, the Nevada Legislature enacted Assembly Bill 609 which was designed to make various changes to provisions governing Industrial Insurance. One change was to allow the business of SIIS to be allocated among two new sub-entities. New business and existing claims liabilities on business written since July 1, 1995, will be the new sub-entity "New Fund," while business underwritten and incurred prior to that date will be the new sub-entity "Old Fund." All future underwritten business will be recorded in the "New Fund."

To facilitate the orderly transition of SIIS' accounting processes for these new sub-entities, claims liabilities related to business incurred before June 30, 1995, and \$650 million of cash and investments were transferred to the "Old Fund" sub-entity. SIIS' management believes that such amount, together with future interest earned and appreciation thereon, will be sufficient to settle claims liabilities assumed.


*Combining Individual
Fund and Account Group
Statements and Schedules*



*Cathedral Gorge, near Pioche, is a fanciful land of towering
spires and labyrinthine canyons.*



General Fund

 General Fund is maintained to account for financial resources traditionally associated with government that are not accounted for in another fund.



Lehman Caves, part of the Great Basin National Park near Baker, have a fantastic display of stalactites and stalagmites.



STATE OF NEVADA

Comparative Balance Sheet General Fund

June 30, 1997 with comparative totals for 1996

Exhibit A-1

	June 30, 1997	June 30, 1996	Increase (Decrease)
Assets			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 436,270,807	\$ 430,250,517	\$ 6,020,290
Cash in custody of other officials	1,873,505	1,668,823	204,682
Food stamp coupons	14,498,101	24,252,288	(9,754,187)
<i>Receivables:</i>			
Accounts receivable	6,632,975	4,956,569	1,676,406
Taxes receivable	277,590,172	262,188,593	15,401,579
Accrued interest and dividends	11,077,457	10,924,578	152,879
Intergovernmental receivables	104,027,879	91,920,723	12,107,156
Notes receivable	818,198	708,469	109,729
Other receivables	377	-0-	377
Due from other funds	20,947,892	20,432,503	515,389
Due from component units	1,900	4,287	(2,387)
Interfund receivables	435,426	571,851	(136,425)
Advances to other funds	3,621,603	3,890,120	(268,517)
<i>Other assets:</i>			
Prepaid items	736,059	20,204,508	(19,468,449)
Total assets	\$ 878,532,351	\$ 871,973,829	\$ 6,558,522
Liabilities and Fund Balances			
<i>Liabilities:</i>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 104,096,697	\$ 110,390,508	\$ (6,293,811)
Accrued payroll and related liabilities	9,601,277	8,833,310	767,967
Intergovernmental payables	41,730,049	15,002,628	26,727,421
Contracts payable	1,702,890	-0-	1,702,890
Due to other funds	343,990,050	321,827,286	22,162,764
Due to component units	4,368,577	27,103,947	(22,735,370)
Deferred revenue	98,097,455	99,729,113	(1,631,658)
Other liabilities	7,875,254	11,125,667	(3,250,413)
Total liabilities	611,462,249	594,012,459	17,449,790
<i>Fund balances:</i>			
<i>Reserved:</i>			
Encumbrances and contracts	2,441,903	4,412,225	(1,970,322)
Advances	3,621,603	3,890,120	(268,517)
Balances forward	268,634,736	238,461,359	30,173,377
<i>Other:</i>			
Prepaid items	736,059	20,204,508	(19,468,449)
Other	995,648	885,918	109,730
<i>Unreserved:</i>			
Designated for budget stabilization	-0-	10,107,240	(10,107,240)
Undesignated deficit	(9,359,847)	-0-	(9,359,847)
Total fund balances	267,070,102	277,961,370	(10,891,268)
Total liabilities and fund balances	\$ 878,532,351	\$ 871,973,829	\$ 6,558,522

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Exhibit A-2

	June 30, 1997	June 30, 1996	Increase (Decrease)
Revenues			
Gaming taxes, fees, licenses	\$ 545,585,170	\$ 546,958,945	\$ (1,373,775)
Sales taxes	554,890,629	502,960,214	51,930,415
Intergovernmental	719,931,100	705,285,537	14,645,563
Other taxes	249,514,950	243,530,293	5,984,657
Licenses, fees and permits	82,031,493	76,544,820	5,486,673
Sales and charges for services	24,777,730	24,179,453	598,277
Interest	36,531,326	33,281,419	3,249,907
Other	29,223,345	24,114,574	5,108,771
Total revenues	2,242,485,743	2,156,855,255	85,630,488
Expenditures			
<i>Current:</i>			
General government	56,400,140	55,977,730	422,410
Health and social services	889,956,203	882,057,473	7,898,730
Education and support services	24,575,216	21,827,891	2,747,325
Law, justice and public safety	192,382,028	179,994,524	12,387,504
Regulation of business	35,208,581	32,906,209	2,302,372
Recreation and resource development	72,328,172	64,827,814	7,500,358
<i>Intergovernmental:</i>			
Education	549,924,753	523,826,363	26,098,390
Other	48,276,624	30,741,341	17,535,283
<i>Debt service:</i>			
Principal	522,359	250,385	271,974
Interest	95,364	50,702	44,662
Arbitrage payments	137,823	-0-	137,823
Total expenditures	1,869,807,263	1,792,460,432	77,346,831
Excess of revenues over expenditures	372,678,480	364,394,823	8,283,657
Other Financing Sources (Uses)			
Proceeds from capital leases	1,317,785	149,260	1,168,525
Proceeds from sale of bonds	6,030,450	-0-	6,030,450
Proceeds from sale of fixed assets	74,275	205,317	(131,042)
Operating transfers in	51,971,517	38,054,278	13,917,239
Transfer from component unit	246,569	162,821	83,748
Operating transfers out	(129,818,948)	(76,365,159)	(53,453,789)
Transfer to component unit	(313,391,396)	(224,476,272)	(88,915,124)
Total other financing sources (uses)	(383,569,748)	(262,269,755)	(121,299,993)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(10,891,268)	102,125,068	(113,016,336)
Fund balances, July 1	277,961,370	175,836,302	102,125,068
Fund balances, June 30	\$ 267,070,102	\$ 277,961,370	\$ (10,891,268)

Special Revenue Funds

Special Revenue Funds account for the receipt and use of revenues that are legally restricted for particular purposes.



Basque Dancers at the annual National Basque Festival in Elko.

SPECIAL REVENUE FUNDS

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

Class-Size Reduction Accounts for funding to be used to reduce the pupil-teacher ratio per class in kindergarten through grade 12, with priority given to the earliest grades (NRS 388.730).

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

Regulatory Accounts for receipts and expenditures related to investigations of gaming license applicants (NRS 463.331) and cash transactions of gaming licensees (NRS 463.332), enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.460), legal judgments against real estate licensees (NRS 645.842), examining financial records and assets of authorized insurers (NRS 679B.300), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

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

Municipal Bond Bank Accounts for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds (NRS 349.952), with financing the construction of local government water treatment projects (NRS 350A.190), and with operating a revolving fund to finance local government pollution control projects (NRS 445A.120).

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), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

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

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

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

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

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

Colorado River Commission Accounts for all general administrative activity, costs of engineering studies, analysis, negotiation, and other efforts necessary in the development of sources of water or power from the Colorado River (NRS 538.191), and records the development and sale of State lands in the Fort Mojave Valley (NRS 321.520).

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

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

Stabilize the Operations of State Government Accounts for funds appropriated by the Legislature to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues or

the Legislature and Governor declare that a fiscal emergency exists (NRS 353.288).

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); the office of advocate for customers of public utilities (NRS 228.310); administration of capital improvement projects (NRS 341.146); and substance abuse education, prevention; enforcement and treatment (NRS 458.400). It also accounts for appropriations and interest income for support of museums and

history (NRS 381.0064); loans for farm projects (NRS 516.405); fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215); liquor taxes collected for and gifts received by the Department of Human Resources (NRS 232.355); loans and stipends to students in professional and graduate programs where such education is not available from an institution within the State (NRS 397.063); appropriations, donations and interest income to support the National Judicial College and the National College of Juvenile and Family Law (NRS 1.470 and 1.480); and appropriations for disaster relief grants and loans to state agencies and local governments (NRS 353.2735).

STATE OF NEVADA

Combining Balance Sheet Special Revenue Funds

June 30, 1997 with comparative totals for 1996

	State Highway	Class-size Reduction	Employment Security	Regulatory	Legislative
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 164,372,437	\$ 8,201,044	\$ 9,631,097	\$ 11,115,165	\$ 4,533,217
Cash in custody of other officials	422,471	-0-	225	239,084	161,353
Investments	-0-	-0-	-0-	-0-	-0-
<i>Receivables:</i>					
Accounts receivable	565,871	-0-	10,429	568,075	35,525
Taxes receivable	15,341,697	-0-	494,952	-0-	-0-
Accrued interest and dividends	-0-	-0-	-0-	-0-	-0-
Intergovernmental receivables	7,793,628	-0-	780,537	4,167	-0-
Notes receivable	-0-	-0-	-0-	-0-	-0-
Due from other funds	41,755,486	915,151	439,147	83,974	2,960,095
Due from component unit	-0-	-0-	-0-	-0-	-0-
Interfund receivables	2,212	-0-	-0-	-0-	-0-
Inventory	9,668,595	-0-	-0-	-0-	280,950
Advances to other funds	26,555	-0-	-0-	-0-	-0-
Restricted assets (non-cash)	45,757,262	-0-	-0-	-0-	-0-
Prepaid items	3,527	-0-	-0-	14,781	50,816
Total assets	\$ 285,709,741	\$ 9,116,195	\$ 11,356,387	\$ 12,025,246	\$ 8,021,956
Liabilities and Fund Balances					
<i>Liabilities:</i>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 3,254,809	\$ -0-	\$ 487,192	\$ 258,059	\$ 223,089
Accrued payroll	6,284,198	-0-	530,480	203,144	688,681
Intergovernmental payables	11,127,854	-0-	29,068	3,340	-0-
Contracts payable	10,987,615	-0-	-0-	-0-	188,385
Due to other funds	13,411,485	-0-	714,828	1,236,494	452,016
Due to component unit	32,796	-0-	139,843	2,500	-0-
Deferred revenue	679,215	-0-	-0-	4,348,306	-0-
<i>Other liabilities:</i>					
Payable from restricted assets	45,757,262	-0-	-0-	-0-	-0-
Total liabilities	91,535,234	-0-	1,901,411	6,051,843	1,552,171
<i>Fund balances:</i>					
<i>Reserved:</i>					
Encumbrances and contracts	117,813,542	-0-	4,834	13,324	544,260
Inventory	9,668,595	-0-	-0-	-0-	280,950
Advances	26,555	-0-	-0-	-0-	-0-
Balances forward	25,866,582	-0-	-0-	-0-	4,672,173
<i>Other:</i>					
Fiscal emergency	-0-	-0-	-0-	-0-	-0-
Investments in municipal securities	-0-	-0-	-0-	-0-	-0-
Revolving loans	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-
<i>Unreserved:</i>					
Undesignated	40,799,233	9,116,195	9,450,142	5,960,079	972,402
Total fund balances	194,174,507	9,116,195	9,454,976	5,973,403	6,469,785
Total liabilities and fund balances	\$ 285,709,741	\$ 9,116,195	\$ 11,356,387	\$ 12,025,246	\$ 8,021,956

Municipal Bond Bank	Workers' Compensation and Safety	Higher Education Capital Construction	Cleaning up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Colorado River Commission
\$ 19,894,290	\$ 15,705,210	\$ 15,747,207	\$ 2,001,727	\$ 3,339,444	\$ 2,718,925	\$ 2,432,362	\$ 3,465,177
-0-	300	-0-	-0-	-0-	-0-	-0-	250
856,963,038	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	155,462	47,841	-0-	-0-	86,332	163,236	70,468
-0-	-0-	-0-	117,086	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
9,945,657	1,202	-0-	-0-	182,561	-0-	-0-	7,225
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
7,889,562	362,290	64,300	-0-	789,769	2,911	143,060	378,201
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	303,406	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 894,692,547</u>	<u>\$ 16,224,464</u>	<u>\$ 15,859,348</u>	<u>\$ 2,118,813</u>	<u>\$ 4,311,774</u>	<u>\$ 2,808,168</u>	<u>\$ 3,042,064</u>	<u>\$ 3,941,321</u>
\$ 250	\$ 384,031	\$ -0-	\$ 73,099	\$ -0-	\$ 571,034	\$ 146,300	\$ 203,526
-0-	169,491	-0-	-0-	-0-	21,357	44,481	23,601
1,285,836	3,296	-0-	-0-	-0-	127,629	-0-	1,197,978
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
134,389	978,767	5,134,504	185,138	-0-	30,389	23,380	3,211
-0-	155	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	3,468	-0-	327,341
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1,420,475	1,535,740	5,134,504	258,237	-0-	753,875	214,161	1,755,657
-0-	20,628	-0-	-0-	-0-	32,056	69	27,576
-0-	-0-	-0-	-0-	-0-	-0-	303,406	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
856,963,038	-0-	-0-	-0-	-0-	-0-	-0-	-0-
9,945,657	-0-	-0-	-0-	-0-	-0-	-0-	-0-
26,363,377	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	14,668,096	10,724,844	1,860,576	4,311,774	2,022,237	2,524,428	2,158,088
893,272,072	14,688,724	10,724,844	1,860,576	4,311,774	2,054,293	2,827,903	2,185,664
<u>\$ 894,692,547</u>	<u>\$ 16,224,464</u>	<u>\$ 15,859,348</u>	<u>\$ 2,118,813</u>	<u>\$ 4,311,774</u>	<u>\$ 2,808,168</u>	<u>\$ 3,042,064</u>	<u>\$ 3,941,321</u>

STATE OF NEVADA

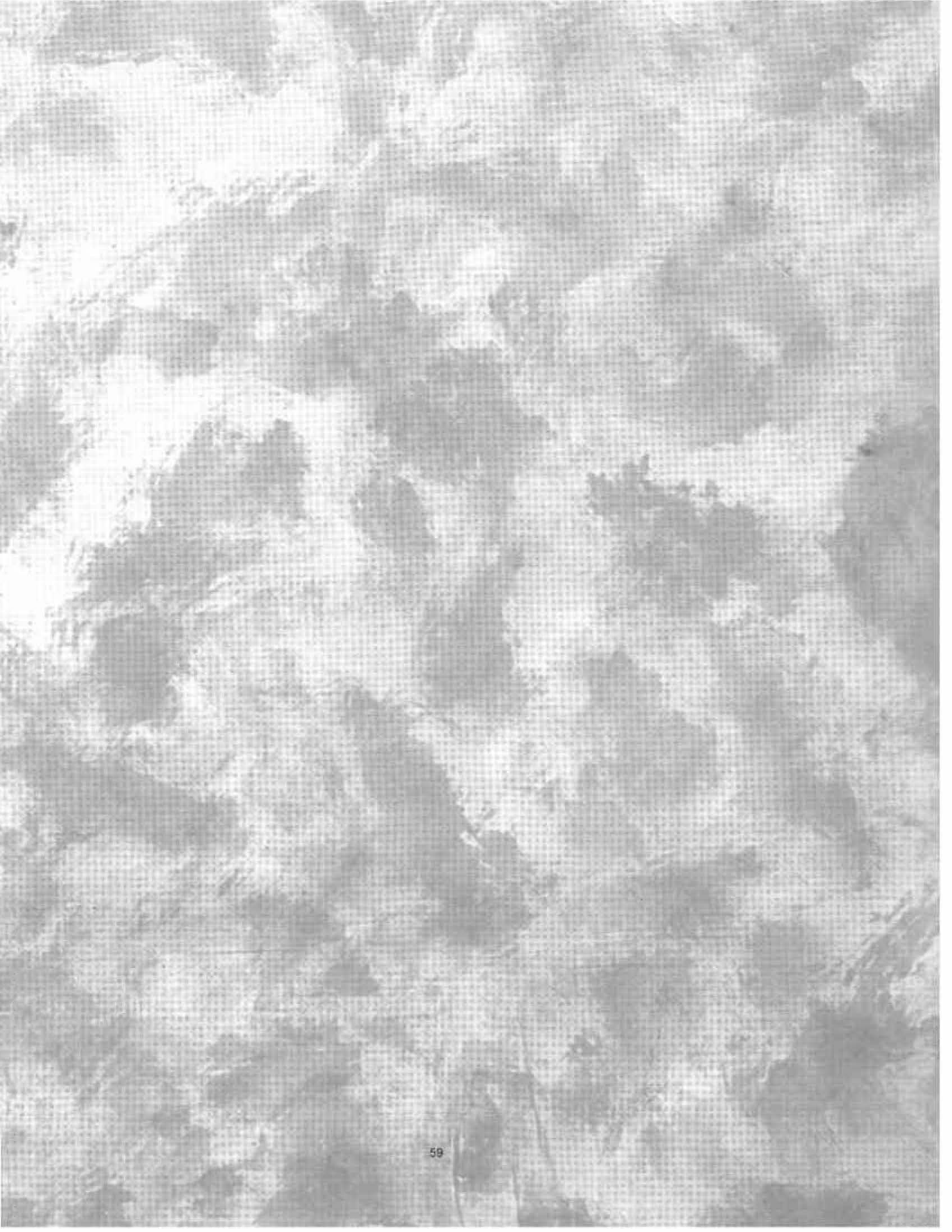
Combining Balance Sheet Special Revenue Funds

Exhibit B-1

June 30, 1997 with comparative totals for 1996

Page 2 of 2

	Contingency	Care of Sites for Radioactive Waste Disposal	Stabilize the Operations of State Government	Miscellaneous	Total All Funds	
					1997	1996
Assets						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 8,856,448	\$ 8,793,950	\$ 123,392,226	\$ 9,907,728	\$ 414,127,654	\$ 304,810,141
Cash in custody of other officials	-0-	-0-	-0-	-0-	823,683	1,113,532
Investments	-0-	-0-	-0-	11,500	856,974,538	391,985,862
<i>Receivables:</i>						
Accounts receivable	-0-	44,668	-0-	22,287	1,770,194	1,406,328
Taxes receivable	-0-	-0-	-0-	-0-	15,953,735	12,499,874
Accrued interest and dividends	-0-	-0-	-0-	-0-	-0-	107
Intergovernmental receivables	22,400	-0-	-0-	107,460	18,844,837	21,385,722
Notes receivable	-0-	-0-	-0-	2,701,483	2,701,483	2,811,542
Due from other funds	1,389,077	131,739	5,474,382	10,920,084	73,699,228	150,392,504
Due from component unit	-0-	-0-	-0-	-0-	-0-	392
Interfund receivables	-0-	-0-	-0-	-0-	2,212	8,072
Inventory	-0-	-0-	-0-	-0-	10,252,951	10,709,030
Advances to other funds	-0-	-0-	-0-	-0-	26,555	28,767
Restricted assets (non-cash)	-0-	-0-	-0-	-0-	45,757,262	38,888,865
Prepaid items	-0-	-0-	-0-	-0-	69,124	73,217
Total assets	\$ 10,267,925	\$ 8,970,357	\$ 128,866,608	\$ 23,670,542	\$ 1,441,003,456	\$ 936,113,955
Liabilities and Fund Balances						
<i>Liabilities:</i>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ 497,620	\$ 6,099,009	\$ 9,129,660
Accrued payroll	-0-	-0-	-0-	66,128	8,031,561	6,596,703
Intergovernmental payables	-0-	-0-	-0-	915	13,775,916	13,420,787
Contracts payable	-0-	-0-	-0-	-0-	11,176,000	9,361,346
Due to other funds	40,388	29	-0-	102,433	22,447,451	35,872,868
Due to component unit	-0-	-0-	-0-	36,831	212,125	186,244
Deferred revenue	-0-	-0-	-0-	87,350	5,445,678	8,088,552
<i>Other liabilities:</i>						
Payable from restricted assets	-0-	-0-	-0-	-0-	45,757,262	38,888,865
Total liabilities	40,388	29	-0-	791,277	112,945,002	121,545,025
<i>Fund balances:</i>						
<i>Reserved:</i>						
Encumbrances and contracts	-0-	-0-	-0-	7,268	118,463,557	104,492,756
Inventory	-0-	-0-	-0-	-0-	10,252,951	10,709,030
Advances	-0-	-0-	-0-	-0-	26,555	28,767
Balances forward	-0-	-0-	-0-	-0-	30,538,755	27,609,744
<i>Other:</i>						
Fiscal emergency	-0-	-0-	128,866,608	-0-	128,866,608	123,392,226
Investments in municipal securities	-0-	-0-	-0-	-0-	856,963,038	391,974,362
Revolving loans	-0-	-0-	-0-	-0-	9,945,657	37,378,706
Other	22,400	-0-	-0-	18,321,483	44,707,260	7,856,342
<i>Unreserved:</i>						
Undesignated	10,205,137	8,970,328	-0-	4,550,514	128,294,073	111,126,997
Total fund balances	10,227,537	8,970,328	128,866,608	22,879,265	1,328,058,454	814,568,930
Total liabilities and fund balances	\$ 10,267,925	\$ 8,970,357	\$ 128,866,608	\$ 23,670,542	\$ 1,441,003,456	\$ 936,113,955



STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

	State Highway	Class-size Reduction	Employment Security	Regulatory	Legislative
Revenues					
Gaming taxes, fees, licenses	\$ -0-	\$ -0-	\$ -0-	\$ 5,325,334	\$ -0-
Intergovernmental	123,422,655	-0-	27,418,475	203,756	-0-
Other taxes	188,616,924	12,758,440	5,656,556	6,632,092	-0-
Licenses, fees and permits	104,217,361	-0-	-0-	7,058,055	47,947
Sales and charges for services	11,130,619	-0-	426,495	19,340	225,521
Interest	10,878,410	1,527,074	865,999	121,528	-0-
Other	9,442,450	-0-	674,482	107,815	315,942
Total revenues	445,708,439	14,285,514	35,042,007	19,465,918	569,410
Expenditures					
Current:					
General government	-0-	-0-	-0-	-0-	42,843,846
Health and social services	-0-	-0-	32,722,901	-0-	-0-
Education and support services	-0-	-0-	-0-	-0-	-0-
Law, justice and public safety	73,488,759	-0-	-0-	-0-	-0-
Regulation of business	-0-	-0-	-0-	15,745,695	-0-
Transportation	312,591,951	-0-	-0-	-0-	-0-
Recreation, resource development	-0-	-0-	-0-	-0-	-0-
Intergovernmental:					
Education	-0-	55,713,459	-0-	500	-0-
Other	22,205	-0-	-0-	-0-	-0-
Debt service:					
Principal	631,620	-0-	-0-	23,328	87,164
Interest	131,516	-0-	-0-	4,379	30,580
Bond issuance costs	-0-	-0-	-0-	-0-	-0-
Total expenditures	386,666,051	55,713,459	32,722,901	15,773,902	42,961,570
Excess (deficiency) of revenues over expenditures	58,842,388	(41,427,945)	2,319,106	3,692,016	(42,372,160)
Other Financing Sources (Uses)					
Proceeds from capital leases	1,756,526	-0-	-0-	59,870	-0-
Proceeds from sale of bonds	-0-	-0-	-0-	-0-	-0-
Proceeds from sale of fixed assets	-0-	-0-	-0-	17,061	-0-
Operating transfers in	2,177,721	39,109,870	302,623	1,160,134	32,111,601
Transfer from component unit	-0-	-0-	-0-	-0-	-0-
Operating transfers out	(8,544,662)	-0-	(5,586,836)	(4,871,363)	(58,039)
Transfer to component unit	(4,370)	(130,680)	-0-	-0-	-0-
Proceeds of refunding bonds	-0-	-0-	-0-	-0-	-0-
Payment to refunded bond agent	-0-	-0-	-0-	-0-	-0-
Total other financing sources (uses)	(4,614,785)	38,979,190	(5,284,213)	(3,834,298)	32,053,562
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	54,227,603	(2,448,755)	(2,965,107)	57,718	(10,318,598)
Fund balances, July 1	139,946,904	11,564,950	12,420,083	5,915,685	16,788,383
Fund balances, June 30	\$ 194,174,507	\$ 9,116,195	\$ 9,454,976	\$ 5,973,403	\$ 6,469,785

Municipal Bond Bank	Workers' Compensation and Safety	Higher Education Capital Construction	Cleaning up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Colorado River Commission
\$ -0-	\$ -0-	\$ 15,168,527	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
5,970,993	1,290,074	-0-	-0-	327,000	-0-	-0-	1,005,017
-0-	15,550,588	-0-	9,834,496	8,575,174	7,980,435	-0-	-0-
-0-	213,569	-0-	435,350	-0-	68,640	-0-	-0-
-0-	8,804	-0-	-0-	-0-	1,144	7,196,003	562,228
33,193,941	1,038,709	-0-	156,616	308,797	-0-	117,735	206,815
1,316,369	1,589,532	-0-	-0-	-0-	-0-	230,507	24,390
40,481,303	19,691,276	15,168,527	10,426,462	9,210,971	8,050,219	7,544,245	1,798,450
500	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	5,048,476	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	5,978,346	-0-
-0-	12,231,758	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	8,718,081	-0-	6,184,427	-0-	1,632,339
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
6,663,879	-0-	-0-	-0-	3,392,862	-0-	-0-	2,210,000
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
6,664,379	12,231,758	-0-	8,718,081	8,441,338	6,184,427	5,978,346	3,842,339
33,816,924	7,459,518	15,168,527	1,708,381	769,633	1,865,792	1,565,899	(2,043,889)
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
475,439,750	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,125
11,345	-0-	-0-	-0-	-0-	24,843	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
(45,386,748)	(6,092,049)	(15,317,935)	(390,504)	(1,500)	(3,080,466)	(724,394)	(22,245)
-0-	-0-	(1,169,594)	-0-	-0-	-0-	-0-	-0-
19,990,250	-0-	-0-	-0-	-0-	-0-	-0-	-0-
(19,990,250)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
430,064,347	(6,092,049)	(16,487,529)	(390,504)	(1,500)	(3,055,623)	(724,394)	(21,120)
463,881,271	1,367,469	(1,319,002)	1,317,877	768,133	(1,189,831)	841,505	(2,065,009)
429,390,801	13,321,255	12,043,846	542,699	3,543,641	3,244,124	1,986,398	4,250,673
\$ 893,272,072	\$ 14,688,724	\$ 10,724,844	\$ 1,860,576	\$ 4,311,774	\$ 2,054,293	\$ 2,827,903	\$ 2,185,664

STATE OF NEVADA

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

Exhibit B-2

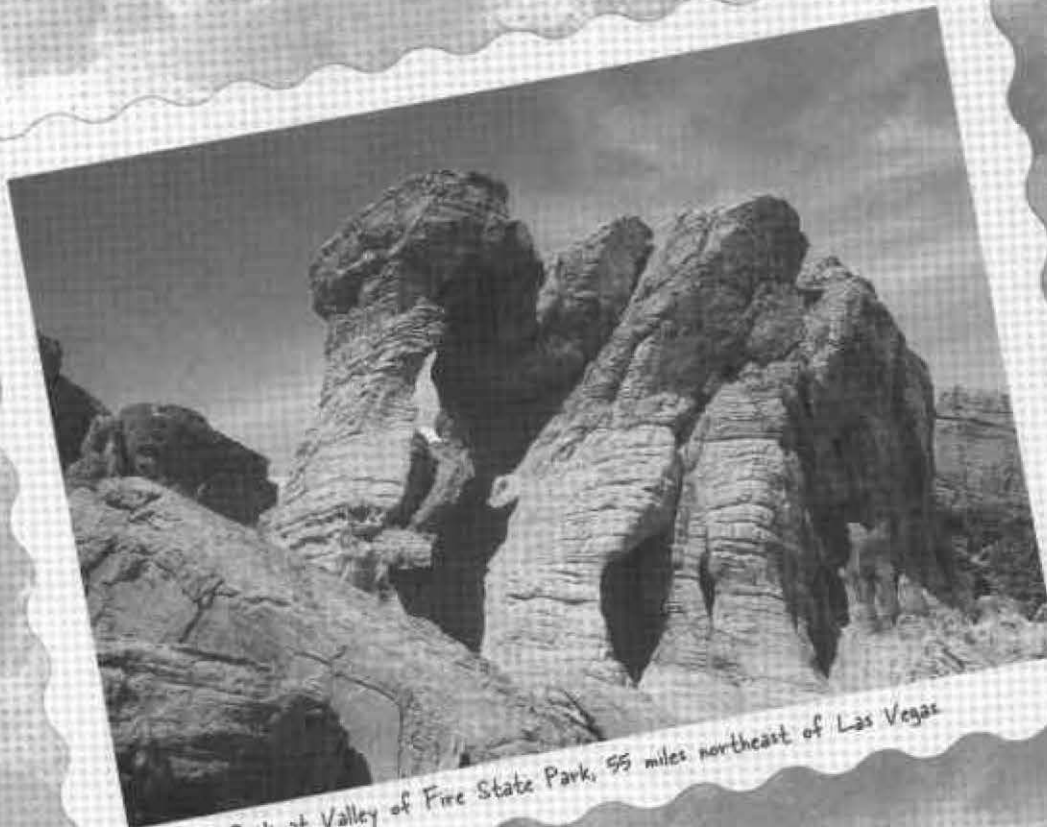
For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Page 2 of 2

	Contingency	Care of Sites for Radioactive Waste Disposal	Stabilize the Operations of State Government	Miscellaneous	Total All Funds	
					1997	1996
Revenues						
Gaming taxes, fees, licenses	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 20,493,861	\$ 19,874,527
Intergovernmental	-0-	-0-	-0-	-0-	159,637,970	152,031,369
Other taxes	-0-	-0-	-0-	1,950,668	255,555,373	230,830,986
Licenses, fees and permits	-0-	159,120	-0-	4,393,037	116,591,099	108,829,771
Sales and charges for services	-0-	-0-	-0-	-0-	19,570,154	16,722,160
Interest	-0-	523,698	-0-	685,593	49,624,913	34,147,688
Other	-0-	100	-0-	953,209	14,654,796	10,123,456
Total revenues	-0-	682,918	-0-	7,982,507	636,128,166	572,559,957
Expenditures						
Current:						
General government	43,827	-0-	-0-	2,276,459	45,164,632	19,791,687
Health and social services	-0-	63,442	-0-	621,803	38,456,622	31,033,344
Education and support services	-0-	-0-	-0-	665,490	665,490	577,184
Law, justice and public safety	-0-	-0-	-0-	4,229,849	83,696,954	75,851,484
Regulation of business	-0-	-0-	-0-	358,776	28,336,229	25,766,595
Transportation	-0-	-0-	-0-	-0-	312,591,951	344,182,863
Recreation, resource development	-0-	-0-	-0-	3,695	16,538,542	15,723,839
Intergovernmental:						
Education	-0-	-0-	-0-	-0-	55,713,959	43,446,173
Other	23,035	-0-	-0-	-0-	12,311,981	8,364,980
Debt service:						
Principal	-0-	-0-	-0-	-0-	742,112	799,842
Interest	-0-	-0-	-0-	-0-	166,455	195,598
Bond issuance costs	-0-	-0-	-0-	-0-	-0-	2,207
Total expenditures	66,862	63,442	-0-	8,156,072	594,384,927	565,735,796
Excess (deficiency) of revenues over expenditures	(66,862)	619,476	-0-	(173,565)	41,743,239	6,824,161
Other Financing Sources (Uses)						
Proceeds from capital leases	-0-	-0-	-0-	-0-	1,816,396	-0-
Proceeds from sale of bonds	-0-	-0-	-0-	-0-	475,439,750	194,414,250
Proceeds from sale of fixed assets	-0-	-0-	-0-	-0-	18,186	4,905
Operating transfers in	1,208,181	-0-	5,474,382	10,874,293	92,454,993	76,428,227
Transfer from component unit	-0-	-0-	-0-	-0-	-0-	70,000
Operating transfers out	(6,215,595)	(239,403)	-0-	(146,657)	(96,678,396)	(74,079,575)
Transfer to component unit	-0-	-0-	-0-	-0-	(1,304,644)	(2,561,080)
Proceeds of refunding bonds	-0-	-0-	-0-	-0-	19,990,250	-0-
Payment to refunded bond agent	-0-	-0-	-0-	-0-	(19,990,250)	-0-
Total other financing sources (uses)	(5,007,414)	(239,403)	5,474,382	10,727,636	471,746,285	194,276,727
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,074,276)	380,073	5,474,382	10,554,071	513,489,524	201,100,888
Fund balances, July 1	15,301,813	8,590,255	123,392,226	12,325,194	814,568,930	613,468,042
Fund balances, June 30	\$ 10,227,537	\$ 8,970,328	\$ 128,866,608	\$ 22,879,265	\$ 1,328,058,454	\$ 814,568,930

Debt Service Funds

Debt Service Funds account for the payment of principal and interest on general long-term bonds.



Elephant Rock at Valley of Fire State Park, 55 miles northeast of Las Vegas

DEBT SERVICE FUNDS

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

Purpose	Issued	Final Maturity	Outstanding Balance 6/30/96
Purchase of Municipal Securities	\$ 863,665,000	2027	\$ 795,785,000
Capital Construction, Acquisition and Renovation	672,750,000	2016	399,490,000
University Projects	108,074,000	2013	72,485,000
Recreation and Resource Development	536,721,245	2016	345,201,245
Various Purposes	23,885,000	2011	17,575,000
	<u>\$ 2,205,095,245</u>		<u>\$ 1,630,536,245</u>

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

Highway Improvement (Motor Vehicle Fuel Tax)	<u>\$ 122,100,000</u>	1999	<u>\$ 35,400,000</u>
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Some issues have been partially refunded by various refunding issues.

STATE OF NEVADA

Combining Balance Sheet Debt Service Funds

June 30, 1997 with comparative totals for 1996

Exhibit C-1

	Cons Bond Interest and Redemption	Highway Revenue Bonds	Total Both Funds	
			1997	1996
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 39,650,349	\$ 630,743	\$ 40,281,092	\$ 21,380,858
Cash in custody of other officials	12,921	-0-	12,921	12,921
Intergovernmental receivables	406,323,471	-0-	406,323,471	418,352,693
Due from other funds	8,893,474	62,508	8,955,982	12,582,515
Total assets	\$ 454,880,215	\$ 693,251	\$ 455,573,466	\$ 452,328,987
Liabilities and Fund Balances				
<i>Liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 12,986	\$ -0-	\$ 12,986	\$ 109,915
Matured interest payable	7,921	-0-	7,921	7,921
Matured bonds payable	5,000	-0-	5,000	5,000
Interest payable	7,216,702	-0-	7,216,702	7,714,374
Due to other funds	7,889,919	-0-	7,889,919	-0-
Deferred revenue	405,815,195	-0-	405,815,195	412,560,984
Bonds payable	4,725,000	-0-	4,725,000	4,515,000
Total liabilities	425,672,723	-0-	425,672,723	424,913,194
<i>Fund balances:</i>				
Reserved for debt service	29,207,492	693,251	29,900,743	27,415,793
Total liabilities and fund balances	\$ 454,880,215	\$ 693,251	\$ 455,573,466	\$ 452,328,987

STATE OF NEVADA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Debt Service Funds

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Exhibit C-2

	Cons Bond Interest and Redemption	Highway Revenue Bonds	Total Both Funds	
			1997	1996
Revenues				
Intergovernmental	\$ 16,414,024	\$ -0-	\$ 16,414,024	\$ 10,366,876
Taxes	51,885,180	27,386,190	79,271,370	82,037,130
Interest	2,991,248	-0-	2,991,248	2,691,530
Other	818	-0-	818	-0-
Total revenues	71,291,270	27,386,190	98,677,460	95,095,536
Expenditures				
<i>Debt service:</i>				
Principal	47,575,000	24,420,000	71,995,000	77,435,000
Interest, fiscal charges	74,191,414	3,409,410	77,600,824	59,789,386
Bond issuance costs	149,273	-0-	149,273	267,543
Arbitrage payments	13,715	-0-	13,715	-0-
Total expenditures	121,929,402	27,829,410	149,758,812	137,491,929
Deficiency of revenues over expenditures	(50,638,132)	(443,220)	(51,081,352)	(42,396,393)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	29,550	-0-	29,550	115,750
Operating transfers in	53,430,999	-0-	53,430,999	45,827,485
Transfer from component unit	290,313	-0-	290,313	-0-
Operating transfers out	(11,345)	-0-	(11,345)	-0-
Transfer to component unit	(173,215)	-0-	(173,215)	(193,637)
Total other financing sources (uses)	53,566,302	-0-	53,566,302	45,749,598
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,928,170	(443,220)	2,484,950	3,353,205
Fund balances, July 1	26,279,322	1,136,471	27,415,793	24,062,588
Fund balances, June 30	\$ 29,207,492	\$ 693,251	\$ 29,900,743	\$ 27,415,793

Capital Projects Funds

Capital Projects Funds account for the monies used for the acquisition and construction of major capital facilities.



Native American boy in ceremonial dress.



CAPITAL PROJECTS FUNDS

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

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

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

Capital Improvement Program - University System Accounts for capital improvement projects for the University and Community College System of Nevada (NRS 341.146).

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

Capital Improvement Program - Special Projects Accounts for asbestos removal and master plan projects of the Public Works Board (NRS 341.146).

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

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

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

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

STATE OF NEVADA

Combining Balance Sheet Capital Projects Funds

June 30, 1997 with comparative totals for 1996

	<u>Parks Capital Project Construction</u>	<u>CIP Motor Vehicle</u>	<u>CIP Human Resources</u>	<u>CIP University System</u>	<u>CIP Gen State Gov't</u>
Assets					
Cash with treasurer	\$ 2,525,843	\$ 17,572	\$ 3,423,462	\$ 5,046,613	\$ 52,163,455
<i>Receivables:</i>					
Intergovernmental receivable	18,700	-0-	-0-	-0-	-0-
Due from other funds	799,026	15,330,206	12,787,087	72,204,597	16,244,296
Total assets	<u>\$ 3,343,569</u>	<u>\$ 15,347,778</u>	<u>\$ 16,210,549</u>	<u>\$ 77,251,210</u>	<u>\$ 68,407,751</u>
Liabilities and Fund Balances					
Liabilities:					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 48,491	\$ 5,566	\$ 14	\$ 5,513	\$ 28,210
Intergovernmental payables	48,000	-0-	-0-	-0-	27,118
<i>Contracts payable:</i>					
Contracts payable	184,349	625,499	297,180	712,806	3,253,079
Retention payable	20,483	136,599	92,568	533,683	1,833,864
Due to other funds	31,868	181,716	82,975	292,813	277,528
Due to component unit	-0-	-0-	-0-	75,706,395	25,227,903
Deferred revenues	-0-	-0-	-0-	-0-	-0-
Total liabilities	<u>333,191</u>	<u>949,380</u>	<u>472,737</u>	<u>77,251,210</u>	<u>30,647,702</u>
Fund balances:					
<i>Reserved:</i>					
Encumbrances and contracts	613,863	3,050,890	1,047,573	-0-	6,989,909
<i>Unreserved:</i>					
Designated for approved capital projects	2,396,515	11,347,508	14,690,239	-0-	30,770,140
Undesignated	-0-	-0-	-0-	-0-	-0-
Total fund balances	<u>3,010,378</u>	<u>14,398,398</u>	<u>15,737,812</u>	<u>-0-</u>	<u>37,760,049</u>
Total liabilities and fund balances	<u>\$ 3,343,569</u>	<u>\$ 15,347,778</u>	<u>\$ 16,210,549</u>	<u>\$ 77,251,210</u>	<u>\$ 68,407,751</u>

Exhibit D-1

CIP Special Projects	CIP Prison System	CIP Military	CIP Wildlife	Miscellaneous	Total All Funds	
					1997	1996
\$ -0-	\$ 33,460,381	\$ 2,518,315	\$ 3,723,753	\$ -0-	\$ 102,879,394	\$ 137,227,818
-0-	-0-	79,102	-0-	-0-	97,802	2,582,347
-0-	1,980,327	-0-	-0-	406,558	119,752,097	10,960,036
<u>\$ -0-</u>	<u>\$ 35,440,708</u>	<u>\$ 2,597,417</u>	<u>\$ 3,723,753</u>	<u>\$ 406,558</u>	<u>\$ 222,729,293</u>	<u>\$ 150,770,201</u>
\$ -0-	\$ 13,797	\$ 231	\$ 19,577	\$ -0-	\$ 121,399	\$ 41,139
-0-	-0-	-0-	-0-	-0-	75,118	29,238
-0-	2,443,912	92,005	-0-	-0-	7,608,830	5,723,963
-0-	1,507,036	516,928	-0-	-0-	4,641,161	2,082,995
-0-	127,933	-0-	-0-	-0-	994,833	674,612
-0-	-0-	-0-	-0-	-0-	100,934,298	33,255,498
-0-	75,000	43	-0-	-0-	75,043	1,114,320
-0-	4,167,678	609,207	19,577	-0-	114,450,682	42,921,765
-0-	7,357,559	120,583	-0-	11,606	19,191,983	10,736,320
-0-	23,915,471	1,867,627	3,704,176	394,952	89,086,628	99,782,371
-0-	-0-	-0-	-0-	-0-	-0-	(2,670,255)
-0-	31,273,030	1,988,210	3,704,176	406,558	108,278,611	107,848,436
<u>\$ -0-</u>	<u>\$ 35,440,708</u>	<u>\$ 2,597,417</u>	<u>\$ 3,723,753</u>	<u>\$ 406,558</u>	<u>\$ 222,729,293</u>	<u>\$ 150,770,201</u>

STATE OF NEVADA

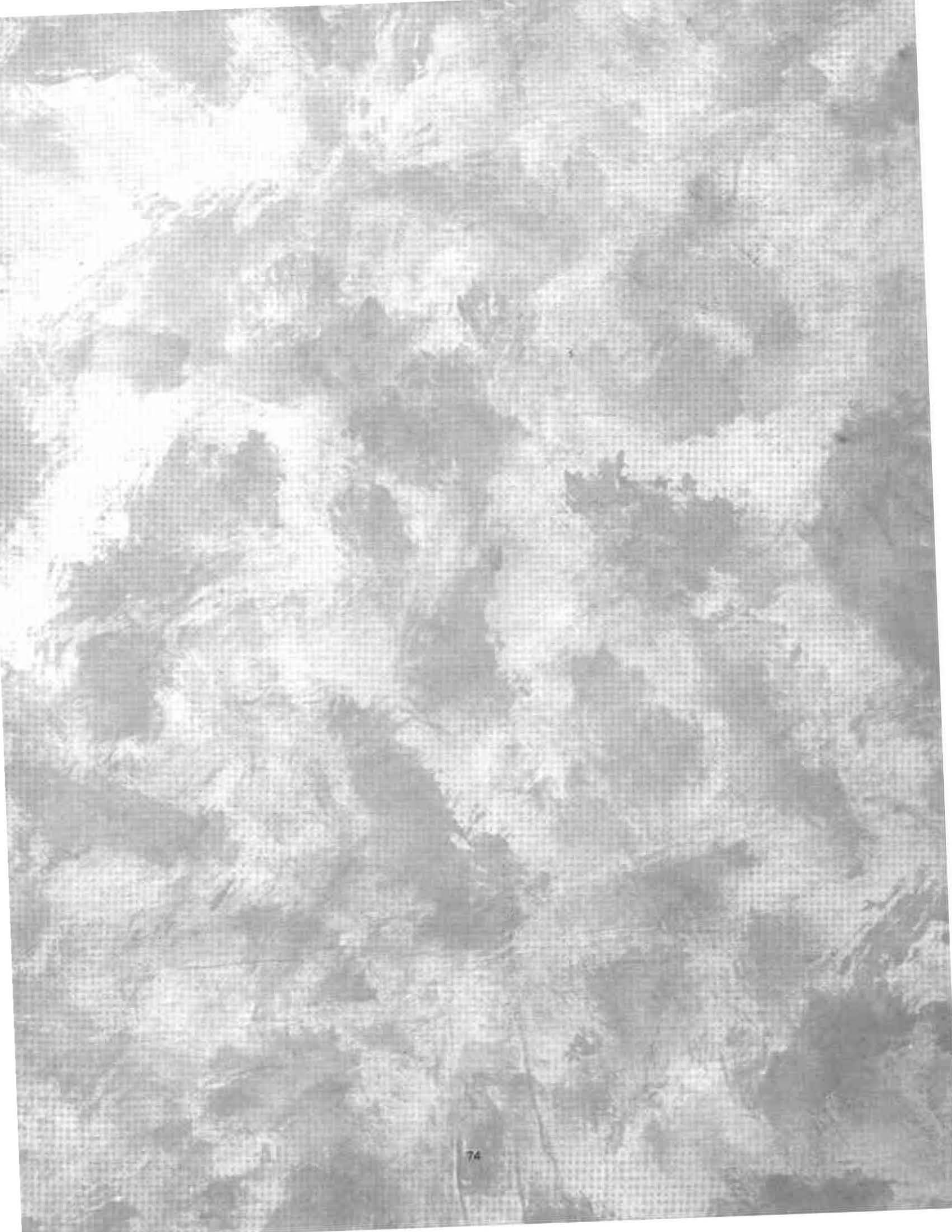
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Capital Projects Funds

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP Gen State Gov't
Revenues					
Intergovernmental	\$ 163,694	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Interest	-0-	-0-	-0-	-0-	-0-
Other	7,505	-0-	-0-	-0-	247,123
Total revenues	<u>171,199</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>247,123</u>
Expenditures					
Capital Improvements	1,030,168	2,914,711	2,688,513	-0-	8,572,016
Total expenditures	<u>1,030,168</u>	<u>2,914,711</u>	<u>2,688,513</u>	<u>-0-</u>	<u>8,572,016</u>
Deficiency of revenues over expenditures	<u>(858,969)</u>	<u>(2,914,711)</u>	<u>(2,688,513)</u>	<u>-0-</u>	<u>(8,324,893)</u>
Other Financing Sources (Uses)					
Proceeds from sale of bonds	-0-	-0-	-0-	-0-	37,623,045
Operating transfers in	1,068,750	7,281,942	12,787,087	-0-	15,884,920
Operating transfers out	(1,147)	(149,300)	(82,975)	-0-	(689,235)
Transfer to component unit	-0-	-0-	-0-	-0-	(36,073,215)
Total other financing sources (uses)	<u>1,067,603</u>	<u>7,132,642</u>	<u>12,704,112</u>	<u>-0-</u>	<u>16,745,515</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	208,634	4,217,931	10,015,599	-0-	8,420,622
Fund balances, July 1	<u>2,801,744</u>	<u>10,180,467</u>	<u>5,722,213</u>	<u>-0-</u>	<u>29,339,427</u>
Fund balances, June 30	<u><u>\$ 3,010,378</u></u>	<u><u>\$ 14,398,398</u></u>	<u><u>\$ 15,737,812</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 37,760,049</u></u>

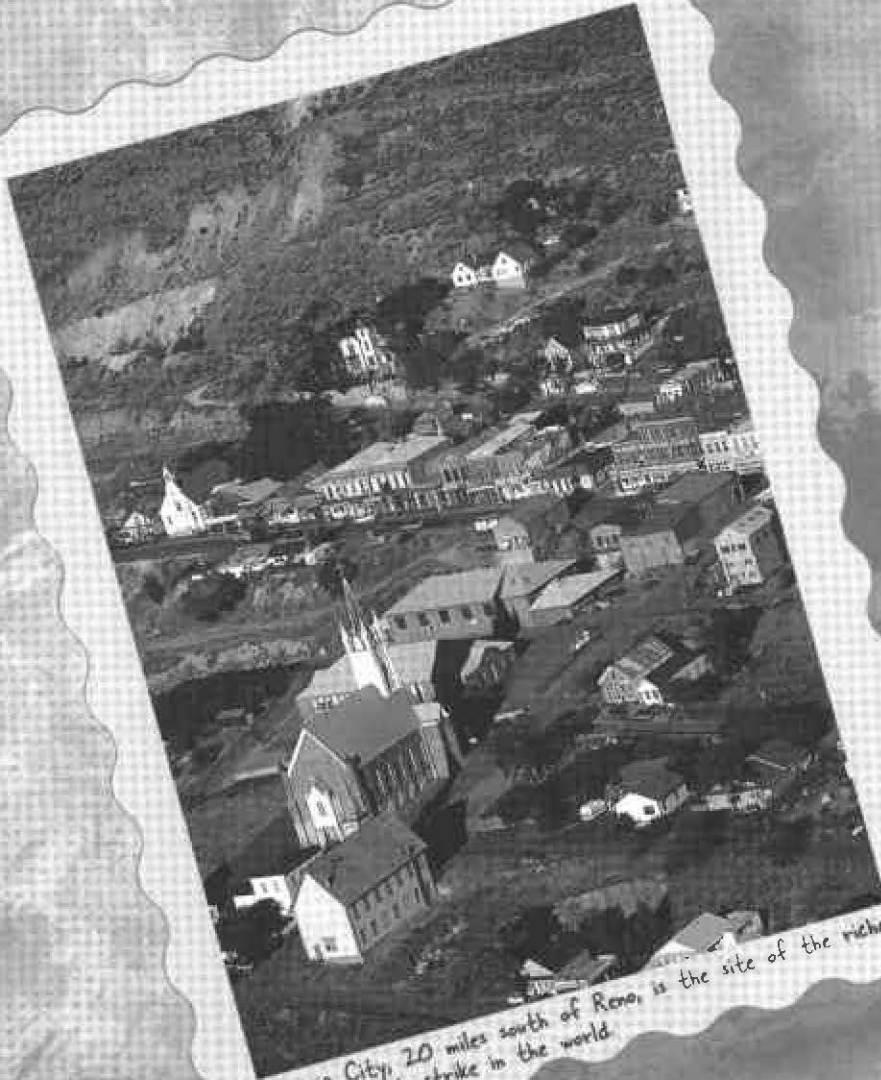
Exhibit D-2

CIP Special Projects	CIP Prison System	CIP Military	CIP Wildlife	Miscellaneous	Total All Funds	
					1997	1996
\$ -0-	\$ -0-	\$ 5,472,173	\$ 484,221	\$ -0-	\$ 6,120,088	\$ 3,547,742
-0-	41,323	-0-	-0-	-0-	41,323	84,626
-0-	59,839	-0-	-0-	-0-	314,467	817,574
-0-	101,162	5,472,173	484,221	-0-	6,475,878	4,449,942
-0-	29,011,462	3,512,368	1,546,191	21,487	49,296,916	27,931,209
-0-	29,011,462	3,512,368	1,546,191	21,487	49,296,916	27,931,209
-0-	(28,910,300)	1,959,805	(1,061,970)	(21,487)	(42,821,038)	(23,481,267)
-0-	3,561,956	-0-	-0-	-0-	41,185,001	44,899,999
-0-	2,327,873	-0-	-0-	-0-	39,350,572	1,489,393
-0-	(288,488)	-0-	-0-	-0-	(1,211,145)	(1,025,960)
-0-	-0-	-0-	-0-	-0-	(36,073,215)	(39,383,781)
-0-	5,601,341	-0-	-0-	-0-	43,251,213	6,079,651
-0-	(23,308,959)	1,959,805	(1,061,970)	(21,487)	430,175	(17,401,616)
-0-	54,581,989	28,405	4,768,146	428,045	107,848,436	125,250,052
\$ -0-	\$ 31,273,030	\$ 1,988,210	\$ 3,704,176	\$ 406,558	\$ 108,278,611	\$ 107,848,436



Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private businesses. The intent of the state is that the cost of providing these goods and services be financed or recovered primarily through user charges.



Virginia City, 20 miles south of Reno, is the site of the richest precious metals strike in the world.



ENTERPRISE FUNDS

Colorado River Commission Water Treatment Accounts for the operations of the Alfred Merritt Smith Water Treatment Facility. Such operations were transferred on January 1, 1996 to the Southern Nevada Water Authority (SNWA), a utility supplying water to retailing entities in Clark County, Nevada (A.B. 542, Chapter 393, 1995).

Colorado River Commission Water Transmission Accounts for the operations of the Robert G. Griffith Water Project (federal facilities). Such operations were transferred on January 1, 1996 to SNWA (A.B. 542, Chapter 393, 1995).

Colorado River Commission Power Marketing Accounts for the State's share of the cost of uprating the generating facilities at Hoover Dam, which was financed through the sale of bonds. The fund also records purchases and sales of power and other power marketing related activities, which include constructing a \$75 million transmission and distribution system to provide electricity to the Southern Nevada Water Authority's new water transmission facilities serving the Las Vegas Valley (NRS 538.211).

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

Industrial Insurance Accounts for the operations of the State Industrial Insurance System. The system provides statutory benefits of medical care, disability compensation and rehabilitation services for workers who are injured or contract an occupational disease in the course of their employment (NRS 616B.086).

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

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

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

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

STATE OF NEVADA

Combining Balance Sheet Enterprise Funds

June 30, 1997 with comparative totals for 1996

	Colorado River Commission	Housing Division	Industrial Insurance	Forestry Nurseries	Prison Industry
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 902,021	\$ 186,895	\$ 97,742,000	\$ 235,047	\$ 933,633
Cash in custody of other officials	-0-	-0-	3,737,000	-0-	-0-
Investments	-0-	171,213,916	1,356,969,000	-0-	-0-
<i>Receivables:</i>					
Accounts receivable	2,297,256	-0-	186,867,634	12,613	200,280
Accrued interest and dividends	-0-	6,523,628	10,896,000	-0-	-0-
Intergovernmental receivables	-0-	-0-	-0-	-0-	21,334
Due from other funds	172,151	532	946,432	11,041	383,921
Due from component unit	-0-	-0-	-0-	-0-	5,164
Inventory	-0-	-0-	646,000	86,289	843,148
<i>Restricted assets:</i>					
Cash	17,200,877	-0-	-0-	-0-	-0-
Non-cash	-0-	73,685,560	-0-	-0-	-0-
Mortgage loans receivable	-0-	670,451,977	-0-	-0-	-0-
<i>Deferred charges and other assets:</i>					
Prepaid expenses	4,627,795	-0-	466,000	-0-	-0-
Deferred charges	746,223	10,188,814	-0-	-0-	-0-
Other assets	45,774,745	-0-	882,000	-0-	-0-
Land	-0-	16,657	3,779,000	-0-	20,579
Structures and improvements	-0-	106,880	15,425,000	-0-	2,179,601
Furniture and equipment	-0-	362,819	32,806,000	119,832	768,855
Accumulated depreciation	-0-	(220,526)	(25,352,000)	(98,811)	(1,745,450)
Construction in progress	4,700,455	-0-	11,242,000	-0-	-0-
Total assets	\$ 76,421,523	\$ 932,517,152	\$1,697,052,066	\$ 366,011	\$ 3,611,065
Liabilities and Fund Equity					
<i>Liabilities:</i>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 2,103,215	\$ 1,891,371	\$ 15,402,697	\$ 6,764	\$ 129,175
Unpaid benefits	-0-	-0-	2,300,000,000	-0-	-0-
Due to brokers for security purchases	-0-	-0-	134,147,000	-0-	-0-
Interest payable	-0-	23,772,612	-0-	-0-	-0-
Intergovernmental payables	-0-	-0-	-0-	-0-	-0-
Due to other funds	331,391	12,298	10,605,369	20,846	74,100
Interfund payables	54,881	-0-	-0-	-0-	15,000
Accrued compensated absences	98,616	123,996	2,940,000	34,982	132,236
Deferred revenue	314,475	-0-	-0-	-0-	10,000
Bonds payable	61,760,000	814,623,084	-0-	-0-	-0-
Advances from general fund	-0-	-0-	-0-	-0-	175,000
Obligations under capital leases	-0-	-0-	6,223,000	-0-	-0-
<i>Other liabilities:</i>					
Payable from restricted assets	2,233,334	-0-	-0-	-0-	-0-
Deposits	-0-	-0-	51,295,000	-0-	-0-
Other liabilities	8,435,265	-0-	32,860,000	-0-	6,789
Total liabilities	75,331,177	840,423,361	2,553,473,066	62,592	542,300
<i>Fund equity (deficit):</i>					
Contributed capital	-0-	-0-	-0-	68,382	2,179,590
<i>Retained earnings (deficit):</i>					
Reserved for operation and maintenance	893,209	-0-	-0-	-0-	-0-
Reserved as security for outstanding obligations	-0-	89,710,740	-0-	-0-	-0-
Unreserved	197,137	2,383,051	(981,883,000)	235,037	889,175
Net unrealized gain on equity securities	-0-	-0-	125,462,000	-0-	-0-
Total fund equity (deficit)	1,090,346	92,093,791	(856,421,000)	303,419	3,068,765
Total liabilities and fund equity	\$ 76,421,523	\$ 932,517,152	\$1,697,052,066	\$ 366,011	\$ 3,611,065

Exhibit E-1

Nevada Magazine	Marlette Lake Water System	Total All Funds	
		1997	1996
\$ 107,254	\$ 133,629	\$ 100,240,479	\$ 351,883,089
140	-0-	3,737,140	3,816,140
-0-	-0-	1,528,182,916	1,119,042,121
92,178	-0-	189,469,961	128,067,181
-0-	-0-	17,419,628	12,350,712
-0-	4,046	25,380	107,237
763	31,626	1,546,466	4,503,158
-0-	-0-	5,164	855,113
32,070	-0-	1,607,507	1,245,489
-0-	-0-	17,200,877	30,889,638
-0-	-0-	73,685,560	70,604,941
-0-	-0-	670,451,977	551,745,008
29,403	-0-	5,123,198	7,453,783
-0-	-0-	10,935,037	9,583,060
-0-	-0-	46,656,745	46,277,674
-0-	425,742	4,241,978	4,270,478
-0-	1,127,077	18,838,558	19,290,734
44,555	1,448,995	35,551,056	29,598,299
(44,555)	(1,788,478)	(29,249,820)	(26,282,163)
-0-	-0-	15,942,455	6,948,263
<u>\$ 261,808</u>	<u>\$ 1,382,637</u>	<u>\$ 2,711,612,262</u>	<u>\$ 2,372,249,955</u>
\$ 19,509	\$ 29,999	\$ 19,582,730	\$ 16,504,643
-0-	-0-	2,300,000,000	2,443,000,000
-0-	-0-	134,147,000	222,851,000
-0-	-0-	23,772,612	23,292,196
-0-	-0-	-0-	53,830,344
1,578	4,414	11,049,996	1,088,123
-0-	4,232	74,113	75,604
75,111	31,889	3,436,830	3,221,887
518,589	-0-	843,064	616,865
-0-	-0-	876,383,084	788,468,084
-0-	146,498	321,498	337,869
-0-	-0-	6,223,000	11,478,000
-0-	-0-	2,233,334	1,361,139
-0-	-0-	51,295,000	48,692,000
-0-	-0-	41,302,054	21,605,078
<u>614,787</u>	<u>217,032</u>	<u>3,470,664,315</u>	<u>3,636,422,832</u>
66,849	2,885,884	5,200,705	5,200,705
-0-	-0-	893,209	841,012
-0-	-0-	89,710,740	81,010,613
(419,828)	(1,720,279)	(980,318,707)	(1,419,470,207)
-0-	-0-	125,462,000	68,245,000
<u>(352,979)</u>	<u>1,165,605</u>	<u>(759,052,053)</u>	<u>(1,284,172,877)</u>
<u>\$ 261,808</u>	<u>\$ 1,382,637</u>	<u>\$ 2,711,612,262</u>	<u>\$ 2,372,249,955</u>

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

	Colorado River Commission	Housing Division	Industrial Insurance	Forestry Nurseries	Prison Industry
Operating Revenues					
Net premium income	\$ -0-	\$ -0-	\$ 472,670,000	\$ -0-	\$ -0-
Sales	24,720,367	-0-	-0-	325,588	2,784,581
Charges for services	54,881	-0-	-0-	-0-	395,437
Rental income	-0-	61,500	-0-	-0-	74,163
Interest income on mortgage loans	-0-	45,091,991	-0-	-0-	-0-
Investment income	-0-	15,642,785	-0-	-0-	-0-
Other	-0-	4,852,826	14,766,000	401	146,529
Total operating revenues	24,775,248	65,849,102	487,436,000	325,989	3,400,710
Operating Expenses					
Salaries and benefits	-0-	1,185,402	40,210,000	98,001	1,036,223
Operating	24,720,367	5,575,073	33,204,470	54,356	1,078,618
Claims expense	-0-	-0-	78,705,000	-0-	-0-
Interest on bonds payable	-0-	48,760,754	-0-	-0-	-0-
Materials or supplies used	-0-	-0-	-0-	31,714	936,459
Servicers' fees	-0-	1,564,696	-0-	-0-	-0-
Depreciation	-0-	32,542	3,273,000	10,205	119,238
Administrative expense	-0-	-0-	6,664,000	-0-	-0-
Total operating expenses	24,720,367	57,118,467	162,056,470	194,276	3,170,538
Operating income (loss)	54,881	8,730,635	325,379,530	131,713	230,172
Nonoperating Revenues (Expenses)					
Interest income	133,235	-0-	55,375,000	-0-	60,123
Investment gain	-0-	-0-	58,228,000	-0-	-0-
Interest expense	-0-	-0-	(124,000)	-0-	-0-
Federal grants	-0-	-0-	-0-	61,491	-0-
Loss on disposal of assets	-0-	-0-	-0-	-0-	(1,400)
Other	(54,881)	-0-	26,000	(29,877)	-0-
Total nonoperating revenues (expenses)	78,354	-0-	113,505,000	31,614	58,723
Income (loss) before operating transfers	133,235	8,730,635	438,884,530	163,327	288,895
Operating Transfers					
Operating transfers in	-0-	-0-	-0-	-0-	-0-
Operating transfers out	-0-	(30,507)	(234,530)	(18,434)	-0-
Net income (loss)	133,235	8,700,128	438,650,000	144,893	288,895
Fund equity (deficit), July 1	957,111	83,393,663	(1,352,288,000)	158,526	2,779,870
Transfer of deficit to other government	-0-	-0-	-0-	-0-	-0-
Changes in unrealized gains	-0-	-0-	57,217,000	-0-	-0-
Fund equity (deficit), June 30	\$ 1,090,346	\$ 92,093,791	\$ (856,421,000)	\$ 303,419	\$ 3,068,765

Exhibit E-2

Nevada Magazine	Mariette Lake Water System	Total All Funds	
		1997	1996
\$ -0-	\$ -0-	\$ 472,670,000	\$ 458,979,000
1,093,334	250,145	29,174,015	49,619,206
668,706	-0-	1,119,024	1,114,299
-0-	-0-	135,663	140,143
-0-	-0-	45,091,991	39,110,315
-0-	-0-	15,842,785	13,601,457
5,519	-0-	19,771,275	16,253,718
<u>1,767,559</u>	<u>250,145</u>	<u>583,804,753</u>	<u>578,818,138</u>
581,378	102,720	43,213,724	42,467,179
485,063	127,647	65,245,594	67,843,810
-0-	-0-	78,705,000	113,502,000
-0-	-0-	48,760,754	43,155,981
667,624	-0-	1,635,797	1,904,849
-0-	-0-	1,564,896	1,433,095
-0-	57,995	3,492,980	6,528,217
-0-	-0-	6,664,000	5,325,000
<u>1,734,065</u>	<u>288,362</u>	<u>249,282,545</u>	<u>282,160,131</u>
<u>33,494</u>	<u>(38,217)</u>	<u>334,522,208</u>	<u>296,658,007</u>
-0-	-0-	55,568,358	44,781,781
-0-	-0-	58,228,000	32,643,000
-0-	-0-	(124,000)	(6,366,443)
-0-	-0-	61,491	620,214
-0-	-0-	(1,400)	(1,349)
-0-	-0-	(58,758)	2,364,470
<u>-0-</u>	<u>-0-</u>	<u>113,673,691</u>	<u>74,041,673</u>
33,494	(38,217)	448,195,899	370,699,680
-0-	-0-	-0-	48
-0-	(8,604)	(292,075)	(440,512)
33,494	(46,821)	447,903,824	370,259,216
(386,473)	1,212,426	(1,264,172,877)	(1,704,889,850)
-0-	-0-	-0-	54,575,757
-0-	-0-	57,217,000	15,882,000
<u>\$ (352,979)</u>	<u>\$ 1,165,605</u>	<u>\$ (759,052,053)</u>	<u>\$ (1,264,172,877)</u>

STATE OF NEVADA

Combining Statement of Cash Flows Enterprise Funds

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

	Colorado River Commission			
	Water Treatment	Water Transmission	Power Marketing	Housing Division
Cash flows from operating activities				
Cash received from customers	\$ -0-	\$ -0-	\$ 24,448,479	\$ -0-
Cash received from other funds	917,670	14,141	-0-	-0-
Cash received from component unit	-0-	-0-	-0-	-0-
Cash received from mortgage loans	-0-	-0-	-0-	101,029,749
Cash paid to suppliers, other governments and beneficiaries	(58,237)	-0-	(17,660,024)	(1,006,426)
Cash paid to employees for services	-0-	-0-	-0-	(1,123,269)
Cash paid to other funds	(70,619)	(70,619)	-0-	(262,102)
Purchase of mortgage loans	-0-	-0-	-0-	(173,510,090)
Net cash provided by (used for) operating activities	788,814	(56,478)	6,788,455	(74,872,138)
Cash flows from noncapital financing activities				
Proceeds from sale of bonds	-0-	-0-	-0-	180,595,000
Grants, transfers, advances received	-0-	-0-	-0-	3,123,115
Retirement of bonds and notes	-0-	-0-	(1,785,000)	(73,662,750)
Interest payments on bonds	-0-	-0-	-0-	(48,028,853)
Operating transfers out	-0-	-0-	-0-	(30,507)
Payments for prepaid power	-0-	-0-	(4,579,217)	-0-
Transfers to other government	(52,969,547)	(847,143)	-0-	-0-
Other cash used for noncapital financing activities	-0-	-0-	(98,667)	(4,824,077)
Net cash provided by (used for) noncapital financing activities	(52,969,547)	(847,143)	(6,462,884)	57,171,928
Cash flows from capital and related financing activities				
Proceeds from sale of bonds and equipment, other financing	-0-	-0-	7,593,187	-0-
Acquisition of property, plant, and equipment	-0-	-0-	(4,611,192)	(62,854)
Retirement of bonds/notes/mortgages	-0-	-0-	(17,981,223)	-0-
Interest paid on obligations	-0-	-0-	-0-	-0-
Payments on advances/capital leases	0	0	0	-0-
Net cash used for capital financing activities	-0-	-0-	(14,999,228)	(62,854)
Cash flows from investing activities				
Proceeds from sale of investments	-0-	-0-	-0-	254,184,444
Purchase of investments	-0-	-0-	-0-	(251,460,705)
Interest/dividends on investments	14,637	-0-	1,315,083	15,085,737
Net cash provided by (used for) investing activities	14,637	-0-	1,315,083	17,809,476
Net increase (decrease) in cash	(52,166,096)	(903,621)	(13,358,574)	46,412
Cash and cash equivalents, July 1	52,166,096	903,621	31,461,472	140,483
Cash and cash equivalents, June 30	\$ -0-	\$ -0-	\$ 18,102,898	\$ 186,895
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ -0-	\$ -0-	\$ 54,881	\$ 8,730,635
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	-0-	-0-	-0-	32,542
Income on investments	-0-	-0-	-0-	(15,842,785)
Interest on bonds payable	-0-	-0-	-0-	48,760,754
Increase in loans receivable and real estate owned	-0-	-0-	-0-	(120,640,115)
Decrease (increase) in accrued receivables	917,670	14,141	(248,415)	1,038,845
Decrease (increase) in inventory, deferred charges and other assets	-0-	-0-	-0-	-0-
Increase (decrease) in accounts payable, accruals, other liabilities	(128,856)	(70,619)	1,060,600	(224,851)
Prepayments for power	-0-	-0-	5,413,510	-0-
Other adjustments	-0-	-0-	507,879	3,272,837
Total adjustments	788,814	(56,478)	6,733,574	(83,602,773)
Net cash provided by (used for) operating activities	\$ 788,814	\$ (56,478)	\$ 6,788,455	\$ (74,872,138)
Noncash investing, capital and financing activities				
Loss on disposal of assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Exhibit E-3

Industrial Insurance	Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total All Funds	
					1997	1998
\$ 473,100,530	\$ 197,219	\$ 1,525,774	\$ 1,534,553	\$ 99,081	\$ 500,905,636	\$ 503,123,005
3,987,000	60,253	1,721,977	316,470	153,240	7,170,751	20,262,343
-0-	-0-	43,547	-0-	-0-	43,547	1,517,954
-0-	-0-	-0-	-0-	-0-	101,029,749	94,310,421
(245,700,000)	(67,470)	(1,115,152)	(1,019,297)	(49,395)	(266,676,001)	(284,247,816)
(40,211,000)	(103,538)	(1,017,962)	(577,288)	(100,085)	(43,133,142)	(43,121,061)
(143,000)	(58,232)	(1,196,642)	(154,467)	(55,930)	(2,011,611)	(32,523,488)
-0-	-0-	-0-	-0-	-0-	(173,510,090)	(107,489,833)
191,033,530	28,232	(38,458)	99,971	46,911	123,818,839	151,831,525
-0-	-0-	-0-	-0-	-0-	180,595,000	182,487,000
-0-	130,750	-0-	-0-	-0-	3,253,865	3,554,845
-0-	-0-	-0-	-0-	-0-	(75,447,750)	(82,209,626)
-0-	-0-	-0-	-0-	-0-	(48,028,853)	(44,877,336)
(234,530)	(18,434)	-0-	-0-	(6,568)	(290,039)	(440,512)
-0-	-0-	-0-	-0-	-0-	(4,579,217)	(5,426,206)
-0-	-0-	-0-	-0-	-0-	(53,816,690)	(85,186,408)
-0-	(29,876)	-0-	-0-	-0-	(4,952,620)	(4,020,739)
(234,530)	82,440	-0-	-0-	(6,568)	(3,266,304)	(36,118,982)
-0-	-0-	-0-	-0-	-0-	7,593,187	119,432,078
(10,949,000)	(4,723)	(48,332)	-0-	-0-	(15,676,101)	(31,112,020)
-0-	-0-	-0-	-0-	-0-	(17,981,223)	(122,509,705)
(124,000)	-0-	-0-	-0-	-0-	(124,000)	(6,426,538)
(5,255,000)	-0-	(15,000)	-0-	(2,862)	(5,272,862)	(4,018,708)
(16,328,000)	(4,723)	(63,332)	-0-	(2,862)	(31,460,999)	(44,634,893)
2,104,877,000	-0-	-0-	-0-	-0-	2,359,061,444	2,102,506,167
(2,528,204,000)	-0-	-0-	-0-	-0-	(2,779,664,705)	(2,171,003,552)
49,627,000	-0-	58,897	-0-	-0-	66,101,354	65,403,152
(373,700,000)	-0-	58,897	-0-	-0-	(354,501,907)	(3,094,233)
(199,229,000)	105,949	(42,893)	99,971	37,481	(265,410,371)	67,983,417
300,708,000	129,098	976,526	7,423	96,148	386,588,867	318,605,450
\$ 101,479,000	\$ 235,047	\$ 933,633	\$ 107,394	\$ 133,629	\$ 121,178,496	\$ 386,588,867
\$ 325,379,530	\$ 131,713	\$ 230,172	\$ 33,494	\$ (38,217)	\$ 334,522,208	\$ 296,658,007
3,273,000	10,205	119,238	-0-	57,995	3,492,980	6,528,217
26,000	-0-	-0-	-0-	-0-	(15,816,785)	(10,773,457)
-0-	-0-	-0-	-0-	-0-	48,760,754	43,155,981
-0-	-0-	-0-	-0-	-0-	(120,640,115)	(52,248,330)
14,711,000	(68,517)	(116,412)	50,704	2,176	16,301,192	(2,488,696)
(35,256,000)	(38,631)	(290,138)	(10,001)	-0-	(35,594,770)	3,433,458
(117,100,000)	(6,538)	18,682	25,774	24,957	(116,400,851)	(140,417,562)
-0-	-0-	-0-	-0-	-0-	5,413,510	6,988,622
-0-	-0-	-0-	-0-	-0-	3,780,716	995,285
(134,346,000)	(103,481)	(268,630)	66,477	85,128	(210,703,369)	(144,826,482)
\$ 191,033,530	\$ 28,232	\$ (38,458)	\$ 99,971	\$ 46,911	\$ 123,818,839	\$ 151,831,525
\$ -0-	\$ -0-	\$ 1,400	\$ -0-	\$ -0-	\$ 1,400	\$ -0-

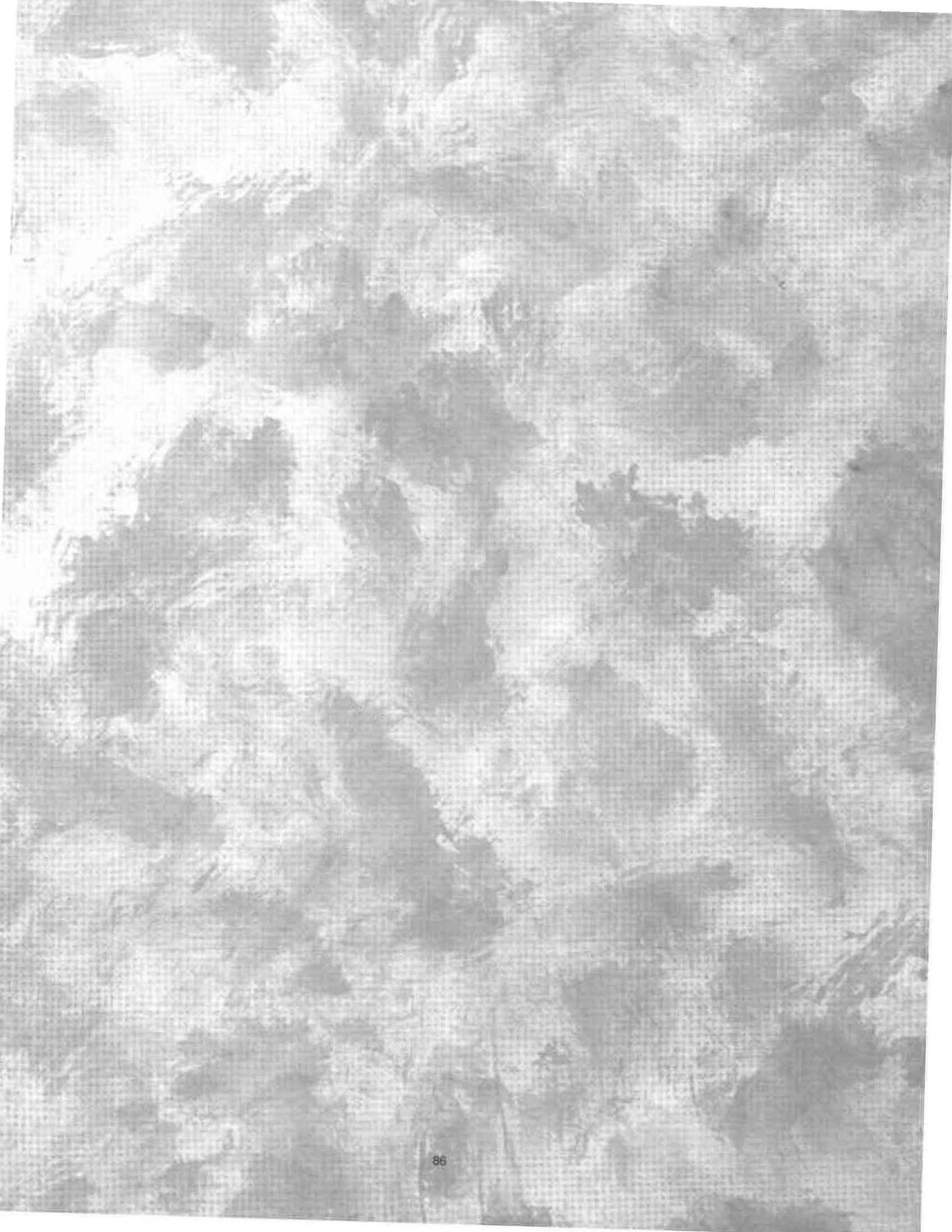


Internal Service Funds

Internal Service Funds account for the financing of goods and services provided to state agencies and other governments on a cost reimbursement basis.



Pahrump Valley Vineyards is Nevada's only winery.



INTERNAL SERVICE FUNDS

Self-Insurance Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

Buildings and Grounds Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

Motor Pool Accounts for the operations of the State vehicle fleet (NRS 336.110).

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 331.103).

Insurance Premiums Allocates the costs of fidelity insurance, property insurance, workers compensation insurance, etc. to all 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 operating the State's central computer facility (NRS 242.211); and accounts for the State's radio communication and telecommunication systems (NRS 233F.148 and NRS 242.213).

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

STATE OF NEVADA

Combining Balance Sheet Internal Service Funds

June 30, 1997 with comparative totals for 1996

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications	Insurance Premiums
Assets					
Current assets:					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 25,659,189	\$ 536,057	\$ 701,351	\$ 1,053	\$ 6,038,388
Cash in custody of other officials	-0-	-0-	-0-	-0-	-0-
<i>Receivables:</i>					
Accounts receivable	736,366	6,009	4,603	11,574	2,818
Intergovernmental receivables	901	-0-	-0-	-0-	-0-
Due from other funds	916,782	524,638	1,444,318	670,720	10,329,214
Due from component unit	190,684	-0-	15,846	-0-	-0-
Inventory	-0-	-0-	-0-	-0-	-0-
Prepaid expenses	-0-	-0-	-0-	26,943	-0-
Total current assets	27,503,922	1,066,704	2,166,118	710,290	16,370,420
Property:					
Land	-0-	20,400	-0-	-0-	-0-
Buildings	-0-	2,408,791	1,047,746	-0-	-0-
Improvements other than buildings	-0-	411,061	13,650	-0-	-0-
Furniture and equipment	971,458	567,521	6,984,322	216,984	58,055
Accumulated depreciation	(921,542)	(1,139,614)	(4,448,216)	(131,083)	(47,337)
Total property	49,916	2,268,159	3,597,502	85,901	10,718
Total assets	\$ 27,553,838	\$ 3,334,863	\$ 5,763,620	\$ 796,191	\$ 16,381,138
Liabilities and Fund Equity					
Current liabilities:					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 14,545,588	\$ 425,323	\$ 26,162	\$ 14,988	\$ 5,866,090
Accrued payroll and related liabilities	16,752	74,013	12,501	11,997	4,760
Current portion, long-term obligations	-0-	-0-	-0-	-0-	-0-
Intergovernmental payables	-0-	10,243	-0-	-0-	-0-
Due to other funds	20,652	22,059	169,813	91,336	834,025
Due to component unit	-0-	-0-	-0-	243	1,636,594
Interfund payables	-0-	194,841	53,411	-0-	-0-
Accrued compensated absences	71,326	475,953	70,535	78,554	17,700
Total current liabilities	14,654,318	1,202,432	332,422	197,118	8,359,169
Long-term liabilities:					
<i>Advances:</i>					
Advances from general fund	-0-	1,557,822	553,848	-0-	-0-
Advances from special revenue fund	-0-	-0-	26,555	-0-	-0-
Obligations under capital leases	-0-	-0-	-0-	-0-	-0-
Total long-term liabilities	-0-	1,557,822	580,403	-0-	-0-
Total liabilities	14,654,318	2,760,254	912,825	197,118	8,359,169
Fund equity:					
Contributed capital	12,682	398,651	2,325,163	23,875	-0-
Retained earnings	12,886,838	175,958	2,525,632	575,198	8,021,969
Total fund equity	12,899,520	574,609	4,850,795	599,073	8,021,969
Total liabilities and fund equity	\$ 27,553,838	\$ 3,334,863	\$ 5,763,620	\$ 796,191	\$ 16,381,138

Exhibit F-1

Administrative Services	Personnel	Purchasing	Information Services	Printing	Total All Funds	
					1997	1996
\$ 255,448 100	\$ 1,524,118 -0-	\$ 1,015,036 -0-	\$ 925,544 200	\$ 333,711 75	\$ 36,989,895 375	\$ 47,241,097 375
-0-	-0-	29,656	9,233	4,385	804,644	415,561
-0-	-0-	1,302,151	7,208	-0-	1,310,260	706,369
21,448	8,186	4,299,672	2,840,545	424,393	21,479,916	10,244,031
-0-	-0-	125,954	-0-	1,316	333,800	312,353
-0-	-0-	241,680	29,170	587,201	858,051	667,195
-0-	-0-	-0-	238,138	-0-	265,081	93,223
276,996	1,532,304	7,014,149	4,050,038	1,351,081	62,042,022	59,680,204
-0-	-0-	95,554	15,000	-0-	130,954	130,954
-0-	-0-	140,000	1,563,756	597,932	5,758,225	5,758,225
-0-	-0-	-0-	-0-	-0-	424,711	424,711
52,748	605,090	530,912	17,622,988	2,327,563	29,937,641	28,523,029
(19,780)	(479,157)	(483,246)	(14,462,707)	(2,102,844)	(24,235,526)	(21,570,781)
32,968	125,933	283,220	4,739,037	822,651	12,016,005	13,266,138
\$ 309,964	\$ 1,658,237	\$ 7,297,369	\$ 8,789,075	\$ 2,173,732	\$ 74,058,027	\$ 72,946,342
\$ 277	\$ 36,396	\$ 4,569,010	\$ 529,346	\$ 34,635	\$ 26,047,815	\$ 21,642,293
18,102	81,590	19,633	210,904	84,416	534,668	417,230
-0-	-0-	-0-	1,579,904	2,981	1,582,885	1,570,082
-0-	-0-	-0-	-0-	-0-	10,243	33,522
259,337	114,695	2,809	67,884	3,777	1,586,387	3,010,821
-0-	-0-	-0-	-0-	-0-	1,636,837	-0-
-0-	-0-	23,988	69,877	21,408	363,525	504,319
60,993	424,742	93,316	792,700	227,266	2,313,085	2,234,829
338,709	657,423	4,708,756	3,250,615	374,483	34,075,445	29,413,096
-0-	-0-	321,918	677,022	189,495	3,300,105	3,552,251
-0-	-0-	-0-	-0-	-0-	26,555	28,767
-0-	-0-	-0-	1,294,240	-0-	1,294,240	2,812,079
-0-	-0-	321,918	1,971,262	189,495	4,620,900	6,393,097
338,709	657,423	5,030,674	5,221,877	563,978	38,696,345	35,806,193
-0-	-0-	1,128,661	275,153	599,461	4,763,646	4,763,646
(28,745)	1,000,814	1,138,034	3,292,045	1,010,293	30,598,036	32,376,503
(28,745)	1,000,814	2,266,695	3,567,198	1,609,754	35,361,682	37,140,149
\$ 309,964	\$ 1,658,237	\$ 7,297,369	\$ 8,789,075	\$ 2,173,732	\$ 74,058,027	\$ 72,946,342

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications	Insurance Premiums
Operating Revenues					
Net premium income	\$ 87,142,930	\$ -0-	\$ -0-	\$ -0-	\$ 8,799,414
Sales	-0-	-0-	74,487	-0-	-0-
Charges for services	-0-	788,078	-0-	5,641,687	-0-
Rental income	-0-	7,251,936	2,193,286	-0-	-0-
Other	571,390	2,659	69,222	15	347,607
Total operating revenues	87,714,320	8,042,673	2,336,995	5,641,702	9,147,021
Operating Expenses					
Salaries and benefits	801,649	3,294,444	495,588	525,240	221,332
Operating	445,844	5,007,438	714,702	4,606,928	120,246
Claims expense	65,796,078	-0-	-0-	-0-	2,556,726
Materials or supplies used	-0-	-0-	327,759	-0-	-0-
Depreciation	101,456	156,837	740,858	15,675	13,545
Insurance premiums	29,576,262	-0-	-0-	-0-	2,700,533
Total operating expenses	96,721,289	8,458,719	2,278,907	5,147,843	5,612,382
Operating income (loss)	(9,006,969)	(416,046)	58,088	493,859	3,534,639
Nonoperating Revenues (Expenses)					
Interest income	1,703,877	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-
Gain (loss) on disposal of assets	-0-	-0-	11,374	(1,397)	-0-
Total nonoperating revenues (expenses)	1,703,877	-0-	11,374	(1,397)	-0-
Income (loss) before operating transfers	(7,303,092)	(416,046)	69,462	492,462	3,534,639
Operating Transfers					
Operating transfers in	25,225	131,611	1,199,962	-0-	-0-
Operating transfers out	(9,923)	(112,957)	(70,796)	(36,604)	(30,900)
Net income (loss)	(7,287,790)	(397,392)	1,198,628	455,858	3,503,739
Fund equity, July 1	20,187,310	972,001	3,652,167	143,215	4,518,230
Fund equity, June 30	\$ 12,899,520	\$ 574,609	\$ 4,850,795	\$ 599,073	\$ 8,021,969

Exhibit F-2

						Total All Funds	
Administrative Services	Personnel	Purchasing	Information Services	Printing		1997	1996
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$	95,942,344	\$ 90,305,512
-0-	372	714,489	6,475	4,009,832	\$	4,805,655	5,341,563
808,804	5,030,921	1,369,699	16,535,972	-0-	\$	30,175,161	28,322,961
-0-	-0-	2,215	179,849	-0-	\$	9,627,286	9,339,692
-0-	12,757	133,957	138,387	4,000	\$	1,279,994	1,003,022
808,804	5,044,050	2,220,360	16,860,683	4,013,832	\$	141,830,440	134,312,750
642,927	3,349,378	801,972	6,956,401	1,778,716	\$	18,867,647	17,457,396
40,969	1,369,445	406,798	7,454,169	828,075	\$	20,994,614	20,180,804
-0-	-0-	-0-	-0-	-0-	\$	68,352,804	56,493,004
-0-	-0-	554,065	-0-	916,787	\$	1,798,611	3,006,769
13,187	48,631	35,451	2,023,590	155,090	\$	3,304,320	3,532,612
-0-	-0-	-0-	-0-	-0-	\$	32,276,795	33,263,820
697,083	4,767,454	1,798,286	16,434,160	3,678,668	\$	145,594,791	133,934,405
111,721	276,596	422,074	426,523	335,164	\$	(3,764,351)	378,345
-0-	-0-	-0-	-0-	-0-	\$	1,703,877	1,600,328
-0-	-0-	(14,500)	(193,438)	(1,681)	\$	(209,619)	(268,219)
-0-	-0-	(105,967)	-0-	-0-	\$	(105,967)	-0-
-0-	-0-	-0-	(10,712)	(17,785)	\$	(18,520)	54,092
-0-	-0-	(120,467)	(204,150)	(19,466)	\$	1,369,771	1,386,201
111,721	276,596	301,607	222,373	315,698	\$	(2,394,580)	1,764,546
-0-	-0-	-0-	470,713	-0-	\$	1,827,511	494,322
(307,062)	(71,154)	(357,206)	(116,847)	(97,949)	\$	(1,211,398)	(1,250,133)
(195,341)	205,442	(55,599)	576,239	217,749	\$	(1,778,467)	1,008,735
166,596	795,372	2,322,294	2,990,959	1,392,005	\$	37,140,149	36,131,414
\$ (28,745)	\$ 1,000,814	\$ 2,266,695	\$ 3,567,198	\$ 1,609,754	\$	35,361,682	\$ 37,140,149

STATE OF NEVADA

Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications	Insurance Premiums
Cash flows from operating activities					
Cash received from customers	\$ 8,241,936	\$ 88,822	\$ 26,270	\$ 8,887	\$ 328,563
Cash received from other funds	59,402,004	7,374,838	2,239,703	5,061,001	8,254,304
Cash received from component unit	19,957,891	302,330	77,902	11,558	580,097
Cash paid to suppliers, and other governments	(90,832,848)	(4,601,951)	(499,274)	(4,274,369)	(6,848,519)
Cash paid to employees for services	(806,611)	(3,258,187)	(498,951)	(518,710)	(212,741)
Cash paid to other funds	(337,900)	(353,812)	(565,610)	(214,852)	(5,729,453)
Cash paid to component unit	-0-	-0-	-0-	-0-	(244,509)
Net cash provided by (used for) operating activities	(4,375,528)	(447,960)	780,040	73,515	(3,872,258)
Cash flows from noncapital financing activities					
Grants, transfers, advances received	57,997	-0-	-0-	-0-	-0-
Operating/equity transfers out	(9,923)	(88,019)	(87,806)	(28,257)	(38,725)
Net cash provided by (used for) noncapital financing activities	48,074	(88,019)	(87,806)	(28,257)	(38,725)
Cash flows from capital and related financing activities					
Acquisition of property, plant, and equipment	(15,188)	(2,023)	(1,908,294)	(51,930)	-0-
Interest paid on obligations	-0-	-0-	-0-	-0-	-0-
Reduction in advances/capital leases	-0-	(97,420)	(106,821)	-0-	-0-
Proceeds from sale of assets	-0-	-0-	76,821	-0-	-0-
Net cash used for capital financing activities	(15,188)	(99,443)	(1,938,294)	(51,930)	-0-
Cash flows from investing activities					
Interest/dividends on investments	1,745,615	-0-	-0-	-0-	-0-
Net cash provided by investing activities	1,745,615	-0-	-0-	-0-	-0-
Net increase (decrease) in cash	(2,597,027)	(635,422)	(1,246,060)	(6,672)	(3,910,983)
Cash and cash equivalents, July 1	28,256,216	1,171,479	1,947,411	7,725	9,949,371
Cash and cash equivalents, June 30	\$ 25,659,189	\$ 536,057	\$ 701,351	\$ 1,053	\$ 6,038,388
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ (9,006,969)	\$ (416,046)	\$ 58,088	\$ 493,859	\$ 3,534,639
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	101,456	156,837	740,858	15,675	13,545
Decrease (increase) in accrued receivables	(612,489)	(276,682)	6,879	(560,256)	(5,048,066)
Decrease (increase) in inventory and prepaid expenses	-0-	10,797	-0-	55,484	-0-
Increase (decrease) in accounts payable, accruals and other liabilities	5,142,474	77,134	(25,785)	68,753	(2,372,376)
Other adjustments	-0-	-0-	-0-	-0-	-0-
Total adjustments	4,631,441	(31,914)	721,952	(420,344)	(7,406,897)
Net cash provided by (used for) operating activities	\$ (4,375,528)	\$ (447,960)	\$ 780,040	\$ 73,515	\$ (3,872,258)
Noncash investing, capital and financing activities					
Property leased, accrued or acquired	\$ -0-	\$ -0-	\$ 147,662	\$ -0-	\$ -0-
Adjustment to advance	-0-	-0-	-0-	-0-	-0-
Loss on disposal of assets	-0-	-0-	-0-	1,397	-0-

Exhibit F-3

					Total All Funds	
Administrative Services	Personnel	Purchasing	Information Services	State Printing	1997	1996
\$ -0-	\$ 235	\$ 1,775,386	\$ 382,088	\$ 417,068	\$ 11,269,255	\$ 9,566,326
782,955	4,655,218	737,027	16,429,845	3,402,789	108,339,684	102,964,298
-0-	382,350	167,275	5,923	3,386	21,488,712	20,540,199
(7,379)	(241,223)	(1,631,844)	(7,140,350)	(997,759)	(117,075,516)	(100,849,076)
(657,051)	(3,329,832)	(766,553)	(6,799,118)	(1,706,131)	(18,553,885)	(17,245,903)
(40,359)	(1,113,853)	(307,036)	(651,066)	(1,026,456)	(10,340,397)	(9,229,076)
-0-	-0-	-0-	-0-	-0-	(244,509)	(8,152)
78,166	352,895	(25,745)	2,227,322	92,897	(5,116,656)	5,738,616
-0-	-0-	(105,967)	487,947	-0-	439,977	3,431,354
(1,857,062)	(71,154)	(293,452)	(128,803)	(97,949)	(2,701,150)	(1,323,961)
(1,857,062)	(71,154)	(399,419)	359,144	(97,949)	(2,261,173)	2,107,393
-0-	(97,299)	(89,744)	(147,942)	(183,617)	(2,496,037)	(1,240,147)
-0-	-0-	(14,965)	(193,438)	(1,681)	(210,084)	(253,253)
-0-	-0-	(11,281)	(1,699,548)	(74,618)	(1,989,688)	(2,497,787)
-0-	-0-	-0-	-0-	-0-	76,821	7,917
-0-	(97,299)	(115,990)	(2,040,928)	(259,916)	(4,618,988)	(3,983,270)
-0-	-0-	-0-	-0-	-0-	1,745,615	1,504,122
-0-	-0-	-0-	-0-	-0-	1,745,615	1,504,122
(1,778,896)	184,442	(541,154)	545,538	(264,968)	(10,251,202)	5,386,861
2,034,444	1,339,676	1,556,190	380,206	598,754	47,241,472	41,874,611
\$ 255,548	\$ 1,524,118	\$ 1,015,038	\$ 925,744	\$ 333,788	\$ 36,990,270	\$ 47,241,472
\$ 111,721	\$ 276,596	\$ 422,074	\$ 426,523	\$ 335,164	\$ (3,764,351)	\$ 378,345
13,187	48,631	35,451	2,023,590	155,090	3,304,320	3,532,612
(25,849)	(6,247)	459,329	(42,827)	(190,588)	(6,296,796)	5,688,899
-0-	-0-	(4,009)	(228,769)	(196,216)	(362,713)	376,948
(20,893)	33,915	(938,590)	44,512	(10,553)	1,998,591	(4,369,104)
-0-	-0-	-0-	4,293	-0-	4,293	130,916
(33,555)	76,299	(447,819)	1,800,799	(242,267)	(1,352,305)	5,360,271
\$ 78,166	\$ 352,895	\$ (25,745)	\$ 2,227,322	\$ 92,897	\$ (5,116,656)	\$ 5,738,616
\$ -0-	\$ -0-	\$ -0-	\$ 89,500	\$ -0-	\$ 237,162	\$ 2,837,778
-0-	-0-	-0-	-0-	-0-	-0-	607,958
-0-	-0-	-0-	10,712	17,785	29,894	-0-



Trust And Agency Funds

Trust and Agency Funds account for resources which are held in a fiduciary or agency capacity.



Horseback riders in Fallon ride the Pony Express Trail.



TRUST AND AGENCY FUNDS

Expendable Trust

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

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

Gift Accounts for gifts and grants received by the Commission for the Preservation of Wild Horses (NRS 504.450), the Department of Conservation and Natural Resources (NRS 232.020), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090) and the Division of State Parks (NRS 407.075).

Custodial Accounts for estates escheated to the State in absence of legal heirs and used for educational purposes (NRS 154.140); administration of abandoned property (NRS 120A.370); survivor benefits held in trust for children receiving welfare services (NRS 422.250); personal property held in trust for prisoners pending their release (NRS 209.241) and revenue collected to benefit destitute offenders (NRS 209.383); and the residual activity, including repayments from local governments, of emergency distribution of SCCRT (Supplemental City-County Relief Tax) (NRS 354.5988, repealed by Chapter 491, Statutes of Nevada 1991, at page 1452).

Nonexpendable Trust

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

Permanent School Accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. Earnings on the assets are to be used for education (State Constitution, Article 11, Section 3).

Pension Trust

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

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

Agency

Deferred Compensation Accounts for the activity of the deferred compensation plan for State employees adopted under the provisions of Section 457 of the Internal Revenue Code (NRS 287.330).

Intergovernmental Accounts for taxes and fees, such as sales and use, cigarette and jet fuel taxes, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

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

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

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

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

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

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

STATE OF NEVADA

Combining Balance Sheet Trust and Agency Funds

June 30, 1997 with comparative totals for 1996

	Expendable Trust Funds				Nonex- pendable
	Unemployment Compensation	Museums and History	Gift Funds	Custodial Funds	Henry Wood Christmas
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ -0-	\$ -0-	\$ 1,339,249	\$ 10,082,002	\$ 51,180
Cash in custody of other officials	366,937,759	138,906	-0-	199,813	-0-
Investments	-0-	1,033,486	-0-	1,855,490	-0-
Collateral on loaned securities	-0-	-0-	-0-	-0-	-0-
<i>Receivables:</i>					
Accounts receivable	51,064,562	29,176	4,174	-0-	-0-
Accrued interest and dividends	-0-	-0-	-0-	-0-	2,909
Trades pending settlement	-0-	-0-	-0-	-0-	-0-
Intergovernmental receivables	-0-	-0-	-0-	98,037	-0-
Notes receivable	-0-	-0-	-0-	-0-	-0-
Other receivables	-0-	-0-	1,475	81,159	-0-
Due from other funds	-0-	-0-	19,845	70,366	-0-
Inventory	-0-	294,792	-0-	-0-	-0-
Other assets	-0-	384	-0-	-0-	-0-
Land	-0-	-0-	-0-	-0-	-0-
Furniture and equipment	-0-	-0-	-0-	-0-	-0-
Accumulated depreciation	-0-	-0-	-0-	-0-	-0-
Total assets	\$ 418,002,321	\$ 1,496,744	\$ 1,364,743	\$ 12,386,867	\$ 54,089
Liabilities And Fund Balances					
Liabilities:					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 6,401,353	\$ 106,647	\$ 3,458	\$ 662,905	\$ -0-
Accrued payroll and related liabilities	-0-	-0-	1,111	-0-	-0-
Intergovernmental payables	-0-	-0-	-0-	12,203	-0-
Trades pending settlement	-0-	-0-	-0-	-0-	-0-
Obligations under securities lending activities	-0-	-0-	-0-	-0-	-0-
Due to other funds	-0-	2,004	17,464	5,847,290	2,909
Deferred revenue	-0-	97,673	-0-	-0-	-0-
Notes payable	-0-	-0-	-0-	-0-	-0-
Obligations under capital leases	-0-	-0-	-0-	-0-	-0-
<i>Other liabilities:</i>					
Deposits	-0-	-0-	-0-	-0-	-0-
Other liabilities	-0-	-0-	-0-	4,393,046	-0-
Total liabilities	6,401,353	206,324	22,033	10,915,444	2,909
Fund balances:					
<i>Reserved:</i>					
Encumbrances and contracts	-0-	-0-	-0-	3,649	-0-
Inventory	-0-	294,792	-0-	-0-	-0-
<i>Other:</i>					
Employees' retirement system	-0-	-0-	-0-	-0-	-0-
Principal of non-expendable trust funds	-0-	-0-	-0-	-0-	30,000
Other	-0-	39,865	-0-	550,000	-0-
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	-0-	-0-	900,000	-0-	-0-
Museum projects	-0-	173,788	-0-	-0-	-0-
Undesignated	411,600,968	781,975	442,710	917,774	21,180
Total fund balances	411,600,968	1,290,420	1,342,710	1,471,423	51,180
Total liabilities and fund balances	\$ 418,002,321	\$ 1,496,744	\$ 1,364,743	\$ 12,386,867	\$ 54,089

Nonex- pendable		Pension Trust Funds		Agency Funds			
Permanent School	Public Employees' Retirement	Legislators' Retirement	Deferred Compensation	Inter- governmental	State Agency Fund for Bonds	Motor Vehicle	Restitution Trust
\$ 9,417,175	\$ -0-	\$ -0-	\$ -0-	\$ 14,361,404	\$ 12,449,132	\$ 70,128,192	\$ 602,784
-0-	273,825,246	9,514	107,696	-0-	35,235,925	2,545,790	-0-
51,292,718	8,847,305,959	3,811,496	145,743,207	-0-	30,657,713	-0-	-0-
-0-	1,527,080,837	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
686,583	52,486,699	126	-0-	-0-	-0-	-0-	-0-
-0-	344,044	-0-	-0-	-0-	-0-	-0-	-0-
329,898	32,866,747	-0-	-0-	-0-	-0-	-0-	-0-
120	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	615	115,523	-0-	-0-	12,394,936	-0-
375,826	6,579,184	-0-	-0-	194,979,163	7,534,828	1,237	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	649,944	-0-	-0-	-0-	-0-	-0-	-0-
2,977	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	1,108,601	-0-	-0-	-0-	-0-	-0-	-0-
-0-	(708,956)	-0-	-0-	-0-	-0-	-0-	-0-
\$ 62,105,297	\$ 10,741,538,305	\$ 3,821,751	\$ 145,966,426	\$ 209,340,567	\$ 85,877,598	\$ 85,070,155	\$ 602,784
\$ -0-	\$ 4,241,910	\$ 279	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	201,606,105	-0-	33,792,373	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	1,527,080,837	-0-	-0-	-0-	-0-	-0-	-0-
891,528	2,249	-0-	-0-	7,669,034	-0-	47,857,380	2,590
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	9,393,189	-0-	-0-	-0-	-0-	-0-	-0-
-0-	26,640	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	85,856,515	3,414,685	-0-
-0-	3,957,154	-0-	145,966,426	65,428	21,083	5,717	600,194
891,528	1,544,701,979	279	145,966,426	209,340,567	85,877,598	85,070,155	602,784
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	9,196,836,326	3,821,472	-0-	-0-	-0-	-0-	-0-
61,213,769	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
61,213,769	9,196,836,326	3,821,472	-0-	-0-	-0-	-0-	-0-
\$ 62,105,297	\$ 10,741,538,305	\$ 3,821,751	\$ 145,966,426	\$ 209,340,567	\$ 85,877,598	\$ 85,070,155	\$ 602,784

STATE OF NEVADA

Combining Balance Sheet Trust and Agency Funds

Exhibit G-1

June 30, 1997 with comparative totals for 1996

Page 2 of 2

	Agency Funds			Total all Funds	
	Veterans Custodial	Local Gov't Pooled Investment	State Payroll	1997	1996 (Restated)
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 1,929,787	\$ 866	\$ 5,670,397	\$ 126,032,168	\$ 78,618,845
Cash in custody of other officials	-0-	-0-	-0-	679,000,649	683,938,565
Investments	-0-	367,085,578	-0-	9,448,785,647	7,982,315,609
Collateral on loaned securities	-0-	-0-	-0-	1,527,080,837	1,526,088,747
<i>Receivables:</i>					
Accounts receivable	-0-	-0-	-0-	51,097,912	49,773,840
Accrued interest and dividends	-0-	3,071,088	-0-	56,247,405	49,997,427
Trades pending settlement	-0-	-0-	-0-	344,044	-0-
Intergovernmental receivables	-0-	-0-	45,996	33,340,678	31,242,205
Notes receivable	-0-	-0-	-0-	120	120
Other receivables	-0-	-0-	24,323	12,618,031	723,603
Due from other funds	25,130	-0-	721,903	210,307,482	189,561,596
Inventory	-0-	-0-	-0-	294,792	283,658
Other assets	-0-	-0-	-0-	650,328	450,550
Land	-0-	-0-	-0-	2,977	2,977
Furniture and equipment	-0-	-0-	-0-	1,108,601	912,275
Accumulated depreciation	-0-	-0-	-0-	(708,956)	(595,150)
	<u>\$ 1,954,917</u>	<u>\$ 370,157,532</u>	<u>\$ 6,462,619</u>	<u>\$ 12,146,202,715</u>	<u>\$ 10,593,314,867</u>
Liabilities And Fund Balances					
<i>Liabilities:</i>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ 11,416,552	\$ 9,907,581
Accrued payroll and related liabilities	-0-	-0-	12,242	13,353	12,530
Intergovernmental payables	-0-	370,150,578	5,514	605,566,773	613,719,454
Trades pending settlement	-0-	-0-	-0-	-0-	54,001,763
Obligations under securities lending activities	-0-	-0-	-0-	1,527,080,837	1,526,088,747
Due to other funds	-0-	6,954	6,430,750	68,730,152	36,202,521
Deferred revenue	-0-	-0-	-0-	97,673	79,707
Notes payable	-0-	-0-	-0-	9,393,189	9,481,872
Obligations under capital leases	-0-	-0-	-0-	26,640	129,469
<i>Other liabilities:</i>					
Deposits	-0-	-0-	-0-	89,271,200	82,761,165
Other liabilities	1,954,917	-0-	14,113	156,978,078	124,800,613
Total liabilities	<u>1,954,917</u>	<u>370,157,532</u>	<u>6,462,619</u>	<u>2,468,574,447</u>	<u>2,457,185,422</u>
<i>Fund balances:</i>					
<i>Reserved:</i>					
Encumbrances and contracts	-0-	-0-	-0-	3,649	-0-
Inventory	-0-	-0-	-0-	294,792	283,658
<i>Other:</i>					
Employees' retirement system	-0-	-0-	-0-	9,200,657,798	7,715,054,374
Principal of non-expendable trust funds	-0-	-0-	-0-	61,243,769	56,960,786
Other	-0-	-0-	-0-	589,865	618,365
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	-0-	-0-	-0-	900,000	900,000
Museum projects	-0-	-0-	-0-	173,788	173,788
Undesignated	-0-	-0-	-0-	413,764,607	362,138,474
Total fund balances	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,677,628,268</u>	<u>8,136,129,445</u>
Total liabilities and fund balances	<u>\$ 1,954,917</u>	<u>\$ 370,157,532</u>	<u>\$ 6,462,619</u>	<u>\$ 12,146,202,715</u>	<u>\$ 10,593,314,867</u>

STATE OF NEVADA

Combining Statement of Plan Net Assets Pension Trust Funds

June 30, 1997 with comparative totals for 1996

Exhibit G-2

	Public Employees' Retirement	Legislators' Retirement	Total Both Funds	
			1997	1996 (Restated)
Assets				
Cash and cash equivalents	\$ 273,825,246	\$ 9,514	\$ 273,834,760	\$ 329,094,856
Investments	8,847,305,959	3,811,496	8,851,117,455	7,374,198,318
Collateral on loaned securities	1,527,080,837	-0-	1,527,080,837	1,526,088,747
Receivables:				
Accrued interest and dividends	52,486,699	126	52,486,825	45,769,306
Trades pending settlement	344,044	-0-	344,044	-0-
Intergovernmental receivables	32,866,747	-0-	32,866,747	30,801,849
Other receivables	-0-	615	615	735
Due from other funds	6,579,184	-0-	6,579,184	6,192,703
Other assets	649,944	-0-	649,944	449,954
Furniture and equipment	1,108,601	-0-	1,108,601	912,275
Accumulated depreciation	(708,956)	-0-	(708,956)	(595,150)
Total plan assets	10,741,538,305	3,821,751	10,745,360,056	9,312,913,593
Liabilities				
Accounts payable and accruals:				
Accounts payable	4,241,910	279	4,242,189	4,047,026
Trades pending settlement	-0-	-0-	-0-	54,001,763
Obligations under securities lending activities	1,527,080,837	-0-	1,527,080,837	1,526,088,747
Due to other funds	2,249	-0-	2,249	77,501
Notes payable	9,393,189	-0-	9,393,189	9,481,872
Obligations under capital leases	26,640	-0-	26,640	129,469
Other liabilities	3,957,154	-0-	3,957,154	4,032,841
Total plan liabilities	1,544,701,979	279	1,544,702,258	1,597,859,219
Net assets held in trust for pension benefits	\$ 9,196,836,326	\$ 3,821,472	\$ 9,200,657,798	\$ 7,715,054,374

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Exhibit G-3

					Total All Funds	
	Unemployment Compensation	Museums and History	Gift Funds	Custodial Funds	1997	1996
Revenues						
Intergovernmental	\$ 6,701,528	\$ -0-	\$ -0-	\$ -0-	\$ 6,701,528	\$ 6,502,898
Taxes	188,221,925	-0-	-0-	-0-	188,221,925	173,410,195
Sales and charges for services	-0-	537,410	-0-	-0-	537,410	557,580
Interest, investment gain	23,417,865	139,017	79,140	237,376	23,873,398	21,389,987
Other:						
Donations	-0-	494,222	93,384	-0-	587,606	993,440
Other	-0-	-0-	-0-	7,615,124	7,615,124	6,648,537
Total revenues	218,341,318	1,170,649	172,524	7,852,500	227,536,991	209,502,637
Expenditures						
Current:						
Health and social services	160,257,286	-0-	-0-	1,398,747	161,656,033	148,840,008
Education and support services	-0-	1,211,962	8,160	-0-	1,220,122	1,613,827
Law, justice and public safety	-0-	-0-	-0-	196,164	196,164	169,316
Regulation of business	-0-	-0-	-0-	184,879	184,879	145,574
Recreation and resource development	-0-	-0-	144,658	-0-	144,658	160,878
Intergovernmental:						
Other	6,523,738	-0-	-0-	59,962	6,583,700	6,866,280
Total expenditures	166,781,024	1,211,962	152,818	1,839,752	169,985,556	157,795,883
Excess (deficiency) of revenues over expenditures	51,560,294	(41,313)	19,706	6,012,748	57,551,435	51,706,754
Other Financing Sources (Uses)						
Operating transfers in	-0-	-0-	-0-	300,000	300,000	-0-
Operating transfers out	-0-	-0-	(2,638)	(6,236,381)	(6,239,019)	(5,499,969)
Total other financing sources (uses)	-0-	-0-	(2,638)	(5,936,381)	(5,939,019)	(5,499,969)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	51,560,294	(41,313)	17,068	76,367	51,612,416	46,206,785
Fund balances, July 1	360,040,674	1,331,733	1,325,642	1,395,056	364,093,105	317,886,320
Fund balances, June 30	\$ 411,600,968	\$ 1,290,420	\$ 1,342,710	\$ 1,471,423	\$ 415,705,521	\$ 364,093,105

STATE OF NEVADA

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

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Exhibit G-4

			Total Both Funds	
	Henry Wood Christmas	Permanent School	1997	1996
Operating Revenues				
Interest, dividends	\$ 2,909	\$ 3,975,660	\$ 3,978,569	\$ 3,731,796
Other:				
Fines	-0-	3,729,648	3,729,648	3,115,155
Land sales/miscellaneous	-0-	402,905	402,905	377,177
Total operating revenues	2,909	8,108,213	8,111,122	7,224,128
Operating Transfers				
Operating transfer in	-0-	150,430	150,430	147,112
Operating transfer out	(2,909)	(3,975,660)	(3,978,569)	(3,735,217)
Net operating transfers	(2,909)	(3,825,230)	(3,828,139)	(3,588,105)
Net income	-0-	4,282,983	4,282,983	3,636,023
Fund balances, July 1	51,180	56,930,786	56,981,966	53,345,943
Fund balances, June 30	\$ 51,180	\$ 61,213,769	\$ 61,264,949	\$ 56,981,966

STATE OF NEVADA

Combining Statement of Changes in Plan Net Assets Pension Trust Funds

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Exhibit G-5

			Total Both Funds	
	Public Employees' Retirement	Legislators' Retirement	1997	1996 (Restated)
Additions				
Retirement contributions	\$ 517,644,959	\$ 431,138	\$ 518,076,097	\$ 471,706,813
Investment income:				
Interest, dividends	395,857,303	161,121	396,018,424	300,841,945
Investment gains	756,151,170	410,310	756,561,480	484,694,109
Other	228,079,468	-0-	228,079,468	196,267,242
	1,380,087,941	571,431	1,380,659,372	981,803,296
Less: Investment expense	(102,382,486)	(1,283)	(102,383,769)	(104,964,266)
Net investment income	1,277,705,455	570,148	1,278,275,603	876,839,030
Other income	1,826,976	-0-	1,826,976	1,789,624
Total additions	1,797,177,390	1,001,286	1,798,178,676	1,350,335,467
Deductions				
Benefit payments	300,110,953	319,026	300,429,979	267,849,510
Refunds	8,931,024	21,300	8,952,324	8,874,793
Administrative expense	3,136,608	12,000	3,148,608	2,898,272
Total deductions	312,178,585	352,326	312,530,911	279,622,575
Net increase	1,484,998,805	648,960	1,485,647,765	1,070,712,892
Operating Transfers				
Operating transfer out	(44,341)	-0-	(44,341)	(44,341)
Net assets held in trust for pension benefits, July 1 (Restated)	7,711,881,862	3,172,512	7,715,054,374	6,644,385,823
Net assets held in trust for pension benefits, June 30	\$ 9,196,836,326	\$ 3,821,472	\$ 9,200,657,798	\$ 7,715,054,374

STATE OF NEVADA

Combining Statement of Cash Flows Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 1997 with comparative totals for 1996

Exhibit G-6

			Total Both Funds	
	Henry Wood Christmas	Permanent School	1997	1996
Cash flows from operating activities				
Cash received from other governments	\$ -0-	\$ 4,049,908	\$ 4,049,908	\$ 3,477,789
Net cash provided by operating activities	-0-	4,049,908	4,049,908	3,477,789
Cash flows from noncapital financing activities				
Operating transfers in	-0-	44,148	44,148	76,797
Operating transfers out	(6,413)	(3,908,190)	(3,914,603)	(3,703,573)
Net cash used for noncapital financing activities	(6,413)	(3,864,042)	(3,870,455)	(3,626,776)
Cash flows from investing activities				
Proceeds from sale of investments	-0-	14,000,000	14,000,000	8,500,000
Purchase of investments	-0-	(11,518,750)	(11,518,750)	(13,299,730)
Interest/dividends on investments	2,992	4,006,438	4,009,430	3,773,474
Net cash provided by (used for) investing activities	2,992	6,487,688	6,490,680	(1,026,256)
Net increase (decrease) in cash	(3,421)	6,673,554	6,670,133	(1,175,243)
Cash and cash equivalents, July 1	54,601	2,743,621	2,798,222	3,973,465
Cash and cash equivalents, June 30	\$ 51,180	\$ 9,417,175	\$ 9,468,355	\$ 2,798,222
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 2,909	\$ 8,108,213	\$ 8,111,122	\$ 7,224,128
Adjustments to reconcile operating income to net cash provided by operating activities				
Increase in accrued receivables	-0-	(82,775)	(82,775)	(14,543)
Operating interest	(2,909)	(3,975,660)	(3,978,569)	(3,731,796)
Other	-0-	130	130	-0-
Total adjustments	(2,909)	(4,058,305)	(4,061,214)	(3,746,339)
Net cash provided by operating activities	\$ -0-	\$ 4,049,908	\$ 4,049,908	\$ 3,477,789

STATE OF NEVADA

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 1997

Exhibit G-7

Page 1 of 2

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Deferred Compensation				
Assets				
Cash in custody of other officials	\$ 108,732	\$ 3,482	\$ 4,518	\$ 107,696
Investments	115,647,613	35,309,320	5,213,726	145,743,207
Other receivables	54,523	115,523	54,523	115,523
Total assets	\$ 115,810,868	\$ 35,428,325	\$ 5,272,767	\$ 145,966,426
Liabilities				
Other liabilities	\$ 115,810,868	\$ 35,428,325	\$ 5,272,767	\$ 145,966,426
Intergovernmental				
Assets				
Cash with treasurer	\$ 8,292,340	\$ 1,256,295,932	\$ 1,250,226,868	\$ 14,361,404
Due from other funds	183,007,876	199,543,662	187,572,375	194,979,163
Total assets	\$ 191,300,216	\$ 1,455,839,594	\$ 1,437,799,243	\$ 209,340,567
Liabilities				
Intergovernmental payables	\$ 189,143,742	\$ 1,174,724,583	\$ 1,162,262,220	\$ 201,606,105
Due to other funds	2,104,019	85,799,505	80,234,490	7,669,034
Other liabilities	52,455	270,395	257,422	65,428
Total liabilities	\$ 191,300,216	\$ 1,260,794,483	\$ 1,242,754,132	\$ 209,340,567
State Agency Fund for Bonds				
Assets				
Cash with treasurer	\$ 11,615,230	\$ 3,327,439	\$ 2,493,537	\$ 12,449,132
Cash in custody of other officials	35,891,175	14,558,652	15,213,902	35,235,925
Investments	31,738,588	7,015,127	8,096,002	30,657,713
Due from other funds	-0-	7,534,828	-0-	7,534,828
Total assets	\$ 79,244,993	\$ 32,436,046	\$ 25,803,441	\$ 85,877,598
Liabilities				
Due to other funds	\$ 54,081	\$ -0-	\$ 54,081	\$ -0-
Deposits	79,174,388	32,673,865	25,991,738	85,856,515
Other liabilities	16,524	4,559	-0-	21,083
Total liabilities	\$ 79,244,993	\$ 32,678,424	\$ 26,045,819	\$ 85,877,598
Motor Vehicle				
Assets				
Cash with treasurer	\$ 37,522,992	\$ 377,715,988	\$ 345,110,788	\$ 70,128,192
Cash in custody of other officials	2,749,590	122,850	326,650	2,545,790
Other receivables	614,561	14,351,804	2,571,429	12,394,936
Due from other funds	1,181	1,237	1,181	1,237
Total assets	\$ 40,888,324	\$ 392,191,879	\$ 348,010,048	\$ 85,070,155
Liabilities				
Intergovernmental payables	\$ 16,197,729	\$ 157,298,806	\$ 139,704,162	\$ 33,792,373
Due to other funds	20,859,971	224,037,286	197,039,877	47,857,380
Deposits	3,588,777	227,241	399,333	3,414,685
Other liabilities	243,847	11,820,692	12,058,822	5,717
Total liabilities	\$ 40,888,324	\$ 393,384,025	\$ 349,202,194	\$ 85,070,155
Restitution Trust				
Assets				
Cash with treasurer	\$ 478,753	\$ 975,128	\$ 851,097	\$ 602,784
Liabilities				
Due to other funds	\$ 7,632	\$ 67,847	\$ 72,889	\$ 2,590
Other liabilities	471,121	891,278	762,205	600,194
Total liabilities	\$ 478,753	\$ 959,125	\$ 835,094	\$ 602,784

STATE OF NEVADA

Combining Statement of Changes in Assets and Liabilities Agency Funds

Exhibit G-7

Page 2 of 2

For the Fiscal Year Ended June 30, 1997

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Veterans Custodial				
Assets				
Cash with treasurer	\$ 689,901	\$ 1,421,077	\$ 181,191	\$ 1,929,787
Due from other funds	6,380	25,130	6,380	25,130
Total assets	\$ 696,281	\$ 1,446,207	\$ 187,571	\$ 1,954,917
Liabilities				
Other liabilities	\$ 696,281	1,433,448	174,812	\$ 1,954,917
Total liabilities	\$ 696,281	\$ 1,433,448	\$ 174,812	\$ 1,954,917
Local Government Pooled Investment				
Assets				
Cash with treasurer	\$ 408	\$ 11,125,173,730	\$ 11,125,173,272	\$ 866
Investments	404,923,526	10,406,008,322	10,443,846,270	367,085,578
Accrued interest	3,454,084	2,919,327	3,302,323	3,071,088
Total assets	\$ 408,378,018	\$ 21,534,101,379	\$ 21,572,321,865	\$ 370,157,532
Liabilities				
Intergovernmental payables	\$ 408,357,038	\$ 701,191,469	\$ 739,397,929	\$ 370,150,578
Due to other funds	20,980	6,954	20,980	6,954
Total liabilities	\$ 408,378,018	\$ 701,198,423	\$ 739,418,909	\$ 370,157,532
State Payroll				
Assets				
Cash with treasurer	\$ 6,072,441	\$ 587,808,187	\$ 588,210,231	\$ 5,670,397
Intergovernmental receivables	-	45,996	-	45,996
Other receivables	-	24,323	-	24,323
Due from other funds	20,833	524,833,225	524,132,155	721,903
Total assets	\$ 6,093,274	\$ 1,112,711,731	\$ 1,112,342,386	\$ 6,462,619
Liabilities				
Accrued payroll and related liabilities	\$ 11,694	\$ 388,898,760	\$ 388,898,212	\$ 12,242
Intergovernmental payable	4,427	5,514	4,427	5,514
Due to other funds	6,072,374	132,584,471	132,226,095	6,430,750
Other liabilities	4,779	66,257,167	66,247,833	14,113
Total liabilities	\$ 6,093,274	\$ 587,745,912	\$ 587,376,567	\$ 6,462,619
Totals - All Agency Funds				
Assets				
Cash with treasurer	\$ 64,672,065	\$ 13,352,717,481	\$ 13,312,246,984	\$ 105,142,562
Cash in custody of other officials	38,749,497	14,684,984	15,545,070	37,889,411
Investments	552,309,727	10,448,332,769	10,457,155,998	543,486,498
Accrued interest	3,454,084	2,919,327	3,302,323	3,071,088
Intergovernmental receivables	-	45,996	-	45,996
Other receivables	-	-	-	-
Due from other funds	669,084	14,491,650	2,625,952	12,534,782
Total assets	\$ 183,036,270	\$ 731,938,082	\$ 711,712,091	\$ 203,262,261
Liabilities				
Accrued payroll	\$ 11,694	\$ 388,898,760	\$ 388,898,212	\$ 12,242
Intergovernmental payables	4,427	5,514	4,427	5,514
Due to other funds	6,072,374	132,584,471	132,226,095	6,430,750
Deposits	29,119,057	442,496,063	409,648,412	61,966,708
Other liabilities	82,761,165	32,901,106	26,391,071	89,271,200
	117,295,875	116,105,864	84,773,861	148,627,878
Total liabilities	\$ 842,890,727	\$ 3,013,622,165	\$ 2,951,080,294	\$ 905,432,598



General Fixed Assets Account Group

*General Fixed Assets Account Group records fixed assets
acquired or constructed for general government purposes.*



Barrick Mine near Elko is the largest gold mine in North America.

STATE OF NEVADA

Schedule of General Fixed Assets - By Source

June 30, 1997

Exhibit H-1

General Fixed Assets

Land	\$ 82,924,083
Buildings	519,322,709
Improvements other than buildings	61,831,953
Furniture and equipment	203,252,240
Construction in progress	97,940,812
Total general fixed assets	\$ 965,271,797

Investments in General Fixed Assets From

General obligation bonds	\$ 346,616,089
Federal grants	65,947,466
General fund revenues	359,463,664
Special revenue fund revenues	176,945,019
Gifts	16,289,559
Total investment in general fixed assets	\$ 965,271,797

Schedule of General Fixed Assets - By Function

June 30, 1997

Exhibit H-2

	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
General government	\$ 12,069,313	\$ 72,024,291	\$ 584,485	\$ 10,267,919	\$ 94,946,008
Education, support services	963,059	11,547,289	16,398	3,313,310	16,840,056
Health, social services	2,453,691	55,968,227	2,884,833	42,384,879	103,691,630
Law, justice, public safety	1,354,654	335,254,622	14,711,206	38,581,130	389,901,612
Recreation, resource development	65,674,481	10,066,292	42,130,192	22,978,996	140,847,961
Transportation	393,885	34,461,988	1,504,839	80,394,854	116,755,566
Regulation of business	15,000	-0-	-0-	5,333,152	5,348,152
Total general fixed assets allocated to function	\$ 82,924,083	\$ 519,322,709	\$ 61,831,953	\$ 203,252,240	867,330,985
Construction in progress					97,940,812
Total general fixed assets					\$ 965,271,797

STATE OF NEVADA

Schedule of Changes in General Fixed Assets - By Function

For the Fiscal Year Ended June 30, 1997

Exhibit H-3

	General Fixed Assets July 1, 1996	Additions	Deletions	General Fixed Assets June 30, 1997
General government	\$ 67,718,796	\$ 32,241,536	\$ 5,014,324	\$ 94,946,008
Education, support services	12,407,403	3,721,194	288,541	15,840,056
Health, social services	107,141,048	16,144,687	19,594,105	103,691,630
Law, justice, public safety	247,012,725	146,098,616	3,209,729	389,901,612
Recreation, resource development	127,699,950	14,304,257	1,156,246	140,847,961
Transportation	113,022,571	6,934,350	3,201,355	116,755,566
Regulation of business	5,173,022	844,582	669,452	5,348,152
Construction in progress	225,498,880	67,270,921	194,828,989	97,940,812
Total general fixed assets	\$ 905,674,395	\$ 287,560,143	\$ 227,962,741	\$ 965,271,797



Budgetary Schedules

These budgetary schedules demonstrate compliance with the legally adopted budget (non-GAAP basis).



Mt. Charleston, 30 miles east of Las Vegas.

BUDGETARY TERMS

Balances Forwarded represent the financial resources carried over from the prior fiscal year.

Balances Forwarded to New Year represent financial resources carried over to the next fiscal year.

Appropriations represent the authorization to spend revenues of the General Fund or Highway Fund that are not otherwise restricted to expenditure from a particular budget account. Appropriations to other funds are shown as transfers.

Other Authorizations represent the budgeted amount of revenues that are restricted to expenditures from a particular budget account.

Total Authority represents the sum of planned resources. In the operating budget accounts, it is also the limit on expenditures.

Expenditures and Transfers represent the actual amount of expenditures and transfers which occurred during the fiscal year.

Unrealized Authority represents the difference between the budgeted and actual restricted revenues.

Lapsed Spending Authority represents amounts that are either reverted to the fund of origin or become available for re-appropriation within the fund where the budget account is reported.

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
General Fund Unrestricted	\$ 160,372	\$ (1,557,990)	\$ 1,477,061	\$ 79,443	\$ 1,091	\$ 117,914	\$ (148,108)	\$ 108,546
Constitutional Agencies								
Executive Branch								
Attorney General Admin Acct	64	6,778	7,566	14,408	11,622	166	2,608	12
Attorney General Medicaid Fraud	19	93	913	1,025	865	48	92	20
Consumer Protection Fraud	-0-	596	25	621	607	-0-	14	-0-
Controller	14	1,953	52	2,019	1,943	-0-	76	-0-
Council on Holocaust Prevention	49	-0-	-0-	49	49	-0-	-0-	-0-
Crime Prevention	-0-	208	10	218	211	2	5	-0-
Domestic Violence Programs	16	-0-	1,687	1,703	498	1,205	-0-	-0-
Ethics Commission	-0-	107	1	108	108	-0-	-0-	-0-
Extradition Clerk	-0-	785	92	877	807	-0-	70	-0-
Governor's Mansion	7	226	5,000	5,233	193	5,000	20	20
Governor's Office	27	1,498	96	1,621	1,423	-0-	17	181
High Level Nuclear Waste	8	35	6,349	6,392	2,153	4,215	24	-0-
Insurance Fraud	153	-0-	570	723	566	-0-	-0-	157
Investigations & Enforcements	527	-0-	1,000	1,527	387	965	-0-	175
Lieutenant Governor	-0-	277	200	477	458	-0-	19	-0-
Secretary of State	96	1,797	1,414	3,307	3,189	50	68	-0-
Securities Division	-0-	1,215	74	1,289	1,253	-0-	36	-0-
SIS Fraud	96	-0-	2,007	2,103	1,849	1	147	106
Silicosis & Disabled Pensions	3,609	-0-	230	3,839	220	21	-0-	3,598
Special Fund	6	78	104	188	71	104	13	-0-
Special Services-Sec of State	3,303	-0-	2,049	5,352	1,198	-0-	2,154	2,000
State Treasurer	19	679	775	1,473	1,036	92	345	-0-
Technology Advisor	70	-0-	216	286	122	126	-0-	38
Washington Office	-0-	-0-	230	230	230	-0-	-0-	-0-
Judicial Branch								
Admin Office of the Courts	206	-0-	795	1,001	744	-0-	-0-	257
Commission on Racial & Econ. Bias	-0-	111	-0-	111	111	-0-	-0-	-0-
Dist Judges'/Widows' Pensions	-0-	690	63	753	749	-0-	4	-0-
District Judges Salaries	-0-	5,598	(63)	5,535	5,016	-0-	519	-0-
District Judges Travel	159	-0-	144	303	117	3	-0-	183
Division of Planning & Analysis	-0-	126	173	299	106	134	59	-0-
Judicial Discipline	-0-	318	-0-	318	276	-0-	42	-0-
Judicial Education	562	-0-	387	949	370	-0-	-0-	579
Judicial Records	29	-0-	529	558	109	-0-	-0-	449
Judicial Selection	-0-	7	-0-	7	3	-0-	4	-0-
Justices'/Widows' Pensions	-0-	268	-0-	268	220	-0-	48	-0-
Law Library	-0-	844	33	877	868	5	4	-0-
Law Library Gift Fund	7	-0-	15	22	1	6	-0-	15
Retired Justice Duty	294	-0-	151	445	160	-0-	-0-	285
Supreme Court	1	1,580	2,790	4,371	4,327	6	37	1
Legislative Branch								
Deferred Compensation	-0-	-0-	29	29	26	-0-	-0-	3
Governor's Portrait Fund	-0-	10	-0-	10	-0-	-0-	-0-	10
Total Constitutional Agencies	9,341	25,877	35,706	70,924	44,261	12,149	6,425	8,089
Finance & Administration								
Administration								
Budget Division	315	1,612	212	2,139	1,936	3	200	-0-
Clear Creek Youth Center	-0-	99	266	365	318	33	14	-0-
Commission for Women	18	-0-	-0-	18	3	-0-	10	5
Commodity Food Program	462	-0-	2,476	2,938	1,878	439	-0-	621
Controlled Substance Grants	83	-0-	35	118	15	26	-0-	77
Emergency Fund	375	29	-0-	404	74	-0-	-0-	330
Executive Bill Drafting	-0-	150	-0-	150	150	-0-	-0-	-0-
General Fund Salary Adjustment	6,503	26,860	(19,753)	13,610	-0-	-0-	13,610	-0-
Graffiti Award Fund	3	-0-	-0-	3	-0-	-0-	-0-	3
Hearings Division	-0-	-0-	2,385	2,385	2,381	2	2	-0-
Info Technology Improvement	-0-	30,100	-0-	30,100	-0-	-0-	-0-	30,100
Insurance & Loss Prevention	1,067	-0-	1,740	2,807	1,872	36	-0-	899
Internal Audit	-0-	481	30	511	493	-0-	18	-0-
Local Cultural Activities	92	150	-0-	242	92	-0-	-0-	150
Merit Award Board	-0-	5	-0-	5	1	-0-	4	-0-
Public Works Board	-0-	556	10	566	561	-0-	5	-0-
Retired Emp Group Insurance	138	-0-	5,918	6,056	5,884	86	-0-	86

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Roof Maintenance Reserve	\$ 316	\$ -0-	\$ 183	\$ 499	\$ 6	\$ -0-	\$ -0-	\$ 493
School Plan Checking	9	-0-	150	159	21	135	-0-	3
Special Appropriations	-0-	3,904	-0-	3,904	-0-	-0-	-0-	3,904
State Claims	228	1,246	375	1,849	747	-0-	-0-	1,102
Statutory Contingency	3	565	4,217	4,785	3,629	-0-	-0-	1,156
Surplus Property	119	-0-	155	274	133	66	-0-	75
Workmans Comp Hearing Reserve	-0-	-0-	324	324	285	39	-0-	-0-
Year 2000 Conversion	-0-	1,571	-0-	1,571	-0-	-0-	-0-	1,571
Taxation								
Department of Taxation	234	10,472	2,482	13,188	11,069	123	371	1,625
Sr Citizen Property Tax Rebates	240	3,141	-0-	3,381	2,949	-0-	-0-	432
Personnel								
Unemployment Compensation Fund	256	-0-	558	814	496	1	-0-	317
Total Finance and Administration	10,461	80,941	1,763	93,165	34,993	989	14,234	42,949

Education

Adult Basic Education	7	227	2,008	2,242	1,927	297	-0-	18
AIDS Education	1	-0-	226	227	206	19	-0-	2
Care of Handicapped	666	1,806	1,684	4,156	814	1,332	2,005	5
Discretionary Grants	69	-0-	1,275	1,344	940	315	-0-	89
Distributive School Fund	27,005	423,104	97,661	547,770	468,909	2,670	76,191	-0-
Drug Abuse Education	-0-	-0-	1,866	1,866	1,681	185	-0-	-0-
ECIA - Chapter 1	20	-0-	20,586	20,606	19,516	1,072	-0-	18
ECIA - Chapter 2	30	-0-	3,531	3,561	2,771	766	-0-	24
Education State Programs	-0-	1,328	157	1,485	1,477	-0-	8	-0-
Education Support Services	277	-0-	1,047	1,324	974	14	-0-	336
Educ for Handicapped Act	3	-0-	12,814	12,817	11,661	1,134	-0-	22
Education Technology Trust	8	-0-	17	25	-0-	8	-0-	17
Other State Education Programs	14	135	16	165	140	3	2	20
PGM Enhancements	13,124	30,869	1,693	45,686	16,994	202	4	28,486
Post Secondary Educ Comm	1	182	77	260	258	-0-	2	-0-
Professional Standards	170	171	486	827	786	-0-	-0-	41
Proficiency Testing	781	561	(13)	1,329	968	2	8	351
School Lunch	48	191	37,306	37,545	30,532	7,006	-0-	7
Schools to Careers	-0-	-0-	383	383	3	378	-0-	2
Student Incentive Grants	7	-0-	319	326	313	-0-	-0-	13
Student Indemnification Account	89	-0-	101	190	139	-0-	-0-	51
Teacher Training - ESL	1	-0-	109	110	-0-	110	-0-	-0-
Vocational Education	34	371	5,394	5,799	5,597	155	-0-	47

University and Community College System

Ag Extension Service	-0-	4,234	1,744	5,978	5,793	185	-0-	-0-
Agri Experiment Station	9	4,741	1,535	6,285	6,285	-0-	-0-	-0-
Athletics - UNLV	-0-	1,254	10	1,264	1,264	-0-	-0-	-0-
Athletics - UNR	-0-	1,196	12	1,208	1,208	-0-	-0-	-0-
Business Center North	-0-	1,369	67	1,436	1,436	-0-	-0-	-0-
Business Center South	-0-	1,174	45	1,219	1,219	-0-	-0-	-0-
Collegiate License Plate Acct	18	-0-	145	163	85	70	-0-	8
Computing Center	-0-	8,202	129	8,331	8,323	-0-	8	-0-
Desert Research Institute	-0-	2,085	664	2,749	2,650	-0-	99	-0-
Education for Dependent Children	18	33	-0-	51	2	-0-	17	32
No Nevada Community College	64	5,508	1,007	6,579	6,573	-0-	6	-0-
Radiation Safety Board - North	-0-	-0-	262	262	262	-0-	-0-	-0-
Radiation Safety Board - South	-0-	-0-	137	137	137	-0-	-0-	-0-
School of Medical Sciences	-0-	12,958	1,984	14,942	14,694	248	-0-	-0-
So Nevada Community College	435	26,422	10,825	37,682	37,408	237	37	-0-
Statewide Program - UNLV	-0-	516	5	521	521	-0-	-0-	-0-
Statewide Program - UNR	-0-	4,075	63	4,138	4,138	-0-	-0-	-0-
Student Loans	-0-	73	-0-	73	46	-0-	27	-0-
Truckee Meadows Comm College	204	14,944	4,343	19,491	19,438	53	-0-	-0-
University Improvements	-0-	2,705	2,371	5,076	2,371	-0-	-0-	2,705
University of Nevada-Las Vegas	1,474	64,063	30,209	95,746	95,713	-0-	33	-0-
University of Nevada-Reno	1,210	58,909	24,909	85,028	83,340	1,683	5	-0-
University Press	-0-	529	6	535	534	-0-	1	-0-
University Salary	-0-	10,705	-0-	10,705	10,705	-0-	-0-	-0-
University Supplementary	12,571	229	-0-	12,800	12,770	-0-	30	-0-

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
University System Admin	\$ 3,989	\$ 2,036	\$ 94	\$ 6,119	\$ 5,788	\$ -0-	\$ 331	\$ -0-
UNS - Special Projects	-0-	192	2,150	2,342	2,342	-0-	-0-	-0-
Western NV Community College	112	8,977	1,910	10,999	10,998	1	-0-	-0-
W.I.C.H.E. Administration								
Wiche Administration	1	186	7	194	187	-0-	5	2
Museums, Library and Arts								
Art in Public Works	7	-0-	-0-	7	7	-0-	-0-	-0-
Comstock Historic District	-0-	63	12	75	61	12	2	-0-
Comstock Historic District Gifts	1	-0-	-0-	1	-0-	-0-	-0-	1
Cultural Resource Program	957	-0-	6,293	7,250	2,641	-0-	-0-	4,609
Fourth Ward School Restoration	1	-0-	-0-	1	-0-	-0-	-0-	1
Historic Preservation	-0-	154	423	577	519	58	-0-	-0-
Lost City Museum	-0-	189	82	271	256	8	7	-0-
Museum Library & Arts Admin	25	424	86	535	202	31	1	301
Museums and History	2,475	187	13	2,675	297	-0-	7	2,371
Nevada Historical Society	113	432	99	644	585	36	23	-0-
Railroad Depot - East Ely	-0-	-0-	62	62	60	2	-0-	-0-
Records Mgmt/Micrographics	84	-0-	344	428	315	1	-0-	112
State Archives	-0-	748	74	822	419	11	1	391
State Arts Council	37	648	677	1,362	1,267	57	1	37
State Library	207	1,988	1,173	3,368	3,147	216	5	-0-
State Library - CLAN	1	-0-	438	439	305	109	-0-	25
State Library - Literacy	-0-	85	79	164	114	49	1	-0-
State Museum, Carson City	39	793	379	1,211	1,165	26	2	18
State Museum, Las Vegas	1	639	52	692	685	-0-	7	-0-
V & T Railroad Museum	-0-	214	326	540	520	10	10	-0-
Total Education	66,408	702,824	283,988	1,053,220	915,401	18,771	78,886	40,162
HUMAN SERVICES								
Human Resources								
Health Resources Cost Review	-0-	-0-	907	907	675	232	-0-	-0-
Hospital Tax Account	67,889	-0-	57,197	125,086	38,432	11	-0-	86,643
Human Resources-Director's Office	1,648	191	25,741	27,580	9,783	17,026	771	-0-
Nevada Commission on Sports	13	-0-	-0-	13	12	-0-	1	-0-
Purchase of Social Services	509	-0-	16,177	16,686	13,557	3,124	-0-	5
Health Division								
Aid to Counties	-0-	669	74	743	743	-0-	-0-	-0-
Cancer Control Registry	15	24	347	386	278	84	9	15
Child Health Services	101	2,056	2,416	4,573	4,457	20	17	79
Communicable Disease Control	-0-	950	1,373	2,323	1,618	528	102	75
Community Health Services	15	163	1,804	1,982	1,868	44	70	-0-
Consumer Protection	-0-	667	1,867	2,534	2,389	1	144	-0-
Emergency Medical Services	-0-	591	25	616	552	-0-	64	-0-
Family Planning Project	40	-0-	573	613	570	21	-0-	22
Health Facilities	561	-0-	2,923	3,484	2,855	101	-0-	528
Health Facilities - Admin Penalty	41	-0-	25	66	3	20	-0-	43
Health Officer	2	283	1,139	1,424	1,171	182	71	-0-
Immunization Program	22	1,079	2,492	3,593	2,992	556	-0-	45
Laboratory & Research	1,039	980	1,069	3,088	2,670	59	73	286
Radiological Health	-0-	156	817	973	862	96	15	-0-
Safe Drinking Water Act	-0-	750	-0-	750	-0-	-0-	-0-	750
Sexually Trans Disease Control	-0-	182	6,194	6,376	5,652	695	29	-0-
Special Children's Clinic	-0-	3,268	754	4,022	3,920	-0-	103	(1)
Vital Statistics	-0-	424	481	905	823	18	64	-0-
WIC Food Supplement	48	-0-	24,989	25,037	24,280	691	-0-	66
Aging Services								
Aging Services	80	1,648	6,294	8,022	7,284	685	51	2
Senior Services Program	45	362	4,525	4,932	4,547	323	5	57
Mental Hygiene/Mental Retardation								
Community Training Center	-0-	1,556	1,426	2,982	2,878	90	14	-0-
Desert Developmental Center	14	7,910	8,138	16,062	15,329	523	210	-0-
Facility for Mental Offender	3	3,094	409	3,506	3,375	15	116	-0-
Mental Health Institute	42	9,828	3,420	13,290	12,532	401	357	-0-
Mental Retardation Home Care	-0-	396	-0-	396	381	-0-	15	-0-
MH/MR Regional Training	-0-	53	-0-	53	47	-0-	6	-0-
Mntl Hygiene-Mntl Retardation	95	1,284	516	1,895	1,777	66	52	-0-

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Residential Placement	\$ -0-	\$ 903	\$ 698	\$ 1,601	\$ 1,451	\$ 113	\$ 37	\$ -0-
Rural Clinics	2	3,585	1,984	5,571	5,208	2	361	-0-
So Nev Adult Mental Health Svc	-0-	15,567	3,453	19,020	17,920	155	902	43
Southern MH/MR Food Service	-0-	-0-	950	950	873	77	-0-	-0-
Sierra Developmental Center	1	5,512	5,757	11,270	10,922	-0-	348	-0-
Welfare								
Aid to Dependent Children	2,603	30,701	34,581	67,885	43,281	13,211	11,393	-0-
Assistance to Aged and Blind	-0-	4,906	-0-	4,906	4,540	-0-	366	-0-
Child Support Enforcement Prog	41	-0-	40,125	40,166	29,897	7,720	1,956	593
Community Services Block Grant	1	-0-	2,195	2,196	2,179	17	-0-	-0-
Employment and Training	37	2,888	3,971	6,896	5,888	986	20	2
Energy Assistance - Welfare	4	-0-	3,000	3,004	2,023	981	-0-	-0-
Homeless Grants	-0-	-0-	412	412	329	83	-0-	-0-
Homemaking Services	-0-	-0-	1,584	1,584	1,480	104	-0-	-0-
Nevada Medicaid	13,426	174,590	396,058	584,074	458,077	96,663	15,010	14,324
Safety Seat Program	15	-0-	107	122	29	93	-0-	-0-
Weatherization - Welfare	11	-0-	777	788	551	224	-0-	13
Welfare Administration	2,667	21,416	30,108	54,191	50,307	1,605	2,120	159
Child and Family Services								
Alternative Placement	-0-	1,774	575	2,349	1,598	-0-	203	548
Caliente Youth Center	-0-	3,551	574	4,125	4,095	21	9	-0-
Chapter 1 - Special Education	3	686	3,215	3,904	3,248	587	33	36
Chapter I & II Education Program	11	-0-	139	150	132	-0-	-0-	18
Child Abuse & Neglect	6	-0-	410	416	234	180	-0-	2
Child & Family One-Shots	1,661	-0-	3,655	5,316	4,186	606	354	170
Child Care Services	-0-	201	501	702	672	10	20	-0-
Children's Trust Account	618	-0-	791	1,409	802	68	-0-	539
Children, Youth & Family Admin	69	3,335	14,306	17,710	16,095	1,071	509	35
Domestic Violence	269	-0-	2,203	2,472	2,126	-0-	-0-	346
Farm Acct - Youth Training Ctr	9	-0-	10	19	7	3	-0-	9
No NV Child & Adolescent Svcs	-0-	1,532	2,375	3,907	3,831	35	41	-0-
Probation Subsidies	-0-	-0-	415	415	399	16	-0-	-0-
So Nev Child & Adoles Svc	-0-	4,894	3,564	8,458	7,881	8	134	435
Youth Community Services	250	14,879	26,201	41,330	37,694	811	1,530	1,295
Youth Corrections Services	8	1,579	786	2,373	2,079	250	39	5
Youth Training Center	-0-	4,812	688	5,500	5,343	88	69	-0-
Other Human Resources								
Indian Commission	-0-	93	7	100	94	-0-	6	-0-
Public Defender	53	524	1,315	1,892	1,859	19	14	-0-
Employment, Training and Rehabilitation								
Comm for Nat'l & Comm Svcs	4	319	733	1,056	404	330	-0-	322
D.E.T.R. Admin Services	14	-0-	1,785	1,799	1,747	41	-0-	11
D.E.T.R. Director's Office	20	-0-	1,047	1,067	1,030	17	-0-	20
Drug Commission	2	18	46	66	49	-0-	15	2
E, T & R Administration	4	-0-	1,745	1,749	539	1,210	-0-	-0-
Equal Rights Commission	130	645	464	1,239	1,092	26	120	1
Occ Information Coordinator	300	-0-	6,720	7,020	5,609	1,188	-0-	223
State Job Training Office	302	-0-	21,034	21,336	16,754	4,361	-0-	221
Rehabilitation								
Alcoholism & Drug Rehab	407	3,089	9,734	13,230	10,220	2,597	275	138
Attendant Care	-0-	738	-0-	738	738	-0-	-0-	-0-
Blind Business Enterprise	2,997	-0-	1,596	4,593	1,345	306	-0-	2,942
Community Based Services	1	640	1,099	1,740	1,188	48	1	503
Developmental Disabilities	129	19	501	649	458	191	-0-	-0-
Disability Adjudication	1	-0-	5,955	5,956	5,483	464	-0-	9
Hearing Devices Program	332	-0-	1,315	1,647	1,068	-0-	-0-	579
Services to the Blind	27	433	2,230	2,690	2,563	12	9	106
Social Security Admin/Voc Rehab	3	46	411	460	343	105	10	2
Traumatic Head Injury Program	-0-	301	-0-	301	300	-0-	-0-	1
Vocational Rehabilitation	579	1,761	8,713	11,053	9,684	692	-0-	677
Total Human Services	99,239	344,501	826,730	1,270,470	956,256	163,007	38,263	112,944
Commerce and Industry								
Business and Industry								
Agri Registration/Enforcement	195	-0-	700	895	658	1	-0-	236

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Agricultural Product	\$ 105	\$ -0	\$ 325	\$ 430	\$ 266	\$ 27	\$ -0	\$ 137
Alfalfa Seed Research	25	-0	26	51	25	6	-0	20
Apiary Inspection	17	-0	17	34	13	6	-0	15
Athletic Commission	11	233	71	315	291	-0	2	22
Attorney for Injured Workers	3	-0	2,098	2,101	1,605	59	437	-0
B & I Industrial Development Bonds	183	-0	158	341	64	(5)	-0	282
Beef Council	100	-0	291	391	261	1	-0	129
Bond Reclamation	658	-0	369	1,027	249	235	-0	543
Business & Industry Admin	550	430	477	1,457	1,109	14	134	200
Consumer Affairs	-0	817	36	853	839	-0	8	6
Consumer Affairs Restitution	99	-0	200	299	173	37	-0	89
Employee Mgmt Relations Board	-0	111	12	123	118	-0	5	-0
Energy Conservation	205	-0	1,156	1,361	445	745	-0	171
Fin Institutions Investigation	361	-0	280	641	162	31	-0	448
Financial Institutions	-0	1,149	16	1,165	969	2	194	-0
Financial Institutions Audit	7	-0	60	67	62	1	-0	4
Gas Pollution Standards	150	-0	367	517	321	-0	-0	196
Gov Comm Employ People w/ Disab	-0	204	29	233	224	1	8	-0
Grazing Board Contributors	-0	-0	20	20	-0	20	-0	-0
High School Rodeo Association	-0	17	-0	17	17	-0	-0	-0
Hospital Patients Commission	80	-0	115	195	115	-0	-0	80
Insect Abatement	45	-0	19	64	14	1	-0	49
Insurance Cost Stabilization	71	-0	142	213	56	1	-0	156
Insurance Education & Research	407	-0	162	569	125	3	-0	441
Insurance Recovery	40	-0	-0	40	-0	-0	-0	40
Insurance Division	-0	1,457	1,047	2,504	2,436	55	13	-0
Labor Commissioner	77	891	38	1,006	977	-0	29	-0
Livestock Inspection	203	10	757	970	801	45	-0	124
Low Income Housing Trust Fund	5,712	-0	3,431	9,143	2,722	720	-0	5,701
Mentally Ill Advocacy	-0	62	-0	62	62	-0	-0	-0
Minerals	134	-0	835	969	685	20	-0	264
NAIC Fees	37	-0	22	59	23	-0	-0	36
Nevada Jr. Livestock Show Board	-0	31	-0	31	31	-0	-0	-0
Petroleum Overcharge Rebate	572	-0	110	682	-0	-0	-0	682
Plant Industry	48	1,475	709	2,232	1,870	21	98	243
Predatory Animal/Rodent Control	-0	514	39	553	545	-0	8	-0
Real Estate Administration	15	1,312	238	1,565	1,491	1	67	6
Real Estate Investigation	3	-0	5	8	2	4	-0	2
Rural Housing Authority	-0	-0	5,549	5,549	-0	5,549	-0	-0
Sheep Commission	10	-0	10	20	8	2	-0	10
Unclaimed Property	-0	109	367	476	468	8	-0	-0
Veterinary Medical Services	4	635	41	680	614	-0	35	31
Woolgrower Predatory Animal	41	-0	19	60	18	4	-0	38
Gaming Control								
Gaming Control Board	161	18,671	4,318	23,150	22,035	10	338	767
Gaming Control-Forfeiture Act	29	-0	750	779	19	723	-0	37
Economic Development and Tourism								
Comm on Economic Development	15	2,304	627	2,946	2,614	53	278	1
Film Division	1	-0	528	529	503	25	-0	1
Rural Community Development	153	48	3,049	3,250	2,344	892	4	10
Small Bus Revital & Fed Procure	42	102	330	474	399	29	-0	46
Total Commerce and Industry	10,569	30,582	29,965	71,116	48,848	9,347	1,658	11,283

Public Safety

Prisons

Carlin Conservation Camp	-0	809	96	905	859	1	44	-0
Ely Conservation Camp	-0	810	67	877	810	4	63	-0
Ely State Prison	-0	16,111	(316)	15,795	15,731	9	55	-0
Humboldt Conservation Camp	-0	791	111	902	852	5	45	-0
Indian Springs Conservation Camp	-0	1,347	145	1,492	1,464	4	24	-0
Jean Conservation Camp	-0	673	10	683	634	4	45	-0
Lovelock Correctional Center	-0	8,949	484	9,433	9,204	-0	229	-0
Medical Care	-0	24,876	3,240	28,116	27,002	465	649	-0
Nevada State Prison	-0	10,459	1,429	11,888	11,714	5	169	-0
Nevada Women's Correctional Ctr	-0	3,551	(378)	3,173	3,140	9	24	-0
No Nevada Correctional Center	-0	11,931	1,555	13,486	13,381	3	102	-0

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appro- priations	Other Author- izations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Pioche Conservation Camp	\$ -0-	\$ 1,076	\$ 91	\$ 1,167	\$ 1,084	\$ 8	\$ 75	\$ -0-
Prison Administration	280	6,162	2,064	8,506	7,044	208	1,236	18
Prison One-Shot Appro 85 Legis	1,318	1,851	-0-	3,169	429	-0-	275	2,465
Prison Warehouse	-0-	-0-	6,955	6,955	6,639	312	4	-0-
Restitution Center - North	-0-	205	532	737	692	15	30	-0-
Restitution Center - South	-0-	334	344	678	600	37	41	-0-
Silver Springs Conservation Camp	-0-	721	69	790	747	9	34	-0-
So Desert Correctional Center	-0-	13,056	862	13,918	13,671	9	238	-0-
So Nevada Correctional Center	-0-	7,434	563	7,997	7,885	2	110	-0-
So Nevada Womens Prison	-0-	3,333	(3,279)	54	15	15	24	-0-
Stewart Conservation Camp	-0-	1,027	76	1,103	1,036	10	57	-0-
Tonopah Conservation Camp	-0-	859	32	891	817	6	68	-0-
Wells Conservation Camp	-0-	818	85	903	841	2	60	-0-
Motor Vehicles and Public Safety								
Criminal History Repository	7	-0-	5,072	5,079	3,771	434	-0-	874
Emergency Management	44	264	1,040	1,348	973	274	29	72
Emergency Mgmt Assistance	57	-0-	759	816	758	48	10	-0-
Emergency Mgmt-Federal Grants	119	-0-	1,069	1,188	770	346	35	37
Emergency Response Commission	205	-0-	716	921	399	148	-0-	374
FEMA #1153 Dr-Nv	-0-	3,500	21,255	24,755	15,045	8,863	-0-	847
Fire Marshall	4	430	1,087	1,521	984	45	351	141
Forfeitures	353	-0-	1,302	1,655	739	463	-0-	453
Haz Mat Training Center	251	-0-	622	873	714	59	-0-	100
Highway Safety Plan & Admin	21	82	692	795	575	181	7	32
Investigations	-0-	3,943	136	4,079	3,829	10	29	211
Justice Assistance Act	-0-	-0-	7,648	7,648	3,655	3,993	-0-	-0-
Motor Vehicle Pollution Control	5,064	-0-	5,689	10,753	4,872	213	-0-	5,668
Narcotics Control	11	1	1,369	1,381	1,246	94	1	40
Parole & Probation	502	20,294	2,449	23,245	21,007	348	1,192	698
Parole Board	-0-	722	32	754	719	-0-	35	-0-
Parolee Loan Account	5	-0-	5	10	1	4	-0-	5
POST	180	-0-	815	995	745	44	21	185
Salvage/Wreckers/Body Shops	82	-0-	129	211	92	24	-0-	95
Traffic Safety	9	-0-	2,275	2,284	1,177	1,107	-0-	-0-
Veteran's Affairs	298	571	562	1,431	1,263	37	11	120
Veteran's Home Account	16	-0-	18	34	-0-	4	-0-	30
Total Public Safety	8,826	146,990	69,578	225,394	189,625	17,881	5,422	12,465
Infrastructure								
Conservation and Natural Resources								
Adjudication Emergency	3	-0-	3	6	4	-0-	-0-	2
Air Quality	506	-0-	2,165	2,671	1,897	774	-0-	-0-
Air Quality Management	1,153	-0-	1,200	2,353	452	525	-0-	1,376
Antelope Middle Reese Reserve	7	-0-	3	10	5	-0-	-0-	5
Baker & Lehman	1	-0-	-0-	1	1	-0-	-0-	-0-
Boulder Flat Groundwater	10	-0-	11	21	4	-0-	-0-	17
Carico Creek	1	-0-	-0-	1	1	-0-	-0-	-0-
Carson Valley Groundwater	10	-0-	20	30	11	-0-	-0-	19
Channel Clearance	216	360	-0-	576	191	-0-	-0-	385
Chemical Hazard Prevention	86	-0-	320	406	185	138	-0-	83
Clovers Area Groundwater	4	-0-	5	9	2	1	-0-	6
Cold Springs Valley	1	-0-	3	4	1	2	-0-	1
Colorado River Valley	27	-0-	1	28	2	-0-	-0-	26
Conservation & Nat Res Admin	-0-	735	21	756	723	-0-	33	-0-
Conservation Districts	1	197	-0-	198	198	-0-	-0-	-0-
Crescent Water Groundwater	2	-0-	2	4	1	-0-	-0-	3
Currant Creek	6	-0-	-0-	6	-0-	-0-	-0-	6
Diamond Valley Ground Water	7	-0-	4	11	5	-0-	-0-	6
Duckwater Creek	18	-0-	9	27	9	-0-	-0-	18
Eagle Valley	6	-0-	141	147	135	-0-	-0-	12
Environmental Commission	-0-	1	25	26	20	6	-0-	-0-
Environmental Protection Admin	248	-0-	1,696	1,944	1,440	90	-0-	414
Fish Lake Valley Artesian	43	-0-	-0-	43	3	-0-	-0-	40
Flood Control Rev Fund	249	-0-	612	861	234	192	-0-	435
Flood Repairs & Disaster Rel	50	-0-	-0-	50	-0-	-0-	-0-	50
Forest Fire Suppression	2	450	7,365	7,817	8,129	(312)	-0-	-0-
Forestry Admin	546	5,163	1,084	6,793	3,093	198	69	3,433

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

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For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Forestry Honor Camps	\$ -0-	\$ 5,269	\$ 1,310	\$ 6,579	\$ 5,747	\$ 4	\$ 828	\$ -0-
Forestry Inter-Gov Agreements	273	-0-	6,321	6,594	4,364	1,795	-0-	435
Groundwater Recharge Projects	97	-0-	55	152	50	-0-	-0-	102
Habitat Mitigation	547	-0-	348	895	66	307	-0-	522
Hazardous Waste - Beatty Site	1,738	-0-	1,150	2,888	-0-	702	-0-	2,188
Hazardous Waste Management	11,309	-0-	5,800	17,109	2,826	2,285	-0-	12,198
Honey Lake Valley	12	-0-	5	17	-0-	2	-0-	15
Humboldt Water District	124	-0-	175	299	188	2	-0-	129
Imlay Groundwater	3	-0-	5	8	-0-	2	-0-	6
Kelly Creek Groundwater	-0-	-0-	12	12	1	-0-	-0-	11
Kingston Creek	3	-0-	-0-	3	-0-	-0-	-0-	3
Las Vegas Basin Water Dist	1,036	-0-	1,113	2,149	595	4	-0-	1,550
Lemon Valley	12	-0-	16	28	6	-0-	-0-	22
Little Humboldt River	20	-0-	29	49	1	-0-	-0-	48
Lower Reese River Valley	10	-0-	12	22	3	3	-0-	16
Maggie Creek	9	-0-	11	20	6	-0-	-0-	14
Mason Valley Ground Water	13	-0-	7	20	14	-0-	-0-	6
Mining Cooperative Fund	30	-0-	100	130	100	-0-	-0-	30
Muddy River	22	-0-	9	31	17	-0-	-0-	14
Muddy River Springs	13	-0-	3	16	1	-0-	-0-	15
Natural Heritage	51	92	268	411	232	130	27	22
Nevada Tahoe Regional Planning	-0-	2	10	12	-0-	10	2	-0-
North Fork Ground Water	-0-	-0-	1	1	1	-0-	-0-	-0-
Pahrangat Lake	21	-0-	24	45	20	1	-0-	24
Pahrump Artesian Basin	24	-0-	15	39	26	1	-0-	12
Paradise Valley Groundwater	8	-0-	3	11	4	-0-	-0-	7
Pleasant Valley	1	-0-	2	3	-0-	-0-	-0-	3
Pumpnickel Valley	1	-0-	-0-	1	1	-0-	-0-	-0-
Quinn River Distribution	3	-0-	5	8	1	1	-0-	6
Smith Valley Artesian Basin	14	-0-	5	19	11	1	-0-	7
State Engineer Revenue	-0-	-0-	217	217	56	147	-0-	14
State Lands	-0-	875	100	975	798	24	22	131
State Parks	1,009	3,202	3,611	7,822	8,411	179	48	1,184
Step toe Valley Water Basin	32	-0-	4	36	1	4	-0-	31
Storage Tank Management	294	-0-	500	794	-0-	487	-0-	327
Tahoe Bond Sale	2,587	-0-	233	2,820	162	77	-0-	2,581
Tahoe Mitigation	1,011	-0-	260	1,271	27	202	-0-	1,042
Tahoe Regional Planning Agency	-0-	848	212	1,060	936	-0-	123	1
Tahoe Water System	249	-0-	476	725	220	16	-0-	489
Truckee Meadows/Sun Valley	4	-0-	30	34	21	-0-	-0-	13
Upper White River	17	-0-	(1)	16	-0-	-0-	-0-	16
USGS Co-op	353	-0-	1,478	1,831	916	337	-0-	578
Warm Springs Ground Water	16	-0-	3	19	2	-0-	-0-	17
Warm Springs/Winnemucca Creek	50	-0-	-0-	50	1	-0-	-0-	49
Water and Mining	920	327	5,748	6,995	4,337	1,679	-0-	979
Water Dist Rev Fund	29	-0-	1	30	-0-	-0-	-0-	30
Waste Mgt & Fed Facilities	427	-0-	8,215	8,642	6,245	1,942	-0-	455
Water Planning	69	308	160	537	374	88	34	41
Water Planning - Cap Improvement	117	-0-	162	279	110	71	-0-	98
Water Resources	151	3,070	236	3,457	3,372	2	35	48
Water Resources Legal Costs	285	-0-	-0-	285	66	-0-	30	189
Water Rights Surveyors	38	-0-	10	48	17	2	-0-	29
Well Driller's License	18	-0-	36	54	27	6	-0-	21
Whirlwind Valley	-0-	-0-	2	2	-0-	2	-0-	-0-
Wildlife	1,234	653	14,512	16,399	13,990	224	-0-	2,185
Wildlife-Boating Program	1,874	-0-	3,475	5,349	3,027	173	-0-	2,149
Wildlife-Heritage	303	-0-	678	981	-0-	255	-0-	726
Wildlife-Obligated Reserve	1,624	-0-	460	2,084	665	33	-0-	1,386
Wildlife-Trout Management	451	-0-	461	912	470	39	-0-	403
Total Infrastructure	31,759	21,552	72,783	126,094	73,058	12,833	1,251	38,952
Special Purpose Agencies								
Military								
Adjutant General Construction	94	-0-	1,002	1,096	638	393	-0-	65
Military	202	1,454	3,009	4,865	3,963	433	214	55
National Guard Benefits	-0-	73	-0-	73	71	-0-	2	-0-

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All General Fund Budgets

Exhibit I-1

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

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Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
<i>Civil Air Patrol</i>	\$ 7	\$ -0-	\$ 85	\$ 92	\$ 92	\$ -0-	\$ -0-	\$ -0-
Total Special Purpose Agencies	303	1,527	4,096	5,926	4,764	826	216	120
Appropriated Transfers Out								
Admin Maintenance Projects	-0-	1,095	-0-	1,095	1,095	-0-	-0-	-0-
Advance Planning CIP	-0-	3,271	-0-	3,271	3,271	-0-	-0-	-0-
Capitol Police	-0-	72	-0-	72	72	-0-	-0-	-0-
Class Size Reduction	-0-	39,110	-0-	39,110	39,110	-0-	-0-	-0-
College of Juv / Fam Law	-0-	1,250	-0-	1,250	1,250	-0-	-0-	-0-
Conserv & Natural Resources CIP	-0-	2,007	-0-	2,007	2,007	-0-	-0-	-0-
Disaster Relief Fund	-0-	4,000	-0-	4,000	4,000	-0-	-0-	-0-
DMV & PS CIP Projects	-0-	7,282	-0-	7,282	7,282	-0-	-0-	-0-
General Government CIP	-0-	3,044	-0-	3,044	3,044	-0-	-0-	-0-
General Government Maint Projects	-0-	1,205	-0-	1,205	1,205	-0-	-0-	-0-
General Services	3,450	1,800	-0-	5,250	-0-	-0-	-0-	5,250
Highway Fund - Admin Svcs	-0-	43	-0-	43	43	-0-	-0-	-0-
Highway Fund - Director's Office	-0-	53	-0-	53	53	-0-	-0-	-0-
Highway Fund - Drivers License	-0-	33	-0-	33	33	-0-	-0-	-0-
Highway Patrol	-0-	405	-0-	405	405	-0-	-0-	-0-
Human Resources CIP Projects	-0-	10,926	-0-	10,926	10,926	-0-	-0-	-0-
Human Resources Maint Projects	-0-	1,861	-0-	1,861	1,861	-0-	-0-	-0-
Information Services	-0-	56	-0-	56	56	-0-	-0-	-0-
Interim Finance Committee	-0-	1,175	-0-	1,175	1,175	-0-	-0-	-0-
Legislative Counsel Bureau	-0-	28,958	-0-	28,958	28,958	-0-	-0-	-0-
LCB Expansion	-0-	2,600	-0-	2,600	2,600	-0-	-0-	-0-
Legislative Interim	-0-	248	-0-	248	248	-0-	-0-	-0-
Motor Vehicle Purchase	-0-	1,200	-0-	1,200	1,200	-0-	-0-	-0-
National Judicial College	-0-	5,370	-0-	5,370	5,370	-0-	-0-	-0-
Park Improvements	-0-	800	-0-	800	800	-0-	-0-	-0-
Prison CIP Projects	-0-	443	-0-	443	443	-0-	-0-	-0-
Prison Maintenance Projects	-0-	1,796	-0-	1,796	1,796	-0-	-0-	-0-
Stabilization of Budget	-0-	5,474	-0-	5,474	5,474	-0-	-0-	-0-
Statewide CIP Projects	-0-	5,290	-0-	5,290	5,290	-0-	-0-	-0-
University Campus Improvements	-0-	10,000	-0-	10,000	10,000	-0-	-0-	-0-
University CIP Projects	-0-	62,014	-0-	62,014	62,014	-0-	-0-	-0-
WICHE Loan & Stipend	-0-	315	-0-	315	315	-0-	-0-	-0-
Total Appropriated Transfers Out	3,450	203,196	-0-	206,646	201,396	-0-	-0-	5,250
Total General Fund	\$ 400,728	\$ -0-	\$ 2,801,670	\$ 3,202,398	\$ 2,469,693	\$ 353,717	\$ (1,753)	\$ 380,740

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All Special Revenue Fund Budgets

Exhibit I-2

For the Fiscal Year Ended June 30, 1997 Expressed in Thousands

Page 1 of 3

Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
State Highway								
<i>Finance and Administration</i>								
Unrestricted	\$ 71,253	\$ (429,606)	\$ 394,964	\$ 36,611	\$ -0-	\$ (25,935)	\$ (45,555)	\$ 108,101
Unbudgeted activity	-0-	-0-	-0-	-0-	388	(471)	83	-0-
Appropriations to other funds	10,447	2,047	-0-	12,494	4,415	-0-	-0-	8,079
Salary Adjustment	109	4,864	(4,119)	854	-0-	-0-	854	-0-
Sub-total	81,809	(422,695)	390,845	49,959	4,803	(26,406)	(44,618)	116,180
Public Safety								
Administrative Services Automation	43	7,828	209	8,080	7,771	-0-	309	-0-
Bicycle Safety Program	-0-	3,800	580	4,380	3,277	5	860	238
Director's Office - DMV/PS	137	-0-	122	259	119	11	-0-	129
DMV Hwy Safety Grants Acct	-0-	1,579	70	1,649	1,598	-0-	51	-0-
Drivers License	79	-0-	1,070	1,149	608	460	-0-	81
Hazardous Materials	-0-	8,255	1,013	9,268	8,746	59	463	-0-
Hearings-DMV & PS Highway	-0-	969	106	1,075	1,062	-0-	13	-0-
Patrol	-0-	524	91	615	598	5	12	-0-
Motor Carrier	-0-	31,638	4,543	36,181	33,634	275	61	2,211
Motorcycle Safety Program	3	2,040	484	2,527	2,184	11	323	9
Project Genesis	297	-0-	162	459	160	-0-	-0-	299
Records Search Registration	-0-	14,343	-0-	14,343	-0-	-0-	-0-	14,343
Verification of Insurance	50	-0-	5,531	5,581	645	-0-	4,886	50
Sub-total	500	-0-	3,141	3,641	1,159	550	1,432	500
Infrastructure	1,109	75,385	27,523	104,017	73,271	1,376	11,510	17,860
<i>Sound Barrier Transportation Administration</i>								
Sub-total	620	-0-	-0-	620	575	-0-	-0-	45
Debt Service Transfers	1,012	347,844	61,607	410,463	317,106	60,214	33,143	-0-
Debt Service	1,632	347,844	61,607	411,083	317,681	60,214	33,143	45
Total State Highway	-0-	-0-	27,497	27,497	27,497	-0-	-0-	-0-
	84,550	534	507,472	592,556	423,252	35,184	35	134,085
Class Size Reduction								
<i>Education</i>								
Class Size Reduction	11,565	39,110	14,289	64,964	55,844	4	-0-	9,116
Total	11,565	39,110	14,289	64,964	55,844	4	-0-	9,116
Employment Security								
<i>Human Services</i>								
Claimant Employment Program	5,925	-0-	6,743	12,668	10,225	1,036	-0-	1,407
Employment Security	18	-0-	29,557	29,575	27,602	1,336	-0-	637
Emp. Sec. Special Fund	7,143	-0-	1,251	8,394	516	-0-	-0-	7,878
Total	13,086	-0-	37,551	50,637	38,343	2,372	-0-	9,922
Regulatory								
<i>Commerce and Industry</i>								
Administrative Fees	2	-0-	41	43	15	28	-0-	-0-
Dairy Commission	235	-0-	1,030	1,265	1,009	11	-0-	245
Gaming Investigation Revolving	2	-0-	6,158	6,160	4,169	820	1,169	2
Insurance Examiners	670	-0-	3,114	3,784	3,109	107	-0-	568
Manufactured Housing	377	-0-	816	1,193	660	3	-0-	530
Mfg Housing - Educ/Recovery	742	-0-	93	835	58	-0-	-0-	777
Mobile Home Parks	27	-0-	156	183	144	4	-0-	35
Real Estate Educ & Research	767	-0-	-0-	767	293	-0-	-0-	474
Real Estate Recovery Account	50	-0-	373	423	81	76	-0-	266
Regulatory Fund	929	1,038	7,345	9,312	8,553	12	-0-	747
Taxicab Authority	1,743	-0-	2,870	4,613	2,591	7	-0-	2,015
Total	5,544	1,038	21,996	28,578	20,682	1,068	1,169	5,659

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All Special Revenue Fund Budgets

Exhibit I-2

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

Page 2 of 3

Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Legislative								
Constitutional Agencies								
Audit Contingency Account	\$ 33	\$ -0-	\$ 100	\$ 133	\$ 100	\$ -0-	\$ 33	\$ -0-
Legislative Counsel Bureau	3,522	28,958	846	33,326	26,350	21	33	6,922
Legislative Counsel Expansion	13,049	2,600	-0-	15,649	15,649	-0-	-0-	-0-
Nevada Legislative Interim	-0-	248	-0-	248	237	-0-	-0-	11
Total	16,604	31,806	946	49,356	42,336	21	66	6,933
Municipal Bond Bank								
Constitutional Agencies								
Municipal Bond Bank Revenue	580	-0-	58,479	59,039	58,526	-0-	-0-	513
Sub-total	580	-0-	58,479	59,039	58,526	-0-	-0-	513
Commerce and Industry								
Water Projects, Int/Redemp	6	-0-	570	576	570	-0-	-0-	6
Sub-total	6	-0-	570	576	570	-0-	-0-	6
Infrastructure								
Bond Proceeds	-0-	-0-	10,076	10,076	-0-	75	-0-	10,001
Grants to Water Purveyors	14,512	-0-	1,554	16,066	6,742	36	-0-	9,288
State Revolving Fund	11,767	-0-	14,217	25,984	16,696	2,858	-0-	6,430
Sub-total	26,279	-0-	25,847	52,126	23,438	2,969	-0-	25,719
Total Municipal Bond Bank	26,845	-0-	84,896	111,741	82,534	2,969	-0-	26,238
Workers' Compensation & Safety								
Commerce and Industry								
Unrestricted	11,859	(8,145)	18,697	22,411	11,128	145	-0-	11,138
Enforcement - Industrial Safety	-0-	2,283	1,221	3,504	3,321	183	-0-	-0-
Industrial Relations	-0-	3,560	265	3,825	3,645	180	-0-	-0-
Insurance Insolvency Fund	3,659	-0-	620	4,279	8	72	-0-	4,199
Mine Inspection	-0-	578	152	730	665	65	-0-	-0-
Preventative Safety	-0-	1,568	196	1,764	1,720	44	-0-	-0-
Self-Insured Insolvency	22	-0-	63	85	-0-	36	-0-	49
Self-Insured Workers Comp	-0-	267	95	362	301	61	-0-	-0-
Total	15,540	111	21,309	36,960	20,788	786	-0-	15,386
Higher Educ. Capital Construction								
Finance and Administration								
Higher Education Capital Construction	-0-	-0-	5,000	5,000	5,000	-0-	-0-	-0-
Higher Education Special Construction	11,695	-0-	10,168	21,863	11,488	-0-	-0-	10,375
Total	11,695	-0-	15,168	26,863	16,488	-0-	-0-	10,375
Cleaning Up Petroleum Discharges								
Infrastructure								
Petroleum Clean-Up Trust Fund	543	-0-	12,350	12,893	9,109	1,923	-0-	1,861
Total	543	-0-	12,350	12,893	9,109	1,923	-0-	1,861
Hospital Care to Indigent Persons								
Finance and Administration								
Indigent Accident Account	3,370	-0-	5,755	9,125	5,027	3	-0-	4,095
Supplemental Fund-Indigents	173	-0-	3,462	3,635	3,416	2	-0-	217
Total	3,543	-0-	9,217	12,760	8,443	5	-0-	4,312
Tourism Promotion								
Commerce and Industry								
Commission on Tourism	3,230	-0-	8,178	11,408	9,298	98	-0-	2,012
Total	3,230	-0-	8,178	11,408	9,298	98	-0-	2,012
Offenders' Store								
Public Safety								
Offenders' Store Fund	1,669	-0-	8,353	10,022	6,688	809	-0-	2,525
Total	1,669	-0-	8,353	10,022	6,688	809	-0-	2,525

STATE OF NEVADA

Schedule of Departmental Resources and Uses, Non-GAAP Budgetary Basis All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

Exhibit I-2

Page 3 of 3

Department	Balances Forwarded	Appropriations	Other Authorizations	Total Spending Authority	Expenditures and Transfers	Unrealized Spending Authority	Lapsed Spending Authority	Balances Forward to New Year
Colorado River Commission								
Infrastructure								
Colorado River Commission	\$ 689	\$ -0-	\$ 2,590	\$ 3,279	\$ 1,910	\$ 697	\$ -0-	\$ 672
CRC Research & Development	243	-0-	405	648	310	142	-0-	196
Fort Mojave Development Fd	3,319	-0-	193	3,512	2,221	1	-0-	1,290
Total	4,251	-0-	3,188	7,439	4,441	840	-0-	2,158
Contingency								
Constitutional Agencies								
Interim Finance Committee	15,142	1,175	166	16,483	6,469	4	-0-	10,010
Total	15,142	1,175	166	16,483	6,469	4	-0-	10,010
Care of Sites-Radioact. Waste Disp.								
Human Services								
Radioactive Material Disposal	8,590	-0-	980	9,570	303	297	-0-	8,970
Total	8,590	-0-	980	9,570	303	297	-0-	8,970
Stabilization								
Constitutional Agencies								
Stabilization of State Government	100,000	-0-	-0-	100,000	-0-	(28,867)	-0-	128,867
Total	100,000	-0-	-0-	100,000	-0-	(28,867)	-0-	128,867
Miscellaneous Special Revenue								
Constitutional Agencies								
Consumer Advocate	390	-0-	1,374	1,764	1,156	66	-0-	542
Judicial College	3,750	-0-	5,370	9,120	227	(227)	-0-	9,120
Juvenile and Family Law College	1,250	-0-	1,250	2,500	76	(76)	-0-	2,500
Private Investigators Licensing Bd	129	-0-	248	377	248	-0-	-0-	129
Racketeering-Prosecution Acct	5	-0-	-0-	5	-0-	-0-	-0-	5
Unfair Trade Practices	28	-0-	102	130	12	79	8	31
Sub-total	5,552	-0-	8,344	13,896	1,719	(158)	8	12,327
Finance and Administration								
Public Works Inspection	21	-0-	2,451	2,472	2,348	38	-0-	86
Victims of Crime	2,022	-0-	2,388	4,410	2,539	70	-0-	1,801
Sub-total	2,043	-0-	4,839	6,882	4,887	108	-0-	1,887
Education								
Museums & History	300	-0-	19	319	-0-	15	-0-	304
W.I.C.H.E. Loan & Stipend	288	316	558	1,162	875	86	-0-	201
Sub-total	588	316	577	1,481	875	101	-0-	505
Commerce and Industry								
Lot Rent Trust Subsidy	355	-0-	411	766	363	18	-0-	385
Rural Rehabilitation Trust	70	-0-	76	146	37	21	-0-	88
Sub-total	425	-0-	487	912	400	39	-0-	473
Human Services								
Alcohol Tax Program	56	-0-	640	696	553	(1)	-0-	144
Blind Gift Fund	47	-0-	20	67	5	12	-0-	50
CBS Washoe Gift Fund	8	-0-	7	15	6	1	-0-	8
Children's Home Gift Fund	435	-0-	45	480	24	18	-0-	438
CYC Gift Fund	3	-0-	2	5	1	1	-0-	3
Handicapped Comm Gift Fund	23	-0-	23	46	8	6	-0-	32
Health Division Gifts	20	-0-	13	33	2	10	-0-	21
Henry Woods Christmas Fund	7	-0-	5	12	7	2	-0-	3
Hospital Gift Fund	213	-0-	22	235	9	9	-0-	217
NNMRS Gift Fund	8	-0-	2	10	-0-	1	-0-	9
Rehabilitation Gift Fund	-0-	-0-	4	4	-0-	4	-0-	-0-
SNMRS Gift Fund	3	-0-	10	13	1	7	-0-	5
SNAMRS Gift Fund	-0-	-0-	15	15	-0-	2	-0-	13
Substance Abuse Ed, Prv, Enf, Trt	21	-0-	-0-	21	21	-0-	-0-	-0-
Welfare Gift Fund	8	-0-	10	18	5	-0-	-0-	13
Youth Training Center Gift Fund	11	-0-	4	15	-0-	3	-0-	12
Sub-total	863	-0-	822	1,685	642	75	-0-	968
Total Misc Special Revenue	9,471	316	15,069	24,856	8,523	165	8	16,160
Total Special Revenue Funds	\$ 331,868	\$ 74,090	\$ 761,128	\$ 1,167,086	\$ 753,541	\$ 17,678	\$ 1,278	\$ 394,589

STATE OF NEVADA

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

Exhibit I-3

Page 1 of 2

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	State Highway			Class-size Reduction		
Fund balances, July 1	\$ 84,550	\$ 84,550	\$ -0-	\$ 11,565	\$ 11,565	\$ -0-
Revenues:						
Federal	139,748	123,902	(15,846)	-0-	-0-	-0-
Other taxes	191,682	213,439	21,757	-0-	-0-	-0-
Sales, charges for services	14,399	11,747	(2,652)	-0-	-0-	-0-
Licenses, fees and permits	82,914	103,955	21,041	-0-	-0-	-0-
Interest	8,947	10,828	1,881	1,529	1,527	(2)
Other	8,718	7,153	(1,565)	-0-	-0-	-0-
Other financing sources:						
Proceeds from sale of bonds	60,000	-0-	(60,000)	-0-	-0-	-0-
Transfer from other funds	1,599	1,773	174	51,870	51,868	(2)
Reversions from other funds	-0-	25	25	-0-	-0-	-0-
Total sources	\$ 592,557	\$ 557,372	\$ (35,185)	\$ 64,964	\$ 64,960	\$ (4)
	Employment Security			Regulatory		
Fund balances, July 1	\$ 13,086	\$ 13,086	\$ -0-	\$ 5,544	\$ 5,544	\$ -0-
Revenues:						
Gaming taxes, fees, licenses	-0-	-0-	-0-	6,158	5,325	(833)
Federal	28,983	27,418	(1,565)	180	204	24
Other taxes	6,522	5,117	(1,405)	6,632	6,632	-0-
Sales, charges for services	-0-	425	425	11	11	-0-
Licenses, fees and permits	-0-	-0-	-0-	7,362	7,065	(297)
Interest	466	866	400	68	128	60
Other	785	674	(111)	1,441	1,440	(1)
Other financing sources:						
Transfer from other funds	795	678	(117)	1,183	1,160	(23)
Total sources	\$ 50,637	\$ 48,264	\$ (2,373)	\$ 28,579	\$ 27,509	\$ (1,070)
	Legislative			Municipal Bond Bank		
Fund balances, July 1	\$ 16,604	\$ 16,604	\$ -0-	\$ 26,845	\$ 26,845	\$ -0-
Revenues:						
Federal	-0-	-0-	-0-	8,683	5,971	(2,712)
Sales, charges for services	284	272	(12)	-0-	-0-	-0-
Interest	-0-	-0-	-0-	62,540	62,291	(249)
Other	318	314	(4)	2,950	2,943	(7)
Other financing sources:						
Proceeds from sales of bonds	-0-	-0-	-0-	10,721	10,721	-0-
Transfer from other funds	32,150	32,145	(5)	-0-	-0-	-0-
Total sources	\$ 49,356	\$ 49,335	\$ (21)	\$ 111,739	\$ 108,771	\$ (2,968)
	Workers' Compensation and Safety			Higher Education Capital Construction		
Fund balances, July 1	\$ 15,540	\$ 15,540	\$ -0-	\$ 11,695	\$ 11,695	\$ -0-
Revenues:						
Gaming taxes, fees, licenses	-0-	-0-	-0-	15,167	15,167	-0-
Federal	1,335	1,290	(45)	-0-	-0-	-0-
Other taxes	18,331	16,491	(1,840)	-0-	-0-	-0-
Sales, charges for services	-0-	3	3	-0-	-0-	-0-
Licenses, fees and permits	229	214	(15)	-0-	-0-	-0-
Interest	708	1,039	331	-0-	-0-	-0-
Other	816	1,598	782	-0-	-0-	-0-
Total sources	\$ 36,959	\$ 36,175	\$ (784)	\$ 26,862	\$ 26,862	\$ -0-

STATE OF NEVADA

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

Exhibit I-3

Page 2 of 2

For the Fiscal Year Ended June 30, 1997 (Expressed in Thousands)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Cleaning Up Petroleum Discharges			Hospital Care to Indigent Persons		
Fund balances, July 1	\$ 543	\$ 543	\$ -0-	\$ 3,544	\$ 3,544	\$ -0-
Revenues:						
Other taxes	11,501	9,834	(1,667)	8,560	8,557	(3)
Licenses, fees and permits	500	435	(65)	-0-	-0-	-0-
Interest	250	157	(93)	310	309	(1)
Other	100	-0-	(100)	346	345	(1)
Total sources	\$ 12,894	\$ 10,969	\$ (1,925)	\$ 12,760	\$ 12,755	\$ (5)
	Tourism Promotion			Offenders' Store		
Fund balances, July 1	\$ 3,230	\$ 3,230	\$ -0-	\$ 1,669	\$ 1,669	\$ -0-
Revenues:						
Other taxes	8,078	7,980	(98)	-0-	-0-	-0-
Sales, charges for services	5	1	(4)	8,318	7,196	(1,122)
Licenses, fees and permits	65	69	4	-0-	-0-	-0-
Interest	-0-	-0-	-0-	27	118	91
Other	-0-	-0-	-0-	9	231	222
Other financing sources:						
Transfer from other funds	29	29	-0-	-0-	-0-	-0-
Total sources	\$ 11,407	\$ 11,309	\$ (98)	\$ 10,023	\$ 9,214	\$ (809)
	Colorado River Commission			Contingency		
Fund balances, July 1	\$ 4,251	\$ 4,251	\$ -0-	\$ 15,142	\$ 15,142	\$ -0-
Revenues:						
Sales, charges for services	2,852	1,567	(1,285)	-0-	-0-	-0-
Interest	310	207	(103)	-0-	-0-	-0-
Other	26	573	547	32	32	-0-
Other financing sources:						
Transfer from other funds	-0-	-0-	-0-	1,175	1,171	(4)
Reversion from other funds	-0-	-0-	-0-	134	134	-0-
Total sources	\$ 7,439	\$ 6,598	\$ (841)	\$ 16,483	\$ 16,479	\$ (4)
	Care of Sites for Radioactive Waste Disposal			Stabilize the Operations of State Government		
Fund balances, July 1	\$ 8,590	\$ 8,590	\$ -0-	\$ 100,000	\$ 100,000	\$ -0-
Revenues:						
Licenses, fees and permits	400	159	(241)	-0-	-0-	-0-
Interest	580	524	(56)	-0-	-0-	-0-
Other financing sources:						
Transfer from other funds	-0-	-0-	-0-	-0-	28,867	28,867
Total sources	\$ 9,570	\$ 9,273	\$ (297)	\$ 100,000	\$ 128,867	\$ 28,867
	Miscellaneous			Total Special Revenue		
Fund balances, July 1	\$ 9,469	\$ 9,469	\$ -0-	\$ 331,868	\$ 331,868	\$ -0-
Revenues:						
Gaming taxes, fees, licenses	-0-	-0-	-0-	21,325	20,492	(833)
Federal	15	-0-	(15)	178,944	158,785	(20,159)
Other taxes	640	643	3	251,946	268,694	16,748
Sales, charges for services	-0-	-0-	-0-	25,870	21,223	(4,647)
Licenses, fees and permits	5,063	4,774	(289)	96,534	116,671	20,137
Interest	429	688	259	76,165	78,682	2,517
Other	747	747	-0-	16,286	16,050	(236)
Other financing sources:						
Proceeds from sale of bonds	-0-	-0-	-0-	70,721	10,721	(60,000)
Transfer from other funds	8,492	8,372	(120)	97,293	126,063	28,770
Reversions from other funds	-0-	-0-	-0-	134	159	25
Total sources	\$ 24,855	\$ 24,693	\$ (162)	\$ 1,167,086	\$ 1,149,408	\$ (17,678)





Native American Dancers of Nevada

STATE OF NEVADA

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

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

General Governmental Expenditures and Other Uses by Function

Table I

Fiscal Years Ended June 30

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Expenditures:										
General government	\$ 63,117	\$ 57,746	\$ 53,925	\$ 58,806	\$ 59,379	\$ 64,123	\$ 64,525	\$ 75,742	\$ 75,770	\$ 101,565
Health, social services	383,366	384,666	463,583	594,066	863,110	909,041	864,576	994,633	1,061,930	1,090,069
Education and support	302,606	22,570	18,766	19,226	20,762	22,356	23,009	24,633	24,019	26,460
Law, justice, and public safety	114,847	122,121	151,654	170,611	192,550	199,261	211,015	224,281	256,015	276,275
Regulation of business	37,608	39,597	43,262	48,890	58,000	59,673	54,664	58,925	58,819	63,730
Transportation	180,055	213,566	252,439	216,554	240,888	263,996	347,064	368,040	344,183	312,592
Recreation, resource development	48,542	66,117	60,788	62,122	69,545	68,603	72,635	77,273	80,713	89,011
Intergovernmental	-	317,675	395,050	471,575	503,543	474,193	495,287	482,910	613,244	672,812
Capital improvements	53,177	35,225	48,719	50,249	48,645	60,887	49,871	40,548	27,932	49,298
Debt service	49,645	57,457	67,333	74,142	73,638	224,377	76,739	107,225	138,791	151,422
Other Uses:										
University	118,691	128,786	222,644	168,613	276,773	196,155	218,237	257,676	266,381	350,404
Total expenditures and other uses	\$1,351,654	\$1,445,526	\$1,778,163	\$1,934,854	\$2,406,833	\$2,542,665	\$2,477,622	\$2,711,386	\$2,947,797	\$3,183,638

General Governmental Revenues and Other Resources by Source

Table II

Fiscal Years Ended June 30

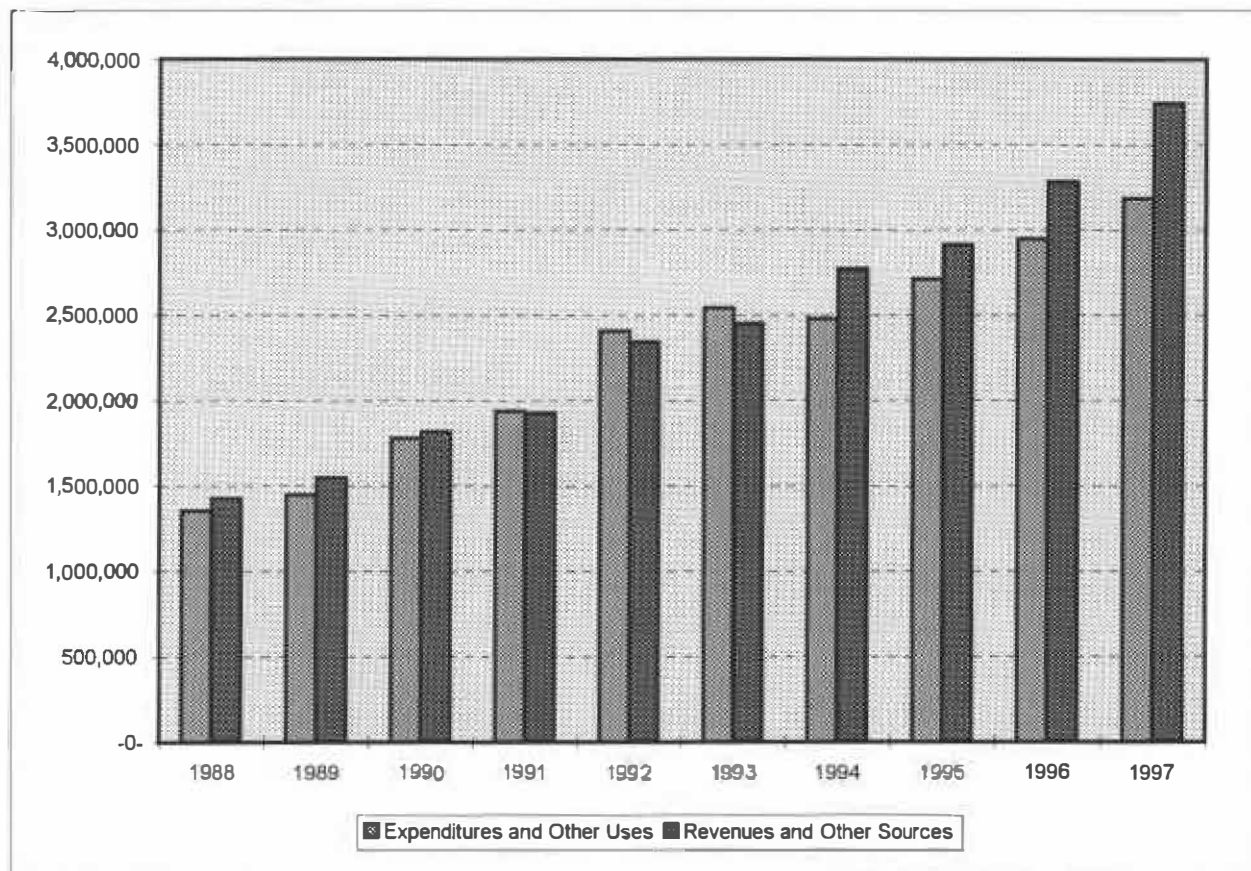
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Revenues:										
Gaming taxes	\$ 306,236	\$ 332,074	\$ 377,194	\$ 416,546	\$ 426,621	\$ 453,084	\$ 490,166	\$ 517,524	\$ 566,834	\$ 566,079
Sales taxes	216,296	246,064	297,578	307,945	310,770	343,604	402,548	446,504	502,960	554,891
Intergovernmental	288,739	320,218	365,340	421,001	562,120	645,228	709,128	836,557	877,735	908,806
Other taxes	303,289	312,918	385,815	412,159	574,685	661,839	648,390	694,031	729,808	772,563
Licenses, fees and permits	96,570	112,243	121,422	116,532	148,567	164,741	166,094	175,139	185,375	198,622
Charges for service and sales	20,796	21,734	25,004	25,564	28,440	29,579	39,657	39,751	41,458	44,885
Interest income	59,593	73,532	79,865	79,763	64,100	56,959	45,572	68,387	91,595	113,061
Other	59,185	35,738	35,439	30,652	44,601	60,125	48,797	43,159	42,699	52,306
Other Resources:										
Net proceeds from debt financing	66,137	80,126	114,702	100,293	180,216	32,006	218,632	90,093	239,531	522,685
Net operating transfers	5,267	7,624	12,742	12,338	3,740	3,816	4,153	3,274	4,829	3,549
Other	-	-	-	213	67	56	149	162	357	3,226
Total revenues and other resources	\$1,422,108	\$1,542,271	\$1,815,101	\$1,923,006	\$2,343,927	\$2,451,037	\$2,773,286	\$2,914,581	\$3,283,181	\$3,740,763

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

STATE OF NEVADA

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

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



General Fund Expenditures and Unreserved Fund Balance

Table III

Fiscal Year Ended June 30	General Fund Expenditures	Unreserved General Fund Balance	"Rainy" Day (1) Fund Balance
1988	\$ 731,940	\$ 87,088	
1989	813,089	56,618	
1990	959,327	82,831	
1991	1,136,595	43,393	
1992	1,382,077	583	
1993	1,386,788	32,732	
1994	1,418,582	39,616	18,057
1995	1,578,382	(26,809)	100,000
1996	1,792,460	10,107	123,392
1997	1,869,807	(9,360)	128,867

(1) The 1991 Legislature established a fiscal emergency (rainy day) fund that is funded with 40% of the unreserved fund balance that exceeds 10% of appropriations.

STATE OF NEVADA

State Collected Gaming Taxes and Sales Taxes

Average Combined Property Tax Rates and State Levy

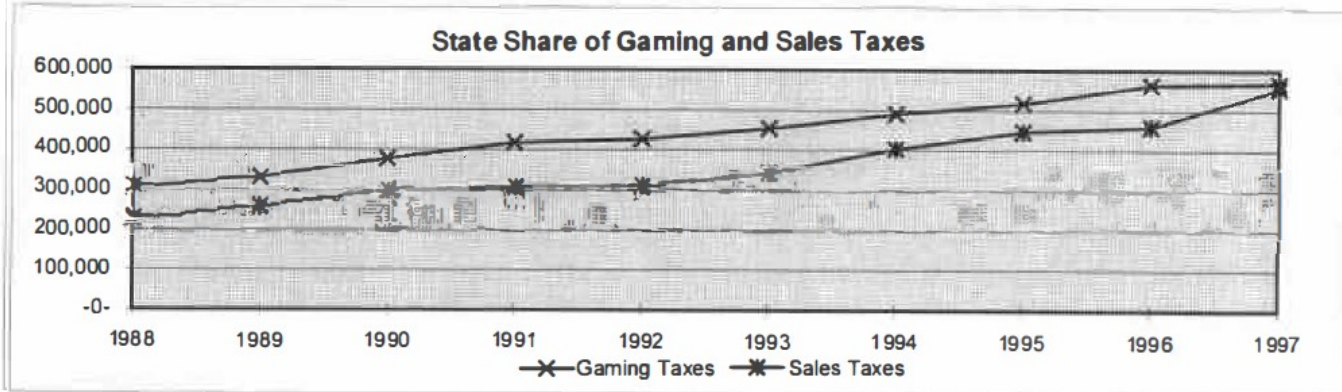
For the Last Ten Fiscal Years (Expressed in Thousands) (Unaudited)

State Collected Gaming Taxes and Sales Taxes

Table IV

Fiscal Year Ended June 30	GAMING TAXES			SALES TAXES			
	Gross Taxable Gaming Revenues	State Collections Gaming Taxes	State Share Gaming Taxes	Gross Taxable Sales	Gross Sales Tax Revenues	State General Fund Revenues	Sales Taxes Collected for Local Governments
1988	\$ 4,073,283	\$ 308,589	\$ 306,236	\$ 10,806,016	\$ 637,992	\$ 226,983	\$ 411,009
1989	4,433,770	334,369	332,074	12,334,591	725,453	260,517	464,936
1990	4,911,178	379,561	377,194	14,091,551	832,912	297,578	535,334
1991	5,411,475	418,912	416,545	14,514,119	858,093	307,945	550,148
1992	5,570,752	428,934	426,621	14,437,144	942,850	310,770	632,080
1993	5,871,840	455,182	453,084	15,665,903	1,071,886	343,604	728,282
1994	6,397,278	498,709	490,166	18,215,224	1,245,720	402,548	842,788
1995	6,821,022	522,848	517,524	20,075,579	1,374,636	446,504	928,132
1996	7,240,837	565,921	563,198	22,222,771	1,541,703	458,336	1,083,367
1997	7,300,149	569,962	567,341	24,408,114	1,696,634	554,891	1,192,259

Sources: Nevada Gaming Control Board, State Department of Taxation



Average Combined Property Tax Rates and State Levy

Table V

Fiscal Year Ended June 30	Tax Rates Per \$100 of Assessed Value					
	Clark County	Washoe County	15 Other Counties	Average County Rate	State Gov't Rate	State Gov't Tax Levy
1989	2.5081	2.5672	2.0033	2.4140	0.0646	10,853,517
1990	2.6668	2.7704	2.2145	2.5888	0.1010	18,771,251
1991	2.6836	2.9142	2.3701	2.6634	0.1180	24,226,913
1992	2.7438	3.1609	2.4962	2.7770	0.1370	30,904,428
1993	2.7719	3.2389	2.5884	2.8277	0.1440	34,979,018
1994	2.8043	3.2863	2.5919	2.8550	0.1500	39,199,474
1995	2.8111	3.3265	2.5942	2.8661	0.1500	42,442,059
1996	2.7813	3.4140	2.5355	2.8505	0.1500	46,653,503
1997	2.7881	3.3545	2.5926	2.8580	0.1500	51,138,611
1998	2.9106	3.3675	2.6272	2.9443	0.1500	55,970,796

Source: Department of Taxation

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

STATE OF NEVADA

Assessed Value of Taxable Property Ten Largest Taxable Property Owners

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

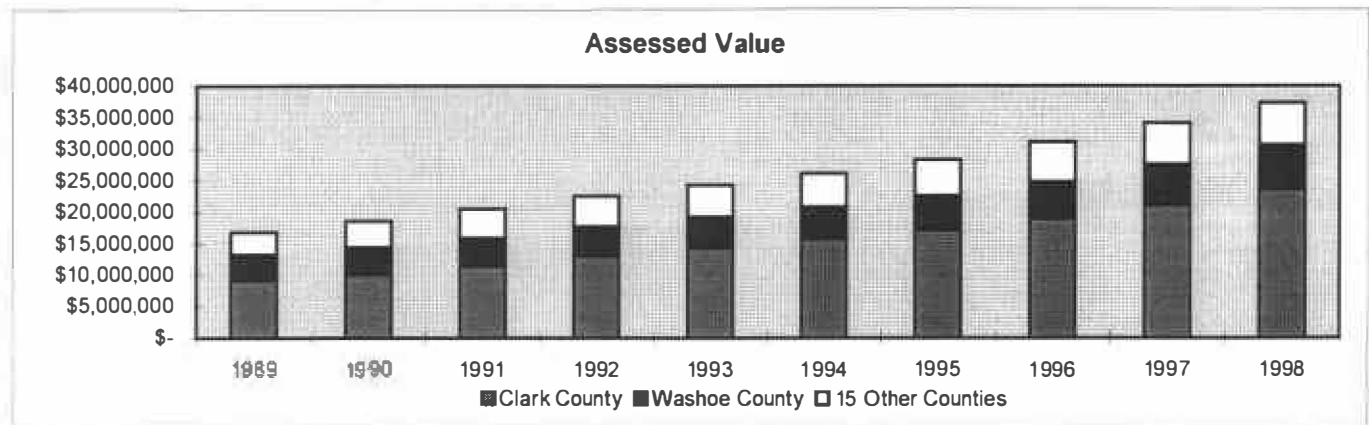
Assessed Value of Taxable Property

Table VI

Fiscal Year Ended June 30	Assessed Value (1)				Market Value
	Clark County	Washoe County	15 Other Counties	Total State	Total State
1989	\$ 9,085,929	\$ 4,103,366	\$ 3,611,815	\$ 16,801,110	\$ 40,003,171
1990	9,980,576	4,391,118	4,213,702	18,585,396	53,101,131
1991	11,294,875	4,558,300	4,678,107	20,531,282	58,660,805
1992	12,964,606	4,700,274	4,893,097	22,557,977	64,451,362
1993	14,267,549	4,908,661	5,114,774	24,290,984	69,402,811
1994	15,574,486	5,179,851	5,378,646	26,132,983	74,665,666
1995	17,107,695	5,440,391	5,746,620	28,294,706	80,842,017
1996	18,909,831	5,863,539	6,328,966	31,102,336	88,863,817
1997	21,023,607	6,482,287	6,586,513	34,092,407	97,406,877
1998	23,599,895	6,948,776	6,765,193	37,313,864	106,611,040

Source: Department of Taxation

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



Ten Largest Taxable Property Owners

Table VII

	Assessed Valuation	Percentage of Total Assessed Valuation	
Nevada Power Company	\$ 534,937	1.40	%
Sierra Pacific Power Company	448,272	1.18	
Mirage Resorts Inc. (Las Vegas)	444,999	1.17	
Circus Circus Properties (Reno, Las Vegas)	420,442	1.10	
Hilton Hotel Corporation - (Reno, Las Vegas)	310,917	0.82	
MGM Grand Hotel Inc. (Las Vegas)	284,160	0.75	
Howard Hughes Properties L.P. (Las Vegas)	227,215	0.60	
Oasis Residential Inc. (Las Vegas)	196,316	0.52	
Harrah's (Reno, Lake Tahoe, Las Vegas)	179,657	0.47	
Newmont Gold Company (Elko, Eureka)	179,553	0.47	
Totals	\$ 3,226,468	8.47	%

Source: Department of Taxation

STATE OF NEVADA

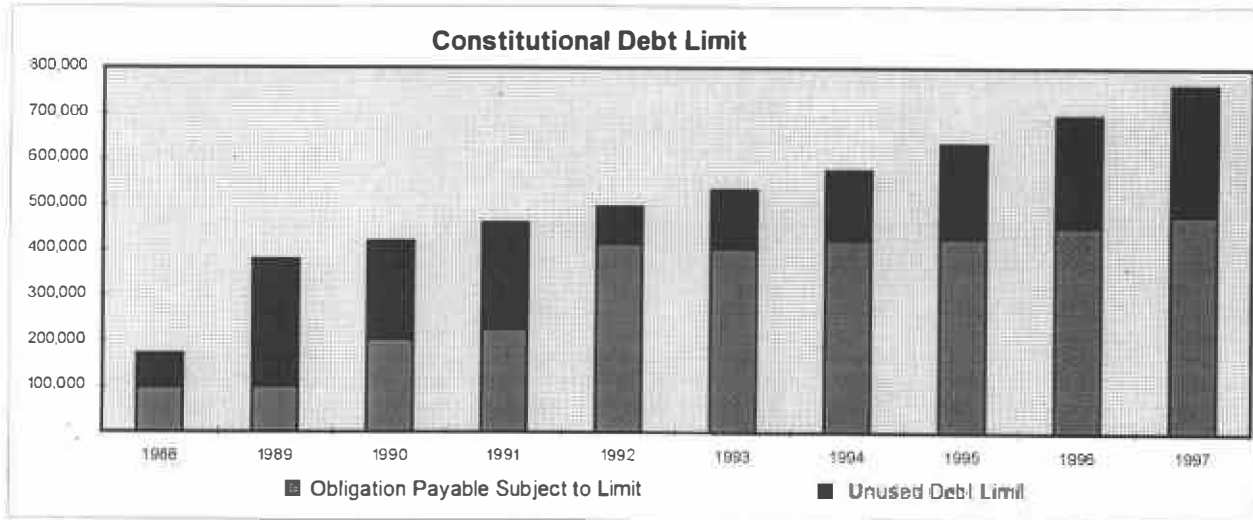
Constitutional Debt Limit

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

Constitutional Debt Limit

Table VIII

Fiscal Year Ended June 30	1 % or 2% Assessed Valuation	Obligation Payable Subject to Limit	Unused Debt Limit
1988	\$ 171,357	\$ 99,605	\$ 71,752
1989	378,528	100,820	277,708
1990	418,444	204,368	214,076
1991	459,570	226,955	232,615
1992	494,964	415,050	79,914
1993	531,426	404,005	127,421
1994	574,717	423,278	151,439
1995	632,795	426,613	206,182
1996	694,581	451,567	243,014
1997	762,212	476,979	285,233



Computation of Legal Debt Margin at June 30, 1997:

Assessed value of taxable property at June 30, 1997 (1)		\$ 38,110,609
Debt limitation (2% of assessed value)		762,212
Total general and special obligation bonded debt	\$	1,727,696
Leases		5,004
Less obligation exempt from debt margin:		
Municipal bond bank bonds		795,785
Special obligation bonds		35,400
Protection of natural resources bonds		424,536
Debt subject to debt limitation		476,979
Legal debt margin at June 30, 1997	\$	285,233

(1) Assessed value includes redevelopment assessed value of \$796,745

STATE OF NEVADA

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

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

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

Table IX

Year Ended June 30	Principal	Interest, Fiscal Charges (1)	Total Debt Service (2)	Total General Expenditures (3)	Ratio of General to Debt Service Expenditures
1988	\$ 9,460	\$ 23,295	\$ 32,755	\$ 1,351,654	2.42
1989	11,720	24,877	36,597	1,445,526	2.53
1990	16,425	30,585	47,010	1,778,163	2.64
1991	18,373	36,661	55,034	1,934,854	2.84
1992	19,991	35,075	55,066	2,406,833	2.29
1993	19,630	43,827	63,457	2,542,665	2.50
1994	26,195	33,159	59,354	2,477,622	2.40
1995	28,260	41,887	70,147	2,711,886	2.59
1996	47,015	55,128	102,143	2,947,797	3.47
1997	47,575	74,341	121,916	3,183,638	3.83

(1) Excludes advance refunding escrow expenditures.

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

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

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

Table X

Year Ended June 30	Population	Assessed Value (1)	Gross Bonded Debt (2)	Less Debt Service Fund	Debt Payable From Fees and Enterprise Fund Revenues (3)	Net Bonded Debt	Net Bonded Debt to Assessed Value %	Net Bonded Debt Per Capita
1988	1,096	\$ 16,801,110	\$ 464,000	\$ 1,705	\$ 360,895	\$ 101,400	0.60	\$ 93
1989	1,162	18,585,396	534,855	2,624	415,413	116,818	0.63	101
1990	1,237	20,531,282	633,783	4,693	402,540	226,550	1.10	183
1991	1,298	22,557,977	684,460	7,972	442,380	234,108	1.04	180
1992	1,344	24,290,984	826,230	14,202	387,351	424,677	1.75	316
1993	1,399	26,132,983	703,450	19,349	278,820	405,281	1.55	290
1994	1,493	28,294,706	820,906	20,331	353,256	447,319	1.58	300
1995	1,582	31,102,336	1,026,766	22,420	560,375	443,971	1.43	281
1996	1,638	34,092,407	1,234,716	26,279	716,970	491,467	1.44	300
1997	1,741	37,313,864	1,692,296	29,207	1,142,180	520,909	1.40	299

(1) Excludes redevelopment agency valuations.

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

(3) Includes University General Obligation Bonds paid from gaming taxes; Muni Bond Bank Bonds paid by local governments; and Colorado River General Obligation Bonds paid by user fees.

STATE OF NEVADA

Revenue Bond Coverage

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

Fiscal Year Ended June 30	Gross Resources	Uses	Net Resources Available for Debt Service	Debt Service Requirements (1)			Coverage
				Principal	Interest	Total	
Highway Improvement Revenue (Motor Vehicle Fuel Tax) Bond Coverage							Table XI
1988	\$ 236,504 (2)	\$ 211,536 (3)	\$ 24,968	\$ 12,260	\$ 2,620	\$ 14,880	1.68
1989	269,592	249,901	19,691	15,760	3,349	19,109	1.03
1990	314,587	295,820	18,767	15,760	2,587	18,347	1.02
1991	282,078	264,388	17,690	15,760	1,684	17,444	1.01
1992	314,156	296,363	17,793	14,760	2,145	16,905	1.05
1993	332,174	319,761	12,413	16,220	3,115	19,335	0.64
1994	425,828	409,671	16,157	12,720	2,327	15,047	1.07
1995	499,343	440,711	58,632	30,420	5,440	35,860	1.64
1996	463,447	413,941	49,506	30,420	4,929	35,349	1.40
1997	464,737	395,415	69,322	24,420	3,409	27,829	2.49

Mortgage Revenue Bond Coverage (Housing Division Revenues)							
							<i>Table XII</i>
1988	\$ 85,970 (4)	\$ 5,050 (3)	\$ 80,920	\$ 39,371	\$ 52,283	\$ 91,654	0.88
1989	93,934	3,987	89,947	38,227	50,720	88,947	1.01
1990	94,259	4,014	90,245	50,372	52,166	102,538	0.88
1991	103,442	4,372	99,070	79,950	58,221	138,171	0.72
1992	161,282	5,448	155,834	114,858	57,556	172,414	0.90
1993	168,152	8,597	159,555	87,617	51,135	138,752	1.15
1994	213,621	7,512	206,109	178,892	38,327	217,219	0.95
1995	84,281	7,511	76,770	56,462	37,327	93,789	0.82
1996	112,896	8,280	104,616	82,256	43,156	125,412	0.83
1997	120,652	8,356	112,296	72,936	48,761	121,697	0.92

Colorado River Commission General Obligation/Revenue Bonded Debt Coverage							
							<i>Table XIII</i>
1988	\$ 9,472 (5)	\$ 3,235 (3)	\$ 6,237	\$ 1,700	\$ 4,583	\$ 6,283	0.99
1989	9,944	3,657	6,287	1,805	4,462	6,267	1.00
1990	9,996	3,713	6,283	1,925	4,353	6,278	1.00
1991	10,886	4,290	6,596	2,183	4,385	6,568	1.00
1992	10,986	4,388	6,598	2,170	4,302	6,472	1.02
1993	11,915	4,411	7,504	3,020	4,514	7,534	1.00
1994	12,273	5,551	6,722	3,028	3,951	6,979	0.96
1995	14,947	7,021	7,926	3,367	5,068	8,435	0.94
1996	19,030	10,591	8,439	3,120	6,707	9,827	0.86
1997	54,149 (6)	15,620	38,529	3,625	12,136	15,761	2.44

(1) Principal requirements represent principal outlays.

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

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

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

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

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

STATE OF NEVADA

Disposable Per Capita Income Population

(Unaudited)

Disposable Per Capita Income

Table XIV

Calendar Year	United States	California	Nevada	Nevada's Per Capita as % of U.S. Per Capita	Nevada's Per Capita Rank
1970	\$ 3,484	\$ 4,131	\$ 4,425	127%	5
1980	8,424	9,876	9,714	115	5
1986	12,489	14,384	13,179	106	12
1987	13,143	15,138	13,896	106	11
1988	14,457	16,131	15,533	107	11
1989	15,722	17,250	16,508	105	9
1990	16,642	18,313	17,443	105	15
1991	17,161	18,615	17,941	105	13
1992	18,034	19,390	18,866	105	14
1993	18,551	19,571	19,386	105	8
1994	19,241	19,929	20,350	106	8
1995	20,189	20,970	21,065	104	10
1996	20,979	21,760	21,805	104	9

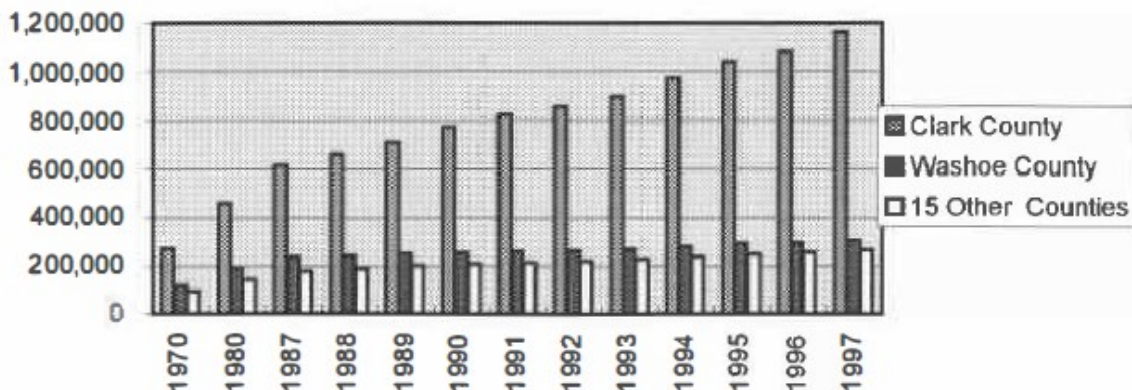
Source: Survey of Current Business, published by U.S. Department of Commerce

Population

Table XV

Year	Clark County	Washoe County	15 Other Counties	Total State
1970	273,288	121,068	94,382	488,738
1980	463,087	193,623	143,798	800,508
1987	616,650	238,360	179,980	1,034,990
1988	661,690	244,890	189,420	1,096,000
1989	708,750	251,580	202,010	1,162,340
1990	770,280	257,120	209,500	1,236,900
1991	820,840	262,260	214,810	1,297,910
1992	856,350	265,660	221,930	1,343,940
1993	898,020	271,770	228,970	1,398,760
1994	971,680	282,630	238,690	1,493,000
1995	1,038,180	294,290	249,810	1,582,280
1996	1,082,667	298,356	256,992	1,638,015
1997	1,163,207	308,579	269,111	1,740,897

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



STATE OF NEVADA

Public School Enrollment University and Community College Enrollment

Last Ten Fiscal Years (Unaudited)

Public School Enrollment

Table XVI

	Fall Enrollment						
	Grades			Counties			
	Primary (K - 6)	Secondary (7 - 12)	Total	Clark	Washoe	All Others	Total
1988	101,476	74,998	176,474	105,151	35,183	36,140	176,474
1989	110,301	76,533	186,834	111,460	36,662	38,712	186,834
1990	119,952	81,364	201,316	121,984	38,486	40,846	201,316
1991	126,555	85,255	211,810	129,233	40,028	42,549	211,810
1992	131,469	91,377	222,846	136,188	42,061	44,597	222,846
1993	138,829	96,971	235,800	145,327	43,715	46,758	235,800
1994	146,949	103,798	250,747	156,348	45,752	48,647	250,747
1995	155,492	109,549	265,041	166,788	47,572	50,681	265,041
1996	164,654	117,477	282,131	179,106	49,671	53,354	282,131
1997	173,618	123,003	296,621	190,822	51,205	54,594	296,621

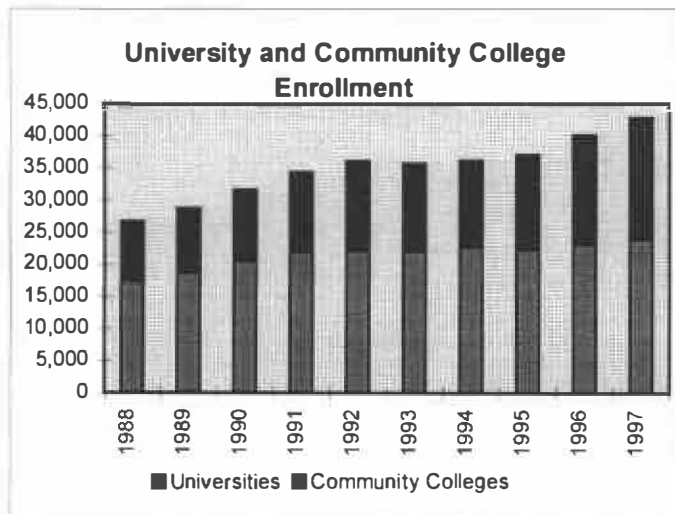
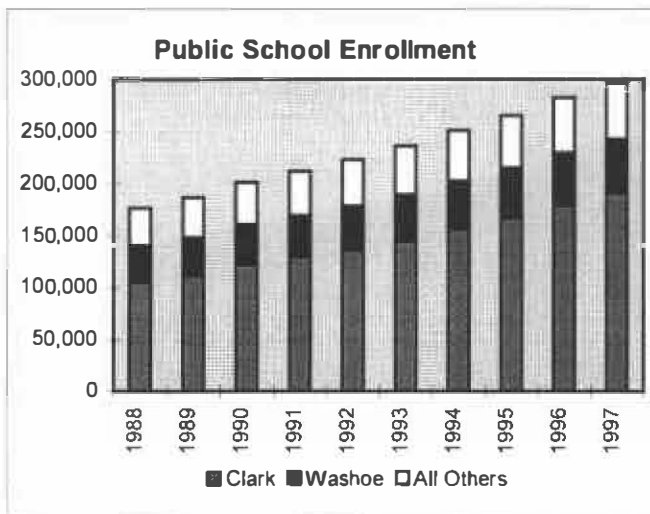
Source: Nevada Department of Education

University and Community College Enrollment

Table XVII

	Full Time Equivalent Students at Fall Enrollment								
	Universities			Community Colleges (CC)					Total
	Reno	Las Vegas	Subtotal	Southern Nevada	Great Basin	Truckee Meadows	Western Nevada	Subtotal	
1988	7,743	9,624	17,367	4,492	538	2,883	1,372	9,285	26,652
1989	7,772	10,835	18,607	5,024	590	3,036	1,478	10,128	28,735
1990	8,299	12,141	20,440	5,402	800	3,283	1,646	11,131	31,571
1991	8,821	13,108	21,929	6,253	828	3,515	1,726	12,322	34,251
1992	9,212	12,944	22,156	7,426	933	3,718	1,765	13,842	35,998
1993	9,155	12,885	22,040	7,137	906	3,726	1,810	13,579	35,619
1994	9,392	13,211	22,603	7,111	933	3,594	1,847	13,485	36,088
1995	9,161	13,166	22,327	8,599	878	3,451	1,682	14,610	36,937
1996	9,383	13,661	23,044	10,245	1,010	3,848	1,869	16,972	40,016
1997	9,397	14,447	23,844	11,380	1,146	4,377	1,955	18,858	42,702

Source: University and Community College System of Nevada



STATE OF NEVADA

Average Annual Employment

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

Table XVIII

Average Annual Employment

Fiscal Year Ended June 30	Labor Force Statistics				Industrial Base Statistics (2)		
	Total Nevada Labor Force	Unemployment	Unemployment Rate	U.S. Average Unemployment Rate	Total Non- Agriculture	Goods Producing	Services Producing
1988	586.0	30.0	5.2	5.5	537.8	72.3	465.5
1989	602.0	30.0	5.0	5.3	581.2	84.0	497.2
1990	667.0	33.0	4.9	5.5	620.9	87.3	533.6
1991	693.0	38.0	5.5	6.7	628.7	79.0	549.7
1992	715.0	47.0	6.6	7.4	638.7	78.2	560.5
1993	746.0	54.0	7.2	6.8	670.0	88.0	582.0
1994	779.0	48.0	6.2	6.1	736.7	100.9	635.8
1995	800.9	43.2	5.4	5.6	789.1	111.8	677.3
1996 (3)	844.1	45.7	5.4	5.4	842.5	128.0	714.5
1997 (1)	890.2	40.7	4.6	5.0	885.8	137.1	748.7

Source: Nevada Department of Employment, Training and Rehabilitation

(1) Average through August 1997

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

(3) Revised in 1997

