

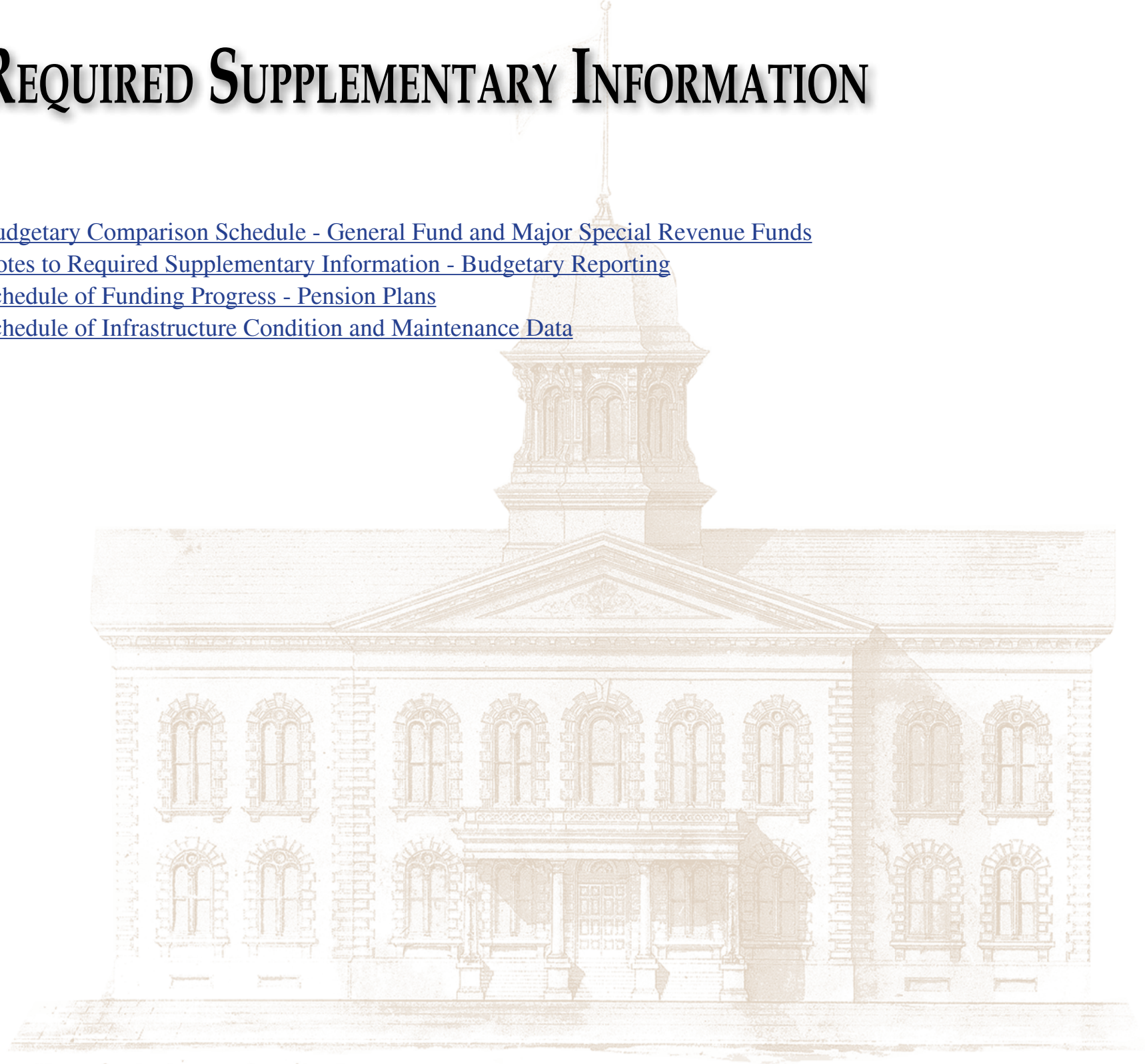
# REQUIRED SUPPLEMENTARY INFORMATION

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[Schedule of Infrastructure Condition and Maintenance Data](#)



Joseph Costing, Architect No 9 E. 11th St.

# REQUIRED SUPPLEMENTARY INFORMATION

Photo By: Roger Bowen Weld  
Numaga Pow-wow



# Budgetary Comparison Schedule General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2011

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



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

## Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2011

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

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

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 31 are reported instead of the amounts disclosed in the original budget. The August 31, 2011 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2011 budget as permitted by NRS 353.220.

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

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

Total fund balance on the budgetary basis in the General Fund at June 30, 2011, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	\$ 673,027
Restricted funds	<u>(345,897)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u><u>\$ 327,130</u></u>

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

## Schedule of Funding Progress Pension Plans



NEVADA

For the Fiscal Year Ended June 30, 2011

### Legislator's Retirement System (LRS)

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

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
01/01/07	\$ 5,884	\$ 4,323	\$ 1,561	73%	\$ 328	476%
01/01/09	5,955	4,229	1,726	71%	351	492%
07/01/10	5,608	4,134	1,474	74%	359	411%

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

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

### Judicial Retirement System (JRS)

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

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
01/01/09	\$ 67,192	\$ 39,764	\$ 27,428	59%	\$ 11,368	241%
07/01/10	80,447	47,281	33,166	59%	15,315	217%
06/30/11	88,035	56,614	31,421	64%	16,465	191%

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

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



*For the Fiscal Year Ended June 30, 2011*

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expends certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,300 centerline miles of roads and approximately 1,100 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. However, the calendar year 2011 assessment is not available as of the date of this report. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. During the fiscal year 2010 reporting period some of the bridge reporting and inspection methodologies changed. In prior years, bridges that were functionally obsolete and not eligible for federal funding were not reported as functionally obsolete. These bridges are now reported as functionally obsolete. In addition, the inspection methodologies have been refined, resulting in an increase of functionally obsolete bridges. These changes caused the State to exceed its 10 percent policy. The State is considering revising its policy to allow for these changes in reporting by using the same percentage of structurally deficient and functionally obsolete bridges that are eligible for federal funding as reported in performance measures to the legislature instead of the percentage as reported in a current periodical. The following tables show the State's policy and the condition level of the roadways and bridges.

<b>Condition Level of the Roadways</b>					
<b>Percentage of roadways with an IRI of less than 80</b>					
	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%

<b>Condition Level of the Bridges</b>			
<b>Percentage of substandard bridges</b>			
	2009	2007	2005
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	15%	4%	3%

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

<b>Maintenance and Preservation Costs</b>					
<b>(Expressed in Thousands)</b>					
	2011	2010	2009	2008	2007
Estimated	\$ 490,910	\$ 181,054	\$ 124,926	\$ 155,051	\$ 243,191
Actual	404,871	151,448	121,798	146,507	218,923

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