

# STATE OF NEVADA

## Comprehensive Annual Financial Report

for the Fiscal Year  
Ended June 30, 2007

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



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## KIM R. WALLIN, CMA, CFM, CPA STATE CONTROLLER



Kim Wallin is a native Nevadan who was living in Las Vegas until her recent election as Controller of the State of Nevada. She is now living in Carson City, Nevada.

Kim is the former Chair of the Institute of Management Accountants (IMA), the world's leading organization dedicated to empowering management accounting and finance professionals to drive business performance. Kim began her IMA leadership career in 1981 as president of the Las Vegas Chapter. Kim currently is a member of the XBRL International Public Sector Working Group and the Partnership for Intergovernmental Management and Accountability.

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

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

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

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

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

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



State of Nevada  
**Office of State Controller**

Carson City, Nevada 89701-4786

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

**Office: (775) 684-5777**  
**Fax: (775) 684-5696**

December 14, 2007

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

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This is the sixth CAFR prepared in conformance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. The objective of this Statement is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund-based financial statements.

### **INTRODUCTION TO THE REPORT**

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

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

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

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

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

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

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

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

## PROFILE OF GOVERNMENT

**Background:** The State of Nevada was admitted to the Union in 1864. Nevada is bordered by four other states and over 80 percent of the 70,264,320 total acres of valleys and north-south mountain ranges are owned and managed by the federal government.

The State of Nevada does not levy a personal income tax. The State's economy and tax base are dependent upon the interrelated gaming and tourism industries as well as upon federal activities, mining, warehousing, manufacturing, and agriculture. Over the past decade, Nevada has had one of the fastest growing populations in the nation. The 2000 census showed a 62 percent increase over 1990 with over 2.4 million residents now calling Nevada home.

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

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

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

## FINANCIAL INFORMATION

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

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

The Economic Forum, a group of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. During the course of the fiscal year, the Governor may take steps to reduce State appropriations if it appears that revenues have fallen below those originally anticipated. No budget cuts were necessary during the fiscal year ended June 30, 2007.

## ECONOMIC OUTLOOK

During the fiscal year ending June 30, 2007, after several years of turning impressive results, Nevada's economy slowed. The signs of moderation were already visible toward the end of fiscal year 2006. Sales and gaming tax revenues did not increase in growth at the same rate that they had in fiscal 2006. In fiscal year 2007 sales tax increased by 3% and gaming tax increased by 2.6% compared to 10.7% and 11.6% respectively in fiscal 2006.

With Nevada leading the nation in foreclosures, having the highest rate of sub prime and adjustable rate mortgages, the State will continue to see a significant impact on our economy in the foreseeable future. As the housing sector continued to weaken through the fiscal year, both Nevada and the U.S. economy became affected, often by more than the analysts had predicted.

Nevada's jobless rate of 5.1% has edged ahead of the national average after trending down for the past five years. Initial claims for unemployment insurance are up 20% from just one year ago. In addition job growth has eased and remains at its lowest point since mid-2002.

The elevated price of gold has been helping Nevada's rural counties by creating new jobs. This has generated new demand for housing in these areas as well.

Notwithstanding the housing downturn, the non-residential construction segment continues to grow. Commercial construction activity helped offset some of the losses from the residential sector. High hotel occupancy rates in Las Vegas provided a strong signal for hotel and casino expansion. Over \$16 billion of mega resort construction started in fiscal year 2007, followed by additional projects launching in fiscal year 2008 for a total of \$30 billion in capital investment.

Our state continued to remain near the top in personal income growth at 6.5% in fiscal 2007. In Clark County household median incomes have risen to over \$53,000.

With the economic challenges facing Nevada and the country it is important that we remain fiscally cautious and ensure that our precious resources are spent in the most efficient, cost effective manner.

## MAJOR INITIATIVES

**Education:** The Legislature provided funding giving individual principals and their schools the power to manage their own budgets, curricula and schedules to best serve their unique student populations. The Innovative Education Fund, which has been beneficial to the smaller school districts like White Pine County, received an additional \$17 million. Funding was approved for the major expansion of health science education facilities to train our future doctors and nurses.

**Crime/Safety:** War on Meth – Methamphetamine is the most frequently encountered drug by our police officers. According to the federal Substance Abuse and Mental Health Services Administration (SAMSHA), methamphetamine addiction in Nevada increased 58% between 1995 and 2005. Nevada currently ranks number one in the nation for methamphetamine use per capita. To address the problem a working group on methamphetamine use was created. They are tasked with studying the impact of methamphetamine on the state's law enforcement, corrections facilities, social services and community services.

**Transportation Plan:** Close to \$1 billion of the \$3.8 billion needed in funding for critical transportation projects was raised by reallocating other resources, pushing total projected expenditures related to highway projects for the FY 08-09 biennium over \$1.2 billion. The reallocation included a \$20 million yearly commitment by the Las Vegas Visitors and Convention Authority (LVCVA), a diversion of a small part of the existing car rental tax, and a re-allocation of 3 cents of property tax revenue earmarked for capital projects in Washoe and Clark Counties.

**Criminal Justice:** The Legislature passed a law which allows GPS monitoring of the State's most dangerous sex offenders while on parole or probation. As one of the fastest growing states, Nevada's long-run capital improvement plan includes \$1.9 billion for correctional facilities to house anticipated inmate growth. The Legislature authorized over \$300 million to plan, build, and maintain state correctional facilities over the next several years. The Legislature also authorized construction of a new building for Parole and Probation in Las Vegas.

**Reimbursement Rates for Medicaid Providers:** To help ensure continued health care for Nevada's neediest, there was a recommendation for mandatory rate increases for pharmacy, HMO providers and transportation services. Funding was also approved to increase reimbursement for physicians and other medical professionals to 90 to 100 percent of the Medicare rate, depending upon the service.

## AWARDS AND ACKNOWLEDGMENTS

**GFOA Certificate of Achievement:** The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR.

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

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

Sincerely,

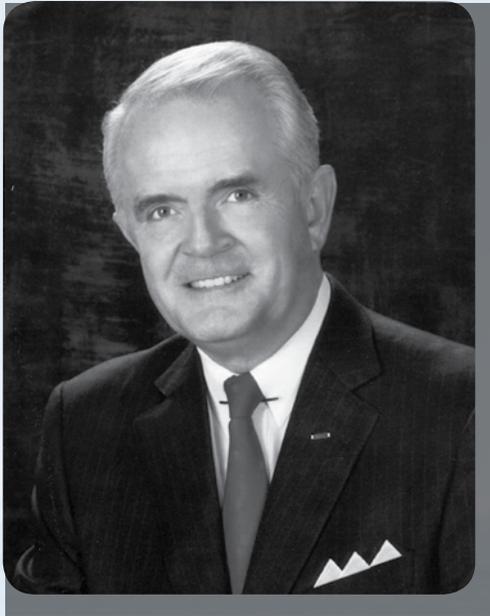
A handwritten signature in cursive script that reads "Kim R. Wallin".

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

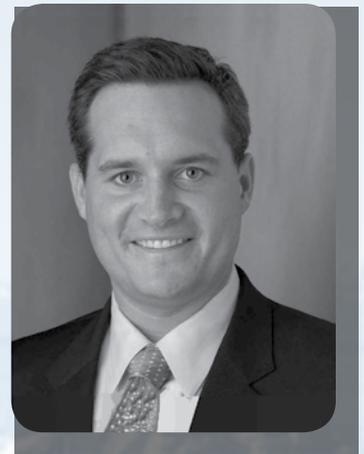
# STATE OF NEVADA CONSTITUTIONAL OFFICERS



BRIAN KROLICKI  
LIEUTENANT GOVERNOR



JIM GIBBONS  
GOVERNOR



ROSS MILLER  
SECRETARY OF STATE



KATE MARSHALL  
TREASURER



KIM R. WALLIN  
CONTROLLER



CATHERINE CORTEZ MASTO  
ATTORNEY GENERAL

# ORGANIZATIONAL CHART



\* Elected Officials

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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



*Chloe S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# FINANCIAL SECTION



## **STEPTOE CREEK**

Provided by: Maureen Angel  
Nevada Department of Wildlife



### Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2007, which collectively comprise the State of Nevada's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Nevada's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit:

#### Government-Wide Financial Statements

- the financial statements of the Housing Division, which represent 40.3 percent of the assets, 12.7 percent of the net assets and 9.5 percent of the revenues of the business-type activities;
- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units.

#### **Fund Financial Statements**

- the financial statements of the Housing Division Enterprise Fund;
- the financial statements of the Self Insurance Internal Service Fund, which represent less than one percent of the assets, net assets and fund balances, and 4.1 percent of the revenues and additions of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds, which in the aggregate represent 88.7 percent of the assets, 92.3 percent of the net assets and fund balances, and 64.2 percent of the revenues and additions of the aggregate remaining fund information.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance Internal Service Fund, the Pension Trust

Funds and the Local Government Investment Pool Investment Trust Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2007 on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The combining statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and accordingly, we express no opinion on them.

Reno, Nevada  
December 13, 2007



## MANAGEMENT'S DISCUSSION AND ANALYSIS

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the additional information furnished in the letter of transmittal.

### HIGHLIGHTS

#### **Government-wide:**

*Net Assets* – The assets of the State exceeded its liabilities at the close of the fiscal year ended June 30, 2007 by \$6 billion (reported as *net assets*). Of the \$6 billion in net assets, \$1.9 billion was restricted and not available to meet the State's general obligations.

*Changes in Net Assets* – The State's total net assets increased by \$250.6 million in fiscal year 2007. Net assets of governmental activities increased by \$97.2 million (a 2.1% increase) and net assets of the business-type activities increased by \$153.4 million (a 13% increase).

#### **Fund-level:**

At the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$2.5 billion, a decrease of \$55.6 million from the prior year. Of this amount, \$1.3 billion represents the *unreserved fund balance*.

The State's enterprise funds reported combined ending net assets of \$1.3 billion, an increase of \$153.5 million from the prior year, attributable primarily to the Unemployment Compensation fund. Of this amount, \$9.4 million represents the *unrestricted net assets*.

The State's fiduciary funds reported combined ending net assets of \$23.8 billion, an increase of \$3.3 billion from the prior year, attributable primarily to the Pension Trust Funds.

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

The net increase in the State's long-term debt obligations was \$111 million (a 2.9% increase) during the current fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### **Government-wide Financial Statements:**

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

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

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

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

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

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

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

**Fund Financial Statements:**

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

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

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

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

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

**Notes to the Financial Statements:**

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

**Required Supplementary Information:**

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

### Other Supplementary Information:

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2007 and 2006 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

State of Nevada's Net Assets-Primary Government (expressed in thousands)							
	Governmental Activities		Business-type Activities		Total		Total Change
	2007	2006	2007	2006	2007	2006	2007-2006
<b>Assets</b>							
Current and other assets	\$ 5,943,502	\$ 5,467,473	\$ 2,402,662	\$ 2,205,939	\$ 8,346,164	\$ 7,673,412	\$ 672,752
Net capital assets	4,843,737	4,669,812	3,162	2,824	4,846,899	4,672,636	174,263
<b>Total assets</b>	<b>10,787,239</b>	<b>10,137,285</b>	<b>2,405,824</b>	<b>2,208,763</b>	<b>13,193,063</b>	<b>12,346,048</b>	<b>847,015</b>
<b>Liabilities</b>							
Current liabilities	3,139,163	2,654,510	80,515	80,179	3,219,678	2,734,689	484,989
Long-term liabilities	2,924,759	2,856,639	1,019,348	976,084	3,944,107	3,832,723	111,384
<b>Total liabilities</b>	<b>6,063,922</b>	<b>5,511,149</b>	<b>1,099,863</b>	<b>1,056,263</b>	<b>7,163,785</b>	<b>6,567,412</b>	<b>596,373</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	3,486,155	3,445,629	2,783	2,824	3,488,938	3,448,453	40,485
Restricted	613,375	675,966	1,293,737	1,143,248	1,907,112	1,819,214	87,898
Unrestricted (deficit)	623,787	504,541	9,441	6,428	633,228	510,969	122,259
<b>Total net assets</b>	<b>\$ 4,723,317</b>	<b>\$ 4,626,136</b>	<b>\$ 1,305,961</b>	<b>\$ 1,152,500</b>	<b>\$ 6,029,278</b>	<b>\$ 5,778,636</b>	<b>\$ 250,642</b>

### Net Assets:

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The State's combined net assets (governmental and business-type activities) totaled \$6.029 billion at the end of 2007, compared with \$5.779 billion at the end of the previous year.

The largest portion of the State's net assets (\$3.49 billion or 58%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net assets (\$1.9 billion or 32%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported unrestricted net assets of \$633 million as compared to \$511 million in the prior year. This was primarily due to higher revenues in the form of gaming taxes, sales and use taxes, and unemployment taxes. At the end of the current fiscal year, the State is able to report positive balances in all of the three categories of net assets, both for the government as a whole, as well as for its governmental activities and the business-type activities.

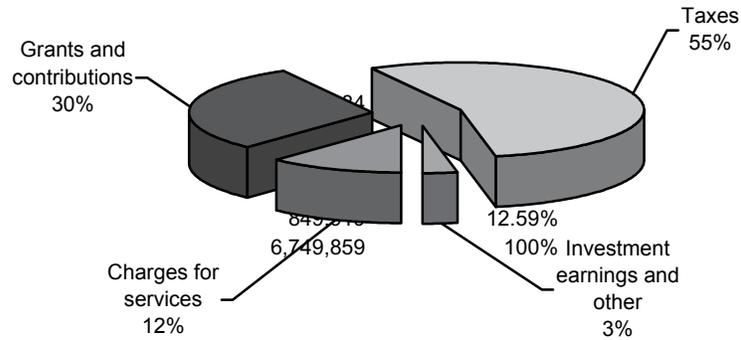
**Changes in State of Nevada's Net Assets-Primary Government**  
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2007	2006	2007	2006	2007	2006	2007-2006
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 785,836	\$ 769,156	\$ 103,044	\$ 89,793	\$ 888,880	\$ 858,949	\$ 29,931
Operating grants and contributions	2,025,361	1,848,091	99,546	111,598	2,124,907	1,959,689	165,218
Capital grants and contributions	16,010	27,080	-	-	16,010	27,080	(11,070)
General revenues							
Sales and use taxes	1,149,456	1,097,939	-	-	1,149,456	1,097,939	51,517
Gaming taxes	1,029,044	1,003,111	-	-	1,029,044	1,003,111	25,933
Modified business taxes	282,729	255,252	-	-	282,729	255,252	27,477
Insurance premium taxes	261,378	238,297	-	-	261,378	238,297	23,081
Property and transfer taxes	296,498	318,941	-	-	296,498	318,941	(22,443)
Motor and special fuel taxes	300,182	297,383	-	-	300,182	297,383	2,799
Other taxes	427,110	398,460	372,742	365,598	799,852	764,058	35,794
Investment earnings	143,012	87,729	-	-	143,012	87,729	55,283
Other	99,476	86,371	-	-	99,476	86,371	13,105
<b>Total Revenues</b>	<b>6,816,092</b>	<b>6,427,810</b>	<b>575,332</b>	<b>566,989</b>	<b>7,391,424</b>	<b>6,994,799</b>	<b>396,625</b>
<b>Expenses</b>							
General government	421,291	349,224	-	-	421,291	349,224	72,067
Health and social services	2,340,884	2,198,551	-	-	2,340,884	2,198,551	142,333
Education and support services	2,254,626	1,830,236	-	-	2,254,626	1,830,236	424,390
Law, justice and public safety	624,149	578,049	-	-	624,149	578,049	46,100
Regulation of business	104,385	101,857	-	-	104,385	101,857	2,528
Transportation	680,281	508,569	-	-	680,281	508,569	171,712
Recreation and resource development	173,037	156,933	-	-	173,037	156,933	16,104
Interest on long-term debt	150,486	132,969	-	-	150,486	132,969	17,517
Unallocated depreciation	720	1,513	-	-	720	1,513	(793)
Unemployment insurance	-	-	296,784	239,232	296,784	239,232	57,552
Housing	-	-	46,152	45,397	46,152	45,397	755
Water loans	-	-	7,886	8,226	7,886	8,226	(340)
Workers' compensation and safety	-	-	25,381	23,991	25,381	23,991	1,390
Higher education	-	-	10,504	18,940	10,504	18,940	(8,436)
Other	-	-	16,424	15,601	16,424	15,601	823
<b>Total Expenses</b>	<b>6,749,859</b>	<b>5,857,901</b>	<b>403,131</b>	<b>351,387</b>	<b>7,152,990</b>	<b>6,209,288</b>	<b>943,702</b>
Excess (deficiency) in net assets before contributions to permanent funds, special items, and transfers	66,233	569,909	172,201	215,602	238,434	785,511	(547,077)
Contributions to permanent fund	12,208	76,553	-	-	12,208	76,553	(64,345)
Special item - one-time tax rebate	-	(276,773)	-	-	-	(276,773)	276,773
Transfers	18,740	31,373	(18,740)	(31,373)	-	-	-
<b>Change in net assets</b>	<b>97,181</b>	<b>401,062</b>	<b>153,461</b>	<b>184,229</b>	<b>250,642</b>	<b>585,291</b>	<b>(334,649)</b>
Net assets - beginning of year	4,626,136	4,225,074	1,152,500	968,271	5,778,636	5,193,345	585,291
<b>Net assets - end of year</b>	<b>\$4,723,317</b>	<b>\$ 4,626,136</b>	<b>\$1,305,961</b>	<b>\$1,152,500</b>	<b>\$6,029,278</b>	<b>\$5,778,636</b>	<b>\$ 250,642</b>

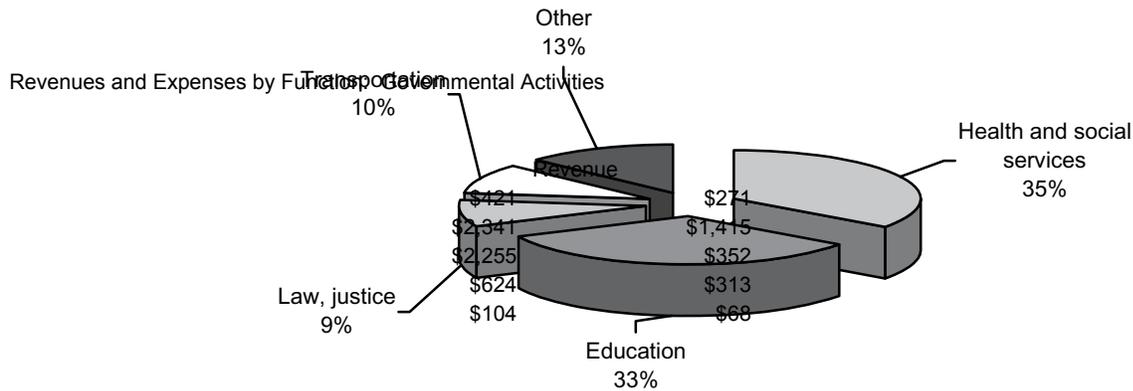
**Changes in Net Assets:**

*Governmental activities* –The net assets increased by \$97.2 million or 2.1%. Approximately 55% of the total revenue came from taxes, while 30% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 12% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were for health and social services (35%) and education (33%) (see chart below). In 2007, governmental activities expenses exceeded program revenues, resulting in the use of \$3.9 billion in general revenues, which were generated to support the government.

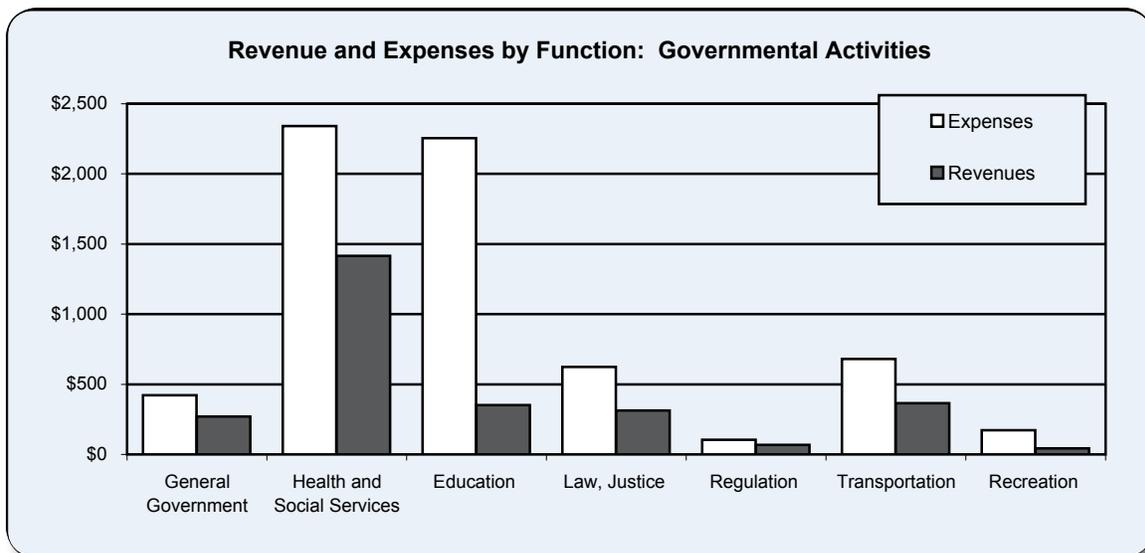
The following chart depicts the governmental activities revenues for the fiscal year:



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

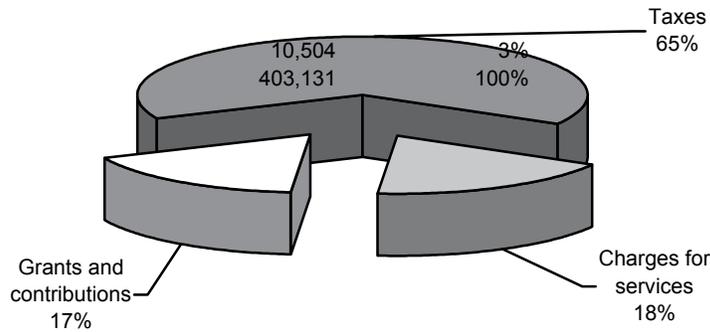


The following chart depicts the total program revenues and expenses for each function of governmental activities (expressed in millions):

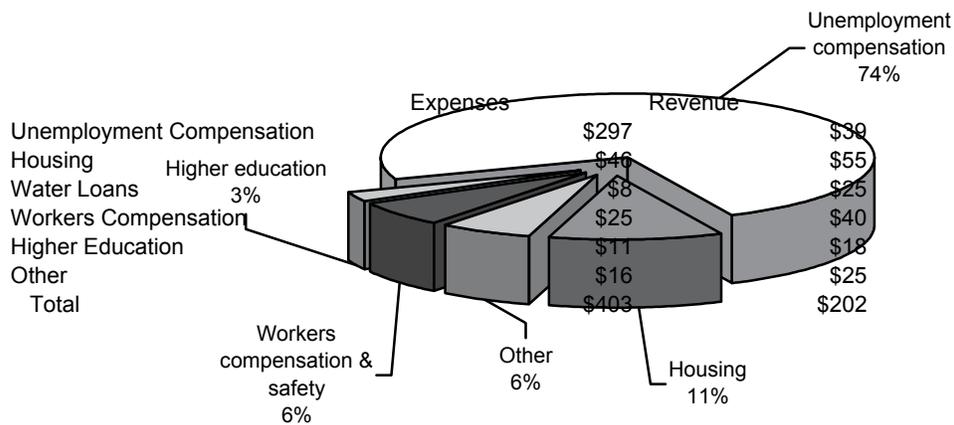


*Business-type activities* –The net assets increased by \$153.4 million or 13.3%. Approximately 65% of the total revenue came from taxes, while 17% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 18% of the total revenues (see chart below). The State’s business-type activities expenses cover a range of services. The largest expenses were for unemployment compensation (74%) and housing (11%) (see chart below). In 2007, business-type activities expenses exceeded program revenues, resulting in the use of \$257.5 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

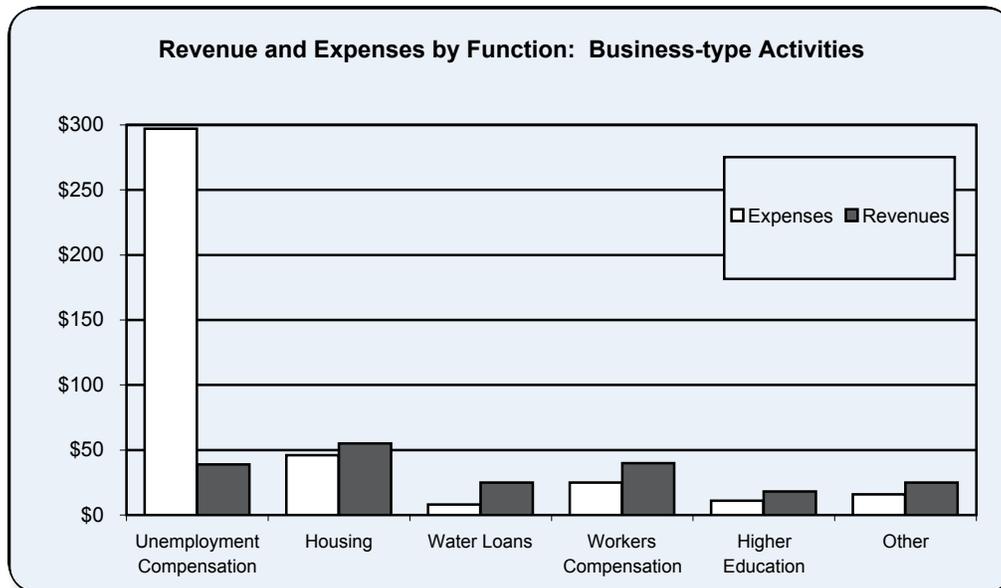
The following chart depicts the business-type activities revenues for the fiscal year:



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



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



In conclusion, the State government’s overall financial position improved over the past fiscal year, with a \$97.2 million increase in the net assets of the governmental activities and a \$153.4 million dollar increase in the net assets of the business-type activities. However, the growth rates of nets assets for the governmental and business-type activities dropped from 9.5% and 19% to 2.1% and 13.3%, respectively. This is a result of Nevada’s economy slowing after several years of impressive growth. As the housing sector continued to weaken through the fiscal year, both Nevada and the U.S. economy became affected even though the State continued to remain near top in many growth indicators. The growth rate of tax revenues decreased from

7.9% to 3.9%, mainly caused by the slowdown in growth of gaming, sales, property, and transfer taxes. A slowed economy affected both the governmental and business-type activities. An increase in unemployment claims, mostly related to the drop in construction and financial services employment, was another reason for the fall in growth of business-type activities.

## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

### Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$2.55 billion, a decrease of \$55.6 million in comparison with the prior year. Approximately 50.5% of this total amount constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior fiscal year, to pay debt service, to be held in permanent trust funds or for a variety of other purposes. The major governmental funds are discussed individually below:

*The General Fund* is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund balance was \$445 million. The fund balance decreased by \$76 million during the current fiscal year, which is a 14.7% decrease from the prior year. This decrease was primarily due to a decrease in revenue from property transfer taxes (\$44.5 million or 27%) and an increase in spending on Medicaid.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2007 and 2006 (expressed in thousands). Other financing sources are not included.

<b>General Fund Revenues (expressed in thousands)</b>						
	2007		2006		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 1,013,323	19.3%	\$ 987,672	19.5%	\$ 25,651	2.6%
Sales taxes	1,132,418	21.5%	1,099,483	21.7%	32,935	3.0%
Modified business taxes	278,953	5.3%	255,252	5.0%	23,701	9.3%
Insurance premium taxes	259,275	4.9%	238,296	4.7%	20,979	8.8%
Property and transfer taxes	120,375	2.3%	164,842	3.3%	(44,467)	-27.0%
Motor and special fuel taxes	3,040	0.1%	3,035	0.1%	5	0.2%
Intergovernmental	1,700,396	32.3%	1,638,003	32.4%	62,393	3.8%
Other taxes	305,536	5.8%	288,309	5.7%	17,227	6.0%
Licenses, fees and permits	212,700	4.0%	214,404	4.2%	(1,704)	-0.8%
Sales and charges for services	56,292	1.1%	48,322	1.0%	7,970	16.5%
Interest and investment income	120,503	2.3%	70,409	1.4%	50,094	71.1%
Other revenues	54,526	1.0%	49,685	1.0%	4,841	9.7%
<b>Total revenues</b>	<b>\$ 5,257,337</b>	<b>100.0%</b>	<b>\$ 5,057,712</b>	<b>100.0%</b>	<b>\$ 199,625</b>	<b>3.9%</b>

The total General Fund revenues increased 3.9%. The two largest increases in revenue source were \$62.4 million or 3.8% in federal grants and \$50 million or 71.1% in interest and investment income. The 71.1% increase in interest and investment income was due primarily to higher interest rates for short-term investments and increased cash balance. The largest decline in revenue source was \$44.5 million or 27% in property transfer taxes due to a downward trend in the housing market.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2007 and 2006 (expressed in thousands). Other financing uses are not included.

<b>General Fund Expenditures (expressed in thousands)</b>						
	2007		2006		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 148,010	2.8%	\$ 122,521	2.6%	\$ 25,489	20.8%
Health and social services	2,145,702	41.1%	1,983,340	42.3%	162,362	8.2%
Education and support services	38,619	0.7%	38,201	0.8%	418	1.1%
Law, justice and public safety	418,187	8.0%	374,538	8.0%	43,649	11.7%
Regulation of business	78,608	1.5%	74,784	1.6%	3,824	5.1%
Recreation, resource development	117,645	2.3%	110,244	2.4%	7,401	6.7%
Intergovernmental	2,278,033	43.6%	1,984,536	42.3%	293,497	14.8%
Debt service	962	0.0%	808	0.0%	154	19.1%
<b>Total expenditures</b>	<b>\$ 5,225,766</b>	<b>100.0%</b>	<b>\$ 4,688,972</b>	<b>100.0%</b>	<b>\$ 536,794</b>	<b>11.4%</b>

The total General Fund expenditures increased 11.4%. Intergovernmental expenditures increased over \$293.5 million or 14.8% primarily due to intergovernmental expenditures for education, while expenditures for health and social services increased over \$162 million or 8.2%. The largest portion of this amount was for Medicaid.

*The State Highway Fund* is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance increased \$24 million during the current fiscal year, which is a 7% increase from the prior year. This increase is primarily due to increased use of federal funds, increased licenses, fees and permits revenue. The unreserved fund balance is negative \$75.8 million.

*The Municipal Bond Bank Fund* is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$214 million during the current fiscal year, which is a 25.7% decrease from the prior year. This decrease was primarily due to local governments refunding certain bonds.

*The Consolidated Bond Interest and Redemption Fund* is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance increased by \$36.4 million during the current fiscal year, which is a 34% increase from the prior year. The increase was due primarily to the increase in property taxes, as a result of higher assessed property values.

*The Stabilize the Operations of State Government Fund* (also known as the “Rainy Day” fund) is a special revenue fund used to account for funds set aside according to Nevada Revised Statutes (NRS) 353.288 to be expended only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and the Governor declare a fiscal emergency. The fund balance increased by \$35 million during the current fiscal year, which is 14.4% increase from the prior year. This increase was primarily due to a transfer of \$34 million, bringing the fund balance to \$277 million. The \$34 million transfer was an appropriation from the General Fund as authorized by Senate Bill 95 of the 2005 Legislature. Under NRS 353.288, there was no annual deposit transferred from General Fund due to a low unrestricted fund balance.

#### **Proprietary Funds:**

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

**Enterprise Funds** – There are three *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund and Water Projects Loans Fund. The combined net assets of the three major funds comprise 97% of the total combined net assets of all enterprise funds. Combined net assets of enterprise funds increased by \$153.5 million in 2007. The major enterprise funds are discussed below:

*The Housing Division Fund* provides low interest loans to first-time homebuyers with low or moderate household incomes. The net assets increased by \$8.8 million or 5.6% during the current fiscal year and the results of operations were up 2.5% from last year, despite the downturn of the housing market.

*The Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets increased by \$115 million during the current fiscal year, which is a 15% increase from the prior year. An increase in unemployment due to the slowdown in the economy and the drop in residential construction resulted in a 24% increase in operating expenses compared to the previous year. Transfers out decreased as construction of the Las Vegas building for the Department of Employment, Training, and Rehabilitation was completed during the current fiscal year. This building was partially funded by the transfer of Reed Act monies in fiscal years 2005 and 2006.

*The Water Projects Loans Fund* issues loans to governmental, as well as, private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State’s bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. Total revenues exceeded expenses and transfers by \$16.4 million during the current fiscal year, for a final fund balance of \$205 million.

**Internal Service Funds** – The internal service funds charge State agencies for goods and services such as building maintenance,

purchasing, printing, insurance, data processing and motor pool in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2007, total internal service fund net assets increased by \$15.5 million, for a final net asset balance of \$72.8 million. The two largest funds are:

*The Self-Insurance Fund* accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. The fund had a net gain of \$4 million for the year as compared to a net gain of \$20 million in the prior year, with final net assets of \$79 million. This year's gain was less than the prior year gain due to a 10% increase in premium income versus a 19% increase in total operating expenses. Operating expenses increased primarily as a result of higher claims and increased insurance premiums.

*The Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit decreased by \$9.3 million or 23.7% during fiscal year 2007, to a total deficit of \$30 million. This year's decrease was caused by a 4% increase in premium income and a 36% decrease in operating expense and a 34% decrease in claims expense. In the prior year, a tort claim was settled, causing the fiscal year 2006 claims expense to be higher than normal. Nevada Revised Statute 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account.

## ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund total sources were \$482 million or 6.9% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount.

The increase in the General Fund expenditures and other uses budget from original to final was \$875 million. Some of the differences originate because the original budget consists only of budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. Non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. However, for the fiscal year ended June 30, 2007, most of the differences are due to bills passed by the 2007 Legislature, which convened February 2007. These bills were approved and effective shortly before June 30, 2007, but intended for, and balanced forward to, fiscal year 2008.

Some of the budget revisions included: \$170 million for Nevada Department of Transportation infrastructure projects including the interstate Highway 15 project in Las Vegas and the State Route 160 Blue Diamond project; \$33 million in health services related to federal grant activities; \$22 million in education for the multiple state school program, integration of computing resources, and school lunch and breakfast programs; \$17 million to cover deficiencies between amounts appropriated for, and actual expenditures for, the cost of living allowance and the step increase to the State's compensation schedule as approved by the 2005 Legislature under AB 577; \$16 million in public safety for one shot appropriations and medical care for inmates; \$10 million for restoring balances in the State Claim and Statutory Contingency accounts; \$8 million for healthcare subsidies to retired school district employees; and \$5 million for wildlife and conservation efforts.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

The State's capital assets for its governmental and business-type activities as of June 30, 2007, amount to \$5.6 billion, net of accumulated depreciation of \$732 million, leaving a net book value of \$4.8 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

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

Department of Transportation conducts a biennial condition assessment of roadways and bridges in odd numbered calendar years. However, the calendar year 2007 assessment is not available as of the date of this report. Based on the 2005 assessments, the State has met the requirement of the modified approach, as follows:

<b>Condition Level of the Roadways</b>					
<b>Percentage of roadways with an IRI of less than 80</b>					
	<b>Category</b>				
	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%
Actual results of 2003 condition assessment	83%	72%	90%	65%	38%
Actual results of 2001 condition assessment	83%	77%	86%	65%	19%

<b>Condition Level of the Bridges</b>			
<b>Percentage of substandard bridges</b>			
	<b>2005</b>	<b>2003</b>	<b>2001</b>
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	3%	5%	6%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2007 by \$24.3 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimated, condition levels are expected to continue to meet or exceed the target condition levels, as the most recent condition assessment indicates that the State already exceeds the established benchmarks in all categories. Additional information on the State’s infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of a growing population and economy, the State also has a substantial capital projects program. The following is a summary of major projects in progress during 2007 (expressed in millions):

	<b>Expended by June 30, 2007</b>	<b>Total Budget</b>
Unified Tax System	\$ 32.6	\$ 40.5
High Desert Prison, Phase IV, Indian Springs	7.2	40.3
150-Bed Psychiatric Hospital, Las Vegas	31.8	32.2
Las Vegas Readiness Center	23.6	27.4
Fish Hatcheries Refurbishment	20.5	23.2
Conservation and Natural Resources Building, Carson City	20.7	21.3
DETR New Office Building, Las Vegas	17.0	18.4
4th Pod to Psychiatric Hospital	10.5	11.3

The total increase in the State’s capital assets for the primary government for the current fiscal year was \$391 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$77.6 million.

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

**Debt Administration:**

As of year-end, the State had \$3.94 billion in long-term debt outstanding, compared to \$3.83 billion last year, an increase of \$111 million or 2.9% during the current fiscal year. This increase was due primarily to the issuance of special obligation bonds.

The most current bond ratings from Fitch, Standard and Poor's and Moody's Investor Service were AA+, AA+ and Aa1, respectively. These ratings reflect a good economic base and sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds issued during the 2007 fiscal year were (expressed in thousands):

General Obligation Open Space, Parks and Natural Resources	7/18/2006A	\$	22,000
General Obligation Natural Resources - Lake Tahoe	7/18/2006B		13,800
Natural Resources - Marlette Lake	7/18/2006B		2,200
General Obligation Cultural Affairs	7/18/2006C		2,925
General Obligation Water Refunding	7/18/2006D		111,840
Housing Single-Family 2006 Issue A	7/18/2006		22,500
Housing Single-Family 2006 Issue B	11/29/2006		22,500
General Obligation Capital Improvement	11/29/2006E		149,990
COPS Legislative Counsel Bureau Project	9/19/2006		5,760
General Obligation Natural Resources and Refunding - NR	11/29/2006F		6,000
General Obligation Natural Resources and Refunding - Ref	11/29/2006F		6,665
Safe Drinking Water Act Revolving Fund Matching	11/29/2006G		3,305
Special Obligation Highway Improvement Revenue	12/14/2006		192,730
Housing Multi-Unit 2006 Riverwood	12/19/2006		9,790
Housing Single-Family 2007 Issue A	5/22/2007		22,500
Housing Multi-Unit 2007 Centennial Park	5/24/2007		2,040
Housing Multi-Unit 2007 Golden Apartments	5/24/2007		8,200

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

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

### Requests for Information

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





**PATAGONIA SPIN CASTER**

Photographed by: Mike Sevon

Retired Biologist, Nevada Department of Wildlife

# BASIC FINANCIAL STATEMENTS



## **WILDHORSE RESERVOIR SPILLWAY**

Photographed By: Rich Perry

Provided By: Nevada Department of Conservation

# Statement of Net Assets



NEVADA

June 30, 2007 (Expressed in Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Colorado River Commission	Nevada System of Higher Education
<b>Assets</b>					
Cash and pooled investments	\$ 2,312,401	\$ 858,548	\$ 3,170,949	\$ 6,586	\$ 158,127
Investments	913,851	575,510	1,489,361	-	775,061
Collateral on loaned securities	1,296,548	36,496	1,333,044	6,210	-
Internal balances	3,915	(3,915)	-	-	-
Due from the state	-	-	-	356	218,365
Accounts receivable	86,308	3,850	90,158	19,214	5,420
Taxes/assessments receivable	852,566	120,987	973,553	-	-
Intergovernmental receivables	410,824	1,223	412,047	-	37,511
Accrued interest and dividends	37,418	11,596	49,014	136	-
Contracts receivable	-	19,862	19,862	-	-
Mortgages receivable	-	585,896	585,896	-	-
Notes/loans receivable	726	54,018	54,744	-	11,432
Other receivables	3	-	3	-	19,098
Inventory	12,689	1,319	14,008	-	6,294
Prepaid expenses	1,200	69	1,269	-	-
Deferred charges	15,053	2,950	18,003	41,192	-
<b>Restricted assets:</b>					
Cash	-	-	-	6,797	33,431
Investments	-	129,087	129,087	-	13,758
Other assets	-	5,166	5,166	-	62,230
<b>Capital assets:</b>					
Land, infrastructure and construction in progress	3,814,194	930	3,815,124	-	419,044
Other capital assets, net	1,029,543	2,232	1,031,775	62,697	1,162,605
<b>Total assets</b>	<b>10,787,239</b>	<b>2,405,824</b>	<b>13,193,063</b>	<b>143,188</b>	<b>2,922,376</b>
<b>Liabilities</b>					
Accounts payable	772,527	26,520	799,047	12,593	57,563
Accrued payroll and related liabilities	44,152	636	44,788	-	28,504
Intergovernmental payables	196,879	8	196,887	-	7,654
Interest payable	30,402	9,622	40,024	1,549	9,769
Due to component units	218,568	153	218,721	-	-
Contracts/retentions payable	88,891	-	88,891	-	-
Obligations under securities lending	1,296,548	36,496	1,333,044	6,210	-
Unearned revenues	377,244	7,073	384,317	322	36,754
Reserve for losses	72,232	-	72,232	-	-
Other liabilities	41,721	8	41,729	5,696	21,207

Long-term liabilities:					
<i>Portion due or payable within one year:</i>					
Obligations under capital leases	1,837	-	1,837	-	2,928
Compensated absences	65,700	1,005	66,705	235	28,906
Benefits payable	-	5,901	5,901	-	-
Bonds payable	171,405	19,663	191,068	1,584	16,385
Certificates of participation payable	1,135	-	1,135	-	-
<i>Portion due or payable after one year:</i>					
Obligations under capital leases	14,118	-	14,118	-	9,817
Compensated absences	32,205	556	32,761	19	12,666
Benefits payable	-	110,017	110,017	-	-
Bonds payable	2,578,039	882,175	3,460,214	107,268	469,282
Certificates of participation payable	59,320	-	59,320	-	-
Arbitrage rebate liability	999	30	1,029	-	-
<b>Total liabilities</b>	<b>6,063,922</b>	<b>1,099,863</b>	<b>7,163,785</b>	<b>135,476</b>	<b>701,435</b>

### Net Assets

Invested in capital assets, net of related debt	3,486,155	2,783	3,488,938	(3,564)	1,135,471
Restricted for:					
Unemployment compensation	-	888,917	888,917	-	-
Security of outstanding obligations	-	163,633	163,633	-	-
Workers' compensation	-	30,450	30,450	-	-
Tuition contract benefits	-	5,287	5,287	-	-
Capital projects	6	-	6	-	180,781
Debt service	31,385	-	31,385	-	3,908
Education and support services	4,837	-	4,837	-	-
Transportation	214,128	-	214,128	-	-
Recreation and resource development	37,183	205,203	242,386	-	-
Law, justice and public safety	5,718	-	5,718	-	-
Health and social services	31,191	-	31,191	-	-
Regulation of business	12,704	247	12,951	-	-
Municipal securities	111	-	111	-	-
Scholarships	-	-	-	-	279,313
Loans	-	-	-	-	5,914
Operations and maintenance	-	-	-	717	-
Funds held as permanent investments:					
Nonexpendable	276,090	-	276,090	-	233,553
Expendable	22	-	22	-	-
Unrestricted	623,787	9,441	633,228	10,559	382,001
<b>Total net assets</b>	<b>\$ 4,723,317</b>	<b>\$ 1,305,961</b>	<b>\$ 6,029,278</b>	<b>\$ 7,712</b>	<b>\$ 2,220,941</b>

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

# Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2007 (Expressed in Thousands)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets				Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Primary Government				
								Colorado River Commission	System of Higher Education	Nevada		
<b>Functions/Programs</b>												
<b>Primary Government</b>												
Governmental activities:												
General government	\$ 421,291	\$ 254,947	\$ 15,694	\$ -	\$ (150,650)	\$ -	\$ (150,650)	\$ -	\$ -	\$ -	\$ -	\$ -
Health and social services	2,340,884	125,915	1,289,240	14	(925,715)	-	(925,715)	-	-	-	-	-
Education and support services	2,254,626	5,180	347,157	-	(1,902,289)	-	(1,902,289)	-	-	-	-	-
Law, justice and public safety	624,149	256,015	46,883	10,281	(310,970)	-	(310,970)	-	-	-	-	-
Regulation of business	104,385	60,076	7,795	-	(36,514)	-	(36,514)	-	-	-	-	-
Transportation	680,281	48,192	313,572	4,432	(314,085)	-	(314,085)	-	-	-	-	-
Recreation and resource development	173,037	35,511	5,020	1,283	(131,223)	-	(131,223)	-	-	-	-	-
Interest on long-term debt	150,486	-	-	-	(150,486)	-	(150,486)	-	-	-	-	-
Unallocated depreciation	720	-	-	-	(720)	-	(720)	-	-	-	-	-
Total governmental activities	6,749,859	785,836	2,025,361	16,010	(3,922,652)	-	(3,922,652)	-	-	-	-	-
Business-type activities:												
Unemployment insurance	296,784	-	39,265	-	-	(257,519)	(257,519)	-	-	-	-	-
Housing	46,152	32,372	22,523	-	-	8,743	8,743	-	-	-	-	-
Water loans	7,885	9,907	15,080	-	-	17,102	17,102	-	-	-	-	-
Workers' compensation and safety	25,381	36,037	4,353	-	-	15,009	15,009	-	-	-	-	-
Higher education	10,504	76	18,101	-	-	7,673	7,673	-	-	-	-	-
Other	16,424	24,652	224	-	-	8,452	8,452	-	-	-	-	-
Total business-type activities	403,130	103,044	99,546	-	-	(200,540)	(200,540)	-	-	-	-	-
Total primary government	\$ 7,152,989	\$ 888,880	\$ 2,124,907	\$ 16,010	\$ (3,922,652)	\$ (200,540)	\$ (4,123,192)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Component Units</b>												
Colorado River Commission	\$ 85,466	\$ 74,590	-	\$ -	-	-	-	(10,876)	-	-	-	-
Nevada System of Higher Education	1,391,055	439,467	369,055	4,300	-	-	-	-	-	-	(578,233)	(578,233)
Total component units	\$ 1,476,521	\$ 514,057	\$ 369,055	\$ 4,300	\$ -	\$ -	\$ -	\$ (10,876)	\$ -	\$ -	\$ (578,233)	\$ (578,233)

General revenues:					
Taxes:					
Gaming	991,063	-	-	991,063	-
Sales and use	1,037,800	-	-	1,037,800	-
Modified business	282,729	-	-	282,729	-
Insurance premium	261,378	-	-	261,378	-
Property and transfer	120,375	-	-	120,375	-
Motor and special fuel	3,040	-	-	3,040	-
Other	278,266	-	-	278,266	-
Restricted for unemployment compensation:					
Other taxes	-	372,741	-	372,741	-
Restricted for educational purposes:					
Sales and use taxes	111,656	-	-	111,656	-
Gaming taxes	36,363	-	-	36,363	-
Restricted for debt service purposes:					
Property and transfer taxes	154,039	-	-	154,039	-
Motor and special fuel taxes	76,382	-	-	76,382	-
Other	59,948	-	-	59,948	-
Restricted for recreation and resource development purposes:					
Other taxes	32,488	-	-	32,488	-
Restricted for health and social services purposes:					
Gaming taxes	1,618	-	-	1,618	-
Property and transfer taxes	22,084	-	-	22,084	-
Other taxes	31,613	-	-	31,613	-
Restricted for transportation purposes:					
Motor and special fuel taxes	220,760	-	-	220,760	-
Other taxes	20,909	-	-	20,909	-
Restricted for regulation purposes:					
Other taxes	3,885	-	-	3,885	-
Tobacco settlement income	43,235	-	-	43,235	-
Unrestricted investment earnings	143,013	-	1,529	143,013	106,658
Gain on sale of assets	114	-	-	114	-
Other general revenues	56,127	-	574	56,127	13,522
Contributions to permanent funds	12,208	-	-	12,208	17,671
Payments from State of Nevada	-	-	-	-	594,954
Transfers	18,740	(18,740)	-	-	-
Total general revenues and transfers	4,019,833	354,001	4,373,834	2,103	732,805
Change in net assets	97,181	153,461	250,642	(8,773)	154,572
Net assets - beginning	4,626,136	1,152,500	5,778,636	16,485	2,066,369
<b>Net assets - ending</b>	<b>\$ 4,723,317</b>	<b>\$ 1,305,961</b>	<b>\$ 6,029,278</b>	<b>\$ 7,712</b>	<b>\$ 2,220,941</b>

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

## Balance Sheet Governmental Funds

June 30, 2007

	General Fund	State Highway	Municipal Bond Bank
<b>Assets</b>			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 882,084,554	\$ 389,373,552	\$ 513,350
Cash in custody of other officials	3,544,410	178,425	-
Investments	23,959,969	-	617,320,000
Collateral on loaned securities	832,538,167	224,660,367	7,485,335
<i>Receivables:</i>			
Accounts receivable	50,110,453	10,014,927	-
Taxes receivable	808,750,467	37,925,738	-
Intergovernmental receivables	216,870,314	23,523,314	-
Accrued interest and dividends	31,231,663	-	3,702,338
Notes/loans receivable	540,421	-	-
Other receivables	2,701	-	-
Due from other funds	27,610,988	10,716,025	46,707
Due from fiduciary funds	218,916	-	-
Due from component units	1,885,875	-	-
Inventory	-	11,478,038	-
Advances to other funds	9,017,343	4,434	-
Prepaid items	1,097,913	13,623	-
<b>Total assets</b>	<b>\$ 2,889,464,154</b>	<b>\$ 707,888,443</b>	<b>\$ 629,067,730</b>
<b>Liabilities and Fund Balances</b>			
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 275,059,775	\$ 23,414,873	\$ -
Accrued payroll and related liabilities	28,742,597	11,813,030	-
Intergovernmental payables	176,965,477	6,753,015	-
Interest payable	-	-	-
Contracts/retentions payable	2,977,126	47,552,621	-
Obligations under securities lending	832,538,167	224,660,367	7,485,335
Due to other funds	206,847,898	2,116,015	448,932
Due to fiduciary funds	453,390,658	915,542	-
Due to component units	60,661,656	225,406	-
Deferred revenues	370,522,931	19,046,162	3,703,270
Bonds payable	-	-	-
Other liabilities	36,667,308	3,960,946	-
<b>Total liabilities</b>	<b>2,444,373,593</b>	<b>340,457,977</b>	<b>11,637,537</b>
<b>Fund balances:</b>			
<i>Reserved:</i>			
Encumbrances and contracts	6,929,469	431,704,680	-
Inventories	-	11,478,038	-
Advances	9,017,343	4,434	-
Funds held as permanent investments	-	-	-
Fiscal emergency	-	-	-
Debt service	-	-	-
Other	1,638,334	13,623	-
Unreserved, designated for balances forward	427,505,415	-	-
<i>Unreserved, designated, reported in nonmajor:</i>			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Unreserved, undesignated	-	(75,770,309)	617,430,193
<i>Unreserved, undesignated, reported in nonmajor:</i>			
Special revenue funds	-	-	-
Permanent funds	-	-	-
<b>Total fund balances</b>	<b>445,090,561</b>	<b>367,430,466</b>	<b>617,430,193</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,889,464,154</b>	<b>\$ 707,888,443</b>	<b>\$ 629,067,730</b>

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



Consolidated Bond Interest and Redemption	Stabilize the Operations of State Government	Other Governmental Funds	Total Governmental Funds
\$ 143,334,179	\$ 274,067,187	\$ 487,604,360	\$ 2,176,977,182
-	-	5,660,281	9,383,116
4,711,682	-	267,859,083	913,850,734
86,784,866	2,941,745	107,072,351	1,261,482,831
-	-	23,985,870	84,111,250
-	-	5,889,216	852,565,421
150,666,088	-	10,206,281	401,265,997
-	-	2,483,819	37,417,820
-	-	46,664	587,085
-	-	709	3,410
10,046,235	3,013,879	190,368,760	241,802,594
-	-	421,182	640,098
6,930,000	-	21,108	8,836,983
-	-	919,350	12,397,388
1,958,276	-	-	10,980,053
-	-	88,225	1,199,761
<u>\$ 404,431,326</u>	<u>\$ 280,022,811</u>	<u>\$ 1,102,627,259</u>	<u>\$ 6,013,501,723</u>
\$ 23,377	\$ 295	\$ 9,463,226	\$ 307,961,546
-	-	2,569,972	43,125,599
-	-	13,065,124	196,783,616
3,989,103	-	-	3,989,103
-	-	38,361,308	88,891,055
86,784,866	2,941,745	107,072,351	1,261,482,831
6,625	-	35,471,584	244,891,054
-	-	21,744	454,327,944
276,465	-	173,454,754	234,618,281
160,078,445	1,472	24,191,086	577,543,366
9,680,000	-	-	9,680,000
-	-	1,092,510	41,720,764
<u>260,838,881</u>	<u>2,943,512</u>	<u>404,763,659</u>	<u>3,465,015,159</u>
-	-	81,475,092	520,109,241
-	-	919,350	12,397,388
1,958,276	-	-	10,980,053
-	-	276,090,124	276,090,124
-	267,632,516	-	267,632,516
141,634,169	-	31,384,547	173,018,716
-	-	134,889	1,786,846
-	-	-	427,505,415
-	-	13,913,893	13,913,893
-	-	87,057,259	87,057,259
-	9,446,783	-	551,106,667
-	-	206,866,559	206,866,559
-	-	21,887	21,887
<u>143,592,445</u>	<u>277,079,299</u>	<u>697,863,600</u>	<u>2,548,486,564</u>
<u>\$ 404,431,326</u>	<u>\$ 280,022,811</u>	<u>\$ 1,102,627,259</u>	<u>\$ 6,013,501,723</u>

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



NEVADA

June 30, 2007

**Total fund balances - governmental funds**

\$ 2,548,486,564

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

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

Land	\$ 112,030,372	
Construction in progress	132,498,764	
Infrastructure assets	3,054,495,206	
Rights-of-way	512,610,217	
Buildings	1,119,710,998	
Improvements other than buildings	91,201,029	
Furniture and equipment	327,338,790	
Software costs	123,257,654	
Accumulated depreciation/amortization	<u>(665,242,025)</u>	
Total capital assets		4,807,901,005

Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 201,945,450

A portion of the interest accrued on bonds payable (not reported in the funds) is due from local governments. 3,702,338

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 72,751,849

The deferred loss on early retirement of debt is reported as a deferred charge on the statement of net assets and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less. 5,055,590

Certain bond costs are reported as a deferred charge on the statement of net assets and are amortized over the life of the debt. 9,997,729

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

Bonds payable	(2,730,350,358)	
Accrued interest on bonds	(26,412,864)	
Arbitrage rebate liability	(999,084)	
Certificates of participation	(60,455,000)	
Capital leases	(13,552,073)	
Compensated absences	<u>(94,753,580)</u>	
Total long-term liabilities		<u>(2,926,522,959)</u>

**Net assets of governmental activities**

\$ 4,723,317,566

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



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

For the Fiscal Year Ended June 30, 2007

	General Fund	State Highway	Municipal Bond Bank
<b>Revenues</b>			
Gaming taxes, fees, licenses	\$ 1,013,322,783	\$ -	\$ -
Sales taxes	1,132,418,101	-	-
Modified business taxes	278,952,602	-	-
Insurance premium taxes	259,274,818	-	-
Property and transfer taxes	120,374,961	-	-
Motor and special fuel taxes	3,040,230	220,760,416	-
Other taxes	305,536,124	20,908,818	-
Intergovernmental	1,700,396,210	331,089,288	-
Licenses, fees and permits	212,700,365	185,564,162	-
Sales and charges for services	56,291,687	25,549,133	-
Interest and investment income	120,503,293	36,937,227	42,651,424
Tobacco settlement income	-	-	-
Land sales	-	-	-
Other	54,525,626	23,495,761	-
<b>Total revenues</b>	<b>5,257,336,800</b>	<b>844,304,805</b>	<b>42,651,424</b>
<b>Expenditures</b>			
<i>Current:</i>			
General government	148,009,776	12,421,343	47,008
Health and social services	2,145,702,052	-	-
Education and support services	38,619,354	-	-
Law, justice and public safety	418,187,442	148,973,732	-
Regulation of business	78,607,953	-	-
Transportation	-	776,852,427	-
Recreation and resource development	117,645,250	-	-
Intergovernmental	2,278,032,900	47,617,814	-
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal	481,929	828,826	-
Interest, fiscal charges	308,020	48,317	-
Debt issuance costs	171,776	744,039	-
<b>Total expenditures</b>	<b>5,225,766,452</b>	<b>987,486,498</b>	<b>47,008</b>
Excess (deficiency) of revenues over expenditures	31,570,348	(143,181,693)	42,604,416
<b>Other Financing Sources (Uses)</b>			
Capital leases	8,486,832	-	-
Sale of general obligation bonds	24,809,313	192,440,549	-
Premium on general obligation bonds	278,100	7,268,915	-
Sale of certificates of participation	-	-	-
Discount on certificates of participation	-	-	-
Sale of capital assets	632,158	2,968	-
Sale of general obligation refunding bonds	-	-	-
Payment to refunded bond agent	-	-	-
Transfers in	92,458,535	708,712	-
Transfers out	(234,640,390)	(33,281,652)	(256,454,564)
<b>Total other financing sources (uses)</b>	<b>(107,975,452)</b>	<b>167,139,492</b>	<b>(256,454,564)</b>
Net change in fund balances	(76,405,104)	23,957,799	(213,850,148)
Fund balances, July 1	521,495,665	343,472,667	831,280,341
<b>Fund balances, June 30</b>	<b>\$ 445,090,561</b>	<b>\$ 367,430,466</b>	<b>\$ 617,430,193</b>

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



<b>Consolidated Bond Interest and Redemption</b>	<b>Stabilize the Operations of State Government</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 15,340,673	\$ 1,028,663,456
-	-	-	1,132,418,101
-	-	-	278,952,602
-	-	-	259,274,818
154,038,931	-	22,084,499	296,498,391
-	-	76,381,573	300,182,219
-	-	46,990,768	373,435,710
18,822,732	-	58,607,704	2,108,915,934
-	-	31,236,077	429,500,604
-	-	15,567,151	97,407,971
9,698,023	432,050	29,429,286	239,651,303
-	-	37,351,364	37,351,364
-	-	5,756,070	5,756,070
2,043,688	-	11,021,007	91,086,082
<u>184,603,374</u>	<u>432,050</u>	<u>349,766,172</u>	<u>6,679,094,625</u>
3,107,398	154,355	66,270,814	230,010,694
-	-	74,510,369	2,220,212,421
-	-	637,844	39,257,198
-	-	16,439,622	583,600,796
-	-	21,511,397	100,119,350
-	-	-	776,852,427
-	-	26,599,813	144,245,063
276,465	-	176,294,991	2,502,222,170
-	-	71,998,835	71,998,835
305,480,000	-	41,280,913	348,071,668
107,482,904	-	30,132,943	137,972,184
1,278,831	-	971,840	3,166,486
<u>417,625,598</u>	<u>154,355</u>	<u>526,649,381</u>	<u>7,157,729,292</u>
<u>(233,022,224)</u>	<u>277,695</u>	<u>(176,883,209)</u>	<u>(478,634,667)</u>
-	-	-	8,486,832
987,102	-	168,918,283	387,155,247
3,985,967	-	6,102,257	17,635,239
-	-	5,760,000	5,760,000
-	-	(78,087)	(78,087)
-	-	10,390	645,516
118,346,026	-	-	118,346,026
(122,039,659)	-	-	(122,039,659)
268,175,757	37,617,689	188,176,589	587,137,282
(31,277)	(2,935,894)	(52,625,821)	(579,969,598)
<u>269,423,916</u>	<u>34,681,795</u>	<u>316,263,611</u>	<u>423,078,798</u>
36,401,692	34,959,490	139,380,402	(55,555,869)
107,190,753	242,119,809	558,483,198	2,604,042,433
<u>\$ 143,592,445</u>	<u>\$ 277,079,299</u>	<u>\$ 697,863,600</u>	<u>\$ 2,548,486,564</u>

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



NEVADA

June 30, 2007

**Net change in fund balances - total governmental funds** \$ (55,555,869)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:

Capital outlay	\$245,031,736	
Depreciation expense	<u>(70,547,357)</u>	
Excess of capital outlay over depreciation expense		174,484,379

Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:

Bonds issued	(505,752,500)	
Certificates of participation issued	(5,760,000)	
Premiums on debt issued	<u>(17,635,240)</u>	
Total bond proceeds		(529,147,740)

Some capital additions were financed through capital leases. In the governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.

(8,486,832)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Bond principal retirement	344,956,687	
Certificates of participation retirement	985,000	
Capital lease payments	1,466,669	
Payments to the bond refunding agent	<u>122,028,434</u>	
Total long-term debt repayment		469,436,790

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities.

15,509,236

Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year.

41,011,398

In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.

(2,115,255)

In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized.

3,151,578

Amortization of bond issuance costs is reported as an expense for the statement of activities.

(670,204)

Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.

(9,007,159)

Amortization of bond premiums is reported as a reduction of interest expense for the statement of activities.

7,692,397

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net decrease in accrued interest	(2,310,529)	
Increase in compensated absences	(5,811,961)	
Increase in arbitrage liability	<u>(999,084)</u>	
Total additional expenditures		<u>(9,121,574)</u>

**Change in net assets of governmental activities** \$ 97,181,145

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



## Statement of Net Assets Proprietary Funds

June 30, 2007

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
<b>Assets</b>						
<b>Current assets:</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 67,557	\$ -	\$ 35,702,522	\$ 43,700,714	\$ 79,470,793	\$126,040,802
Cash in custody of other officials	194,837	777,192,775	-	1,689,839	779,077,451	200
Investments	24,250,067	-	-	-	24,250,067	-
Collateral on loaned securities	-	-	19,370,154	17,126,102	36,496,256	35,065,121
<i>Receivables:</i>						
Accounts receivable	-	-	-	3,799,980	3,799,980	1,556,064
Assessments receivable	-	120,987,222	-	-	120,987,222	-
Intergovernmental receivables	-	-	864,389	358,168	1,222,557	4,996,451
Contracts receivable	-	-	-	4,900,000	4,900,000	-
Mortgages receivable	9,356,660	-	-	-	9,356,660	-
Accrued interest and dividends	6,038,755	678,627	4,038,900	505,090	11,261,372	-
Notes/loans receivable	-	-	-	-	-	5,000
Due from other funds	4,703	-	683,182	1,544,144	2,232,029	10,015,745
Due from fiduciary funds	-	-	-	49,693	49,693	549
Due from component units	-	-	-	354	354	6,370,215
Inventory	-	-	-	1,318,931	1,318,931	291,882
Prepaid expenses	-	-	-	69,525	69,525	-
<i>Restricted assets:</i>						
Investments	124,703,100	-	-	-	124,703,100	-
<b>Total current assets</b>	<b>164,615,679</b>	<b>898,858,624</b>	<b>60,659,147</b>	<b>75,062,540</b>	<b>1,199,195,990</b>	<b>184,342,029</b>
<b>Noncurrent assets:</b>						
Investments	218,173,902	-	230,407,945	102,678,190	551,260,037	-
<i>Receivables:</i>						
Intergovernmental receivables	-	-	-	-	-	859,252
Contracts receivable	-	-	-	14,961,598	14,961,598	-
Mortgages receivable	576,539,532	-	-	-	576,539,532	-
Accrued interest and dividends	-	-	-	333,924	333,924	-
Notes/loans receivable	-	-	52,509,939	1,507,715	54,017,654	134,400
Deferred charges	1,325,944	-	1,599,366	24,905	2,950,215	-
Due from component units	-	-	-	-	-	873,149
<i>Restricted assets:</i>						
Investments	4,384,023	-	-	-	4,384,023	-
Other assets	5,151,379	-	-	15,000	5,166,379	-
<i>Capital assets:</i>						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	19,314,531
Improvements other than buildings	-	-	-	630,647	630,647	713,667
Furniture and equipment	334,500	-	43,947	4,630,432	5,008,879	57,960,152
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	362,663	362,663	2,428,380
Less accumulated depreciation/ amortization	(311,852)	-	(38,369)	(6,446,454)	(6,796,675)	(60,035,150)
<b>Total noncurrent assets</b>	<b>805,597,428</b>	<b>-</b>	<b>284,522,828</b>	<b>122,655,272</b>	<b>1,212,775,528</b>	<b>37,703,145</b>
<b>Total assets</b>	<b>970,213,107</b>	<b>898,858,624</b>	<b>345,181,975</b>	<b>197,717,812</b>	<b>2,411,971,518</b>	<b>222,045,174</b>

**Enterprise Funds**

	<b>Housing Division</b>	<b>Unemployment Compensation</b>	<b>Water Projects Loans</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	14,007,277	9,941,121	156,518	2,351,635	26,456,551	5,160,963
Accrued payroll/related liabilities	52,906	-	19,022	563,566	635,494	1,025,973
Interest payable	7,317,427	-	2,295,695	8,661	9,621,783	-
Intergovernmental payables	-	-	-	8,435	8,435	95,875
Bank overdraft	-	-	-	-	-	5,068,043
Obligations under securities lending	-	-	19,370,154	17,126,102	36,496,256	35,065,121
Due to other funds	9,112	-	694,980	4,251,424	4,955,516	4,203,798
Due to fiduciary funds	-	-	-	63,571	63,571	7,013
Due to component units	-	-	-	152,981	152,981	30,637
Unearned revenues	-	-	-	7,072,823	7,072,823	1,646,032
Other liabilities	-	-	-	7,787	7,787	-
<i>Short-term portion of long-term liabilities:</i>						
Compensated absences	106,297	-	31,359	866,896	1,004,552	2,067,720
Benefits payable	-	-	-	5,901,392	5,901,392	-
Bonds payable	12,557,000	-	7,069,733	35,000	19,661,733	398,729
Obligations under capital leases	-	-	-	-	-	620,523
<b>Total current liabilities</b>	<b>34,050,019</b>	<b>9,941,121</b>	<b>29,637,461</b>	<b>38,410,273</b>	<b>112,038,874</b>	<b>55,390,427</b>
<b>Noncurrent liabilities:</b>						
Advances from funds	-	-	-	1,212,648	1,212,648	9,767,405
Reserve for losses	-	-	-	-	-	72,232,297
Compensated absences	95,887	-	19,353	441,180	556,420	1,083,380
Benefits payable	-	-	-	110,017,000	110,017,000	-
Bonds payable	769,750,000	-	110,285,563	2,140,784	882,176,347	9,015,759
Obligations under capital leases	-	-	-	-	-	1,782,572
Arbitrage rebate liability	-	-	30,480	-	30,480	-
<b>Total noncurrent liabilities</b>	<b>769,845,887</b>	<b>-</b>	<b>110,335,396</b>	<b>113,811,612</b>	<b>993,992,895</b>	<b>93,881,413</b>
<b>Total liabilities</b>	<b>803,895,906</b>	<b>9,941,121</b>	<b>139,972,857</b>	<b>152,221,885</b>	<b>1,106,031,769</b>	<b>149,271,840</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	22,648	-	5,578	2,754,497	2,782,723	24,018,761
<i>Restricted for:</i>						
Unemployment compensation	-	888,917,503	-	-	888,917,503	-
Tuition contract benefits	-	-	-	5,286,679	5,286,679	-
Security of outstanding obligations	163,633,218	-	-	-	163,633,218	-
Workers' compensation	-	-	-	30,449,650	30,449,650	-
Revolving loans	-	-	205,203,540	-	205,203,540	-
Regulation of business	-	-	-	247,270	247,270	-
Unrestricted (deficit)	2,661,335	-	-	6,757,831	9,419,166	48,754,573
<b>Total net assets</b>	<b>\$166,317,201</b>	<b>\$ 888,917,503</b>	<b>\$205,209,118</b>	<b>\$ 45,495,927</b>	<b>1,305,939,749</b>	<b>\$ 72,773,334</b>

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

Net assets of business-type activities

21,485  
\$1,305,961,234

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

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



NEVADA

For the Fiscal Year Ended June 30, 2007

<b>Enterprise Funds</b>						
	<b>Housing Division</b>	<b>Unemployment Compensation</b>	<b>Water Projects Loans</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating Revenues</b>						
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$278,270,582
Sales	-	-	-	12,984,381	12,984,381	5,357,957
Assessments	-	372,741,891	-	30,188,126	402,930,017	-
Charges for services	-	-	99,500	12,469,980	12,569,480	49,191,418
Rental income	-	-	-	207,187	207,187	18,896,231
Interest income on loans/notes	29,106,167	-	9,807,187	108,559	39,021,913	-
Federal government	-	4,741,820	11,739,393	-	16,481,213	-
Licenses, fees and permits	-	-	-	4,443,844	4,443,844	-
Fines	-	-	-	2,649,747	2,649,747	-
Other	3,265,634	-	-	3,691,633	6,957,267	2,016,426
<b>Total operating revenues</b>	<b>32,371,801</b>	<b>377,483,711</b>	<b>21,646,080</b>	<b>66,743,457</b>	<b>498,245,049</b>	<b>353,732,614</b>
<b>Operating Expenses</b>						
Salaries and benefits	1,634,713	-	587,620	16,980,398	19,202,731	33,444,169
Operating	2,190,560	-	717,085	13,647,504	16,555,149	40,013,667
Claims and benefits expense	-	296,783,836	-	17,265,304	314,049,140	195,087,225
Interest on bonds payable	37,002,473	-	-	-	37,002,473	-
Materials or supplies used	-	-	-	2,995,975	2,995,975	2,524,356
Servicers' fees	213,749	-	-	-	213,749	-
Depreciation	11,380	-	6,937	448,806	467,123	5,082,744
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	556,073	-	164,148	-	720,221	-
Insurance premiums	-	-	-	-	-	76,247,422
<b>Total operating expenses</b>	<b>41,608,948</b>	<b>296,783,836</b>	<b>1,475,790</b>	<b>51,337,987</b>	<b>391,206,561</b>	<b>353,931,964</b>
Operating income (loss)	(9,237,147)	80,699,875	20,170,290	15,405,470	107,038,488	(199,350)
<b>Nonoperating Revenues (Expenses)</b>						
Interest and investment income	17,780,581	34,523,599	3,340,251	14,636,065	70,280,496	6,405,080
Interest expense	-	-	(6,378,700)	(917,079)	(7,295,779)	(2,349,488)
Bond issuance costs amortization	-	-	-	(825)	(825)	-
Federal grant revenue	4,742,511	-	-	2,074,955	6,817,466	-
Federal grant expense	(4,533,081)	-	-	-	(4,533,081)	-
Gain (loss) on disposal of assets	-	-	-	(10,227)	(10,227)	84,377
Arbitrage rebate	-	-	(30,480)	-	(30,480)	-
<b>Total nonoperating revenues (expenses)</b>	<b>17,990,011</b>	<b>34,523,599</b>	<b>(3,068,929)</b>	<b>15,782,889</b>	<b>65,227,570</b>	<b>4,139,969</b>
Income (loss) before transfers	8,752,864	115,223,474	17,101,361	31,188,359	172,266,058	3,940,619
<b>Transfers</b>						
Transfers in	-	-	-	1,079,256	1,079,256	11,709,300
Transfers out	-	-	(666,252)	(19,153,207)	(19,819,459)	(136,781)
Change in net assets	8,752,864	115,223,474	16,435,109	13,114,408	153,525,855	15,513,138
Net assets, July 1	157,564,337	773,694,029	188,774,009	32,381,519	-	57,260,196
<b>Net assets, June 30</b>	<b>\$166,317,201</b>	<b>\$ 888,917,503</b>	<b>\$205,209,118</b>	<b>\$45,495,927</b>	<b>\$ -</b>	<b>\$ 72,773,334</b>

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

Change in net assets of business-type activities

(64,337)  
\$ 153,461,518

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



## Statement of Cash Flows Proprietary Funds

*For the Fiscal Year Ended June 30, 2007*

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 15,277,646	\$ 372,500,201	\$ 99,500	\$62,336,866	\$ 450,214,213	\$ 51,993,791
Receipts for interfund services provided	249,241	1,192,516	537,162	4,685,359	6,664,278	230,376,143
Receipts from component units	-	-	-	-	-	66,954,070
Receipts of principal on loans/notes	302,032,523	-	11,400,309	280,813	313,713,645	-
Receipts of interest on loans/notes	39,315,024	-	8,213,664	97,512	47,626,200	-
Receipts from federal government	-	4,741,820	10,875,004	-	15,616,824	-
Payments to suppliers, other governments and beneficiaries	(10,859,917)	(295,938,178)	(560,568)	(19,210,964)	(326,569,627)	(299,207,628)
Payments to employees	(1,497,582)	-	(516,277)	(16,372,893)	(18,386,752)	(32,392,352)
Payments for interfund services	(484,145)	-	-	(3,905,026)	(4,389,171)	(17,434,973)
Payments to component units	-	-	-	(2,128,403)	(2,128,403)	(625,003)
Purchase of loans and notes	(310,255,950)	-	(39,752,797)	(137,183)	(350,145,930)	-
Net cash provided by (used for) operating activities	33,776,840	82,496,359	(9,704,003)	25,646,081	132,215,277	(335,952)
<b>Cash flows from noncapital financing activities</b>						
Grant receipts	-	-	-	2,104,892	2,104,892	-
Proceeds from sale of bonds	87,530,000	-	3,344,223	-	90,874,223	-
Transfers and advances from other funds	4,742,511	-	-	976,538	5,719,049	5,530,321
Principal paid on noncapital debt	(51,003,000)	-	(6,685,000)	-	(57,688,000)	-
Interest paid on noncapital debt	(36,956,133)	-	(5,327,241)	-	(42,283,374)	-
Transfers and advances to other funds	(776,359)	-	(512,790)	(19,423,374)	(20,712,523)	(769,489)
Other noncapital financing activities	(4,533,081)	-	-	-	(4,533,081)	-
Net cash provided by (used for) noncapital financing activities	(996,062)	-	(9,180,808)	(16,341,944)	(26,518,814)	4,760,832
<b>Cash flows from capital and related financing activities</b>						
Transfers from other funds	-	-	-	-	-	2,624,982
Proceeds from capital debt	-	-	-	2,200,908	2,200,908	-
Proceeds from sale of capital assets	-	-	-	7,228	7,228	325,701
Purchase of capital assets	(21,980)	-	-	(437,818)	(459,798)	(5,151,731)
Principal paid on capital debt	-	-	-	(60,664)	(60,664)	(4,638,596)
Interest paid on capital debt	-	-	-	(92,542)	(92,542)	(158,679)
Construction	-	-	-	(102,547)	(102,547)	-
Net cash provided by (used for) capital and related financing activities	(21,980)	-	-	1,514,565	1,492,585	(6,998,323)
<b>Cash flows from investing activities</b>						
Proceeds from sale of investments	246,619,613	-	-	47,633,500	294,253,113	-
Purchase of investments	(296,784,536)	-	-	(56,380,534)	(353,165,070)	-
Interest and dividends received	17,492,542	33,844,972	2,348,770	6,952,684	60,638,968	4,192,268
Net cash provided by (used for) investing activities	(32,672,381)	33,844,972	2,348,770	(1,794,350)	1,727,011	4,192,268
Net increase (decrease) in cash	86,417	116,341,331	(16,536,041)	9,024,352	108,916,059	1,618,825
Cash and cash equivalents, July 1	175,977	660,851,444	52,238,563	36,366,201	749,632,185	124,422,177
<b>Cash and cash equivalents, June 30</b>	<b>\$ 262,394</b>	<b>\$ 777,192,775</b>	<b>\$ 35,702,522</b>	<b>\$ 45,390,553</b>	<b>\$ 858,548,244</b>	<b>\$ 126,041,002</b>



	Enterprise Funds				Totals	Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds		
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>						
Operating income (loss)	\$ (9,237,147)	\$ 80,699,875	\$ 20,170,290	\$ 15,405,470	\$ 107,038,488	\$ (199,350)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>						
Depreciation	11,380	-	6,937	448,806	467,123	5,082,744
Amortization	-	-	-	-	-	1,532,381
Bond issuance costs amortization	556,073	-	164,148	-	720,221	-
Interest on bonds payable	37,002,473	-	-	-	37,002,473	-
Decrease (increase) in loans and notes receivable	3,343,704	-	(28,352,486)	90,772	(24,918,010)	-
Decrease (increase) in accrued interest and receivables	(1,766,278)	950,826	(1,593,523)	177,169	(2,231,806)	(4,536,680)
Decrease (increase) in inventory, deferred charges, other assets	-	845,658	(178,587)	92,998	760,069	937,541
Increase (decrease) in accounts payable, accruals, other liabilities	3,866,635	-	79,218	9,430,866	13,376,719	(3,152,588)
Total adjustments	43,013,987	1,796,484	(29,874,293)	10,240,611	25,176,789	(136,602)
Net cash provided by (used for) operating activities	\$ 33,776,840	\$ 82,496,359	\$ (9,704,003)	\$ 25,646,081	\$ 132,215,277	\$ (335,952)
<b>Noncash investing, capital and financing activities</b>						
Property leased or acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,411
Loss on disposal of assets	-	-	-	17,455	17,455	-
Construction completed or in progress	-	-	-	251,991	251,991	(5,928,317)
Interest/dividends on investments accrued	-	-	4,722,000	634,753	5,356,753	1,279,070
Change in fair value of investments	47,869	-	284,912	6,876,335	7,209,116	514,511

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

# Statement of Fiduciary Net Assets Fiduciary Funds



NEVADA

June 30, 2007

	Pension Trust Funds	Investment Trust Funds	Private-Purpose Trust Fund - Prisoners' Personal Property	Agency Funds
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ -	\$ 375	\$ 4,802,873	\$ 111,379,927
Cash in custody of other officials	404,887,001	-	-	87,232,807
<i>Investments:</i>				
Investments	-	1,073,119,871	-	123,842,754
Fixed income securities	5,681,335,945	-	-	-
Marketable equity securities	11,133,755,709	-	-	-
International securities	4,517,431,493	-	-	-
Mortgage loans	10,698	-	-	-
Real estate	1,075,034,761	-	-	-
Alternative investments	384,721,304	-	-	-
Collateral on loaned securities	3,390,654,058	25,205	-	2,179,123
<i>Receivables:</i>				
Accounts receivable	-	-	600	-
Accrued interest and dividends	93,135,930	7,929,623	-	-
Taxes receivable	-	-	-	14,883,267
Trades pending settlement	302,775,113	-	-	-
Intergovernmental receivables	84,096,156	-	115,231	-
Other receivables	-	-	-	41,639,035
Due from other funds	-	-	206,113	454,192,415
Due from fiduciary funds	20,649,581	-	-	13,343,046
Other assets	1,358,459	-	-	-
Furniture and equipment	28,206,577	-	-	-
Accumulated depreciation	(25,111,542)	-	-	-
<b>Total assets</b>	<b>27,092,941,243</b>	<b>1,081,075,074</b>	<b>5,124,817</b>	<b>848,692,374</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	10,185,208	252,567	79,908	-
Accrued payroll and related liabilities	-	-	-	10,427
Intergovernmental payables	-	2,901,935	5,443	548,822,677
Trades pending settlement	950,288,847	-	-	-
Obligations under securities lending	3,390,654,058	25,205	-	2,179,123
Due to other funds	549	12,301	652,380	25,110
Due to fiduciary funds	-	-	24,453	33,968,174
<i>Other liabilities:</i>				
Deposits	-	-	-	253,921,036
Other liabilities	216,023	-	-	9,765,827
<b>Total liabilities</b>	<b>4,351,344,685</b>	<b>3,192,008</b>	<b>762,184</b>	<b>848,692,374</b>
<b>Net Assets</b>				
<i>Held in trust for:</i>				
Employees' pension benefits	22,741,596,558	-	-	-
Individuals, organizations and other governments	-	1,077,883,066	4,362,633	-
<b>Total net assets</b>	<b>\$ 22,741,596,558</b>	<b>\$ 1,077,883,066</b>	<b>\$ 4,362,633</b>	<b>\$ -</b>

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

# Statement of Changes in Fiduciary Net Assets Fiduciary Funds



NEVADA

For the Fiscal Year Ended June 30, 2007

	Pension Trust Funds	Investment Trust Funds	Private-Purpose Trust Fund - Prisoners' Personal Property
<b>Additions</b>			
<i>Contributions:</i>			
Employer	\$ 1,053,239,363	\$ -	\$ -
Plan members	83,259,902	-	-
Participants	-	-	20,313,849
Repayment and purchase of service	45,702,467	-	-
<b>Total contributions</b>	<b>1,182,201,732</b>	<b>-</b>	<b>20,313,849</b>
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	2,314,812,004	2,131,419	-
Interest, dividends	565,494,551	51,881,739	-
Securities lending income	129,784,535	8,917,558	-
Other	81,758,481	-	-
	<b>3,091,849,571</b>	<b>62,930,716</b>	<b>-</b>
Less investment expense:			
Cost of securities lending	(124,285,513)	(8,808,875)	-
Other	(25,543,440)	(850,808)	-
<b>Net investment income</b>	<b>2,942,020,618</b>	<b>53,271,033</b>	<b>-</b>
<i>Other:</i>			
Investment from local governments	-	1,395,263,774	-
Reinvestment from interest income	-	35,331,556	-
Other	3,347,962	-	-
<b>Total other</b>	<b>3,347,962</b>	<b>1,430,595,330</b>	<b>-</b>
<b>Total additions</b>	<b>4,127,570,312</b>	<b>1,483,866,363</b>	<b>20,313,849</b>
<b>Deductions</b>			
Principal redeemed	-	1,266,750,035	-
Benefit payments	931,981,625	-	19,645,340
Refunds	17,455,836	-	-
Contribution distributions	1,960,981	-	-
Dividends to investors	-	36,619,357	-
Administrative expense	8,723,066	158,712	-
<b>Total deductions</b>	<b>960,121,508</b>	<b>1,303,528,104</b>	<b>19,645,340</b>
Change in net assets	3,167,448,804	180,338,259	668,509
Net assets, July 1	19,574,147,754	897,544,807	3,694,124
<b>Net assets, June 30</b>	<b>\$ 22,741,596,558</b>	<b>\$ 1,077,883,066</b>	<b>\$ 4,362,633</b>

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





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## A. Reporting Entity

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). As required by GAAP, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the primary government. Component units are legally separate governmental organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

Financial accountability is defined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The State is financially accountable for those entities in which the State appoints a voting majority of an organization's governing authority, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the State. For those entities in which the State does not appoint a voting majority of the governing authority, GASB Statement No. 14 requires inclusion in the reporting entity if they are fiscally dependent on the State or if it would be misleading to exclude the entity.

**Blended Component Units:** The following blended component units are entities that are legally separate from the State. However, since the State Legislature retains certain significant governing powers over these entities, they are reported as if they are part of the primary government under the provisions of GASB Statement No. 14.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established by the Nevada Legislature in 1947 to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established in 1967 by the Nevada Legislature to provide a reasonable base income to Legislators at retirement. JRS is the administrator of a cost-sharing,

multiple employer public employees' defined benefit retirement system established by the Nevada Legislature to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

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

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

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

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



(Note 1 Continued)

distribution and sale of electric power. As CRC has a separate governing body and does not provide services entirely or almost entirely to the primary government, it is presented discretely in the financial statements.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that described above, may be obtained at that entity's administrative offices:

*Public Employees' Retirement System*  
Carson City, NV

*Legislators' Retirement System*  
Carson City, NV

*Judicial Retirement System*  
Carson City, NV

*Nevada System of Higher Education*  
Reno, NV

*Colorado River Commission*  
Las Vegas, NV

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

## B. Government-Wide and Fund Financial Statements

**Government-Wide Financial Statements:** The Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund receivables and payables between governmental funds and enterprise funds are reported as internal balances in the government-wide statement of net assets. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Assets* presents the reporting entity's non-fiduciary assets and liabilities with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Additional disclosure related to the amount of net assets restricted by enabling legislation is provided in Note 11.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management but can be removed or modified.

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

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



(Note 1 Continued)

funds and major individual proprietary funds are reported as separate columns in the fund financial statements with non-major funds being combined into a single column.

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

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

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

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

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

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

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

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

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

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

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

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

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



(Note 1 Continued)

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

The State reports the following major enterprise funds:

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

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

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

Additionally, the State reports the following fund types:

**Proprietary Fund Types:**

*Enterprise Funds* - report the activities for which fees are charged to external users for goods or services such as workers’ compensation, insurance and prison industry.

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

**Fiduciary Fund Types:**

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

*Investment Trust Funds* – report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local

Government Investment Pool and the Nevada Enhanced Savings Term.

*Private Purpose Trust Fund* - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Prisoners’ Personal Property accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

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

**D. Assets, Liabilities and Net Assets/Fund Balance**

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

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

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



(Note 1 Continued)

The Local Government Investment Pool and Nevada Enhanced Savings Term Investment Trust are investment trust funds as defined in Governmental Accounting Standards Board Statement No. 31. The investments in these funds are subject to the general limitation of section 355.170 of Nevada Revised Statutes. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. Wells Fargo Trust Operations is the custodian and transfer agent for both investment trust funds.

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

Investments are discussed further in Note 3.

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

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

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

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

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

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

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

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

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

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



(Note 1 Continued)

Infrastructure, such as roads and bridges, was capitalized for the first time in the year ended June 30, 2002. Interest incurred during construction is only capitalized in proprietary funds. Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. However, the State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report.

In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment.

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

*Compensated Absences* - Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability in the fund financial statements. On the Statement of Net Assets, the total accrued compensated absences for both proprietary and governmental fund types is reported. Fiduciary funds are not included in the Statement of Net Assets.

*Deferred Revenues* - Deferred revenues in the General Fund consist primarily of refundable gaming taxes and fees and nonexchange transactions for which the revenue is measurable but not available. Deferred revenue in the debt service funds consists primarily of amounts due from other governments to retire long-term debt.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 8.

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

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

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

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

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

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

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



(Note 1 Continued)

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

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

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

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

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

### **E. Intergovernmental Assistance Programs**

The State participates in various federal award programs. Federal awards are received by the State in both cash and noncash forms. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

## **Note 2 - Budgetary and Legal Compliance**

### **Budgetary Process and Control**

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

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

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. The Legislative Interim Finance Committee (LIFC) must approve revisions of more than \$20,000 that would increase or decrease program expenditures by the lesser of 10% of the level approved by the Legislature or \$50,000. Revisions not exceeding this threshold require only budget director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations

for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Fund, a Special Revenue Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$2,907,699 were made in the 2007 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds. However, certain activity within such funds may be unbudgeted. The State’s budget is prepared principally on a modified accrual basis with the following exceptions:

- 1) Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
- 2) Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
- 3) Certain prepaid/deferred assets are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain deferred revenue is considered revenue for budgetary purposes.
- 4) Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.



(Note 2 Continued)

- 5) Revenue from grants is only recognized when it is received in cash.
- 6) Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

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

**Note 3 - Deposits and Investments**

The Nevada Revised Statutes and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units. The Office of the State Treasurer is responsible for oversight of the deposits and investments for the State of Nevada.

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

**A. Deposits**

*Primary Government, Pension Trust and Investment Trust Funds* - the State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State’s deposits may not be recovered. The Nevada Revised Statutes direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2007, the bank balance of the primary government, pension trust and investment trust funds totaled \$793,392,441, of which \$473,280 was uncollateralized and uninsured.

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

Investments held in the Local Government Investment Pool (LGIP) and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP and NVEST are investment trust funds governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. LGIP and NVEST are discussed further under Note 1, Assets, Liabilities and Net Assets/Fund Balance. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer’s Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701.

*Component Units* - at June 30, 2007, the bank balance of the component units totaled \$191,558,000, of which \$104,154,000 was uncollateralized and uninsured.

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

**B. Investments**

Nevada Revised Statute (NRS) chapter 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit; AAA rated asset-backed securities; A-1, P-1 or better rated bankers’ acceptances and commercial paper; AAA rated collateralized mortgage obligations; A or better rated corporate notes; AAA rated registered money market mutual funds whose policies meet the criteria set forth in the statute; United States treasury securities; and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes

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



(Note 3 Continued)

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 1,887,194	\$ 245,366	\$ 355,144	\$ 355,735	\$ 930,949
Negotiable certificates of deposit	159,986	159,986	-	-	-
U. S. agencies	3,056,651	2,225,804	601,931	29,849	199,067
Mutual funds	153,965	153,965	-	-	-
Repurchase agreements	65,146	65,146	-	-	-
Asset backed corporate securities	1,424,582	8,401	141,859	32,297	1,242,025
Corporate bonds and notes	1,345,985	50,258	501,945	257,350	536,432
Commercial paper	184,092	184,092	-	-	-
Fixed income securities	727,752	5,000	17,300	6,200	699,252
International investments	2,257,707	146,700	1,045,322	524,468	541,217
Municipal bonds	847,728	230,255	11,017	29,998	576,458
Investment agreements	36,134	8,845	-	-	27,289
Other short-term investments	135,978	135,978	-	-	-
Collateralized mortgage obligations	366,229	-	11,855	31,881	322,493
<b>Total</b>	<b>\$ 12,649,129</b>	<b>\$ 3,619,796</b>	<b>\$ 2,686,373</b>	<b>\$ 1,267,778</b>	<b>\$ 5,075,182</b>

*Component Units* – The Nevada System of Higher Education’s (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds. The following table provides the segmented time distribution for these investments at June 30, 2007 (expressed in thousands):

Less than 1 year	\$ 74,093
1 to 5 years	41,483
6 to 10 years	11,675
More than 10 years	16,558

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

*Primary Government, Pension Trust and Investment Trust Funds* - Nevada Revised Statute 355.140, the State Treasurer’s investment policy, and investment policies of the pension trust and investment trust funds all address credit risk. The State’s investments as of June 30, 2007 were rated by Standard and Poor’s and/or equivalent national rating organization, and the ratings are presented below using the Standard and Poor’s rating scale (expressed in thousands):

	Fair Value	Quality Rating					Unrated
		AAA	AA	A	BBB	BB	
Negotiable certificates of deposit	\$ 159,986	\$ -	\$ -	\$ 159,986	\$ -	\$ -	\$ -
U.S. agencies	3,056,650	1,948,974	-	1,067,778	-	-	39,898
Mutual funds	153,966	149,742	-	-	-	-	4,224
Repurchase agreements	65,146	65,146	-	-	-	-	-
Asset backed corporate securities	456,581	435,481	-	-	300	-	20,800
Corporate bonds and notes	1,345,829	427,891	205,660	360,978	332,100	400	18,800
Commercial paper	184,092	-	-	184,092	-	-	-
Fixed income securities	727,752	16,900	5,600	9,200	5,200	-	699,852
International investments	2,257,707	1,053,664	835,227	289,316	75,500	-	4,000
Municipal bonds	847,728	-	847,728	-	-	-	-
Investment agreements	36,134	4,245	31,889	-	-	-	-
Other short-term investments	134,929	134,929	-	-	-	-	-
Collateralized mortgage obligations	251,329	242,829	2,600	300	-	-	5,600
<b>Total</b>	<b>\$ 9,677,829</b>	<b>\$ 4,479,801</b>	<b>\$ 1,928,704</b>	<b>\$ 2,071,650</b>	<b>\$ 413,100</b>	<b>\$ 400</b>	<b>\$ 784,174</b>

Quality ratings for the Public Employees’ Retirement System (PERS) U.S agency investments of \$1,938.7 million have been assigned by PERS’ custodial bank, The Bank of New York Mellon, and are not included in the table above.

*Component Unit* - the Nevada System of Higher Education’s (NSHE) policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the



(Note 3 Continued)

endowment and operating pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2007 is as follows (expressed in thousands):

	Fair Value	Quality Rating			
		AAA	AA	A	Unrated
Corporate bonds	\$ 982	\$ 106	\$ 506	\$ 370	\$ -
Commingled U.S. bond funds	59,103	-	-	-	59,103
Commingled non U.S. bond funds	47,091	-	-	-	47,091
Commingled money market bond funds	21,409	-	-	-	21,409
<b>Total</b>	<b>\$ 128,585</b>	<b>\$ 106</b>	<b>\$ 506</b>	<b>\$ 370</b>	<b>\$ 127,603</b>

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The Nevada Revised Statutes 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio. At June 30, 2007, the following investments exceeded 5% of the Local Government Investment Pool's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Farm Credit Bank	\$ 214,542	30.38%
Federal Home Loan Bank	225,161	31.88%
Repurchase Agreement	65,146	9.22%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative providers. As of June 30, 2007, the Housing Division's investments in Fannie Mae and Ginnie Mae are 25.30% and 27.47% respectively, of Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Division is less concerned about a concentration risk on these investments.

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

*Primary Government and Pension Trust Funds* - the primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The Public Employees' Retirement System of Nevada, the Legislators' Retirement System of Nevada and the Judicial Retirement System of Nevada do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. The following table summarizes the pension trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2007 (expressed in thousands):

	Currency by Investment and Fair Value			
	Fixed Income	Equity	Derivatives	Cash
Australian Dollar	\$ 22,019	\$ 150,300	\$ (13,600)	\$ 902
British Pound Sterling	170,022	509,000	(60,600)	2,904
Canadian Dollar	48,805	4,600	(11,100)	102
Danish Krone	12,437	21,300	3,100	1,805
Euro Currency	1,096,841	785,600	(66,700)	4,820
Hong Kong Dollar	-	42,000	-	100
Japanese Yen	704,949	489,900	35,400	1,302
Malaysian ringgit	3,600	-	-	-
Netherlands guilder	-	600	-	-
New Zealand Dollar	-	3,500	-	200
Norwegian Krone	1,708	24,900	-	1,008
Polish Zloty	29,144	-	(4,500)	498
Singapore Dollar	1,507	23,700	6,100	1,711
Swedish Krona	19,838	51,400	30,500	701
Swiss Franc	6,637	158,000	56,600	(1,206)
<b>Total</b>	<b>\$ 2,117,507</b>	<b>\$ 2,264,800</b>	<b>\$ (24,800)</b>	<b>\$ 14,847</b>



*(Note 3 Continued)*

*Component Unit* - the Nevada System of Higher Education had \$108,239,000 of investments in international mutual funds subject to foreign currency risk in its operating and endowment investment pools. The U.S. dollar balances of international mutual funds organized by the respective foreign currencies are as follows in U.S. dollars (expressed in thousands):

<b>Currency by Investment and Fair Value</b>	
	<b>Mutual Funds</b>
Australian Dollar	\$ 2,437
Brazilian Real	1,960
Canadian Dollar	4,875
Chinese Renminbi	1,737
Euro Currency	55,873
Hong Kong Dollar	1,011
Japanese Yen	17,242
South Korean Won	4,847
Swiss Franc	4,243
Taiwan New Dollar	2,520
Other	11,494
<b>Total</b>	<b>\$ 108,239</b>

**C. Securities Lending**

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

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

There are no restrictions on the amount of securities that can be loaned. Either the State or the borrower can terminate all open securities loans on demand. Either the State or the borrower

can terminate all term securities loans with five days notice. Cash collateral is invested in accordance with the investment guidelines approved by the Board of Finance. The maturities of the investments made with cash collateral generally match the maturities of the securities loans.

The fair value of securities on loan at June 30, 2007 (excluding PERS) is \$1,320,086,582. The fair value of cash collateral received in securities lending arrangements (excluding PERS) of \$1,341,458,046 is reported in the Statement of Net Assets and the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2007 total collateral (excluding PERS) has a fair value of \$1,346,143,439. Such collateral consists of cash, commercial paper, asset backed securities, money market mutual funds, certificates of deposit and fixed income securities. The total collateral received is in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

*Pension Trust Fund* - PERS also maintains a securities lending program under the authority of the “prudent person” standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income and equity securities and international fixed income and equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received must equal at least 102% of the market value of the underlying security, plus accrued interest.



(Note 3 Continued)

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

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

The fair value of securities on loan at June 30, 2007 is \$3,307,174,621. The fair value of the cash collateral received in securities lending arrangements of \$3,390,654,058 is reported on the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2007, PERS has collateral consisting of cash and securities issued by the U. S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

#### D. Derivatives

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

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

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

*Exchange traded fixed income futures and options* - used to reduce transaction costs, control portfolio duration, and enhance return.

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

*Asset backed securities* – used for diversification and enhance return (component of Lehman Aggregate Index).

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

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

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

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2007



NEVADA

### Note 4 - Receivables

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

	Governmental Funds	Nevada System of Higher Education
<b>As shown on financial statements:</b>		
Intergovernmental receivables	\$ 401,266	\$ 37,511
Notes/loans receivable	587	11,432
Due from Component Unit	8,837	-
<b>Total</b>	<b>\$ 410,690</b>	<b>\$ 48,943</b>
<b>Classified:</b>		
<b>Current portion</b>	<b>\$ 256,219</b>	<b>\$ 40,026</b>
<b>Noncurrent portion:</b>		
Intergovernmental receivables	147,400	-
Notes/loans receivable	511	8,917
Due from Component Unit	6,560	-
<b>Total noncurrent portion</b>	<b>154,471</b>	<b>8,917</b>
<b>Total</b>	<b>\$ 410,690</b>	<b>\$ 48,943</b>

Not included in the receivable balances are amounts considered to be uncollectible. \$8 million of taxes receivable in the governmental funds are estimated to be uncollectible. Uncollectible accounts receivable in the governmental funds total \$29 million. The proprietary funds have \$10.7 million in uncollectible accounts receivable most of which is from uninsured employer's fines and penalties.

### Note 5 - Interfund Transactions

#### A. Interfund Advances

A summary of interfund advances at June 30, 2007, follows (expressed in thousands):

	Advances From			
	Major Funds			Total
	General	State Highway	Consolidated Bond Interest and Redemption	
<b>Advances To</b>				
Nonmajor enterprise	\$ 1,213	\$ -	\$ -	\$ 1,213
Internal service	7,805	4	1,958	9,767
<b>Total other funds</b>	<b>\$ 9,018</b>	<b>\$ 4</b>	<b>\$ 1,958</b>	<b>\$ 10,980</b>

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

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

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2007



NEVADA

(Note 5 Continued)

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

A summary of due from and due to other funds and component units at June 30, 2007, is shown below (expressed in thousands):

	Due To						
	Major Governmental Funds						Total Governmental
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Stabilize the Operations of State Gov't	Nonmajor Governmental	
<b>Due From</b>							
Major Governmental Funds:							
General	\$ -	\$ 10,408	\$ 47	\$ 2,579	\$ 3,014	\$ 179,778	\$ 195,826
State Highway	568	-	-	-	-	985	1,553
Municipal Bond Bank	63	-	-	386	-	-	449
Consolidated Bond Interest and Redemption	-	-	-	-	-	7	7
Nonmajor governmental	18,479	101	-	6,930	-	9,516	35,026
<b>Total Governmental</b>	<b>19,110</b>	<b>10,509</b>	<b>47</b>	<b>9,895</b>	<b>3,014</b>	<b>190,286</b>	<b>232,861</b>
Major Enterprise Funds:							
Housing Division	3	-	-	-	-	-	3
Water Projects Loans	695	-	-	-	-	-	695
Nonmajor enterprise	4,177	5	-	-	-	5	4,187
<b>Total Enterprise</b>	<b>4,875</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>4,885</b>
Internal Service	3,626	202	-	151	-	78	4,057
<b>Total other funds</b>	<b>\$ 27,611</b>	<b>\$ 10,716</b>	<b>\$ 47</b>	<b>\$ 10,046</b>	<b>\$ 3,014</b>	<b>\$ 190,369</b>	<b>\$ 241,803</b>
<b>Fiduciary</b>	<b>\$ 219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 421</b>	<b>\$ 640</b>
Component Units:							
Nevada System of Higher Education	\$ 1,886	\$ -	\$ -	\$ 6,930	\$ -	\$ 21	\$ 8,837
Colorado River Commission	-	-	-	-	-	-	-
<b>Total Component Units</b>	<b>\$ 1,886</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,930</b>	<b>\$ -</b>	<b>\$ 21</b>	<b>\$ 8,837</b>

	Due To						
	Major Enterprise Funds				Internal Service	Total Other Funds	Fiduciary
	Housing Division	Water Projects Loans	Nonmajor Enterprise	Total Enterprise			
<b>Due From</b>							
Major Governmental Funds:							
General	\$ 5	\$ 683	\$ 1,503	\$ 2,191	\$ 8,831	\$ 206,848	\$ 453,391
State Highway	-	-	9	9	554	2,116	916
Municipal Bond Bank	-	-	-	-	-	449	-
Consolidated Bond Interest and Redemption	-	-	-	-	-	7	-
Nonmajor governmental	-	-	31	31	414	35,471	21
<b>Total Governmental</b>	<b>5</b>	<b>683</b>	<b>1,543</b>	<b>2,231</b>	<b>9,799</b>	<b>244,891</b>	<b>454,328</b>
Major Enterprise Funds:							
Housing Division	-	-	-	-	6	9	-
Water Projects Loans	-	-	-	-	-	695	-
Nonmajor enterprise	-	-	-	-	65	4,252	64
<b>Total Enterprise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>4,956</b>	<b>64</b>
Internal Service	-	-	1	1	146	4,204	7
<b>Total other funds</b>	<b>\$ 5</b>	<b>\$ 683</b>	<b>\$ 1,544</b>	<b>\$ 2,232</b>	<b>\$ 10,016</b>	<b>\$ 254,051</b>	<b>\$ 454,399</b>
<b>Fiduciary</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ 690</b>	<b>\$ 33,993</b>
Component Units:							
Nevada System of Higher Education	\$ -	\$ -	\$ -	\$ -	\$ 7,241	\$ 16,078	\$ -
Colorado River Commission	-	-	-	-	3	3	-
<b>Total Component Units</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,244</b>	<b>\$ 16,081</b>	<b>\$ -</b>



(Note 5 Continued)

	Due To		
	Component Units		
	Nevada System of Higher Education	Colorado River Commission	Total Component Units
<b>Due From</b>			
Major Governmental Funds:			
General	\$ 60,303	\$ 359	\$ 60,662
State Highway	225	-	225
Consolidated Bond Interest and Redemption	276	-	276
Nonmajor governmental	173,455	-	173,455
Total Governmental	234,259	359	234,618
Nonmajor enterprise	153	-	153
Internal Service	31	-	31
<b>Total other funds</b>	<b>\$ 234,443</b>	<b>\$ 359</b>	<b>\$ 234,802</b>

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

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

A summary of transfers between funds for the year ended June 30, 2007, is shown below (expressed in thousands):

	Transfers Out/To						
	Major Governmental Funds						
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Stabilize the Operations of State Gov't	Nonmajor Governmental	Total Governmental
<b>Transfers In/From</b>							
Major Governmental Funds:							
General	\$ -	\$ 29,746	\$ 99	\$ -	\$ 2,936	\$ 39,807	\$ 72,588
State Highway	269	-	-	-	-	437	706
Consolidated Bond Interest and Redemption	1,971	-	256,356	-	-	9,849	268,176
Stabilize the Operations of State Government	37,618	-	-	-	-	-	37,618
Nonmajor governmental	183,996	3,403	-	31	-	663	188,093
Total Governmental	223,854	33,149	256,455	31	2,936	50,756	567,181
Nonmajor enterprise	954	-	-	-	-	125	1,079
Internal Service	9,832	133	-	-	-	1,745	11,710
<b>Total other funds</b>	<b>\$ 234,640</b>	<b>\$ 33,282</b>	<b>\$ 256,455</b>	<b>\$ 31</b>	<b>\$ 2,936</b>	<b>\$ 52,626</b>	<b>\$ 579,970</b>



(Note 5 Continued)

	Transfers Out/To				
	Major Enterprise Funds		Total Enterprise	Internal Service	Total Other Funds
	Water Projects Loans	Nonmajor Enterprise			
<b>Transfers In/From</b>					
Major Governmental Funds:					
General	\$ 666	\$ 19,105	\$ 19,771	\$ 99	\$ 92,458
State Highway	-	-	-	3	709
Consolidated Bond Interest and Redemption	-	-	-	-	268,176
Stabilize the Operations of State Government	-	-	-	-	37,618
Nonmajor governmental		48	48	35	188,176
Total Governmental	666	19,153	19,819	137	587,137
Nonmajor enterprise	-	-	-	-	1,079
Internal Service	-	-	-	-	11,710
<b>Total other funds</b>	<b>\$ 666</b>	<b>\$ 19,153</b>	<b>\$ 19,819</b>	<b>\$ 137</b>	<b>\$ 599,926</b>

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment. An exception was a transfer from the General Fund to the Stabilize the Operations of State Government (“Rainy Day”) fund of \$34 million. The Nevada Legislature approved this transfer.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of \$595 million are reported as education and support service expenses in the Statement of Activities and as intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

**Note 6 - Restricted Assets**

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Assets. The components of restricted assets at June 30, 2007 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
<b>Restricted:</b>			
Cash	\$ -	\$ -	\$ 40,228
Investments	129,087	129,087	13,758
<b>Total</b>	<b>\$ 129,087</b>	<b>\$ 129,087</b>	<b>\$ 53,986</b>
<b>Restricted for:</b>			
Debt service	\$ 129,087	\$ 129,087	\$ 718
Construction	-	-	48,982
Other purposes	-	-	4,286
<b>Total</b>	<b>\$ 129,087</b>	<b>\$ 129,087</b>	<b>\$ 53,986</b>



**Note 7- Capital Assets**

Capital asset activity of the primary government for the year ended June 30, 2007, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<i><b>Capital assets, not being depreciated</b></i>				
Land	\$ 111,616	\$ 546	\$ -	\$ 112,162
Construction in progress	166,874	105,560	(137,507)	134,927
Infrastructure	2,989,274	65,221	-	3,054,495
Rights-of-way	454,669	58,077	(136)	512,610
Total capital assets, not being depreciated	<u>3,722,433</u>	<u>229,404</u>	<u>(137,643)</u>	<u>3,814,194</u>
<i><b>Capital assets, being depreciated/amortized</b></i>				
Buildings	1,041,083	97,943	-	1,139,026
Improvements other than buildings	89,553	2,361	-	91,914
Furniture and equipment	378,544	38,899	(32,143)	385,300
Software costs	117,046	21,535	-	138,581
Total capital assets, being depreciated/amortized	<u>1,626,226</u>	<u>160,738</u>	<u>(32,143)</u>	<u>1,754,821</u>
<i><b>Less accumulated depreciation/amortization for:</b></i>				
Buildings	(281,817)	(25,786)	-	(307,603)
Improvements other than buildings	(46,839)	(3,907)	-	(50,746)
Furniture and equipment	(282,325)	(29,189)	30,732	(280,782)
Software costs	(67,866)	(18,281)	-	(86,147)
Total accumulated depreciation/amortization	<u>(678,847)</u>	<u>(77,163)</u>	<u>30,732</u>	<u>(725,278)</u>
Total capital assets, being depreciated/amortized, net	<u>947,379</u>	<u>83,575</u>	<u>(1,411)</u>	<u>1,029,543</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 4,669,812</u>	<u>\$ 312,979</u>	<u>\$ (139,054)</u>	<u>\$ 4,843,737</u>
<b>Business-type activities:</b>				
<i><b>Capital assets, not being depreciated</b></i>				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	-	362	-	362
Total capital assets, not being depreciated	<u>568</u>	<u>362</u>	<u>-</u>	<u>930</u>
<i><b>Capital assets, being depreciated</b></i>				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	4,804	460	(255)	5,009
Total capital assets, being depreciated	<u>8,824</u>	<u>460</u>	<u>(255)</u>	<u>9,029</u>
<i><b>Less accumulated depreciation for:</b></i>				
Buildings	(2,002)	(103)	-	(2,105)
Improvements other than buildings	(502)	(32)	-	(534)
Furniture and equipment	(4,064)	(332)	238	(4,158)
Total accumulated depreciation	<u>(6,568)</u>	<u>(467)</u>	<u>238</u>	<u>(6,797)</u>
Total capital assets, being depreciated, net	<u>2,256</u>	<u>(7)</u>	<u>(17)</u>	<u>2,232</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 2,824</u>	<u>\$ 355</u>	<u>\$ (17)</u>	<u>\$ 3,162</u>



(Note 7 Continued)

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

<b>Governmental activities:</b>			
General government		\$	13,174
Education, support services			1,552
Health, social services			12,110
Law, justice, public safety			23,002
Recreation, resource development			5,281
Transportation			13,472
Regulation of business			1,237
Unallocated			720
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets			<u>6,615</u>
<b>Total depreciation/amortization expense - governmental activities</b>		<b>\$</b>	<b><u>77,163</u></b>
<b>Business-type activities:</b>			
Enterprise		\$	<u>467</u>
<b>Total depreciation expense - business-type activities</b>		<b>\$</b>	<b><u>467</u></b>

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2007, was as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Nevada System of Higher Education:</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 136,581	\$ 261,164	\$ (52,098)	\$ 345,647
Land	60,221	4,380	-	64,601
Collections	<u>8,723</u>	<u>115</u>	<u>(42)</u>	<u>8,796</u>
Total capital assets, not being depreciated	<u>205,525</u>	<u>265,659</u>	<u>(52,140)</u>	<u>419,044</u>
<b>Capital assets, being depreciated</b>				
Buildings	1,370,791	66,764	(5,054)	1,432,501
Land and improvements	80,187	1,984	-	82,171
Machinery and equipment	264,228	29,753	(12,661)	281,320
Library books and media	<u>96,801</u>	<u>6,803</u>	<u>(999)</u>	<u>102,605</u>
Total capital assets, being depreciated	<u>1,812,007</u>	<u>105,304</u>	<u>(18,714)</u>	<u>1,898,597</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(384,371)	(35,208)	4,770	(414,809)
Land and improvements	(59,384)	(3,941)	-	(63,325)
Machinery and equipment	(155,088)	(25,854)	10,695	(170,247)
Library books and media	<u>(81,829)</u>	<u>(6,775)</u>	<u>993</u>	<u>(87,611)</u>
Total accumulated depreciation	<u>(680,672)</u>	<u>(71,778)</u>	<u>16,458</u>	<u>(735,992)</u>
Total capital assets, being depreciated, net	<u>1,131,335</u>	<u>33,526</u>	<u>(2,256)</u>	<u>1,162,605</u>
<b>Nevada System of Higher Education activity capital assets, net</b>	<b><u>\$ 1,336,860</u></b>	<b><u>\$ 299,185</u></b>	<b><u>\$ (54,396)</u></b>	<b><u>\$ 1,581,649</u></b>



## Note 8 - Long-Term Obligations

**A. Bonds Payable**

The State issues general obligation bonds for the acquisition and construction of major capital facilities, buying local governments' bonds in the municipal bond bank fund, protection of natural resources, cultural affairs projects and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State. Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation housing bonds in the aggregate have a debt limit of \$5,000,000,000 and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State. General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2007 are comprised of the following (expressed in thousands):

	Fixed Interest Rates	Original Amount	Principal Outstanding
<b>Governmental activities:</b>			
<i>General obligation bonds:</i>			
Subject to Constitutional Debt Limitation	2.0-7.0%	\$ 1,489,450	\$ 990,630
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,631,366	973,986
<i>Special obligation bonds:</i>			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	3.5-6.0%	833,955	693,285
Subtotal		<u>3,954,771</u>	<u>2,657,901</u>
<i>Issuance premiums</i>		113,667	91,543
<b>Governmental activities bonds payable</b>		<u>4,068,438</u>	<u>2,749,444</u>
<b>Business-type activities:</b>			
<i>General obligation bonds:</i>			
Exempt from Constitutional Debt Limitation	2.0-6.5%	139,835	117,310
<i>Special obligation bonds:</i>			
Housing Bonds	2.6-8.02%	1,424,502	782,307
Subtotal		<u>1,564,337</u>	<u>899,617</u>
<i>Issuance premiums</i>		2,889	2,221
<b>Business-type activities bonds payable</b>		<u>1,567,226</u>	<u>901,838</u>
<b>Total bonds payable</b>		<u>\$ 5,635,664</u>	<u>\$ 3,651,282</u>

**B. Changes in Long-Term Liabilities**

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2007 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 2,075,758	\$ 313,883	\$ (425,025)	\$ 1,964,616	\$ 114,441
Special obligation bonds	541,680	192,730	(41,125)	693,285	48,955
Subtotal	<u>2,617,438</u>	<u>506,613</u>	<u>(466,150)</u>	<u>2,657,901</u>	<u>163,396</u>
Issuance premiums	81,601	17,635	(7,693)	91,543	8,009
Total bonds payable	<u>2,699,039</u>	<u>524,248</u>	<u>(473,843)</u>	<u>2,749,444</u>	<u>171,405</u>
Obligations under capital leases	9,866	8,670	(2,581)	15,955	1,837
Compensated absences obligations	92,054	122,167	(116,316)	97,905	65,700
Arbitrage rebate liability	-	999	-	999	-
Certificates of participation	55,680	5,760	(985)	60,455	1,135
<b>Governmental activities long-term obligations</b>	<u>\$ 2,856,639</u>	<u>\$ 661,844</u>	<u>\$ (593,725)</u>	<u>\$ 2,924,758</u>	<u>\$ 240,077</u>
<b>Business-type activities:</b>					
Bonds payable					
General obligation bonds	\$ 118,540	\$ 5,505	\$ (6,735)	\$ 117,310	\$ 6,950
Special obligation bonds	745,780	87,530	(51,003)	782,307	12,557
Subtotal	<u>864,320</u>	<u>93,035</u>	<u>(57,738)</u>	<u>899,617</u>	<u>19,507</u>
Issuance premiums	2,242	132	(153)	2,221	156
Total bonds payable	<u>866,562</u>	<u>93,167</u>	<u>(57,891)</u>	<u>901,838</u>	<u>19,663</u>
Compensated absences obligations	1,564	1,851	(1,854)	1,561	1,005
Arbitrage rebate liability	-	30	-	30	-
Tuition benefits payable	107,958	10,591	(2,631)	115,918	5,901
<b>Business-type activities long-term obligations</b>	<u>\$ 976,084</u>	<u>\$ 105,639</u>	<u>\$ (62,376)</u>	<u>\$ 1,019,347</u>	<u>\$ 26,569</u>



(Note 8 Continued)

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

**C. Debt Service Requirements for Bonds**

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2007, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 163,396	\$ 127,803	\$ 19,507	\$ 43,377
2009	185,680	119,741	21,837	42,522
2010	186,345	110,764	17,168	41,476
2011	202,935	101,473	17,916	40,626
2012	172,620	91,557	20,074	38,578
2013-2017	790,465	331,419	104,535	183,081
2018-2022	593,165	157,130	143,912	151,359
2023-2027	335,675	44,715	178,397	109,737
2028-2032	24,490	2,336	132,701	70,388
2033-2037	3,130	401	181,900	32,636
2038-2042	-	-	61,670	2,808
<b>Total</b>	<u>\$ 2,657,901</u>	<u>\$ 1,087,339</u>	<u>\$ 899,617</u>	<u>\$ 756,588</u>

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

**D. Constitutional Debt Limitations**

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State’s public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2007, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 2,756,849
Less: Bonds and leases payable as of June 30, 2007, subject to limitation	(1,015,375)
Remaining debt capacity	<u>\$ 1,741,474</u>

**E. Nevada Municipal Bond Bank**

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized

by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State’s local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Thirty projects were funded through the Nevada Municipal Bond Bank as of June 30, 2007, and total investments in local governments amounted to \$617,320,000.

**F. Refunded Debt and Redemptions**

On July 18, 2006 the State issued General Obligation (Limited Tax) (Revenue Supported) Water Refunding Bonds, Series 2006D. Series 2006D was issued to advance refund \$113,820,000 of the General Obligation (Limited Tax) (Revenue supported) Refunding Bonds, Series December 1995.

On November 29, 2006 the State issued General Obligation (Limited Tax) Natural Resources and Refunding Bonds Series 2006F. Series 2006F was issued to advance refund \$405,000 of the General Obligation (Limited Tax) Natural Resources Bonds, Series November 15, 1996B Bonds and \$6,305,000 of the General Obligation (Limited Tax) Natural Resources Bonds, Series June 1, 1997C Bonds.



*(Note 8 Continued)*

The reacquisition price exceeded the carrying amount of the old debt by \$1,499,517. This amount is being reported as a deferred charge and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The State completed the refunding to decrease its total debt service payments by \$7,871,965 and to obtain an economic gain or present value gain of \$5,461,225.

In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2007 is \$606,520,000.

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

At June 30, 2007, the amount available to service debt in the Consolidated Bond Interest and Redemption debt service fund is \$141,634,169. At June 30, 2007, the amount available to service debt in the Highway Revenue Bonds debt service fund is \$31,384,547. At June 30, 2007, the amount available to service the debt in the Municipal Bond Bank special revenue fund is \$617,430,193.

The amount to be provided by other governments of \$149,930,000 is due from the Southern Nevada Water Authority (SNWA). Until January 1, 1996 the Colorado River Commission (CRC), a component unit responsible for managing Nevada's interest in the water and power resources available from the Colorado River, operated the Southern Nevada Water System (SNWS). In accordance with Chapter 393 of the 1995 Legislature, certain rights, powers, duties and liabilities of SNWS were transferred from the State and CRC to the SNWA effective January 1, 1996. These rights, powers, duties and liabilities included, but were not limited to, the State of Nevada general obligation bonds, the existing water user contracts, the Service Contract between CRC and the Las Vegas Valley Water District, and all other contracts related to the SNWS including contracts for capital improvement. Accordingly, the State records the general obligation bonds previously reported in CRC and an associated amount to be provided by other governments in the government-wide financial statements.

**H. Bond Indenture Provisions**

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

**I. Capital Leases**

The State has entered into various agreements for the lease of equipment. Assets of the primary government acquired under such leases at June 30, 2007, have a historical cost of \$9,585,000 with accumulated depreciation of \$7,759,000. Construction in progress included lease agreements that totaled \$8,479,000.

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, 2007 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2008	\$ 2,526
2009	1,925
2010	1,684
2011	1,636
2012	1,241
2013-2017	6,254
2018-2022	5,528
Total minimum lease payments	20,794
Less: amount representing interest	(4,839)
<b>Obligations under capital leases</b>	<b>\$ 15,955</b>

**J. Arbitrage Rebate Requirement**

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2007, and changes for the fiscal year then ended is presented in Section B of this note.



(Note 8 Continued)

**K. Tuition Benefits Payable**

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

APV of the future tuition obligation	\$115,917,000
Net assets available	\$121,210,752
Net assets as a percentage of tuition benefits obligation	104.60%

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

	Universities	Community Colleges
Fall 2008	10.92%	4.60%
Fall 2009	6.00%	4.00%
Fall 2010 and later	6.00%	4.00%

**L. Certificates of Participation**

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

In fiscal year 2004, the Nevada Real Property Corporation issued \$21,550,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the construction of an office building in Carson City (near the State capitol buildings). In fiscal year 2005, the Nevada Real Property Corporation issued \$22,435,000 of Lease Revenue Certificates of Participation at 3.0-5.0% interest to finance the acquisition of a site for and the construction of a new correctional facility in Las Vegas. In fiscal year 2007, the Nevada Real Property Corporation issued \$5,760,000 of Lease Revenue Certificates of Participation at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises.

Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. However, the payment of principal and interest on both issues of certificates is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2007 (expressed in thousands):

Year Ending June 30	Principal	Interest
2008	\$ 1,135	\$ 2,746
2009	1,290	2,700
2010	1,370	2,647
2011	1,500	2,591
2012	1,630	2,526
2013-2017	10,575	11,432
2018-2022	10,025	9,161
2023-2027	13,910	6,752
2028-2032	19,020	2,900
<b>Total</b>	<b>\$ 60,455</b>	<b>\$ 43,455</b>

**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, 2007, there are eighteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$890,348,433.

**N. Component Unit Obligations**

*Nevada System of Higher Education (NSHE)* – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2007, and the changes for the year then ended, consist of the following (expressed in thousands):



(Note 8 Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and notes payable	\$ 475,043	\$ 45,840	\$ (48,735)	\$ 472,148	\$ 15,745
Issuance premiums	12,527	-	(470)	12,057	470
Total bonds payable	487,570	45,840	(49,205)	484,205	16,215
Obligations under capital leases	15,475	193	(3,185)	12,483	2,666
Compensated absences obligations	39,247	29,254	(26,929)	41,572	28,906
<b>Total</b>	<u>\$ 542,292</u>	<u>\$ 75,287</u>	<u>\$ (79,319)</u>	538,260	47,787
Discretely presented component units of the NSHE:					
Bonds and notes payable				1,462	170
Capital leases				262	262
<b>Total</b>				<u>\$ 539,984</u>	<u>\$ 48,219</u>

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

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2007 (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 16,215	\$ 21,102
2009	16,427	20,887
2010	17,304	20,206
2011	18,779	18,805
2012	18,148	18,111
2013-2017	94,973	78,820
2018-2022	89,010	58,571
2023-2027	78,530	39,629
2028-2032	80,478	21,828
2033-2037	54,341	4,230
<b>Total</b>	<u>\$ 484,205</u>	<u>\$ 302,189</u>

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

<u>Year Ending June 30</u>	<u>Amount</u>
2008	\$ 3,213
2009	3,193
2010	2,112
2011	1,841
2012	966
2013-2017	2,910
Total minimum lease payments	14,235
Less: amount representing interest	(1,752)
<b>Obligations under capital leases</b>	<u>\$ 12,483</u>

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2007, and the changes for the year then ended, consist of the following (expressed in thousands):



(Note 8 Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 112,585	\$ -	\$ (1,620)	\$ 110,965	\$ 1,705
Issuance premiums	3,645	-	(247)	3,398	247
Issuance discounts	(40)	-	20	(20)	(20)
Unamortized refunding charges	(5,839)	-	348	(5,491)	(348)
Total bonds payable	110,351	-	(1,499)	108,852	1,584
Compensated absences obligations	282	160	(188)	254	235
<b>Total</b>	<u>\$ 110,633</u>	<u>\$ 160</u>	<u>\$ (1,687)</u>	<u>\$ 109,106</u>	<u>\$ 1,819</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,705	\$ 5,579
2009	5,200	5,380
2010	5,490	5,091
2011	5,770	4,792
2012	6,065	4,482
2013-2017	35,580	17,153
2018-2022	23,015	8,879
2023-2027	20,970	4,284
2028-2032	7,170	318
<b>Total</b>	<u>\$ 110,965</u>	<u>\$ 55,958</u>

## Note 9 - Pensions and Other Employee Benefits

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

### A. PERS

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

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and death benefits. Monthly benefit allowances for regular

members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned after July 1, 2001, this multiplier is 2.67% of average compensation. Regular members are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service or at any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police or fire service, at age 55 with 10 years of accredited police or fire service, at age 50 with 20 years of accredited police or fire service, or at any age with 25 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, is entitled to a benefit of up to 90% of average compensation. Regular members and police and firemen become fully vested as to benefits upon completion of 5 years of service.

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



(Note 9 Continued)

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

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

Actuarially required and statutory 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, 2007, were as follows:

	<u>Funding Basis *</u>	<u>Statutory Rate</u>
<b>Regular employees:</b>		
Employer-pay plan	20.44%	19.75%
Employee/employer plan (matching rate)	10.67%	10.50%
<b>Police and Fire employees:</b>		
Employer-pay plan	33.55%	32.00%
Employee/employer plan (matching rate)	17.22%	16.50%
* Based on June 30, 2006 Actuarial Valuation		

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

	2007			2006			2005		
	Total State			Total State			Total State		
	Employees' Contribution	Employers' Contribution	Contribution Requirement	Employees' Contribution	Employers' Contribution	Contribution Requirement	Employees' Contribution	Employers' Contribution	Contribution Requirement
Primary Government	\$ 59,853	\$ 136,270	\$ 196,123	\$ 55,635	\$ 128,981	\$ 184,616	\$ 48,267	\$ 113,090	\$ 161,357
<b>Component Units:</b>									
Colorado River Commission	89	403	492	131	369	500	146	331	477
Nevada System of Higher Education	10,931	24,988	35,919	9,872	23,114	32,986	9,002	21,884	30,886
<b>Total component units</b>	11,020	25,391	36,411	10,003	23,483	33,486	9,148	22,215	31,363
<b>Total reporting entity</b>	<b>\$ 70,873</b>	<b>\$ 161,661</b>	<b>\$ 232,534</b>	<b>\$ 65,638</b>	<b>\$ 152,464</b>	<b>\$ 218,102</b>	<b>\$ 57,415</b>	<b>\$ 135,305</b>	<b>\$ 192,720</b>
Contributions as % of covered payroll	7%	15%	22%	7%	15%	22%	7%	15%	22%
Contributions as % of total contributions of all participating entities of \$1,175,481, \$1,084,314, and \$1,006,138	6%	14%	20%	6%	14%	20%	6%	13%	19%

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

Calendar Year	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2005	\$ 928,649	\$ 928,649	100%	\$ -
2006	1,055,106	1,012,902	96%	42,204
2007	1,092,261	1,048,571	96%	43,690



(Note 9 Continued)

*Required Supplementary Information* - Schedules of funding progress and employer contributions are presented in the PERS June 30, 2007, comprehensive annual financial report. PERS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

**B. LRS**

*Plan Description* - All State Legislators are members in the Legislators' Retirement System (LRS), a defined benefit, single-employer public employees' retirement system established in 1967 by the Nevada Legislature. LRS is legislated by and functions in accordance with State laws established by the Nevada Legislature. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefit payments to which participants may be entitled under the plan include pension benefits and death benefits. Monthly benefit allowances are \$25 for each year of service up to thirty years. Contributions and investment earnings provide benefits under the system. Legislators become fully vested as to benefits at age 60 with 8 years of service before July 1, 1985, or at age 60 with 10 years of service after July 1, 1985.

*Funding Policy* - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218.2387(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$370,766 for fiscal years 2007 and 2008, which is the required biennial State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2007. \$185,383 (half) was recognized as employer contribution in the fiscal year ended June 30, 2007 and 2008. Employee contributions of \$61,279 were received in fiscal year 2007, of which, \$30,640 (half) was recorded as employee contributions in 2007. The other half was recorded as deferred revenue.

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

<i>Actuarial Cost Method:</i>	Entry age normal cost
<i>Amortization Method:</i>	Level dollar closed
<i>Remaining Amortization Period:</i>	18 years
<i>Asset Valuation Method:</i>	Five year smoothed market
<i>Actuarial Assumptions:</i>	
<i>(Includes Inflation at 3.5% per year)</i>	
<i>Investment yield</i>	8%
<i>Projected salary increases</i>	None
<i>Retirement Age for Active Members:</i>	Legislators become fully vested at age 60 with eight years of service with service credit before July 1, 1985, or at age 60 with ten years of service without service credit before July 1, 1985.
<i>Assumed Mortality Rate:</i>	1983 Group Annuity Mortality Table
<i>Cost of Living (Post-Retirement) Increases:</i>	2% after 3 years of receiving benefits
	3% after 6 years of receiving benefits
	3.5% after 9 years of receiving benefits
	4% after 12 years of receiving benefits
	5% after 14 years of receiving benefits

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

Calendar Year	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2005	\$ 206	\$ 206	100%	\$ -
2006	206	206	100%	-
2007	185	185	100%	-



*(Note 9 Continued)*

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

*Required Supplementary Information* - A schedule of funding progress is presented in the accompanying Required Supplementary Information (RSI).

**C. JRS**

*Plan Description* - The Judicial Retirement System of Nevada (JRS) is the administrator of a cost-sharing, multiple employer public employees defined benefit retirement system established in July 2001, by the Nevada Legislature to provide a reasonable base income to justices of the Supreme Court and district judges at retirement. In 2005, the Nevada Legislature amended the retirement statutes to allow municipal court judges and justices of the peace to participate in the JRS, upon the election of the local government employing the municipal court judges and justices of the peace. As of January 1, 2007 (date of most recent actuarial valuation), seven municipalities in Nevada had elected to participate in the JRS. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court and district judges, and now, municipal court judges and justices of the peace, funded on an actuarial reserve basis. The JRS began with initial funding from the State of Nevada on July 20, 2001, and became effective on January 1, 2003.

Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a judge before November 5, 2002. Retiring members

who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement to a maximum of 75% with 22 years, times the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and death benefits.

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

*Contributions and Funding* - The State of Nevada, as employer, submits the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses of the JRS. Annually, the State of Nevada, as employer, pays to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

*Actuarial Information* - Actuarial valuations of the JRS are prepared annually on a calendar year basis. Significant actuarial assumptions used in the January 1, 2007 valuation include the following:

<i>Actuarial Cost Method:</i>	Entry age normal
<i>Amortization Method:</i>	Level dollar closed
<i>Remaining Amortization Period:</i>	30 years
<i>Asset Valuation Method:</i>	Market value
<i>Actuarial Assumptions:</i>	
<i>(Includes Inflation at 3.5% per year)</i>	
<i>Investment yield</i>	8%
<i>Projected salary increases</i>	Base increases of 3% per year Longevity increases of 2% per year after four years, maximum longevity increases of 22%



(Note 9 Continued)

<i>Retirement Age for Active Members:</i>	Retirement rates after completion of five years of service and attainment of the following ages:										
	<table border="0"> <tr> <td style="text-align: center;"><u>Age</u></td> <td style="text-align: center;"><u>Rate per Age</u></td> </tr> <tr> <td style="text-align: center;">60—64</td> <td style="text-align: center;">35%</td> </tr> <tr> <td style="text-align: center;">65—67</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">68—69</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">70</td> <td style="text-align: center;">100%</td> </tr> </table>	<u>Age</u>	<u>Rate per Age</u>	60—64	35%	65—67	50%	68—69	75%	70	100%
<u>Age</u>	<u>Rate per Age</u>										
60—64	35%										
65—67	50%										
68—69	75%										
70	100%										
<i>Assumed Mortality Rate:</i>	1994 Group Annuity Mortality Table (sex distinct) set forward one year										
<i>Cost of Living (Post-Retirement) Increases:</i>	2% after 3 years of receiving benefits 3% after 6 years of receiving benefits 3.5% after 9 years of receiving benefits 4% after 12 years of receiving benefits 5% after 14 years of receiving benefits										

*Trend Information* - Three-year trend information as of January 1 follows (expressed in thousands):

Calendar Year	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2005	\$ 3,220	\$ 3,407	106%	-
2006	3,471	3,482	100%	-
2007	3,423	3,779	110%	-

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

*Required Supplementary Information* - A schedule of funding progress is presented in the accompanying Required Supplementary Information (RSI).

**D. Other Postemployment Benefits**

Public employees who meet the eligibility requirements for retirement as outlined in sections A through C of this note and at the time of retirement are participants in the program, have the option upon retirement to continue group insurance including medical, dental, vision, accidental death and dismemberment, travel accident, long-term disability, mental health, substance abuse, and life insurance benefits. NAC 287.530 establishes this benefit upon the retiree. Monthly contributions are deducted from pension checks. The cost varies depending on which health plan the retiree chooses, as well as the amount of the subsidy they receive.

The Public Employees' Benefits Program administers these benefits as an agent multiple-employer defined benefit plan.

The plan is funded on a pay-as-you-go basis. For the year ended June 30, 2007, there were 12,085 retirees participating. The costs to administer the plan are divided by the number of total participants and added to the premiums. NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Other public agency employers must provide the State with the same subsidy amount per covered retiree. Currently, there are 112 participating employers who are billed for retiree subsidies. Retirees assume any portion of the premium not covered by the State. For the year ended June 30, 2007, the average annual contribution per retiree was \$1,690.

In accordance with GASB 43, each participating employer is required to disclose additional information with regard to the funding policy, the employer's annual OPEB cost and contributions made. The total cost of OPEB for the States' retirees for the year ended June 30, 2007 was \$39,926,387, which consists of State contributions in the amount of \$28,320,825 and contributions from the States' retirees in the amount of \$11,605,562.



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

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

	<b>Self Insurance Fund</b>	<b>Insurance Premiums Fund</b>
Balance, June 30, 2005	\$ 23,864	\$ 45,266
Claims and changes in estimates	151,617	11,189
Claim payments	(154,002)	(11,805)
Other - deposit and loss fund adjustments	-	(670)
Balance June 30, 2006	21,479	43,980
Claims and changes in estimates	181,281	13,908
Claim payments	(177,678)	(10,068)
Other - deposit and loss fund adjustments	-	(670)
<b>Balance June 30, 2007</b>	<b>\$ 25,082</b>	<b>\$ 47,150</b>

These liabilities are recorded in accordance with GASB Statement No. 10. This statement requires that a liability for claims be reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Assets.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2007. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

**A. Self-Insurance Fund**

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

participate in the plan in the same manner the State subsidizes its retirees. Currently, one hundred twelve public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of nine members: eight members appointed by the Governor, and the Director of the Department of Administration or his designee.

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

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic



*(Note 10 Continued)*

and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

### **B. Insurance Premiums Fund**

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

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy. For the year ended June 30, 2007, the loss retention for this policy was \$2,500,000. At the end of the fiscal year, June 30, 2007, management decided to defer until the next fiscal year to prepare actuarial reports. Therefore, liabilities in the amount of \$30,792,632 as of June 30, 2007 were determined using standard actuarial techniques as estimates for the incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2006, adjusted for a non-working escrow deposit on-hand with the insurer as of June 30, 2007.

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

The Fund is fully self-insured for general, civil and vehicle liability. The fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to \$500,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2007, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of Post Retirement Heart Disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from \$10,826,500 to \$33,536,300 has been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2007 total liabilities exceeded total assets by \$29,883,720. According to figures derived from actuarial estimates, the Fund is liable for approximately \$29,900,000 as of June 30, 2007 in potential claims settlements, which have yet to be funded through premium contributions. As Nevada Revised Statute 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.



**A. Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$1,907,112 (expressed in thousands) of restricted net assets for the primary government of which \$121,093 (expressed in thousands) is restricted by enabling legislation.

**B. Governmental Fund Balances**

Governmental fund balances, reserved for other and unreserved, designated, reported in nonmajor funds at June 30, 2007, are explained as follows (expressed in thousands):

	General	State Highway	Other Governmental	Total
<b>Fund balances, reserved for other:</b>				
Reserved for prepaid items	\$ 1,098	\$ 14	\$ 88	\$ 1,200
Reserved for noncurrent receivables - notes	540	-	47	587
<b>Total fund balances, reserved for other</b>	<b>\$ 1,638</b>	<b>\$ 14</b>	<b>\$ 135</b>	<b>\$ 1,787</b>
<b>Fund balances, unreserved, designated, reported in nonmajor:</b>				
<b>Special revenue funds:</b>				
Designated for principal preservation			\$ 362	\$ 362
Designated for legislatively approved allocations			13,552	13,552
Total special revenue funds			13,914	13,914
<b>Capital project funds:</b>				
Designated for approved capital projects			87,057	87,057
<b>Total fund balances, unreserved, designated, reported in nonmajor funds</b>			<b>\$ 100,971</b>	<b>\$ 100,971</b>

**C. Individual Fund Deficits**

**Capital Project Fund**

*Parks Capital Project Construction* – The Parks Capital Project Construction Fund accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources. The fund shows a decrease of \$101,508 for the fiscal year ended June 30, 2007, resulting in net liabilities (negative net assets) of \$277 at June 30, 2007.

**Enterprise Fund**

*Nevada Magazine* - The Nevada Magazine Fund accounts for the operation of the publication, *Nevada Magazine*, which is published to promote tourism. The fund shows an increase in net assets of \$378,842 for the fiscal year ended June 30, 2007, resulting in net liabilities (negative net assets) of \$160,368 at June 30, 2007.

**Internal Service Funds**

*Insurance Premiums* - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded an increase in net assets of \$9,273,988 for the year ended June 30, 2007, resulting in net liabilities (negative net assets) of \$29,883,720 at June 30, 2007.



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

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

The following are the primary non-gaming tax revenues:

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

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

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

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

*Other Sources* of tax revenues include: Cigarette Tax, Controlled Substance Tax, Estate Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments),

Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Special Drug Manufacturing Tax, Short-Term Lessor Fees and Tire Tax.

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

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

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

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

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

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



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

and photography. The Nevada State Railroad Museum, which is located in Carson City, preserves the rich railroad heritage of Nevada, including locomotives and cars of the famous Virginia & Truckee Railroad. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation.

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

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

**Note 14 - Commitments and Contingencies**

**A. Primary Government**

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

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of \$50,000 per claim. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Tort claims are handled in accordance with NRS 41. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

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

violations that could result in substantial liability to the State.

In litigation filed against the Department of Taxation, the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay it. The Live Entertainment Tax is collected by the Department of Taxation as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged, as far as we know. However, if the tax is found to be unconstitutional, all taxes collected since inception may be subject to refund. The total amounts collected for fiscal years ending June 30, 2004, 2005, 2006 and 2007 were \$89,201,827, \$107,884,336, \$117,109,287 and \$132,493,622, respectively.

*PERS* - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to alternative investments to fund an additional \$387.5 million at some future date. Alternative investments consist of acquisitions, industry consolidations, subordinated debt instruments, special situations, and venture capital.

*Leases* - The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Assets. Primary government lease expense for the year ended June 30, 2007 amounted to \$30.9 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2007 (expressed in thousands):



(Note 14 Continued)

For the Year Ending June 30	Amount
2008	\$ 24,697
2009	20,261
2010	16,555
2011	12,691
2012	7,256
2013-2017	13,867
2018-2022	2,677
2023-2027	1,596
<b>Total</b>	<b>\$ 99,600</b>

*Federal Grants* - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2007, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

*Rebate Arbitrage* - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. The present value of the rebateable arbitrage is \$1,029,000 and has been recorded as a liability in the Statement of Net Assets at June 30, 2007. Future calculations might result in different rebateable arbitrage amounts.

*Construction Commitments* - As of June 30, 2007, the Nevada Department of Transportation had total contractual commitments of approximately \$434.7 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$82.8 million.

**B. Discretely Presented Component Units**

*Nevada System of Higher Education (NSHE)* - As of June 30,

2007, NSHE had entered into various investment agreements with private equity partnerships. Under the terms of certain of these investment agreements, NSHE is obligated to make additional investments in these private equity partnerships of \$5,154,000.

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

*Colorado River Commission (CRC)* - In May 2005, CRC sold 110 acres in the Fort Mohave Valley transfer area for \$13,000,000. The acreage sold is part of land purchased by CRC from the federal government pursuant to the "Fort Mohave Development Law" (NRS 321.480-536) and had been carried on CRC books of account in the Fort Mohave Special Revenue Fund.

The proceeds of the sale were deposited in the Power Marketing Fund, \$7,000,000 of which was paid to the Fort Mohave Development Account and \$6,000,000 was expended in the Power Marketing Fund for operating expenses, including power purchases.

The City of Laughlin, located near the Fort Mohave Valley transfer area, in Clark County has taken the position that the proceeds from the sale may only be used for development in that area and cannot be used for any other CRC purposes. The Clark County District Attorney has published an opinion supporting this position.

During the year ended June 30, 2007, CRC paid Clark County \$9,000,000 in settlement of this dispute.

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

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

**Primary Government**

*Bonds* - The following bonds were sold after June 30, 2007:

*General Obligation Bonds* - \$19,500,000 Series 2007A, General Obligation (Limited Tax), Natural Resources Bonds, due in annual installments ranging from \$575,000 to \$1,520,000 due on December 1, 2008 through 2027, plus interest ranging from 4.25% to 5.00% payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>, commencing December 1, 2007. The Series 2007A Bonds maturing on and after December 1, 2018 will be subject to optional redemption on and after December 1, 2017. The Series 2007A Bonds are not subject to the Constitutional Debt Limit.

\$267,270,000 Series 2007B General Obligation (Limited Tax), Capital Improvement and Cultural Affairs Bonds, due in annual installments ranging from \$4,550,000 to \$50,510,000 due on December 1, 2008 through 2026, plus interest ranging from 4.75% to 5.00%, payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>, commencing December 1, 2007. The Series 2007B Bonds maturing on and after December 1, 2018 will be subject to optional redemption on and after December 1, 2017. The Series 2007B Bonds are subject to the Constitutional Debt Limit.

\$4,500,000 Series 2007C General Obligation (Limited Tax), Open Space, Parks and Natural Resources Bonds, due in annual installments ranging from \$155,000 to \$350,000 due on December 1, 2008 through 2026, plus interest ranging from 4.00% to 6.00%, payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>, commencing December 1, 2007. The Series 2007C Bonds maturing on and after December 1, 2018 will be subject to optional redemption on and after December 1, 2017. The Series 2007C Bonds are not subject to the Constitutional Debt Limit.

*Litigation* – A judgment was filed on September 13, 2007 in the case of Las Vegas Metropolitan Police Department (Metro) vs. Public Employees Benefits Program (PEBP) in favor of Metro. The judgment states that Metro is not required to pay NRS 287.03 subsidies on behalf of local government employees who retired and enrolled in PEBP prior to October 1, 2003. The Self Insurance Trust Fund has filed an appeal and expects these premiums to be ultimately collectible and, accordingly, no allowance has been recorded; however, the entire balance of \$813,801 is shown as a non current receivable.

**Note 16 - Accounting Changes and Restatements**

During fiscal year 2007, the State implemented the Governmental Accounting Standards Board (GASB) Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in Statement No. 26, Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension

Plans. This approach is consistent with the one adopted in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, with modifications to reflect differences between pension plans and OPEB plans. As a result of Statement No. 43, the State established an agency fund to account for activity related to postemployment healthcare insurance. The required disclosures are presented in Note 9D.

# REQUIRED SUPPLEMENTARY INFORMATION



## **WALKER RIVER**

Photographed By: Reed Cozens

Provided By: Nevada Department of Conservation

## Budgetary Comparison Schedule General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2007 (Expressed in Thousands)

	General Fund				Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>								
Fund balances, July 1	\$ 812,256	\$ 812,256	\$ 812,256	\$ -	\$ 329,017	\$ 329,017	\$ 329,017	\$ -
<b>Revenues:</b>								
Sales taxes	1,007,354	1,042,630	1,020,762	(21,868)	-	-	-	-
Gaming taxes, fees, licenses	974,867	991,708	992,734	1,026	-	-	-	-
Intergovernmental	1,512,186	1,781,046	1,470,184	(310,862)	232,436	280,854	315,872	35,018
Other taxes	1,008,058	1,065,028	1,083,235	18,207	318,850	318,994	318,051	(943)
Sales, charges for services	164,096	177,989	171,346	(6,643)	24,164	26,262	27,141	879
Licenses, fees and permits	429,101	462,510	394,154	(68,356)	166,005	169,473	183,843	14,370
Interest	21,004	63,849	65,309	1,460	6,015	6,039	20,170	14,131
Other	223,031	267,038	221,599	(45,439)	20,950	23,593	52,381	28,788
<b>Other financing sources:</b>								
Proceeds from sale of bonds	-	24,914	24,916	2	200,000	198,960	198,965	5
Transfers	220,978	309,378	254,901	(54,477)	10,048	10,600	11,625	1,025
Reversions from other funds	-	-	4,842	4,842	-	-	-	-
<b>Total sources</b>	<b>6,372,931</b>	<b>6,998,346</b>	<b>6,516,238</b>	<b>(482,108)</b>	<b>1,307,485</b>	<b>1,363,792</b>	<b>1,457,065</b>	<b>93,273</b>
<b>Uses of Financial Resources</b>								
<b>Expenditures and encumbrances:</b>								
Constitutional agencies	122,374	160,642	108,524	52,118	-	-	-	-
Finance and administration	90,369	121,808	89,414	32,394	-	-	-	-
Education	2,379,367	2,570,428	2,225,921	344,507	-	-	-	-
Human services	2,512,227	2,637,180	2,347,949	289,231	-	-	-	-
Commerce and industry	159,645	176,585	106,208	70,377	-	-	-	-
Public safety	383,546	484,511	375,977	108,534	178,097	183,421	172,036	11,385
Infrastructure	273,035	527,587	152,751	374,836	993,803	1,046,061	827,913	218,148
Special purpose agencies	33,343	34,006	30,307	3,699	-	-	-	-
<b>Other financing uses:</b>								
Transfers to other funds	68,413	329,871	329,871	-	86,755	108,981	108,504	477
Reversions to other funds	-	-	3,322	(3,322)	-	-	353	(353)
<b>Projected reversions</b>	<b>(88,370)</b>	<b>(233,540)</b>	<b>-</b>	<b>(233,540)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total uses</b>	<b>5,933,949</b>	<b>6,809,078</b>	<b>5,770,244</b>	<b>1,038,834</b>	<b>1,258,655</b>	<b>1,338,463</b>	<b>1,108,806</b>	<b>229,657</b>
<b>Fund balances, June 30</b>	<b>\$ 438,982</b>	<b>\$ 189,268</b>	<b>\$ 745,994</b>	<b>\$ 556,726</b>	<b>\$ 48,830</b>	<b>\$ 25,329</b>	<b>\$ 348,259</b>	<b>\$ 322,930</b>



NEVADA

Municipal Bond Bank				Stabilize the Operations of State Government			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 22	\$ 22	\$ 22	\$ -	\$ 192,809	\$ 192,809	\$ 192,809	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
87,035	87,035	53,961	(33,074)	-	400	249	(151)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	87,334	89,652	89,652	-
-	-	-	-	-	-	-	-
<u>87,057</u>	<u>87,057</u>	<u>53,983</u>	<u>(33,074)</u>	<u>280,143</u>	<u>282,861</u>	<u>282,710</u>	<u>(151)</u>
-	-	-	-	7,631	11,458	5,694	5,764
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,012	1,330	-	1,330
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
87,057	87,057	53,983	33,074	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>87,057</u>	<u>87,057</u>	<u>53,983</u>	<u>33,074</u>	<u>8,643</u>	<u>12,788</u>	<u>5,694</u>	<u>7,094</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,500</u>	<u>\$ 270,073</u>	<u>\$ 277,016</u>	<u>\$ 6,943</u>

## Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2007

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

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

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of September 6 are reported instead of the amounts disclosed in the original budget. The September 6, 2007 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, 2007 budget as permitted by NRS 353.220.

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

	General Fund	State Highway	Municipal Bond Bank	Stabilize the Operations of State Government
<b>Fund balances (budgetary basis) June 30, 2007</b>	\$ 745,994	\$ 348,259	\$ -	\$ 277,016
<b>Adjustments:</b>				
<i>Basis differences:</i>				
Petty cash or outside bank accounts	3,544	178	-	-
Investments not recorded on the budgetary basis	23,960	-	617,320	-
Accrual of certain other receivables	118,898	3,630	110	65
Inventory	-	11,478	-	-
Advances to other funds	14,173	7	-	-
Deferred charges and other assets	-	-	-	-
Accrual of certain accounts payable and other liabilities	(235,683)	-	-	-
Accrual of longevity pay	(1,398)	(204)	-	-
Deferred revenues	(239,450)	-	-	(2)
Encumbrances	4,656	1,276	-	-
Other	10,397	2,806	-	-
<b>Fund balances (GAAP basis) June 30, 2007</b>	<u>\$ 445,091</u>	<u>\$ 367,430</u>	<u>\$ 617,430</u>	<u>\$ 277,079</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2007, 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)	\$ 745,994
Restricted funds	<u>(608,562)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u>\$ 137,432</u>

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



*For the Fiscal Year Ended June 30, 2007*

**Legislator's Retirement System (LRS)**

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

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

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

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

**Judicial Retirement System (JRS)**

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

<b>Valuation Year</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Ratio of Assets to AAL</b>	<b>Annual Covered Payroll</b>	<b>UAAL as a % of Annual Covered Payroll</b>
2005	\$ 44,360	\$ 19,711	\$ 24,650	44%	\$ 7,889	313%
2006	49,667	26,090	23,577	53%	9,166	257%
2007	55,009	32,431	22,578	59%	9,088	248%

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.



For the Fiscal Year Ended June 30, 2007

The State has adopted the modified approach for reporting infrastructure assets under a single roadway network that includes both roads and bridges. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The roadway network accounted for under the modified approach includes the combination of approximately 5,300 centerline miles of roads and approximately 1,000 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 2007 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. The following tables show that the State's policy regarding the condition level of the roadways and bridges has been met.

Condition Level of the Roadways					
Percentage of roadways with an IRI of less than 80					
	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2005 condition assessment	81%	78%	89%	61%	26%
Actual results of 2003 condition assessment	83%	72%	90%	65%	38%
Actual results of 2001 condition assessment	83%	77%	86%	65%	19%

Condition Level of the Bridges			
Percentage of substandard bridges			
	2005	2003	2001
State Policy-maximum percentage	10%	10%	10%
Actual results conditon assessment	3%	5%	6%

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

Maintenance and Preservation Costs					
(Expressed in Thousands)					
	2007	2006	2005	2004	2003
Estimated	\$ 243,191	\$ 207,751	\$ 153,148	\$ 338,180	\$ 324,525
Actual	218,923	196,080	151,363	288,315	306,149

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





**HUNTINGTON CREEK**

Photographed by: Rich Perry

Nevada Department of Conservation

# COMBINING STATEMENTS AND SCHEDULES



**RUBY MARSH**

Provided by: John Walker  
Nevada Department of Conservation

# NONMAJOR GOVERNMENTAL FUNDS

## NONMAJOR SPECIAL REVENUE FUNDS

**School Improvement** Accounts for funding of school improvement programs. All such programs must be approved by the Legislature or Interim Finance Committee. (NRS 387.032).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR DEBT SERVICE FUND

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

## NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

## NONMAJOR PERMANENT FUNDS

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

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

# Combining Balance Sheet Nonmajor Governmental Funds



NEVADA

June 30, 2007

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 231,614,229	\$ 31,384,547	\$ 214,262,051	\$ 10,343,533	\$ 487,604,360
Cash in custody of other officials	1,382,040	-	4,278,241	-	5,660,281
Investments	1,640,747	-	-	266,218,336	267,859,083
Collateral on loaned securities	87,878,623	-	13,581,853	5,611,875	107,072,351
<i>Receivables:</i>					
Accounts receivable	23,985,870	-	-	-	23,985,870
Taxes receivable	5,889,216	-	-	-	5,889,216
Intergovernmental receivables	9,079,316	-	352,815	774,150	10,206,281
Accrued interest and dividends	16,092	-	-	2,467,727	2,483,819
Notes/loans receivable	46,664	-	-	-	46,664
Other receivables	709	-	-	-	709
Due from other funds	24,212,499	-	165,593,433	562,828	190,368,760
Due from fiduciary funds	421,182	-	-	-	421,182
Due from component units	21,108	-	-	-	21,108
Inventory	919,350	-	-	-	919,350
Prepaid items	88,225	-	-	-	88,225
<b>Total assets</b>	<b>\$ 387,195,870</b>	<b>\$ 31,384,547</b>	<b>\$ 398,068,393</b>	<b>\$ 285,978,449</b>	<b>\$ 1,102,627,259</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 9,201,087	\$ -	\$ 257,139	\$ 5,000	\$ 9,463,226
Accrued payroll and related liabilities	2,569,972	-	-	-	2,569,972
Intergovernmental payables	13,029,062	-	36,062	-	13,065,124
Contracts payable	98,630	-	25,158,446	-	25,257,076
Retention payable	-	-	13,104,232	-	13,104,232
Obligations under securities lending	87,878,623	-	13,581,853	5,611,875	107,072,351
Due to other funds	27,096,726	-	4,988,183	3,386,675	35,471,584
Due to fiduciary funds	21,744	-	-	-	21,744
Due to component units	303,583	-	173,151,171	-	173,454,754
Deferred revenues	24,174,977	-	11,626	4,483	24,191,086
Other liabilities	34,105	-	-	1,058,405	1,092,510
<b>Total liabilities</b>	<b>164,408,509</b>	<b>-</b>	<b>230,288,712</b>	<b>10,066,438</b>	<b>404,763,659</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	752,670	-	80,722,422	-	81,475,092
Inventories	919,350	-	-	-	919,350
Funds held as permanent investments	200,000	-	-	275,890,124	276,090,124
Debt service	-	31,384,547	-	-	31,384,547
Other	134,889	-	-	-	134,889
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	361,846	-	-	-	361,846
Approved capital projects	-	-	87,057,259	-	87,057,259
Other	13,552,047	-	-	-	13,552,047
Undesignated	206,866,559	-	-	21,887	206,888,446
<b>Total fund balances</b>	<b>222,787,361</b>	<b>31,384,547</b>	<b>167,779,681</b>	<b>275,912,011</b>	<b>697,863,600</b>
<b>Total liabilities and fund balances</b>	<b>\$ 387,195,870</b>	<b>\$ 31,384,547</b>	<b>\$ 398,068,393</b>	<b>\$ 285,978,449</b>	<b>\$ 1,102,627,259</b>

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



NEVADA

For the Fiscal Year Ended June 30, 2007

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ 15,340,673	\$ -	\$ -	\$ -	\$ 15,340,673
Property and transfer taxes	22,084,499	-	-	-	22,084,499
Motor and special fuel taxes	-	76,381,573	-	-	76,381,573
Other taxes	46,990,768	-	-	-	46,990,768
Intergovernmental	48,224,777	-	10,382,927	-	58,607,704
Licenses, fees and permits	31,236,077	-	-	-	31,236,077
Sales and charges for services	15,567,151	-	-	-	15,567,151
Interest and investment income	13,884,738	-	226,477	15,318,071	29,429,286
Tobacco settlement income	37,351,364	-	-	-	37,351,364
Land sales	-	-	-	5,756,070	5,756,070
Other	4,382,837	-	182,357	6,455,813	11,021,007
<b>Total revenues</b>	<b>235,062,884</b>	<b>76,381,573</b>	<b>10,791,761</b>	<b>27,529,954</b>	<b>349,766,172</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	65,885,397	-	7,438	377,979	66,270,814
Health and social services	74,510,369	-	-	-	74,510,369
Education and support services	637,844	-	-	-	637,844
Law, justice and public safety	16,439,622	-	-	-	16,439,622
Regulation of business	21,511,397	-	-	-	21,511,397
Recreation, resource development	26,599,813	-	-	-	26,599,813
Intergovernmental	67,253,225	-	109,041,766	-	176,294,991
Capital outlay	2,278,791	-	69,720,044	-	71,998,835
<i>Debt service:</i>					
Principal	155,913	41,125,000	-	-	41,280,913
Interest, fiscal charges	27,194	30,105,749	-	-	30,132,943
Debt issuance costs	132,650	-	839,190	-	971,840
<b>Total expenditures</b>	<b>275,432,215</b>	<b>71,230,749</b>	<b>179,608,438</b>	<b>377,979</b>	<b>526,649,381</b>
Excess (deficiency) of revenues over expenditures	(40,369,331)	5,150,824	(168,816,677)	27,151,975	(176,883,209)
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	19,661,230	-	149,257,053	-	168,918,283
Premium on general obligation bonds	257,979	-	5,844,278	-	6,102,257
Sale of certificates of participation	-	-	5,760,000	-	5,760,000
Discount on certificates of participation	-	-	(78,087)	-	(78,087)
Sale of capital assets	10,390	-	-	-	10,390
Transfers in	85,506,161	-	102,670,428	-	188,176,589
Transfers out	(35,285,764)	-	(2,389,106)	(14,950,951)	(52,625,821)
<b>Total other financing sources (uses)</b>	<b>70,149,996</b>	<b>-</b>	<b>261,064,566</b>	<b>(14,950,951)</b>	<b>316,263,611</b>
Net change in fund balances	29,780,665	5,150,824	92,247,889	12,201,024	139,380,402
Fund balances, July 1	193,006,696	26,233,723	75,531,792	263,710,987	558,483,198
<b>Fund balances, June 30</b>	<b>\$ 222,787,361</b>	<b>\$ 31,384,547</b>	<b>\$ 167,779,681</b>	<b>\$ 275,912,011</b>	<b>\$ 697,863,600</b>

## Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2007

	School Improvement	Employment Security	Regulatory	Legislative	Higher Education Capital Construction
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 411,044	\$ 11,984,234	\$ 12,273,546	\$ 12,270,272	\$ 6,254,173
Cash in custody of other officials	-	125	2,700	1,339,967	-
Investments	-	-	-	-	-
Collateral on loaned securities	223,013	7,511,805	1,898,619	-	-
<i>Receivables:</i>					
Accounts receivable	-	232,770	825,173	92,336	-
Taxes receivable	-	3,518,431	-	-	-
Intergovernmental receivables	-	6,725,626	-	-	-
Accrued interest and dividends	-	-	-	-	-
Notes/loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	7,418	321,731	208,469	72,173	11,326,337
Due from fiduciary funds	-	-	-	-	-
Due from component units	-	1,156	-	25	-
Inventory	-	-	-	403,048	-
Prepaid items	-	-	52,723	35,502	-
<b>Total assets</b>	<b>\$ 641,475</b>	<b>\$ 30,295,878</b>	<b>\$ 15,261,230</b>	<b>\$ 14,213,323</b>	<b>\$ 17,580,510</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ -	\$ 1,798,216	\$ 555,180	\$ 301,076	\$ 3,271
Accrued payroll and related liabilities	-	842,281	552,019	706,222	-
Intergovernmental payables	-	183,450	71	4,821	-
Contracts/retentions payable	-	-	-	98,630	-
Obligations under securities lending	223,013	7,511,805	1,898,619	-	-
Due to other funds	412,877	1,375,638	361,788	675,330	10,276,465
Due to fiduciary funds	-	6	16	-	-
Due to component units	-	78,271	5,000	-	-
Deferred revenues	148	4,580	1,289,797	300	300
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>636,038</b>	<b>11,794,247</b>	<b>4,662,490</b>	<b>1,786,379</b>	<b>10,280,036</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	-	155,583	24,760	421,795	-
Inventories	-	-	-	403,048	-
Funds held as permanent investments	-	-	-	-	-
Other	-	-	52,723	35,502	-
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	-	-	-	-	-
Other	-	-	-	9,362,008	-
Undesignated	5,437	18,346,048	10,521,257	2,204,591	7,300,474
<b>Total fund balances</b>	<b>5,437</b>	<b>18,501,631</b>	<b>10,598,740</b>	<b>12,426,944</b>	<b>7,300,474</b>
<b>Total liabilities and fund balances</b>	<b>\$ 641,475</b>	<b>\$ 30,295,878</b>	<b>\$ 15,261,230</b>	<b>\$ 14,213,323</b>	<b>\$ 17,580,510</b>



<u>Cleaning Up Petroleum Discharges</u>	<u>Hospital Care to Indigent Persons</u>	<u>Tourism Promotion</u>	<u>Offenders' Store</u>	<u>Tobacco Settlement</u>	<u>Contingency</u>
\$ 12,307,021	\$ 13,122,207	\$ 7,103,088	\$ 4,319,049	\$ 90,863,696	\$ 24,273,251
-	-	-	7,551	-	-
-	-	-	-	-	-
6,677,164	587,385	110,525	4,798,582	49,051,155	-
3,800	-	-	301,519	22,425,905	-
-	629,500	1,741,285	-	-	-
-	169,920	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
170,750	313,976	700,014	167,341	9,322,582	381,824
-	-	-	372,720	-	-
-	-	-	-	-	-
-	-	-	332,463	-	-
-	-	-	-	-	-
<u>\$ 19,158,735</u>	<u>\$ 14,822,988</u>	<u>\$ 9,654,912</u>	<u>\$ 10,299,225</u>	<u>\$ 171,663,338</u>	<u>\$ 24,655,075</u>
\$ 468,288	\$ 237	\$ 1,760,127	\$ 400,553	\$ 697,584	\$ 316,001
-	-	60,105	129,239	23,631	-
-	12,039,566	391,622	-	83,881	-
-	-	-	-	-	-
6,677,164	587,385	110,525	4,798,582	49,051,155	-
99,324	32,395	43,543	353,966	2,756,540	4,621,928
-	-	1,073	19,865	-	-
-	-	-	-	107,485	-
3,196	6,268	76	3,101	22,328,093	-
-	-	-	34,105	-	-
<u>7,247,972</u>	<u>12,665,851</u>	<u>2,367,071</u>	<u>5,739,411</u>	<u>75,048,369</u>	<u>4,937,929</u>
-	-	123,045	-	6,784	-
-	-	-	332,463	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,190,039
11,910,763	2,157,137	7,164,796	4,227,351	96,608,185	15,527,107
<u>11,910,763</u>	<u>2,157,137</u>	<u>7,287,841</u>	<u>4,559,814</u>	<u>96,614,969</u>	<u>19,717,146</u>
<u>\$ 19,158,735</u>	<u>\$ 14,822,988</u>	<u>\$ 9,654,912</u>	<u>\$ 10,299,225</u>	<u>\$ 171,663,338</u>	<u>\$ 24,655,075</u>

# Combining Balance Sheet Nonmajor Special Revenue Funds



NEVADA

June 30, 2007

Page 2 of 2

	<b>Care of Sites for Radioactive Waste Disposal</b>	<b>Gift</b>	<b>Natural Resources</b>	<b>Miscellaneous</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets</b>					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 12,543,652	\$ 2,795,770	\$ 14,623,485	\$ 6,469,741	\$ 231,614,229
Cash in custody of other officials	-	10,978	-	20,719	1,382,040
Investments	-	367,488	-	1,273,259	1,640,747
Collateral on loaned securities	6,805,549	1,464,069	7,933,939	816,818	87,878,623
<i>Receivables:</i>					
Accounts receivable	46,719	1,732	-	55,916	23,985,870
Taxes receivable	-	-	-	-	5,889,216
Intergovernmental receivables	-	84,209	-	2,099,561	9,079,316
Accrued interest and dividends	-	2,688	-	13,404	16,092
Notes/loans receivable	-	-	-	46,664	46,664
Other receivables	-	709	-	-	709
Due from other funds	226,289	53,252	289,098	651,245	24,212,499
Due from fiduciary funds	-	-	-	48,462	421,182
Due from component units	-	-	-	19,927	21,108
Inventory	-	-	-	183,839	919,350
Prepaid items	-	-	-	-	88,225
<b>Total assets</b>	<b>\$ 19,622,209</b>	<b>\$ 4,780,895</b>	<b>\$ 22,846,522</b>	<b>\$ 11,699,555</b>	<b>\$ 387,195,870</b>
<b>Liabilities and Fund Balances</b>					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 1,037	\$ 48,299	\$ 52,596	\$ 2,798,622	\$ 9,201,087
Accrued payroll and related liabilities	-	3,799	-	252,676	2,569,972
Intergovernmental payables	-	119,952	194,655	11,044	13,029,062
Contracts/retentions payable	-	-	-	-	98,630
Obligations under securities lending	6,805,549	1,464,069	7,933,939	816,818	87,878,623
Due to other funds	11,245	4,614	4,266,405	1,804,668	27,096,726
Due to fiduciary funds	-	779	-	5	21,744
Due to component units	-	-	111,562	1,265	303,583
Deferred revenues	4,518	1,011	5,771	527,818	24,174,977
Other liabilities	-	-	-	-	34,105
<b>Total liabilities</b>	<b>6,822,349</b>	<b>1,642,523</b>	<b>12,564,928</b>	<b>6,212,916</b>	<b>164,408,509</b>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances and contracts	-	-	-	20,703	752,670
Inventories	-	-	-	183,839	919,350
Funds held as permanent investments	-	-	-	200,000	200,000
Other	-	-	-	46,664	134,889
<i>Unreserved:</i>					
<i>Designated:</i>					
Principal preservation	-	361,846	-	-	361,846
Other	-	-	-	-	13,552,047
Undesignated	12,799,860	2,776,526	10,281,594	5,035,433	206,866,559
<b>Total fund balances</b>	<b>12,799,860</b>	<b>3,138,372</b>	<b>10,281,594</b>	<b>5,486,639</b>	<b>222,787,361</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,622,209</b>	<b>\$ 4,780,895</b>	<b>\$ 22,846,522</b>	<b>\$ 11,699,555</b>	<b>\$ 387,195,870</b>



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

For the Fiscal Year Ended June 30, 2007

	School Improvement	Employment Security	Regulatory	Legislative	Higher Education Capital Construction
<b>Revenues</b>					
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ -	\$ 15,340,673
Property and transfer taxes	-	-	-	-	-
Other taxes	379,328	13,191,426	42,381	-	-
Intergovernmental	-	44,049,876	407,439	-	-
Licenses, fees and permits	-	342,060	18,630,299	77,545	-
Sales and charges for services	-	484,809	13,800	394,602	-
Interest and investment income	48,011	1,087,199	290,815	-	-
Tobacco settlement income	-	-	-	-	-
Other	-	1,439,448	469,093	105,592	-
<b>Total revenues</b>	<b>427,339</b>	<b>60,594,818</b>	<b>19,853,827</b>	<b>577,739</b>	<b>15,340,673</b>
<b>Expenditures</b>					
<i>Current:</i>					
General government	21,231	363,628	96,350	45,124,888	-
Health and social services	-	57,170,651	-	-	-
Education and support services	-	-	-	-	-
Law, justice and public safety	-	-	-	-	-
Regulation of business	-	-	21,165,361	-	-
Recreation, resource development	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000,000
Capital outlay	-	-	-	2,278,791	-
<i>Debt service:</i>					
Principal	-	-	-	114,078	-
Interest	-	-	-	21,799	775
Debt issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>21,231</b>	<b>57,534,279</b>	<b>21,261,711</b>	<b>47,539,556</b>	<b>5,000,775</b>
Excess (deficiency) of revenues over expenditures	406,108	3,060,539	(1,407,884)	(46,961,817)	10,339,898
<b>Other Financing Sources (Uses)</b>					
Sale of general obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Sale of capital assets	-	2,200	8,190	-	-
Transfers in	-	-	2,401,546	53,534,806	-
Transfers out	(412,877)	(1,825,283)	(303,360)	(2,068,527)	(12,903,103)
<b>Total other financing sources (uses)</b>	<b>(412,877)</b>	<b>(1,823,083)</b>	<b>2,106,376</b>	<b>51,466,279</b>	<b>(12,903,103)</b>
Net change in fund balances	(6,769)	1,237,456	698,492	4,504,462	(2,563,205)
Fund balances, July 1	12,206	17,264,175	9,900,248	7,922,482	9,863,679
<b>Fund balances, June 30</b>	<b>\$ 5,437</b>	<b>\$ 18,501,631</b>	<b>\$ 10,598,740</b>	<b>\$ 12,426,944</b>	<b>\$ 7,300,474</b>



Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Contingency	Care of Sites for Radioactive Waste Disposal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	22,084,499	-	-	-	-	-
13,785,346	-	17,380,509	-	-	-	-
-	287,880	-	-	36,463	-	-
431,800	-	67,534	-	-	-	231,688
-	-	-	13,734,157	-	-	-
614,174	640,225	20,216	667,939	6,628,903	-	1,026,404
-	-	-	-	37,351,364	-	-
-	-	15,821	8,597	179,669	-	-
<u>14,831,320</u>	<u>23,012,604</u>	<u>17,484,080</u>	<u>14,410,693</u>	<u>44,196,399</u>	-	<u>1,258,092</u>
188,558	228,114	7,942	233,912	2,524,706	1,533,234	340,130
-	9,675,492	-	-	7,366,018	-	72,543
-	-	14,500	-	-	-	-
-	-	-	11,837,920	-	-	-
-	-	-	-	-	-	-
6,278,012	-	14,585,229	-	-	-	-
399,952	12,314,377	-	-	27,183,547	4,000,000	-
-	-	-	-	-	-	-
-	-	-	41,835	-	-	-
-	-	-	4,620	-	-	-
-	-	-	-	-	-	-
<u>6,866,522</u>	<u>22,217,983</u>	<u>14,607,671</u>	<u>12,118,287</u>	<u>37,074,271</u>	<u>5,533,234</u>	<u>412,673</u>
<u>7,964,798</u>	<u>794,621</u>	<u>2,876,409</u>	<u>2,292,406</u>	<u>7,122,128</u>	<u>(5,533,234)</u>	<u>845,419</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	500,000	-	7,898,740	19,664,946	-
(791,891)	(91,964)	(2,772,733)	(1,783,439)	(7,936,200)	(2,907,699)	(53,235)
<u>(791,891)</u>	<u>(91,964)</u>	<u>(2,272,733)</u>	<u>(1,783,439)</u>	<u>(37,460)</u>	<u>16,757,247</u>	<u>(53,235)</u>
7,172,907	702,657	603,676	508,967	7,084,668	11,224,013	792,184
4,737,856	1,454,480	6,684,165	4,050,847	89,530,301	8,493,133	12,007,676
<u>\$ 11,910,763</u>	<u>\$ 2,157,137</u>	<u>\$ 7,287,841</u>	<u>\$ 4,559,814</u>	<u>\$ 96,614,969</u>	<u>\$ 19,717,146</u>	<u>\$ 12,799,860</u>

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



NEVADA

For the Fiscal Year Ended June 30, 2007

Page 2 of 2

	Gift	Natural Resources	Miscellaneous	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 15,340,673
Property and transfer taxes	-	-	-	22,084,499
Other taxes	-	-	2,211,778	46,990,768
Intergovernmental	-	-	3,443,119	48,224,777
Licenses, fees and permits	1,222,533	-	10,232,618	31,236,077
Sales and charges for services	8,975	-	930,808	15,567,151
Interest and investment income	311,274	1,671,198	878,380	13,884,738
Tobacco settlement income	-	-	-	37,351,364
Other	55,940	-	2,108,677	4,382,837
<b>Total revenues</b>	<b>1,598,722</b>	<b>1,671,198</b>	<b>19,805,380</b>	<b>235,062,884</b>
<b>Expenditures</b>				
<i>Current:</i>				
General government	85,039	577,505	14,560,160	65,885,397
Health and social services	225,665	-	-	74,510,369
Education and support services	13,236	-	610,108	637,844
Law, justice and public safety	-	-	4,601,702	16,439,622
Regulation of business	-	-	346,036	21,511,397
Recreation, resource development	247,208	5,489,364	-	26,599,813
Intergovernmental	1,527,094	16,785,364	42,891	67,253,225
Capital outlay	-	-	-	2,278,791
<i>Debt service:</i>				
Principal	-	-	-	155,913
Interest	-	-	-	27,194
Debt issuance costs	-	132,650	-	132,650
<b>Total expenditures</b>	<b>2,098,242</b>	<b>22,984,883</b>	<b>20,160,897</b>	<b>275,432,215</b>
Excess (deficiency) of revenues over expenditures	(499,520)	(21,313,685)	(355,517)	(40,369,331)
<b>Other Financing Sources (Uses)</b>				
Sale of general obligation bonds	-	19,661,230	-	19,661,230
Premium on general obligation bonds	-	257,979	-	257,979
Sale of capital assets	-	-	-	10,390
Transfers in	2,426	-	1,503,697	85,506,161
Transfers out	-	(615,326)	(820,127)	(35,285,764)
<b>Total other financing sources (uses)</b>	<b>2,426</b>	<b>19,303,883</b>	<b>683,570</b>	<b>70,149,996</b>
Net change in fund balances	(497,094)	(2,009,802)	328,053	29,780,665
Fund balances, July 1	3,635,466	12,291,396	5,158,586	193,006,696
<b>Fund balances, June 30</b>	<b>\$ 3,138,372</b>	<b>\$ 10,281,594</b>	<b>\$ 5,486,639</b>	<b>\$ 222,787,361</b>



## Combining Balance Sheet Other Nonmajor Governmental Funds

June 30, 2007

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
<b>Assets</b>						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 177,264	\$ 237,545	\$ 9,295,650	\$ 134,724,561	\$ 24,043,428	\$ 40,131,645
Cash in custody of other officials	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Collateral on loaned securities	-	-	-	13,570,071	-	-
<i>Receivables:</i>						
Intergovernmental receivables	-	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-	-
Due from other funds	4,128	16,864,006	2,805,885	68,333,507	17,401,068	59,975,083
<b>Total assets</b>	<b>\$ 181,392</b>	<b>\$ 17,101,551</b>	<b>\$ 12,101,535</b>	<b>\$ 216,628,139</b>	<b>\$ 41,444,496</b>	<b>\$ 100,106,728</b>
<b>Liabilities and Fund Balances</b>						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 49	\$ 2,395	\$ 6,424	\$ 123,812	\$ 64,381	\$ 20,138
Intergovernmental payables	-	-	-	33,246	2,816	-
Contracts payable	52,599	72,560	1,012,388	18,320,212	1,425,096	3,596,552
Retentions payable	277	2,974	405,574	10,592,793	741,436	695,593
Obligations under securities lending	-	-	-	13,570,071	-	-
Due to other funds	128,744	20,420	1,456,105	825,216	1,394,711	833,477
Due to component units	-	-	-	173,151,171	-	-
Deferred revenues	-	-	-	11,618	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>181,669</b>	<b>98,349</b>	<b>2,880,491</b>	<b>216,628,139</b>	<b>3,628,440</b>	<b>5,145,760</b>
<b>Fund balances:</b>						
<i>Reserved:</i>						
Encumbrances and contracts	-	51,895	2,328,132	-	8,856,010	64,493,696
Funds held as permanent investments	-	-	-	-	-	-
<i>Unreserved:</i>						
Designated for approved capital projects	(277)	16,951,307	6,892,912	-	28,960,046	30,467,272
Undesignated	-	-	-	-	-	-
<b>Total fund balances</b>	<b>(277)</b>	<b>17,003,202</b>	<b>9,221,044</b>	<b>-</b>	<b>37,816,056</b>	<b>94,960,968</b>
<b>Total liabilities and fund balances</b>	<b>\$ 181,392</b>	<b>\$ 17,101,551</b>	<b>\$ 12,101,535</b>	<b>\$ 216,628,139</b>	<b>\$ 41,444,496</b>	<b>\$ 100,106,728</b>



NEVADA

Capital Projects Funds					Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	CIP Miscellaneous	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 5,173,321	\$ 416,840	\$ 21,717	\$ 40,080	\$ 214,262,051	\$ 10,290,164	\$ 53,369	\$ 10,343,533
-	-	-	4,278,241	4,278,241	-	-	-
-	-	-	-	-	266,218,336	-	266,218,336
-	-	11,782	-	13,581,853	5,582,920	28,955	5,611,875
352,815	-	-	-	352,815	774,150	-	774,150
-	-	-	-	-	2,467,727	-	2,467,727
-	190,495	392	18,869	165,593,433	561,865	963	562,828
<u>\$ 5,526,136</u>	<u>\$ 607,335</u>	<u>\$ 33,891</u>	<u>\$ 4,337,190</u>	<u>\$ 398,068,393</u>	<u>\$ 285,895,162</u>	<u>\$ 83,287</u>	<u>\$ 285,978,449</u>
\$ -	\$ -	\$ -	\$ 39,940	\$ 257,139	\$ 5,000	\$ -	\$ 5,000
-	-	-	-	36,062	-	-	-
448,852	199,090	-	31,097	25,158,446	-	-	-
622,866	-	-	42,719	13,104,232	-	-	-
-	-	11,782	-	13,581,853	5,582,920	28,955	5,611,875
317,050	12,460	-	-	4,988,183	3,384,249	2,426	3,386,675
-	-	-	-	173,151,171	-	-	-
-	-	8	-	11,626	4,464	19	4,483
-	-	-	-	-	1,058,405	-	1,058,405
<u>1,388,768</u>	<u>211,550</u>	<u>11,790</u>	<u>113,756</u>	<u>230,288,712</u>	<u>10,035,038</u>	<u>31,400</u>	<u>10,066,438</u>
907,654	395,785	-	3,689,250	80,722,422	-	-	-
-	-	-	-	-	275,860,124	30,000	275,890,124
3,229,714	-	22,101	534,184	87,057,259	-	-	-
-	-	-	-	-	-	21,887	21,887
<u>4,137,368</u>	<u>395,785</u>	<u>22,101</u>	<u>4,223,434</u>	<u>167,779,681</u>	<u>275,860,124</u>	<u>51,887</u>	<u>275,912,011</u>
<u>\$ 5,526,136</u>	<u>\$ 607,335</u>	<u>\$ 33,891</u>	<u>\$ 4,337,190</u>	<u>\$ 398,068,393</u>	<u>\$ 285,895,162</u>	<u>\$ 83,287</u>	<u>\$ 285,978,449</u>

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

For the Fiscal Year Ended June 30, 2007

	Capital Projects Funds					
	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System
<b>Revenues</b>						
Intergovernmental	\$ 98,000	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	7,678	-	-	-	-	-
Land sales	-	-	-	-	-	-
Other	113,552	-	-	-	18,805	-
<b>Total revenues</b>	<u>219,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,805</u>	<u>-</u>
<b>Expenditures</b>						
<i>Current:</i>						
General government	-	-	-	-	-	-
Intergovernmental	-	-	-	109,041,766	-	-
Capital outlay	498,688	2,121,968	10,043,781	-	25,849,638	14,535,323
<i>Debt service:</i>						
Debt issuance costs	-	-	11,957	365,923	28,583	103,759
<b>Total expenditures</b>	<u>498,688</u>	<u>2,121,968</u>	<u>10,055,738</u>	<u>109,407,689</u>	<u>25,878,221</u>	<u>14,639,082</u>
Excess (deficiency) of revenues over expenditures	<u>(279,458)</u>	<u>(2,121,968)</u>	<u>(10,055,738)</u>	<u>(109,407,689)</u>	<u>(25,859,416)</u>	<u>(14,639,082)</u>
<b>Other Financing Sources (Uses)</b>						
Sale of general obligation bonds	-	-	3,940,809	105,297,290	7,267,408	29,857,343
Premium on general obligation bonds	-	-	134,316	4,110,399	321,069	1,165,515
Sale of certificates of participation	-	-	-	-	-	-
Discount on certificates of participation	-	-	-	-	-	-
Transfers in	177,950	16,227,411	1,901,461	-	21,989,334	60,997,401
Transfers out	-	(257,146)	(530,230)	-	(963,603)	(503,917)
<b>Total other financing sources (uses)</b>	<u>177,950</u>	<u>15,970,265</u>	<u>5,446,356</u>	<u>109,407,689</u>	<u>28,614,208</u>	<u>91,516,342</u>
Net change in fund balances	(101,508)	13,848,297	(4,609,382)	-	2,754,792	76,877,260
Fund balances, July 1	101,231	3,154,905	13,830,426	-	35,061,264	18,083,708
<b>Fund balances, June 30</b>	<u>\$ (277)</u>	<u>\$ 17,003,202</u>	<u>\$ 9,221,044</u>	<u>\$ -</u>	<u>\$ 37,816,056</u>	<u>\$ 94,960,968</u>



NEVADA

Capital Projects Funds					Permanent Funds		
CIP Military	CIP Wildlife	CIP Assistance to School Districts	CIP Miscellaneous	Total	Permanent School Fund	Henry Wood Christmas Fund	Total
\$ 10,280,894	\$ 4,033	\$ -	\$ -	\$ 10,382,927	\$ -	\$ -	\$ -
-	-	1,786	217,013	226,477	15,313,678	4,393	15,318,071
-	-	-	-	-	5,756,070	-	5,756,070
50,000	-	-	-	182,357	6,455,813	-	6,455,813
<u>10,330,894</u>	<u>4,033</u>	<u>1,786</u>	<u>217,013</u>	<u>10,791,761</u>	<u>27,525,561</u>	<u>4,393</u>	<u>27,529,954</u>
-	-	593	6,845	7,438	376,519	1,460	377,979
-	-	-	-	109,041,766	-	-	-
13,892,943	1,002,801	-	1,774,902	69,720,044	-	-	-
10,058	-	-	318,910	839,190	-	-	-
<u>13,903,001</u>	<u>1,002,801</u>	<u>593</u>	<u>2,100,657</u>	<u>179,608,438</u>	<u>376,519</u>	<u>1,460</u>	<u>377,979</u>
(3,572,107)	(998,768)	1,193	(1,883,644)	(168,816,677)	27,149,042	2,933	27,151,975
2,894,203	-	-	-	149,257,053	-	-	-
112,979	-	-	-	5,844,278	-	-	-
-	-	-	5,760,000	5,760,000	-	-	-
-	-	-	(78,087)	(78,087)	-	-	-
-	817,641	-	559,230	102,670,428	-	-	-
-	-	-	(134,210)	(2,389,106)	(14,948,525)	(2,426)	(14,950,951)
<u>3,007,182</u>	<u>817,641</u>	<u>-</u>	<u>6,106,933</u>	<u>261,064,566</u>	<u>(14,948,525)</u>	<u>(2,426)</u>	<u>(14,950,951)</u>
(564,925)	(181,127)	1,193	4,223,289	92,247,889	12,200,517	507	12,201,024
4,702,293	576,912	20,908	145	75,531,792	263,659,607	51,380	263,710,987
<u>\$ 4,137,368</u>	<u>\$ 395,785</u>	<u>\$ 22,101</u>	<u>\$ 4,223,434</u>	<u>\$ 167,779,681</u>	<u>\$ 275,860,124</u>	<u>\$ 51,887</u>	<u>\$ 275,912,011</u>

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

For the Fiscal Year Ended June 30, 2007

Page 1 of 9

	Final Budget	Actual	Variance
	\$ -	\$ 8,484,445	\$ (8,484,445)
<b>General Fund Unbudgeted Activity</b>			
<b>Constitutional Agencies</b>			
<b>Executive Branch</b>			
Office of the Governor	2,505,784	2,370,592	135,192
Mansion Maintenance	345,814	282,969	62,845
Office of Consumer Health Assistance	831,408	728,536	102,872
Washington Office	267,079	267,079	-
Ethics Commission	625,660	600,426	25,234
High Level Nuclear Waste	5,908,801	5,024,292	884,509
Petroleum Overcharge Rebate	323,388	118,717	204,671
Energy Conservation	1,421,423	800,782	620,641
Lieutenant Governor	599,011	585,819	13,192
Attorney General Admin Account	23,450,070	22,180,538	1,269,532
Extradition Coordinator	777,440	747,408	30,032
Special Fund	589,139	502,167	86,972
AG Workers' Compensation Fraud	4,378,335	3,758,995	619,340
Crime Prevention	278,874	261,011	17,863
AG Medicaid Fraud	2,683,460	1,553,595	1,129,865
Violence Against Women Grants	2,645,816	1,056,785	1,589,031
Council For Prosecuting Attorneys	259,901	196,455	63,446
Victims of Domestic Violence	323,653	257,594	66,059
Secretary of State	13,429,979	12,830,487	599,492
HAVA Election Account	10,317,663	1,954,241	8,363,422
Investigations & Enforcements	1,074,135	187,180	886,955
Special Services - Secretary of State	8,000,000	4,765,925	3,234,075
Advisory Committee Gift	49	-	49
State Treasurer	2,496,836	2,176,989	319,847
Silicosis & Disabled Pensions	3,838,942	89,325	3,749,617
Nevada College Savings Trust	4,246,240	4,240,931	5,309
College Savings Private Entity	200,000	-	200,000
Unclaimed Property	1,041,933	1,008,065	33,868
Controller General Account	4,086,870	3,948,631	138,239
Governor's Portrait Fund	20,000	17,604	2,396
<b>Judicial Branch</b>			
Admin Office of the Courts	3,187,474	1,847,472	1,340,002
Division of Planning & Analysis	876,751	705,968	170,783
Uniform System of Judicial Rec	2,771,872	1,759,424	1,012,448
Judicial Education	1,916,753	884,063	1,032,690
District Judges Salary	11,887,436	11,478,779	408,657
District Judges Travel	440,708	200,987	239,721
Supreme Court	13,744,319	11,445,965	2,298,354
Supreme Court Rural Drug Court	5,756,597	4,065,882	1,690,715
Retired Justice Duty Fund	1,603,441	1,577,302	26,139
Judicial Selection	22,871	22,181	690
LCB Disbursement	19,371,944	-	19,371,944
Law Library Gift Fund	70,787	5,657	65,130
Law Library	1,505,950	1,503,471	2,479
Judicial Discipline	517,673	513,293	4,380
	<u>160,642,279</u>	<u>108,523,582</u>	<u>52,118,697</u>
<b>Finance &amp; Administration</b>			
<b>Administration</b>			
Construction Education Account	502,776	375,268	127,508
Deferred Compensation	286,171	98,612	187,559
Commission For Women	1,504	-	1,504
Special Appropriations	11,796,370	7,922,817	3,873,553
Judicial College/Juvenile and Family Justice	375,000	375,000	-
Information Technology Improvement	938,408	936,045	2,363
Information Technology Projects	31,227,556	13,232,315	17,995,241
Budget and Planning	3,816,006	3,764,598	51,408
District Judge/Surviving Spouse Pension	1,608,800	1,608,800	-
Internal Audit	2,119,705	1,866,273	253,432



	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Graffiti Reward Fund	\$ 3,803	\$ -	\$ 3,803
Merit Award Board	5,000	907	4,093
Controlled Substance Grants	8,796	-	8,796
Clear Creek Youth Center	100,354	70,256	30,098
Commodity Food Program	9,917,295	7,217,105	2,700,190
Roof Maintenance Reserve	848,649	25,220	823,429
Public Works Division	956,753	820,478	136,275
School Plan Checking	711,000	346,535	364,465
Hearing & Appeals	4,595,669	4,513,842	81,827
State Claims	5,755,681	1,552,404	4,203,277
Emergency Fund	628,830	128,830	500,000
Statutory Contingency	6,088,470	2,421,893	3,666,577
<b>Taxation</b>			
Department of Taxation	37,327,358	32,624,627	4,702,731
<b>Personnel</b>			
Unemployment Compensation Fund	2,187,700	1,027,912	1,159,788
	<u>121,807,654</u>	<u>80,929,737</u>	<u>40,877,917</u>
<b>Education</b>			
<b>Education</b>			
Drug Abuse Education	1,801,570	1,360,295	441,275
Student Incentive Grants	528,204	527,821	383
Distributive School Account	1,237,633,970	1,072,432,717	165,201,253
School Health Education - AIDS	466,434	254,412	212,022
School Remediation	68,984,064	60,496,329	8,487,735
Education State Programs	3,053,696	2,824,470	229,226
Occupational Education	10,790,503	9,711,109	1,079,394
School to Careers	1,754,252	1,311,318	442,934
Gear Up Scholarship Trust	7,516,026	11,750	7,504,276
Continuing Education	5,610,850	5,130,388	480,462
Proficiency Testing	4,362,895	4,362,892	3
Other State Education Programs	24,252,480	22,586,028	1,666,452
Education Technology Trust	19,362	-	19,362
Teacher Education & Licensing	1,708,949	1,288,877	420,072
Discretionary Grants	5,381,602	3,792,853	1,588,749
Discretionary Grants - Restricted	21,233,591	16,088,748	5,144,843
IASA-Title I Grants	113,954,207	84,728,051	29,226,156
IASA-Title II & Title VI Grant	36,262,283	26,538,708	9,723,575
Individuals with Disabilities (IDEA)	78,318,846	62,703,343	15,615,503
NDE Staffing Services	468,526	367,768	100,758
Education Support Services	2,520,847	2,244,700	276,147
Child Nutrition	76,161,946	71,383,730	4,778,216
Commission on Postsecondary Education	365,079	364,952	127
Student Indemnification Account	372,536	103,366	269,170
<b>Cultural Affairs</b>			
Cultural Affairs Administration	1,181,437	888,717	292,720
Lost City Museum	596,595	448,638	147,957
LV Springs Preserve Museum Dev	31,099,314	2,002,745	29,096,569
Nevada Historical Society	787,227	758,335	28,892
State Museum, Carson City	1,806,226	1,698,764	107,462
Museums And History	1,113,262	605,828	507,434
State Museum, Las Vegas	1,278,391	1,163,884	114,507
State Railroad Museums	2,936,823	1,788,924	1,147,899
Archives and Records	909,741	808,078	101,663
Micrographics and Imaging	687,810	386,348	301,462
Nevada State Library	7,650,930	6,383,898	1,267,032
Nevada State Library-Literacy	260,729	184,085	76,644
Nevada Humanities	450,000	450,000	-
Nevada State Library - CLAN	596,016	384,201	211,815
Nevada Arts Council	2,491,311	2,283,722	207,589
Cultural Resource Program	4,459,453	2,365,258	2,094,195
Historic Preservation	2,242,646	1,129,495	1,113,151

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

For the Fiscal Year Ended June 30, 2007

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Comstock Historic District	\$ 156,667	\$ 149,764	\$ 6,903
Comstock Historical District Gifts	52	8	44
<b>Nevada System of Higher Education</b>			
UNS - Special Projects	4,721,500	1,962,262	2,759,238
Education for Dependent Children	43,848	6,577	37,271
University of Nevada - Reno	176,441,058	171,862,419	4,578,639
School of Medical Sciences	44,143,027	31,199,641	12,943,386
Intercollegiate Athletics UNR	5,592,076	5,589,152	2,924
Statewide Programs - UNR	7,894,048	7,888,601	5,447
University System Administration	14,790,768	4,790,768	10,000,000
University of Nevada Las Vegas	241,725,935	231,235,954	10,489,981
Intercollegiate Athletics University	4,926,503	4,909,982	16,521
Agricultural Experimental Station	9,819,229	8,526,732	1,292,497
Cooperative Extension Service	10,335,070	8,470,138	1,864,932
System Computing Center	22,032,456	21,659,261	373,195
UNLV Law School	12,260,672	11,823,877	436,795
National Direct Student Loan	50,904	50,904	-
University Press	819,701	819,701	-
Anatomical Gift	281,532	14,808	266,724
Statewide Programs - UNLV	1,914,500	1,514,216	400,284
UNLV Dental School	12,675,298	12,643,592	31,706
Business Center North	2,375,102	2,375,102	-
Business Center South	2,020,414	2,020,414	-
Collegiate License Plate Account	240,074	198,625	41,449
NV State College at Henderson	11,844,736	11,692,224	152,512
So Nevada Community College	119,955,372	118,973,628	981,744
Laboratory & Research	1,928,771	1,928,666	105
No Nevada Community College	16,823,631	14,733,690	2,089,941
Desert Research Institute	10,197,564	8,309,106	1,888,458
Western Nevada Community College	22,690,504	19,716,165	2,974,339
Truckee Meadows Community College	47,238,492	46,162,784	1,075,708
<b>WICHE Program</b>			
WICHE Administration	417,966	347,242	70,724
	<u>2,570,428,099</u>	<u>2,225,921,548</u>	<u>344,506,551</u>
<b>Human Resources</b>			
<b>Human Resources</b>			
Human Resources - Administration	5,389,843	4,519,925	869,918
Grants Management Unit	35,268,114	30,731,615	4,536,499
Prevention of Problem Gambling	2,118,648	1,813,783	304,865
DHR - BCBS Settlement	150,000	150,000	-
Family to Family Connections	5,040,033	3,801,750	1,238,283
<b>Aging Services</b>			
Senior Sevices Program	10,993,791	8,449,361	2,544,430
Aging Services	21,256,470	14,802,544	6,453,926
Senior Citizen Property Tax Rebate	5,259,560	4,907,065	352,495
Homemaker	3,434,415	3,281,955	152,460
<b>Health Care Financing and Policy</b>			
Intergovernmental Transfer Program	92,196,452	67,273,458	24,922,994
Health Care Financing & Policy	22,525,176	21,536,715	988,461
Holding Account	8,359,944	183,927	8,176,017
Increase Quality of Nursing Care	20,308,836	16,053,217	4,255,619
Nevada Check-Up Program	43,299,165	41,948,477	1,350,688
Nevada Medicaid	1,298,727,970	1,242,781,339	55,946,631
HIFA Medical	22,402,699	302,742	22,099,957
<b>Health</b>			
Radiological Health	2,833,575	2,090,217	743,358
Cancer Control Registry	1,060,651	707,583	353,068
Alcoholism & Drug Rehabilitation	31,732,576	22,175,292	9,557,284
Vital Statistics	1,598,472	1,420,280	178,192
Consumer Protection	2,102,756	1,766,379	336,377
Environmental Public Health Tracking System	517,645	155,493	362,152



	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Office of Minority Health	\$ 383,473	\$ 311,055	\$ 72,418
Special Children's Clinic	21,849,799	20,197,893	1,651,906
Immunization Program	8,057,302	7,295,238	762,064
WIC Food Supplement	47,306,559	41,522,639	5,783,920
Sexually Transmitted Disease Control	15,859,581	13,438,408	2,421,173
Health Facilities	11,719,244	6,230,977	5,488,267
Health Facilities-Admin Penalty	266,932	3,814	263,118
Health Alert Network	22,820,401	15,368,912	7,451,489
Communicable Disease Control	5,780,724	5,401,069	379,655
Maternal Child Health Services	8,083,045	6,393,665	1,689,380
Office of State Health Administration	5,712,666	4,713,163	999,503
Community Health Services	3,928,779	3,137,996	790,783
Emergency Medical Services	1,142,125	942,952	199,173
Tax on Liquor Program Account	1,446,406	1,062,368	384,038
<b>Welfare</b>			
Welfare Administration	30,494,356	26,421,237	4,073,119
Health Special Appropriations	737,769	258,116	479,653
Temp Assistance for Needy Families	50,983,898	43,665,959	7,317,939
Assistance to Aged and Blind	6,916,508	6,915,970	538
Welfare Field Services	64,527,647	60,012,955	4,514,692
Child Support Enforcement Program	10,338,657	8,516,690	1,821,967
Collection and Distribution Account	26,887,151	21,262,744	5,624,407
Child Care Assist & Development	56,153,630	40,172,028	15,981,602
Energy Assistance - Welfare	22,630,206	18,905,664	3,724,542
<b>Mental Health/Developmental Services</b>			
Southern MH/MR Food Service	1,890,644	1,581,626	309,018
So NV Adult Mental Health Service	104,501,404	91,449,315	13,052,089
Nevada Mental Health Institute	36,942,730	32,568,194	4,374,536
Mental Health Information System	1,093,596	880,017	213,579
Family Preservation Program	1,947,149	1,935,150	11,999
Rural NV Mental Retardation Services	15,309,043	14,162,441	1,146,602
Mental Hygiene-Mental Retardation	8,002,775	7,122,356	880,419
Desert Regional Center	67,480,654	66,067,678	1,412,976
No Nevada Mental Retardation	33,443,484	31,706,579	1,736,905
Facility for Mental Offender	9,024,636	8,449,092	575,544
Rural Clinics	17,516,176	15,263,344	2,252,832
<b>Child &amp; Family Services</b>			
Community Juvenile Justice Program	2,635,728	1,847,422	788,306
Washoe County Integration	21,945,510	20,685,732	1,259,778
Child Welfare Integration	60,628,537	46,116,240	14,512,297
UNITY/SACWIS	6,671,105	6,070,320	600,785
Children, Youth & Family Administration	22,829,058	18,062,644	4,766,414
Youth Alternative Placement	3,225,494	3,225,494	-
Juvenile Correction Facility	6,339,672	6,263,977	75,695
Child Care Services	1,013,612	905,269	108,343
Caliente Youth Center	7,599,483	7,302,518	296,965
Victims of Domestic Violence	3,715,498	2,907,565	807,933
Childrens Trust Account	1,393,960	793,332	600,628
Youth Community Services	18,191,151	16,016,627	2,174,524
Review of Death of Children	278,107	59,299	218,808
Nevada Youth Training Center	9,965,438	9,745,972	219,466
Juvenile Accountability Block	1,149,071	438,571	710,500
Youth Corrections Services	6,302,585	5,726,034	576,551
Child Abuse & Neglect	1,322,852	353,021	969,831
Farm Account-Youth Training Center	21,279	5,377	15,902
No NV Child & Adolescent Services	7,665,569	7,078,750	586,819
So NV Child & Adolescent Services	22,198,560	20,393,672	1,804,888
<b>Employment, Training &amp; Rehabilitation</b>			
Developmental Disabilities	692,080	631,960	60,120
Blind Business Enterprise	3,767,335	1,192,439	2,574,896
Services to the Blind	5,136,135	4,514,587	621,548

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

For the Fiscal Year Ended June 30, 2007

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	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Client Assistance Program	\$ 178,950	\$ 176,309	\$ 2,641
Vocational Rehabilitation	19,809,885	15,654,352	4,155,533
Community Based Services	10,412,392	6,897,563	3,514,829
Rehabilitation Administration	714,953	665,935	49,018
Disability Adjudication	13,306,053	10,892,498	2,413,555
Gov Committee to Employ People with Disabilities	287,443	261,700	25,743
Office of Equal Rights	1,871,994	1,696,428	175,566
DETR Admin Services	3,984,543	3,738,526	246,017
Research & Analysis	3,723,773	3,304,778	418,995
Information Development & Processing	7,497,774	7,294,088	203,686
<b>Other Human Services</b>			
Public Defender	2,760,336	2,677,229	83,107
Indian Commission	187,888	162,067	25,821
	<b>2,637,179,743</b>	<b>2,347,948,716</b>	<b>289,231,027</b>
<b>Commerce &amp; Industry</b>			
<b>Economic Development &amp; Tourism</b>			
Economic Development & Diversification	3,500,000	263,044	3,236,956
Commission On Economic Development	9,566,597	9,119,235	447,362
Motion Pictures	1,017,899	885,753	132,146
Rural Community Development	3,894,635	3,267,895	626,740
Small Business & Procurement	522,925	506,227	16,698
<b>Minerals</b>			
Minerals	2,740,458	1,200,561	1,539,897
Bond Reclamation	4,310,345	402,810	3,907,535
<b>Agriculture</b>			
Nevada Beef Council	302,896	256,916	45,980
Gas Pollution Standards	604,636	387,456	217,180
Weed Abatement and Control	219,850	27,471	192,379
Plant Industry	2,617,833	2,044,174	573,659
Grade & Cert Agricultural Production	246,945	152,345	94,600
Garlic & Onion Research Promotion	135,212	22,841	112,371
Agricultural Registration/Enforcement	2,568,996	1,329,471	1,239,525
Livestock Inspection	1,304,835	940,508	364,327
Marijuana Health Registry	98,780	87,733	11,047
USDA CCC	103,479	78,661	24,818
Agriculture License Plates	32,618	22,500	10,118
Veterinary Medical Services	1,982,139	1,481,817	500,322
Weights & Measures	1,725,344	1,697,041	28,303
Insect Abatement	1,279,404	700,684	578,720
Agriculture Administration	1,382,063	1,203,581	178,482
Rangeland Resources Commission	225,143	101,070	124,073
Rangeland Morman Cricket	2,536,843	539,090	1,997,753
Predatory Animal/Rodent Control	1,193,851	1,159,909	33,942
Nevada Jr Livestock Show Board	35,832	34,405	1,427
<b>Gaming Control</b>			
Gaming Control Board	42,098,812	38,454,288	3,644,524
Gaming Control Federal Forfeiture	671,787	100,579	571,208
Gaming Control-Forfeiture Account	566,792	-	566,792
Federal Forfeiture Treasury	25,641	-	25,641
Gaming Commission	409,075	391,510	17,565
<b>Business &amp; Industry</b>			
Business & Industry Administration	1,217,877	1,207,371	10,506
Industrial Development Bond	1,418,956	115,746	1,303,210
Insurance Regulation	6,631,636	6,313,210	318,426
Captive Insurers	676,986	461,089	215,897
Insurance Recovery	619,850	566,645	53,205
Insurance Education & Research	1,588,977	581,941	1,007,036
NAIC Fees	64,748	33,904	30,844
Insurance Cost Stabilization	353,519	153,193	200,326
Consumer Affairs Restitution	130,162	35,086	95,076
Consumer Affairs Recovery Acct	199,212	15,764	183,448



	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Consumer Affairs	\$ 1,419,291	\$ 1,410,668	\$ 8,623
Special Housing Assistance	1,000,000	-	1,000,000
Low Income Housing Trust Fund	39,285,887	9,280,059	30,005,828
DOE Weatherization	5,755,708	4,061,398	1,694,310
Employee Management Relations	210,575	205,850	4,725
Common Interest Communities	3,712,070	1,149,678	2,562,392
Real Estate	4,327,709	3,532,094	795,615
Athletic Commission	684,632	559,673	124,959
Labor Relations	1,478,469	1,402,273	76,196
Division of Mortgage Lending	10,162,592	2,965,442	7,197,150
Attorney For Injured Workers	3,271,264	3,033,164	238,100
Financial Institutions Investigation	688,145	23,251	664,894
Financial Institutions	3,585,604	2,156,065	1,429,539
Financial Institutions Audit	179,647	84,682	94,965
	<b>176,585,181</b>	<b>106,207,821</b>	<b>70,377,360</b>
<b>Public Safety</b>			
<b>Corrections</b>			
Prison Medical Care	40,544,922	40,294,077	250,845
Corrections Administration	20,111,909	17,823,094	2,288,815
Correctional Programs	6,915,675	6,052,647	863,028
So Nevada Correctional Center	14,325,735	13,965,943	359,792
Warm Springs Correctional Center	6,727,575	6,497,098	230,477
No Nevada Correctional Center	22,831,443	22,820,122	11,321
Nevada State Prison	17,862,811	17,751,479	111,332
Stewart Conservation Camp	1,677,113	1,613,453	63,660
Pioche Conservation Camp	1,594,071	1,463,550	130,521
Restitution Center - North	1,085,595	1,011,588	74,007
Indian Springs Conservation Camp	2,131,443	2,069,046	62,397
So Desert Correctional Center	19,114,738	18,636,693	478,045
Wells Conservation Camp	1,247,223	1,205,054	42,169
Humboldt Conservation Camp	1,331,309	1,279,541	51,768
Ely Conservation Camp	1,272,507	1,251,068	21,439
Jean Conservation Camp	1,738,540	1,536,064	202,476
Silver Springs Conservation Camp	1,304,842	1,252,519	52,323
Ely State Prison	26,346,389	26,061,399	284,990
Carlin Conservation Camp	1,212,575	1,160,601	51,974
Tonopah Conservation Camp	1,210,579	1,113,766	96,813
Lovelock Correctional Center	23,210,147	23,014,542	195,605
Southern Nevada Women's Prison	9,754,027	9,612,415	141,612
High Desert State Prison	31,353,554	31,097,274	256,280
Casa Grande Transitional Housing	4,059,587	3,946,202	113,385
<b>Public Safety</b>			
FEMA #1153 Dr - NV	29,265	-	29,265
Emergency Management Division	3,770,807	3,416,420	354,387
Emergency Mgmt Assistance Grant	76,434,144	29,887,042	46,547,102
Homeland Security	590,235	445,355	144,880
Parole & Probation	42,860,437	41,864,187	996,250
Investigations	6,291,525	6,132,724	158,801
Narcotics Control	2,393,805	2,044,130	349,675
Parolee Loan Account	3,740	1,800	1,940
Training Division	1,851,616	1,597,451	254,165
Parole Board	1,670,240	1,657,803	12,437
Fire Marshal	4,761,685	2,960,392	1,801,293
Traffic Safety	5,869,312	3,019,914	2,849,398
Highway Safety Plan & Administration	3,054,945	1,655,232	1,399,713
Forfeitures	2,907,940	722,778	2,185,162
Justice Assistance Account	17,113,431	4,394,410	12,719,021
Justice Assistance Grant	127,895	-	127,895
Criminal History Repository	21,869,330	12,726,554	9,142,776
Child Volunteer Background Checks Trust	45,410	44,419	991
Contingency Account for Haz Mat	1,057,363	488,811	568,552

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

For the Fiscal Year Ended June 30, 2007

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	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Home Disaster Assistance	\$ 4,998,138	\$ 57,525	\$ 4,940,613
Public Safety, One Shots	13,890,938	23,777	13,867,161
Public Safety Justice Grant	593,858	463,166	130,692
Dignitary Protection	1,009,803	972,152	37,651
<b>Motor Vehicles</b>			
Salvage/Wreckers/Body Shops	1,007,851	589,282	418,569
Motor Vehicle Pollution Control	11,342,869	8,283,045	3,059,824
	<b>484,510,891</b>	<b>375,977,604</b>	<b>108,533,287</b>
<b>Infrastructure</b>			
<b>Wildlife</b>			
Wildlife Administration	30,875,193	25,535,180	5,340,013
Wildlife Trout Stamp Program	8,870,647	2,860,789	6,009,858
Wildlife Boating Program	6,034,248	4,960,287	1,073,961
Wildlife Heritage	5,993,656	429,127	5,564,529
Wildlife Obligated Reserve	5,379,531	2,531,767	2,847,764
Wildlife Habitat Mitigation	771,513	-	771,513
<b>Conservation &amp; Natural Resources</b>			
State Environmental Commission	42,512	34,580	7,932
Natural Resources Administration	6,455,196	1,170,707	5,284,489
Water Resources Legal Cost	461,834	73,889	387,945
Tahoe Regional Planning Agency	10,315,719	2,105,387	8,210,332
Mining Cooperative Fund	129,747	100,000	29,747
Conservation Districts	417,689	399,478	18,211
Parks Federal Grant Programs	5,624,276	1,181,411	4,442,865
State Parks	15,177,327	10,857,509	4,319,818
Maintenance of State Parks	2,253,696	814,272	1,439,424
Coyote Springs Groundwater Basin	29,932	235	29,697
Flood Control Revenue Fund	252,717	200	252,517
USGS Co-Op	633,218	454,219	178,999
Groundwater Recharge Projects	237,829	25,506	212,323
Water Right Surveyors	56,825	11,691	45,134
Water Rights Support Fund	954,111	398,263	555,848
Well Driller's Licenses	55,634	27,461	28,173
Water Resources	6,528,795	5,970,467	558,328
State Engineer Revenue	146,586	93,996	52,590
Little Humboldt River	237,234	23,191	214,043
Quinn River Distribution	29,689	4,343	25,346
Adjudication Emergency	16,001	733	15,268
Steptoe Valley Water Basin	7,611	148	7,463
Diamond Valley Ground Water	16,385	5,159	11,226
Dixie Creek/10 Mi Ground Water	6,000	-	6,000
Churchill Valley Ground Water	5,551	1,943	3,608
Colorado River Valley	25,532	-	25,532
Washoe Valley Ground Water	7,163	267	6,896
Las Vegas Basin Water Dist	3,471,902	768,204	2,703,698
Muddy River Surface Water	27,561	8,171	19,390
Flood Repairs & Disaster Relief	50,000	-	50,000
Channel Clearance	495,702	95,029	400,673
Pahranagat Lake	67,145	41,906	25,239
Pahrump Artesian Basin	58,698	15,747	42,951
Boulder Flat Ground Water	78,586	2,973	75,613
Dayton Valley Ground Water	5,616	2,243	3,373
Mason Valley Ground Water	73,992	10,492	63,500
Humboldt Water District	334,021	176,204	157,817
Water District Revenue Fund	30,000	-	30,000
Smith Valley Artesian Basin	34,596	5,345	29,251
Currant Creek	5,646	393	5,253
Duckwater Creek	19,025	11,970	7,055
Paradise Valley Ground Water	25,921	4,609	21,312
Upper White River	15,144	4	15,140
Muddy River Springs	39,021	5,487	33,534



	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Kingston Creek	\$ 4,823	\$ 2	\$ 4,821
Warm Springs/Winnemucca Creek	27,771	3,227	24,544
Eagle Valley	63,805	11,991	51,814
Carson Valley Ground Water	55,085	9,588	45,497
Fish Lake Valley Artesian	12,566	5,630	6,936
Carico Creek	443	-	443
Lemmon Valley	82,544	11,212	71,332
Truckee Meadows/Sun Valley	97,515	33,468	64,047
Antelope Middle Reese River	37,183	123	37,060
Warm Springs Ground Water	35,338	2,334	33,004
Lower Moapa Valley Groundwater	1,429	-	1,429
Honey Lake Valley	16,052	273	15,779
Whirlwind Valley	15,395	3	15,392
Crescent Water Groundwater	19,666	23	19,643
Pumpnickel Valley	117	-	117
Clovers Area Groundwater	36,477	558	35,919
Cold Springs Valley	19,262	1,929	17,333
Imlay Ground Water	24,787	2,147	22,640
Kelly Creek Ground Water	33,615	389	33,226
Lower Reese River Valley	52,982	1,129	51,853
Maggie Creek	53,099	2,798	50,301
North Fork Ground Water	17,481	1	17,480
Pleasant Valley	7,630	3,439	4,191
Forestry	16,287,702	9,370,461	6,917,241
Forest Fire Suppression/Emergency Response	15,595,368	12,212,318	3,383,050
Forestry Honor Camps	9,762,563	8,201,070	1,561,493
Forestry Inter-Gov Agreements	4,297,197	3,729,326	567,871
Tahoe License Plates	1,898,552	301,996	1,596,556
Mt. Charleston License Plates	233,103	-	233,103
Nevada Tahoe Regional Planning	802	706	96
State Lands	2,331,096	2,111,467	219,629
State Lands Revolving Account	98,258	57,422	40,836
Tahoe Bond Sale	456,160	24,778	431,382
Tahoe Mitigation	1,779,220	28,917	1,750,303
Nevada Natural Heritage	920,453	738,150	182,303
AB9/Q1 Bonds	86,415,332	16,604,264	69,811,068
Storage Tank Management	808,427	-	808,427
Environmental Protection Administration	5,435,155	3,019,910	2,415,245
Chemical Hazard Prevention	821,437	284,322	537,115
Reclamation Surety Account	803,493	-	803,493
Air Quality Management Account	5,464,028	1,254,821	4,209,207
Air Quality	6,685,585	4,576,144	2,109,441
Bureau of Water	11,834,554	5,635,327	6,199,227
Water Quality Planning	8,713,156	3,275,426	5,437,730
Safe Drinking Water Regulatory	3,009,142	2,113,390	895,752
Waste Management & Fed Facilities	19,891,007	10,805,136	9,085,871
Mining Regulation/Reclamation	4,739,387	2,275,085	2,464,302
Interim Fluid Management Trust	2,183,549	-	2,183,549
Hazardous Waste Management	24,277,525	4,650,545	19,626,980
Hazardous Waste - Beatty Site	9,016,166	-	9,016,166
Water Planning - Capital Improvement	231,590	168,606	62,984
<b>Infrastructure</b>			
AB544 Highway Projects	170,000,000	-	170,000,000
	<b>527,587,245</b>	<b>152,750,833</b>	<b>374,836,412</b>
<b>Special Purpose Agencies</b>			
<b>Peace Officers Standards &amp; Training</b>			
Peace Officers Standards & Training	2,069,482	1,734,084	335,398
NV Police Corps Program	294,200	294,200	-
<b>Veterans' Services</b>			
Veterans' Affairs	2,387,452	2,108,926	278,526

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



NEVADA

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For the Fiscal Year Ended June 30, 2007

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Veterans' Home Account	\$ 14,659,020	\$ 13,878,669	\$ 780,351
Veterans' Gifts And Donations	241,940	80,351	161,589
Veterans' Home Donation	184,037	84,668	99,369
<b>Military</b>			
Military	12,980,842	11,865,499	1,115,343
Adjutant General Construction	35,488	80	35,408
National Guard Benefits	107,900	91,531	16,369
Patriot Relief Account	978,675	108,375	870,300
<b>Civil Air Patrol</b>	67,201	60,255	6,946
	<u>34,006,237</u>	<u>30,306,638</u>	<u>3,699,599</u>
<b>Appropriated Transfers to Other Funds</b>			
Legislative Fund	53,271,158	53,271,158	-
Contingency Fund	19,172,585	19,172,585	-
Attorney General Fund - Consumer Advocate	1,395,131	1,395,131	-
Stabilize the Operations of State Government	86,894,282	86,894,282	-
Highway Fund	52,005	52,005	-
Healthy Nevada Fund	829,776	829,776	-
Tourism Promotion Fund	500,000	500,000	-
WICHE Loan and Stipend Fund	797,728	797,728	-
Capital Project Funds	156,966,186	156,966,186	-
Internal Service Funds	9,991,824	9,991,824	-
	<u>329,870,675</u>	<u>329,870,675</u>	<u>-</u>
<b>Reversions to Other Funds</b>			
Reversion to Highway Fund	-	279,984	(279,984)
Reversion to Stabilization Fund	-	2,440,157	(2,440,157)
Reversion to Workers' Comp & Safety Fund	-	514,155	(514,155)
Reversion to Consolidated Bond Interest & Redemption Fund	-	32,800	(32,800)
Reversion to Legislative Fund - Correction to Prior Year	-	4,645	(4,645)
Reversion to Contingency Fund	-	50,288	(50,288)
	<u>-</u>	<u>3,322,029</u>	<u>(3,322,029)</u>
<b>Projected Reversions</b>			
	<u>(233,540,000)</u>	<u>-</u>	<u>(233,540,000)</u>
<b>Total General Fund</b>	<u>\$ 6,809,078,004</u>	<u>\$ 5,770,243,628</u>	<u>\$ 1,038,834,376</u>

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



NEVADA

For the Fiscal Year Ended June 30, 2007

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	Final Budget	Actual	Variance
<b>State Highway</b>			
<b>Finance &amp; Administration</b>			
Unbudgeted Activity	\$ -	\$ 791,169	\$ (791,169)
Appropriations to Other Funds	32,598,893	32,122,276	476,617
<b>Infrastructure</b>			
Transportation Administration	726,726,736	659,203,816	67,522,920
Bond Construction	318,051,456	167,406,913	150,644,543
<b>Public Safety</b>			
Aviation Trust Fund	548,030	107,500	440,530
Bicycle Safety Program	251,464	112,987	138,477
Motorcycle Safety Program	695,852	373,994	321,858
Director's Office - Public Safety	1,140,146	1,075,239	64,907
Internal Affairs	440,951	439,181	1,770
Records Search	10,333,601	9,976,893	356,708
Highway Patrol	63,553,237	62,774,667	778,570
Administrative Services	1,591,341	1,542,758	48,583
DMV Motor Vehicle Info Technology	9,203,585	8,495,536	708,049
Motor Carrier	4,372,131	4,105,731	266,400
PS Highway Safety Grants Account	2,689,521	1,586,534	1,102,987
Emergency Response Commission	2,358,230	887,794	1,470,436
Verification of Insurance	2,962,651	2,307,803	654,848
Hearings - DMV & PS	1,109,841	1,083,265	26,576
Public Safety Technology Division	5,829,543	5,764,399	65,144
DMV Field Services	40,606,223	39,921,009	685,214
Compliance Enforcement	3,844,425	3,707,814	136,611
Central Services	13,869,261	12,406,921	1,462,340
Management Services	2,407,569	2,330,741	76,828
Director's Office - DMV	4,310,276	4,221,866	88,410
Administrative Services	12,586,136	9,677,478	2,908,658
<b>Debt Service Transfers</b>			
Debt Service	76,381,573	76,381,573	-
<b>Total</b>	<b>1,338,462,672</b>	<b>1,108,805,857</b>	<b>229,656,815</b>
<b>Municipal Bond Bank</b>			
<b>Constitutional Agencies</b>			
Municipal Bond Bank Revenue	87,057,110	53,982,573	33,074,537
<b>Total</b>	<b>87,057,110</b>	<b>53,982,573</b>	<b>33,074,537</b>
<b>Stabilize the Operations of State Government</b>			
<b>Constitutional Agencies</b>			
Disaster Relief	11,458,099	5,693,434	5,764,665
Emergency Assistance	1,329,681	-	1,329,681
<b>Total</b>	<b>12,787,780</b>	<b>5,693,434</b>	<b>7,094,346</b>
<b>School Improvement</b>			
<b>Special Projects</b>			
School Improvement	3,127,399	412,877	2,714,522
<b>Total</b>	<b>3,127,399</b>	<b>412,877</b>	<b>2,714,522</b>
<b>Employment Security</b>			
<b>Human Services</b>			
Claimant Employment Program	21,495,388	11,100,969	10,394,419
Employment Security	54,542,029	45,754,965	8,787,064
Employment Security Special Fund	10,230,592	2,603,509	7,627,083
<b>Total</b>	<b>86,268,009</b>	<b>59,459,443</b>	<b>26,808,566</b>
<b>Regulatory</b>			
<b>Commerce &amp; Industry</b>			
Manufactured Housing	3,059,226	1,193,380	1,865,846
Real Estate Education & Research	1,763,566	438,830	1,324,736
Real Estate Recovery	1,031,705	642,140	389,565
Mobile Home Parks	371,213	148,560	222,653

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

For the Fiscal Year Ended June 30, 2007

Page 2 of 3

	Final Budget	Actual	Variance
Mfg Housing-Education/Recovery	\$ 720,223	\$ 80,004	\$ 640,219
Regulatory Fund	12,879,330	9,462,961	3,416,369
Administrative Fines	100,000	46,349	53,651
Transportation Services Authority	2,569,220	2,475,625	93,595
TSA Administrative Fines	422,925	176,422	246,503
Taxicab Authority	8,495,802	6,361,639	2,134,163
Dairy Commission	1,941,091	1,256,608	684,483
<b>Total</b>	<b>33,354,301</b>	<b>22,282,518</b>	<b>11,071,783</b>
<b>Legislative</b>			
<b>Constitutional Agencies</b>			
Nevada Legislative Interim	585,744	515,076	70,668
Legislative Counsel Bureau	61,590,707	50,261,227	11,329,480
Audit Contingency Account	289,100	289,100	-
<b>Total</b>	<b>62,465,551</b>	<b>51,065,403</b>	<b>11,400,148</b>
<b>Higher Education Capital Construction</b>			
<b>Finance &amp; Administration</b>			
Higher Education Capital Construction	-	5,000,000	(5,000,000)
Higher Education Special Construction	10,403,878	10,403,878	-
<b>Total</b>	<b>10,403,878</b>	<b>15,403,878</b>	<b>(5,000,000)</b>
<b>Cleaning Up Petroleum Discharges</b>			
<b>Infrastructure</b>			
Petroleum Clean-Up Trust Fund	19,255,153	7,469,854	11,785,299
<b>Total</b>	<b>19,255,153</b>	<b>7,469,854</b>	<b>11,785,299</b>
<b>Hospital Care to Indigent Persons</b>			
<b>Finance &amp; Administration</b>			
Supplemental Fund - Indigents	9,235,848	8,305,086	930,762
Indigent Accident Account	14,917,460	13,803,434	1,114,026
<b>Total</b>	<b>24,153,308</b>	<b>22,108,520</b>	<b>2,044,788</b>
<b>Tourism Promotion</b>			
<b>Commerce &amp; Industry</b>			
Tourism Development	315,761	199,896	115,865
Commission on Tourism	22,576,466	17,269,757	5,306,709
<b>Total</b>	<b>22,892,227</b>	<b>17,469,653</b>	<b>5,422,574</b>
<b>Offenders' Store</b>			
<b>Public Safety</b>			
Offenders' Store Fund	17,993,655	14,263,350	3,730,305
Inmate Welfare Account	4,726,764	3,819,550	907,214
<b>Total</b>	<b>22,720,419</b>	<b>18,082,900</b>	<b>4,637,519</b>
<b>Tobacco Settlement</b>			
<b>Constitutional Agencies</b>			
Millennium Scholarship Fund	54,961,972	25,759,030	29,202,942
Millennium Scholarship Administration	385,235	312,757	72,478
Trust Fund for Healthy Nevada	48,998,718	16,108,536	32,890,182
Trust Fund for Public Health	34,150,813	638,216	33,512,597
<b>Human Services</b>			
Healthy Nevada Fund	7,531,982	5,723,698	1,808,284
Public Health Tobacco Fund	957,540	638,167	319,373
Healthy Nevada Fund Administration	18,437,769	10,821,198	7,616,571
<b>Total</b>	<b>165,424,029</b>	<b>60,001,602</b>	<b>105,422,427</b>
<b>Contingency</b>			
<b>Constitutional Agencies</b>			
Interim Finance Committee	27,305,291	7,966,572	19,338,719
<b>Total</b>	<b>27,305,291</b>	<b>7,966,572</b>	<b>19,338,719</b>
<b>Care of Sites for Radioactive Waste Disposal</b>			
<b>Human Services</b>			
Radioactive Material Disposal	12,759,694	125,779	12,633,915
<b>Total</b>	<b>12,759,694</b>	<b>125,779</b>	<b>12,633,915</b>



	Final Budget	Actual	Variance
<b>Gift</b>			
<b>Education</b>			
Education Gift Fund	\$ 15,255	\$ 500	\$ 14,755
Library & Archives Gift Fund	77,316	12,736	64,580
<b>Human Services</b>			
RRC Gift Fund	12,500	-	12,500
SNAMHS Gift Fund	7,508	-	7,508
Settlement Funds	148,814	20,929	127,885
Health Division Gifts	26,757	1,855	24,902
Transition from Foster Care	2,788,912	1,693,575	1,095,337
Aging Services Gift	17,300	3,752	13,548
Summit View Commissary	18,604	9,660	8,944
Disability Services Gift	30	-	30
CBS Washoe Gift Fund	14,707	52	14,655
Indian Commission Gift Acct	6,164	125	6,039
Hospital Gift Fund	274,517	4,435	270,082
NNMRS Gift Fund	9,650	-	9,650
Blind Gift Fund	122,067	4,658	117,409
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	5,482	-	5,482
Henry Woods Christmas Fund	8,023	2,023	6,000
Nevada Children's Gift Account	538,040	9,148	528,892
CYC Gift Fund	9,043	3,857	5,186
Youth Training Center Gift Fund	30,488	121	30,367
People with Disabilities	38,646	-	38,646
DRC Gift Fund	14,443	149	14,294
<b>Infrastructure</b>			
Heil Wild Horse Bequest	543,472	184,791	358,681
Park Gift & Grants	264,476	62,366	202,110
<b>Total</b>	<b>5,002,101</b>	<b>2,014,732</b>	<b>2,987,369</b>
<b>Natural Resources</b>			
<b>Infrastructure</b>			
Grants To Water Purveyors	13,982,735	13,417,106	565,629
Erosion Control Bond Q12	2,035,263	1,041,967	993,296
Protect Lake Tahoe	21,424,663	8,430,982	12,993,681
<b>Total</b>	<b>37,442,661</b>	<b>22,890,055</b>	<b>14,552,606</b>
<b>Miscellaneous</b>			
<b>Constitutional Agencies</b>			
Private Investigators Licensing Board	1,114,599	992,584	122,015
Renew Energy & Energy Conservation	187,529	187,529	-
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	5,528,247	3,956,825	1,571,422
Unfair Trade Practices	750,000	48,306	701,694
<b>Commerce &amp; Industry</b>			
Lot Rent Trust Subsidy	467,469	369,709	97,760
Rural Rehabilitation Trust	231,950	20,006	211,944
<b>Education</b>			
Museums & History Trust Fund	359,462	43,776	315,686
Museums & History Board Trust	16,115	16,075	40
Museums Administrator Trust	62,232	23,575	38,657
Nevada Historical Society Trust	334,611	147,617	186,994
Nevada State Museum Trust	751,960	546,339	205,621
Nevada Railroad Museum Trust	331,263	235,027	96,236
Lost City Museum Trust	169,593	117,829	51,764
Las Vegas Museum and Trust	68,586	55,709	12,877
<b>Finance &amp; Administration</b>			
Public Works Inspection	6,504,849	5,701,921	802,928
Public Works Retention Payment	602,622	555,751	46,871
Victims of Crime	9,497,689	8,312,652	1,185,037
<b>Total</b>	<b>26,978,901</b>	<b>21,331,230</b>	<b>5,647,671</b>
<b>Total Special Revenue Funds</b>	<b>\$ 1,997,860,484</b>	<b>\$ 1,496,566,880</b>	<b>\$ 501,293,604</b>

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

For the Fiscal Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	<b>School Improvement</b>			<b>Employment Security</b>		
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 16,534,859	\$ 16,534,859	\$ -
<b>Revenues:</b>						
Federal	-	-	-	51,611,213	44,049,876	(7,561,337)
Other taxes	3,027,399	379,328	(2,648,071)	-	-	-
Sales and charges for services	-	-	-	726,667	583,222	(143,445)
Licenses, fees and permits	-	-	-	418,944	342,060	(76,884)
Interest	100,000	33,549	(66,451)	637,667	600,433	(37,234)
Other	-	-	-	14,752,000	14,630,874	(121,126)
<b>Other financing sources:</b>						
Transfer from other funds	-	-	-	1,552,157	941,491	(610,666)
<b>Total sources</b>	<u>\$ 3,127,399</u>	<u>\$ 412,877</u>	<u>\$(2,714,522)</u>	<u>\$ 86,233,507</u>	<u>\$ 77,682,815</u>	<u>\$ (8,550,692)</u>
	<b>Regulatory</b>			<b>Legislative</b>		
Fund balances, July 1	\$ 9,899,062	\$ 9,899,062	\$ -	\$ 7,899,388	\$ 7,899,388	\$ -
<b>Revenues:</b>						
Federal	415,403	407,439	(7,964)	-	-	-
Other taxes	10,063,076	9,835,548	(227,528)	-	-	-
Sales, charges for services	5,311,980	5,301,105	(10,875)	290,000	384,127	94,127
Licenses, fees and permits	3,705,456	3,549,163	(156,293)	80,000	77,545	(2,455)
Interest	153,822	160,173	6,351	-	-	-
Other	628,661	529,375	(99,286)	190,000	246,312	56,312
<b>Other financing sources:</b>						
Transfer from other funds	839,448	3,067,424	2,227,976	54,006,163	53,899,724	(106,439)
<b>Total sources</b>	<u>\$ 31,016,908</u>	<u>\$ 32,749,289</u>	<u>\$ 1,732,381</u>	<u>\$ 62,465,551</u>	<u>\$ 62,507,096</u>	<u>\$ 41,545</u>
	<b>Higher Education Capital Construction</b>			<b>Cleaning Up Petroleum Discharges</b>		
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 4,707,158	\$ 4,707,158	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	15,340,673	15,340,673	-	-	-	-
Other taxes	-	-	-	13,447,895	13,785,346	337,451
Sales, charges for services	-	-	-	100	-	(100)
Licenses, fees and permits	-	-	-	550,000	431,800	(118,200)
Interest	-	-	-	450,000	315,648	(134,352)
Other	-	-	-	100,000	-	(100,000)
<b>Total sources</b>	<u>\$ 15,340,673</u>	<u>\$ 15,340,673</u>	<u>\$ -</u>	<u>\$ 19,255,153</u>	<u>\$ 19,239,952</u>	<u>\$ (15,201)</u>
	<b>Hospital Care to Indigent Persons</b>			<b>Tourism Promotion</b>		
Fund balances, July 1	\$ 1,360,356	\$ 1,360,356	\$ -	\$ 3,932,397	\$ 3,932,397	\$ -
<b>Revenues:</b>						
Other taxes	22,091,812	22,084,497	(7,315)	18,363,565	18,363,564	(1)
Licenses, fees and permits	-	-	-	67,534	67,534	-
Interest	386,572	386,572	-	12,909	12,909	-
Other	314,568	314,568	-	15,822	15,822	-
<b>Other financing sources:</b>						
Transfer from other funds	-	-	-	500,000	500,000	-
<b>Total sources</b>	<u>\$ 24,153,308</u>	<u>\$ 24,145,993</u>	<u>\$ (7,315)</u>	<u>\$ 22,892,227</u>	<u>\$ 22,892,226</u>	<u>\$ (1)</u>



	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	<b>Offenders' Store</b>			<b>Tobacco Settlement</b>		
Fund balances, July 1	\$ 3,688,867	\$ 3,688,867	\$ -	\$ 89,226,730	\$ 89,226,730	\$ -
<b>Revenues:</b>						
Federal	-	-	-	36,035	36,463	428
Sales, charges for services	14,366,327	13,734,157	(632,170)	-	-	-
Interest	284,762	346,369	61,607	3,387,257	3,580,982	193,725
Other	1,088,447	1,165,655	77,208	37,897,516	37,537,054	(360,462)
<b>Other financing sources:</b>						
Transfer from other funds	3,292,016	3,292,016	-	34,046,715	25,059,358	(8,987,357)
<b>Total sources</b>	<u>\$ 22,720,419</u>	<u>\$ 22,227,064</u>	<u>\$ (493,355)</u>	<u>\$ 164,594,253</u>	<u>\$ 155,440,587</u>	<u>\$ (9,153,666)</u>
	<b>Contingency</b>			<b>Care of Sites for Radioactive Waste Disposal</b>		
Fund balances, July 1	\$ 7,383,810	\$ 7,383,810	\$ -	\$ 11,962,935	\$ 11,962,935	\$ -
<b>Revenues:</b>						
Licenses, fees and permits	-	-	-	231,689	231,687	(2)
Interest	-	-	-	565,070	565,070	-
<b>Other financing sources:</b>						
Transfer from other funds	19,921,481	20,302,905	381,424	-	-	-
<b>Total sources</b>	<u>\$ 27,305,291</u>	<u>\$ 27,686,715</u>	<u>\$ 381,424</u>	<u>\$ 12,759,694</u>	<u>\$ 12,759,692</u>	<u>\$ (2)</u>
	<b>Gift</b>			<b>Natural Resources</b>		
Fund balances, July 1	\$ 3,305,296	\$ 3,305,296	\$ -	\$ 12,231,103	\$ 12,231,103	\$ -
<b>Revenues:</b>						
Sales, charges for services	12,480	8,975	(3,505)	-	-	-
Licenses, fees, permits	1,318,017	1,222,533	(95,484)	-	-	-
Interest	148,128	141,256	(6,872)	1,404,000	951,477	(452,523)
Other	212,180	58,204	(153,976)	-	-	-
<b>Other financing sources:</b>						
Proceeds from sale of bonds	-	-	-	19,807,558	19,786,559	(20,999)
Transfers from other funds	6,000	2,426	(3,574)	4,000,000	3,951,414	(48,586)
<b>Total sources</b>	<u>\$ 5,002,101</u>	<u>\$ 4,738,690</u>	<u>\$ (263,411)</u>	<u>\$ 37,442,661</u>	<u>\$ 36,920,553</u>	<u>\$ (522,108)</u>
	<b>Miscellaneous</b>			<b>Total Nonmajor Special Revenue Funds</b>		
Fund balances, July 1	\$ 3,969,155	\$ 3,969,155	\$ -	\$ 176,101,116	\$ 176,101,116	\$ -
<b>Revenues:</b>						
Gaming taxes, fees, licenses	-	-	-	15,340,673	15,340,673	-
Federal	3,836,494	3,443,119	(393,375)	55,899,145	47,936,897	(7,962,248)
Other taxes	2,705,287	2,705,287	-	69,699,034	67,153,570	(2,545,464)
Sales, charges for services	980,738	965,831	(14,907)	21,688,292	20,977,417	(710,875)
Licenses, fees and permits	9,845,274	9,254,814	(590,460)	16,216,914	15,177,136	(1,039,778)
Interest	694,327	656,423	(37,904)	8,224,514	7,750,861	(473,653)
Other	3,264,508	2,870,856	(393,652)	58,463,702	57,368,720	(1,094,982)
<b>Other financing sources:</b>						
Proceeds from sale of bonds	-	-	-	19,807,558	19,786,559	(20,999)
Transfer from other funds	214,244	1,609,015	1,394,771	118,378,224	112,625,773	(5,752,451)
<b>Total sources</b>	<u>\$ 25,510,027</u>	<u>\$ 25,474,500</u>	<u>\$ (35,527)</u>	<u>\$ 559,819,172</u>	<u>\$ 540,218,722</u>	<u>\$ (19,600,450)</u>



## **LAKE TAHOE DAM**

Photographed by: John Walker

Nevada Department of Conservation

# NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

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

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

## Combining Statement of Net Assets Nonmajor Enterprise Funds

June 30, 2007

	<b>Workers' Compensation and Safety</b>	<b>Insurance Examination</b>	<b>Gaming Investigative</b>	<b>Forestry Nurseries</b>
<b>Assets</b>				
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 29,208,493	\$ 517,128	\$ 8,576,454	\$ 213,583
Cash in custody of other officials	182	-	53,874	100
Collateral on loaned securities	15,814,386	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,976,738	740,732	141,893	35,685
Intergovernmental receivables	-	-	-	22,057
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	1,110,675	27,730	278	4,375
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	171,709
Prepaid expenses	-	-	57,132	-
<b>Total current assets</b>	<b>48,110,474</b>	<b>1,285,590</b>	<b>8,829,631</b>	<b>447,509</b>
<b>Noncurrent assets:</b>				
Investments	-	-	-	-
<i>Receivables:</i>				
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Notes/loans receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	1,887,993	-	116,424	109,407
Construction in progress	-	-	-	-
Less accumulated depreciation	(1,489,720)	-	(23,279)	(96,102)
<b>Total noncurrent assets</b>	<b>398,273</b>	<b>-</b>	<b>93,145</b>	<b>13,305</b>
<b>Total assets</b>	<b>48,508,747</b>	<b>1,285,590</b>	<b>8,922,776</b>	<b>460,814</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	297,638	740,856	653,233	4,726
Accrued payroll and related liabilities	452,167	-	-	7,428
Interest payable	-	-	-	-
Intergovernmental payables	7,803	-	478	-
Obligations under securities lending	15,814,386	-	-	-
Due to other funds	123,910	299,464	1,346,817	1,159
Due to fiduciary funds	-	-	-	1,211
Due to component units	-	-	-	-
Deferred revenues	-	-	6,577,028	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	651,154	-	-	14,508
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total current liabilities</b>	<b>17,347,058</b>	<b>1,040,320</b>	<b>8,577,556</b>	<b>29,032</b>
<b>Noncurrent liabilities:</b>				
Advances from general fund	-	-	-	-
Compensated absences	313,766	-	-	13,880
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>313,766</b>	<b>-</b>	<b>-</b>	<b>13,880</b>
<b>Total liabilities</b>	<b>17,660,824</b>	<b>1,040,320</b>	<b>8,577,556</b>	<b>42,912</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	398,273	-	93,145	13,305
Restricted for workers' compensation	30,449,650	-	-	-
Restricted for tuition contract benefits	-	-	-	-
Restricted for regulation of business	-	245,270	2,000	-
Unrestricted (deficit)	-	-	250,075	404,597
<b>Total net assets</b>	<b>\$ 30,847,923</b>	<b>\$ 245,270</b>	<b>\$ 345,220</b>	<b>\$ 417,902</b>



NEVADA

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 2,243,767	\$ 150,971	\$ 250,774	\$ 208,204	\$ 2,331,340	\$ 43,700,714
-	4,045	-	1,631,638	-	1,689,839
1,202,492	-	-	109,224	-	17,126,102
754,615	149,317	-	-	1,000	3,799,980
167,806	-	-	-	168,305	358,168
-	-	-	4,900,000	-	4,900,000
-	-	115,371	389,719	-	505,090
363,777	25,840	-	11,469	-	1,544,144
49,693	-	-	-	-	49,693
354	-	-	-	-	354
1,087,598	59,624	-	-	-	1,318,931
1,265	11,128	-	-	-	69,525
<u>5,871,367</u>	<u>400,925</u>	<u>366,145</u>	<u>7,250,254</u>	<u>2,500,645</u>	<u>75,062,540</u>
-	-	-	102,678,190	-	102,678,190
-	-	-	14,961,598	-	14,961,598
-	-	333,924	-	-	333,924
-	-	1,507,715	-	-	1,507,715
-	-	-	-	24,905	24,905
15,000	-	-	-	-	15,000
153,140	-	-	-	414,672	567,812
2,890,227	-	-	-	498,613	3,388,840
-	-	-	-	630,647	630,647
947,109	-	-	10,000	1,559,499	4,630,432
-	-	-	-	362,663	362,663
(2,543,298)	-	-	(4,319)	(2,289,736)	(6,446,454)
<u>1,462,178</u>	<u>-</u>	<u>1,841,639</u>	<u>117,645,469</u>	<u>1,201,263</u>	<u>122,655,272</u>
<u>7,333,545</u>	<u>400,925</u>	<u>2,207,784</u>	<u>124,895,723</u>	<u>3,701,908</u>	<u>197,717,812</u>
154,891	124,421	70,400	43,526	261,944	2,351,635
71,694	23,380	-	3,771	5,126	563,566
-	-	-	-	8,661	8,661
-	-	-	-	154	8,435
1,202,492	-	-	109,224	-	17,126,102
57,589	4,946	180,370	2,208,205	28,964	4,251,424
62,360	-	-	-	-	63,571
705	-	-	152,276	-	152,981
125,673	370,122	-	-	-	7,072,823
5,587	-	-	-	2,200	7,787
150,695	26,047	-	6,351	18,141	866,896
-	-	-	5,901,392	-	5,901,392
-	-	-	-	35,000	35,000
<u>1,831,686</u>	<u>548,916</u>	<u>250,770</u>	<u>8,424,745</u>	<u>360,190</u>	<u>38,410,273</u>
-	-	-	1,160,576	52,072	1,212,648
87,659	12,377	-	1,042	12,456	441,180
-	-	-	110,017,000	-	110,017,000
-	-	-	-	2,140,784	2,140,784
<u>87,659</u>	<u>12,377</u>	<u>-</u>	<u>111,178,618</u>	<u>2,205,312</u>	<u>113,811,612</u>
<u>1,919,345</u>	<u>561,293</u>	<u>250,770</u>	<u>119,603,363</u>	<u>2,565,502</u>	<u>152,221,885</u>
1,447,178	-	-	5,681	796,915	2,754,497
-	-	-	-	-	30,449,650
-	-	-	5,286,679	-	5,286,679
-	-	-	-	-	247,270
3,967,022	(160,368)	1,957,014	-	339,491	6,757,831
<u>\$ 5,414,200</u>	<u>\$ (160,368)</u>	<u>\$ 1,957,014</u>	<u>\$ 5,292,360</u>	<u>\$ 1,136,406</u>	<u>\$ 45,495,927</u>

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

For the Fiscal Year Ended June 30, 2007

	<b>Workers' Compensation and Safety</b>	<b>Insurance Examination</b>	<b>Gaming Investigative</b>	<b>Forestry Nurseries</b>
<b>Operating Revenues</b>				
Sales	\$ -	\$ -	\$ -	\$ 568,335
Assessments	30,188,126	-	-	-
Charges for services	496	-	11,222,684	-
Rental income	-	-	-	-
Interest income on loans	-	-	-	-
Licenses, fees and permits	365,013	4,078,831	-	-
Fines	2,649,747	-	-	-
Other	2,826,631	-	75	4,925
<b>Total operating revenues</b>	<b>36,030,013</b>	<b>4,078,831</b>	<b>11,222,759</b>	<b>573,260</b>
<b>Operating Expenses</b>				
Salaries and benefits	13,755,630	-	-	218,463
Operating	3,254,627	4,043,764	2,315,504	54,453
Claims and benefits expense	7,361,222	-	-	-
Materials or supplies used	-	-	-	289,336
Depreciation	187,422	-	23,279	10,549
<b>Total operating expenses</b>	<b>24,558,901</b>	<b>4,043,764</b>	<b>2,338,783</b>	<b>572,801</b>
Operating income (loss)	11,471,112	35,067	8,883,976	459
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	2,320,801	-	-	-
Interest expense	(766,023)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,032,165	-	-	42,790
Gain (loss) on disposal/sale of assets	7,228	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>3,594,171</b>	<b>-</b>	<b>-</b>	<b>42,790</b>
Income (loss) before transfers	15,065,283	35,067	8,883,976	43,249
<b>Transfers</b>				
Transfers in	-	-	1,663	-
Transfers out	(10,328,440)	-	(8,792,419)	-
Change in net assets	4,736,843	35,067	93,220	43,249
Net assets, July 1	26,111,080	210,203	252,000	374,653
<b>Net assets, June 30</b>	<b>\$ 30,847,923</b>	<b>\$ 245,270</b>	<b>\$ 345,220</b>	<b>\$ 417,902</b>



NEVADA

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>WICHE Student Loans</u>	<u>Higher Education Tuition Trust</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 4,496,186	\$ 1,347,198	\$ -	\$ 5,967,320	\$ 605,342	\$ 12,984,381
-	-	-	-	-	30,188,126
595,980	642,410	-	8,410	-	12,469,980
194,244	-	-	-	12,943	207,187
-	-	108,559	-	-	108,559
-	-	-	-	-	4,443,844
-	-	-	-	-	2,649,747
787,782	2,506	1,614	68,100	-	3,691,633
<u>6,074,192</u>	<u>1,992,114</u>	<u>110,173</u>	<u>6,043,830</u>	<u>618,285</u>	<u>66,743,457</u>
2,076,445	657,298	-	127,386	145,176	16,980,398
2,059,787	402,363	967,490	469,727	79,789	13,647,504
-	-	-	9,904,082	-	17,265,304
2,028,209	678,430	-	-	-	2,995,975
149,706	-	-	2,498	75,352	448,806
<u>6,314,147</u>	<u>1,738,091</u>	<u>967,490</u>	<u>10,503,693</u>	<u>300,317</u>	<u>51,337,987</u>
<u>(239,955)</u>	<u>254,023</u>	<u>(857,317)</u>	<u>(4,459,863)</u>	<u>317,968</u>	<u>15,405,470</u>
181,745	-	-	12,133,519	-	14,636,065
(58,832)	-	-	-	(92,224)	(917,079)
-	-	-	-	(825)	(825)
-	-	-	-	-	2,074,955
<u>(17,455)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,227)</u>
105,458	-	-	12,133,519	(93,049)	15,782,889
<u>(134,497)</u>	<u>254,023</u>	<u>(857,317)</u>	<u>7,673,656</u>	<u>224,919</u>	<u>31,188,359</u>
-	125,000	777,593	175,000	-	1,079,256
<u>(32,167)</u>	<u>(181)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,153,207)</u>
(166,664)	378,842	(79,724)	7,848,656	224,919	13,114,408
5,580,864	(539,210)	2,036,738	(2,556,296)	911,487	32,381,519
<u>\$ 5,414,200</u>	<u>\$ (160,368)</u>	<u>\$ 1,957,014</u>	<u>\$ 5,292,360</u>	<u>\$ 1,136,406</u>	<u>\$ 45,495,927</u>

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2007

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 35,289,752	\$ 3,727,695	\$ 12,109,770	\$ 137,885
Receipts for interfund services provided	139,304	14,835	-	393,351
Receipts of principal on loans and notes	-	-	-	-
Receipts of interest on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(10,267,197)	(2,538,868)	(1,772,163)	(354,176)
Payments to employees	(13,202,782)	-	-	(214,611)
Payments for interfund services used	(907,595)	(864,252)	(71,026)	(37,097)
Payments to component units	(995)	-	-	-
Purchase of loans and notes	-	-	-	-
Net cash provided by (used for) operating activities	<u>11,050,487</u>	<u>339,410</u>	<u>10,266,581</u>	<u>(74,648)</u>
<b>Cash flows from noncapital financing activities</b>				
Grant receipts	2,057,165	-	-	47,727
Transfers and advances from other funds	20,159	-	1,576	-
Transfers and advances to other funds	(9,904,518)	-	(9,276,743)	-
Net cash provided by (used for) noncapital financing activities	<u>(7,827,194)</u>	<u>-</u>	<u>(9,275,167)</u>	<u>47,727</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from capital debt	-	-	-	-
Proceeds from sale of capital assets	7,228	-	-	-
Purchase of capital assets	(179,727)	-	(116,424)	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Construction	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(172,499)</u>	<u>-</u>	<u>(116,424)</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest and dividends received	1,421,469	-	-	-
Net cash provided by (used for) investing activities	<u>1,421,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	4,472,263	339,410	874,990	(26,921)
Cash and cash equivalents, July 1	24,736,412	177,718	7,755,338	240,604
<b>Cash and cash equivalents, June 30</b>	<u>\$ 29,208,675</u>	<u>\$ 517,128</u>	<u>\$ 8,630,328</u>	<u>\$ 213,683</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 11,471,112	\$ 35,067	\$ 8,883,976	\$ 459
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	187,422	-	23,279	10,549
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(600,957)	(336,301)	352,840	(42,024)
Decrease (increase) in inventory, deferred charges, other assets	-	-	(50,657)	(40,877)
Increase (decrease) in accounts payable, accruals, other liabilities	(7,090)	640,644	1,057,143	(2,755)
Total adjustments	<u>(420,625)</u>	<u>304,343</u>	<u>1,382,605</u>	<u>(75,107)</u>
Net cash provided by (used for) operating activities	<u>\$ 11,050,487</u>	<u>\$ 339,410</u>	<u>\$ 10,266,581</u>	<u>\$ (74,648)</u>
<b>Noncash investing, capital and financing activities</b>				
Loss on disposal of assets	\$ -	\$ -	\$ -	\$ -
Construction completed or in progress	-	-	-	-
Interest/dividends on investments accrued	218,654	-	-	-
Change in fair value of investments	177,151	-	-	-



NEVADA

Prison Industry	Nevada Magazine	WICHE Student Loans	Higher Education Tuition Trust	Marlette Lake Water System	Total
\$ 3,141,997	\$ 981,367	\$ 1,614	\$ 6,339,983	\$ 606,803	\$ 62,336,866
3,430,860	707,009	-	-	-	4,685,359
-	-	280,813	-	-	280,813
-	-	97,512	-	-	97,512
(2,281,844)	(910,835)	(752,374)	(296,312)	(37,195)	(19,210,964)
(2,001,158)	(673,881)	-	(134,685)	(145,776)	(16,372,893)
(1,754,460)	(104,460)	-	(121,440)	(44,696)	(3,905,026)
(4,198)	(203)	(223,449)	(1,899,510)	(48)	(2,128,403)
-	-	(137,183)	-	-	(137,183)
531,197	(1,003)	(733,067)	3,888,036	379,088	25,646,081
-	-	-	-	-	2,104,892
-	125,000	654,803	175,000	-	976,538
(32,167)	(181)	(34,765)	(175,000)	-	(19,423,374)
(32,167)	124,819	620,038	-	-	(16,341,944)
-	-	-	-	2,200,908	2,200,908
-	-	-	-	-	7,228
(86,852)	-	-	-	(54,815)	(437,818)
-	-	-	-	(60,664)	(60,664)
-	-	-	-	(92,542)	(92,542)
-	-	-	-	(102,547)	(102,547)
(86,852)	-	-	-	1,890,340	1,514,565
-	-	-	47,633,500	-	47,633,500
-	-	-	(56,380,534)	-	(56,380,534)
122,913	-	-	5,408,302	-	6,952,684
122,913	-	-	(3,338,732)	-	(1,794,350)
535,091	123,816	(113,029)	549,304	2,269,428	9,024,352
1,708,676	31,200	363,803	1,290,538	61,912	36,366,201
\$ 2,243,767	\$ 155,016	\$ 250,774	\$ 1,839,842	\$ 2,331,340	\$ 45,390,553
\$ (239,955)	\$ 254,023	\$ (857,317)	\$ (4,459,863)	\$ 317,968	\$ 15,405,470
149,706	-	-	2,498	75,352	448,806
-	-	90,772	-	-	90,772
506,630	23,357	(11,047)	296,153	(11,482)	177,169
163,422	21,110	-	-	-	92,998
(48,606)	(299,493)	44,525	8,049,248	(2,750)	9,430,866
771,152	(255,026)	124,250	8,347,899	61,120	10,240,611
\$ 531,197	\$ (1,003)	\$ (733,067)	\$ 3,888,036	\$ 379,088	\$ 25,646,081
\$ 17,455	\$ -	\$ -	\$ -	\$ -	\$ 17,455
-	-	-	-	251,991	251,991
16,013	-	-	400,086	-	634,753
16,423	-	-	6,682,761	-	6,876,335



**EAGLE VALLEY RESERVOIR**

Provided By: Maureen Angel  
Nevada Department of Wildlife

# INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

## Combining Statement of Net Assets Internal Service Funds

June 30, 2007

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Assets</b>				
<b>Current assets:</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 97,663,525	\$ 3,691,067	\$ 2,187,334	\$ 130,734
Cash in custody of other officials	-	-	-	-
Collateral on loaned securities	35,065,121	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,087,133	2,654	6,791	2,371
Intergovernmental receivables	4,889,733	275	1,164	13,932
Notes receivable	-	-	-	-
Due from other funds	1,279,070	210,661	386,393	1,018,648
Due from fiduciary funds	-	-	549	-
Due from component units	6,353,271	951	9,519	1,597
Inventory	-	-	-	-
<b>Total current assets</b>	<b>146,337,853</b>	<b>3,905,608</b>	<b>2,591,750</b>	<b>1,167,282</b>
<b>Noncurrent assets:</b>				
Intergovernmental receivables	859,252	-	-	-
Notes receivable	-	-	-	-
Due from component units	873,149	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	-	-
Buildings	-	2,268,068	1,037,144	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	366,528	706,868	12,819,630	1,020,304
Software costs	-	-	-	-
Construction in progress	-	-	-	-
Less accumulated depreciation/amortization	(307,161)	(1,951,085)	(9,493,714)	(761,889)
<b>Total noncurrent assets</b>	<b>1,791,768</b>	<b>1,335,467</b>	<b>4,363,060</b>	<b>680,866</b>
<b>Total assets</b>	<b>148,129,621</b>	<b>5,241,075</b>	<b>6,954,810</b>	<b>1,848,148</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,959,053	1,632,067	135,200	9,133
Accrued payroll and related liabilities	64,147	191,314	24,830	29,492
Intergovernmental payables	-	92,211	208	-
Bank overdraft	5,068,043	-	-	-
Obligations under securities lending	35,065,121	-	-	-
Due to other funds	17,600	199,602	506,250	53,854
Due to fiduciary funds	-	4,666	275	-
Due to component units	-	-	-	-
Deferred revenues	1,645,914	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	75,304	373,490	48,570	65,982
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total current liabilities</b>	<b>43,895,182</b>	<b>2,493,350</b>	<b>715,333</b>	<b>158,461</b>
<b>Noncurrent liabilities:</b>				
<i>Advances:</i>				
Advances from general fund	-	333,623	62,036	190,109
Advances from special revenue fund	-	-	4,434	-
Advances from debt service fund	-	-	-	-
Reserve for losses	25,082,000	-	-	-
Compensated absences	26,247	256,150	43,510	21,689
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>25,108,247</b>	<b>589,773</b>	<b>109,980</b>	<b>211,798</b>
<b>Total liabilities</b>	<b>69,003,429</b>	<b>3,083,123</b>	<b>825,313</b>	<b>370,259</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	59,367	1,335,467	4,363,060	680,866
Unrestricted (deficit)	79,066,825	822,485	1,766,437	797,023
<b>Total net assets</b>	<b>\$ 79,126,192</b>	<b>\$ 2,157,952</b>	<b>\$ 6,129,497</b>	<b>\$ 1,477,889</b>



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<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 12,726,903	\$ 496,135	\$ 2,909,604	\$ 1,221,270	\$ 4,534,203	\$ 480,027	\$ 126,040,802
-	-	-	-	200	-	200
-	-	-	-	-	-	35,065,121
364,638	-	242	500	38,063	53,672	1,556,064
66,620	-	-	24,727	-	-	4,996,451
5,000	-	-	-	-	-	5,000
4,102,912	661	-	11,687	2,717,285	288,428	10,015,745
-	-	-	-	-	-	549
-	-	-	3,010	1,851	16	6,370,215
-	-	-	10,934	-	280,948	291,882
<u>17,266,073</u>	<u>496,796</u>	<u>2,909,846</u>	<u>1,272,128</u>	<u>7,291,602</u>	<u>1,103,091</u>	<u>184,342,029</u>
-	-	-	-	-	-	859,252
134,400	-	-	-	-	-	134,400
-	-	-	-	-	-	873,149
-	-	-	95,554	15,000	-	130,954
-	-	-	140,000	12,458,333	3,410,986	19,314,531
-	-	-	-	-	-	713,667
22,435	58,402	278,938	261,255	38,420,029	4,005,763	57,960,152
-	-	15,323,810	-	-	-	15,323,810
-	-	-	-	2,227,039	201,341	2,428,380
(22,435)	(47,661)	(10,369,718)	(356,910)	(33,487,927)	(3,236,650)	(60,035,150)
<u>134,400</u>	<u>10,741</u>	<u>5,233,030</u>	<u>139,899</u>	<u>19,632,474</u>	<u>4,381,440</u>	<u>37,703,145</u>
<u>17,400,473</u>	<u>507,537</u>	<u>8,142,876</u>	<u>1,412,027</u>	<u>26,924,076</u>	<u>5,484,531</u>	<u>222,045,174</u>
9,983	1,729	159,171	1,949	1,195,392	57,286	5,160,963
27,460	31,956	199,743	61,789	360,385	34,857	1,025,973
1,856	-	-	-	1,256	344	95,875
-	-	-	-	-	-	5,068,043
-	-	-	-	-	-	35,065,121
23,273	905	1,653,887	661,344	1,022,360	64,723	4,203,798
-	-	-	-	24	2,048	7,013
30,637	-	-	-	-	-	30,637
-	-	-	-	118	-	1,646,032
26,969	53,976	330,448	143,328	827,473	122,180	2,067,720
-	-	-	-	398,729	-	398,729
-	-	-	-	608,416	12,107	620,523
<u>120,178</u>	<u>88,566</u>	<u>2,343,249</u>	<u>868,410</u>	<u>4,414,153</u>	<u>293,545</u>	<u>55,390,427</u>
-	-	4,644,621	164,148	2,410,158	-	7,804,695
-	-	-	-	-	-	4,434
-	-	-	-	1,958,276	-	1,958,276
47,150,297	-	-	-	-	-	72,232,297
13,718	18,927	191,782	101,401	327,233	82,723	1,083,380
-	-	-	-	9,015,759	-	9,015,759
-	-	-	-	1,777,104	5,468	1,782,572
<u>47,164,015</u>	<u>18,927</u>	<u>4,836,403</u>	<u>265,549</u>	<u>15,488,530</u>	<u>88,191</u>	<u>93,881,413</u>
<u>47,284,193</u>	<u>107,493</u>	<u>7,179,652</u>	<u>1,133,959</u>	<u>19,902,683</u>	<u>381,736</u>	<u>149,271,840</u>
-	10,741	5,233,030	139,899	7,832,466	4,363,865	24,018,761
(29,883,720)	389,303	(4,269,806)	138,169	(811,073)	738,930	48,754,573
<u>\$ (29,883,720)</u>	<u>\$ 400,044</u>	<u>\$ 963,224</u>	<u>\$ 278,068</u>	<u>\$ 7,021,393</u>	<u>\$ 5,102,795</u>	<u>\$ 72,773,334</u>

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

For the Fiscal Year Ended June 30, 2007

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Operating Revenues</b>				
Net premium income	\$ 255,732,241	\$ -	\$ -	\$ -
Sales	-	-	13,127	-
Charges for services	-	1,385,968	-	6,670,881
Rental income	-	14,016,148	4,361,392	-
Other	1,607,220	484	-	-
<b>Total operating revenues</b>	<b>257,339,461</b>	<b>15,402,600</b>	<b>4,374,519</b>	<b>6,670,881</b>
<b>Operating Expenses</b>				
Salaries and benefits	2,019,495	5,985,500	806,795	1,007,873
Operating	3,265,435	11,554,817	1,929,971	5,396,449
Claims expense	181,179,141	-	-	-
Materials or supplies used	-	-	359,138	-
Depreciation	31,214	77,107	1,410,263	106,767
Amortization	-	-	-	-
Insurance premiums	70,881,051	-	-	-
<b>Total operating expenses</b>	<b>257,376,336</b>	<b>17,617,424</b>	<b>4,506,167</b>	<b>6,511,089</b>
Operating income (loss)	(36,875)	(2,214,824)	(131,648)	159,792
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment income	6,405,080	-	-	-
Interest expense	(2,190,809)	-	-	(122)
Gain (loss) on disposal of assets	-	-	241,850	(18,144)
<b>Total nonoperating revenues (expenses)</b>	<b>4,214,271</b>	<b>-</b>	<b>241,850</b>	<b>(18,266)</b>
Income (loss) before transfers	4,177,396	(2,214,824)	110,202	141,526
<b>Transfers</b>				
Transfers in	-	974,144	533,358	-
Transfers out	-	(35,000)	-	-
Change in net assets	4,177,396	(1,275,680)	643,560	141,526
Net assets, July 1	74,948,796	3,433,632	5,485,937	1,336,363
<b>Net assets, June 30</b>	<b>\$ 79,126,192</b>	<b>\$ 2,157,952</b>	<b>\$ 6,129,497</b>	<b>\$ 1,477,889</b>



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<u>Insurance Premiums</u>	<u>Administrative Services</u>	<u>Personnel</u>	<u>Purchasing</u>	<u>Information Services</u>	<u>Printing</u>	<u>Total</u>
\$ 22,538,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,270,582
-	-	-	1,025,561	-	4,319,269	5,357,957
-	1,292,423	11,824,588	2,677,989	25,339,569	-	49,191,418
-	-	-	1,813	516,878	-	18,896,231
371,423	-	29,124	31	-	8,144	2,016,426
<u>22,909,764</u>	<u>1,292,423</u>	<u>11,853,712</u>	<u>3,705,394</u>	<u>25,856,447</u>	<u>4,327,413</u>	<u>353,732,614</u>
669,980	1,001,466	6,018,671	1,881,505	12,155,059	1,897,825	33,444,169
2,075,434	150,334	3,756,896	608,273	10,852,660	423,398	40,013,667
13,908,084	-	-	-	-	-	195,087,225
-	-	-	845,875	-	1,319,343	2,524,356
-	5,786	15,419	10,237	3,153,372	272,579	5,082,744
-	-	1,532,381	-	-	-	1,532,381
5,366,371	-	-	-	-	-	76,247,422
<u>22,019,869</u>	<u>1,157,586</u>	<u>11,323,367</u>	<u>3,345,890</u>	<u>26,161,091</u>	<u>3,913,145</u>	<u>353,931,964</u>
<u>889,895</u>	<u>134,837</u>	<u>530,345</u>	<u>359,504</u>	<u>(304,644)</u>	<u>414,268</u>	<u>(199,350)</u>
-	-	-	-	-	-	6,405,080
-	-	-	(7,982)	(145,830)	(4,745)	(2,349,488)
-	-	-	50	(139,379)	-	84,377
-	-	-	(7,932)	(285,209)	(4,745)	4,139,969
<u>889,895</u>	<u>134,837</u>	<u>530,345</u>	<u>351,572</u>	<u>(589,853)</u>	<u>409,523</u>	<u>3,940,619</u>
8,393,805	-	-	-	63,415	1,744,578	11,709,300
(9,712)	-	-	(92,069)	-	-	(136,781)
<u>9,273,988</u>	<u>134,837</u>	<u>530,345</u>	<u>259,503</u>	<u>(526,438)</u>	<u>2,154,101</u>	<u>15,513,138</u>
<u>(39,157,708)</u>	<u>265,207</u>	<u>432,879</u>	<u>18,565</u>	<u>7,547,831</u>	<u>2,948,694</u>	<u>57,260,196</u>
<u>\$ (29,883,720)</u>	<u>\$ 400,044</u>	<u>\$ 963,224</u>	<u>\$ 278,068</u>	<u>\$ 7,021,393</u>	<u>\$ 5,102,795</u>	<u>\$ 72,773,334</u>

## Combining Statement of Cash Flows Internal Service Funds

*For the Fiscal Year Ended June 30, 2007*

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 51,350,777	\$ 86,053	\$ 48,036	\$ 38,379
Receipts for interfund services provided	134,127,948	15,201,812	4,283,409	6,191,929
Receipts from component units	66,538,778	15,601	110,890	6,582
Payments to suppliers, other governments and beneficiaries	(252,330,476)	(9,409,038)	(1,204,573)	(5,137,848)
Payments to employees	(2,108,577)	(5,717,146)	(763,590)	(950,000)
Payments for interfund services used	(865,849)	(1,045,351)	(1,050,002)	(299,808)
Payments to component units	-	(2,293)	-	-
Net cash provided by (used for) operating activities	<u>(3,287,399)</u>	<u>(870,362)</u>	<u>1,424,170</u>	<u>(150,766)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers and advances from other funds	-	1,063,769	-	-
Transfers and advances to other funds	-	(35,000)	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>1,028,769</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers from other funds	-	-	907,649	-
Proceeds from sale of capital assets	-	-	325,651	-
Purchase of capital assets	(18,588)	(79,594)	(1,388,349)	-
Principal paid on capital debt	-	(431,685)	-	(21,121)
Interest paid on capital debt	-	-	-	(122)
Net cash provided by (used for) capital and related financing activities	<u>(18,588)</u>	<u>(511,279)</u>	<u>(155,049)</u>	<u>(21,243)</u>
<b>Cash flows from investing activities</b>				
Interest and dividends received	4,192,268	-	-	-
Net cash provided by (used for) investing activities	<u>4,192,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	886,281	(352,872)	1,269,121	(172,009)
Cash and cash equivalents, July 1	96,777,244	4,043,939	918,213	302,743
<b>Cash and cash equivalents, June 30</b>	<u>\$ 97,663,525</u>	<u>\$ 3,691,067</u>	<u>\$ 2,187,334</u>	<u>\$ 130,734</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ (36,875)	\$ (2,214,824)	\$ (131,648)	\$ 159,792
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</b>				
Depreciation	31,214	77,107	1,410,263	106,767
Amortization	-	-	-	-
Decrease (increase) in accrued interest and receivables	(5,625,186)	(99,134)	67,817	(433,991)
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	-
Increase (decrease) in accounts payable, accruals, other liabilities	2,343,448	1,366,489	77,738	16,666
Total adjustments	<u>(3,250,524)</u>	<u>1,344,462</u>	<u>1,555,818</u>	<u>(310,558)</u>
Net cash provided by (used for) operating activities	<u>\$ (3,287,399)</u>	<u>\$ (870,362)</u>	<u>\$ 1,424,170</u>	<u>\$ (150,766)</u>
<b>Noncash investing, capital and financing activities</b>				
Property leased or acquired	\$ -	\$ -	\$ -	\$ -
Construction completed or in progress	-	-	-	-
Interest/dividends on investments accrued	1,279,070	-	-	-
Change in fair value of investments	514,511	-	-	-



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Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ -	\$ -	\$ 6,030	\$ 309,990	\$ -	\$ 154,526	\$ 51,993,791
22,946,510	1,344,404	11,897,726	3,404,513	26,965,845	4,012,047	230,376,143
251,428	-	-	30,791	-	-	66,954,070
(18,245,812)	(43,532)	(1,585,646)	(520,622)	(9,546,289)	(1,183,792)	(299,207,628)
(640,224)	(988,602)	(5,814,077)	(1,759,887)	(11,819,017)	(1,831,232)	(32,392,352)
(9,178,834)	(151,134)	(2,510,921)	(517,172)	(1,349,890)	(466,012)	(17,434,973)
(222,651)	-	(18,967)	-	(381,092)	-	(625,003)
(5,089,583)	161,136	1,974,145	947,613	3,869,557	685,537	(335,952)
4,405,213	-	-	-	61,339	-	5,530,321
-	-	-	(79,572)	(654,917)	-	(769,489)
4,405,213	-	-	(79,572)	(593,578)	-	4,760,832
-	-	-	-	-	1,717,333	2,624,982
-	-	-	50	-	-	325,701
-	-	(20,330)	(16,321)	(955,388)	(2,673,161)	(5,151,731)
-	-	(1,757,209)	-	(2,373,499)	(55,082)	(4,638,596)
-	-	-	(7,982)	(145,830)	(4,745)	(158,679)
-	-	(1,777,539)	(24,253)	(3,474,717)	(1,015,655)	(6,998,323)
-	-	-	-	-	-	4,192,268
-	-	-	-	-	-	4,192,268
(684,370)	161,136	196,606	843,788	(198,738)	(330,118)	1,618,825
13,411,273	334,999	2,712,998	377,482	4,733,141	810,145	124,422,177
\$ 12,726,903	\$ 496,135	\$ 2,909,604	\$ 1,221,270	\$ 4,534,403	\$ 480,027	\$ 126,041,002
\$ 889,895	\$ 134,837	\$ 530,345	\$ 359,504	\$ (304,644)	\$ 414,268	\$ (199,350)
-	5,786	15,419	10,237	3,153,372	272,579	5,082,744
-	-	1,532,381	-	-	-	1,532,381
288,174	51,981	50,044	39,900	1,109,281	14,434	(4,536,680)
653,085	-	6,155	285,175	-	(6,874)	937,541
(6,920,737)	(31,468)	(160,199)	252,797	(88,452)	(8,870)	(3,152,588)
(5,979,478)	26,299	1,443,800	588,109	4,174,201	271,269	(136,602)
\$ (5,089,583)	\$ 161,136	\$ 1,974,145	\$ 947,613	\$ 3,869,557	\$ 685,537	\$ (335,952)
\$ -	\$ -	\$ -	\$ -	\$ 183,411	\$ -	\$ 183,411
-	-	-	-	(5,928,317)	-	(5,928,317)
-	-	-	-	-	-	1,279,070
-	-	-	-	-	-	514,511



**COPPER BASIN, JARBRIDGE MOUNTAINS**

Photographed by: Rich Perry

Nevada Department of Conservation

# FIDUCIARY FUNDS

## 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).

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

## INVESTMENT TRUST

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

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

## AGENCY

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

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

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

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

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

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

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

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

**Retired Employee Insurance** Accounts for the receipt and disbursement of contributions to fund other post employment benefits (NAC 287.530).

## Combining Statement of Fiduciary Net Assets Pension Trust and Investment Trust Funds

June 30, 2007

	<b>Pension Trust Funds</b>			
	<b>Public Employees' Retirement</b>	<b>Legislators' Retirement</b>	<b>Judicial Retirement</b>	<b>Total</b>
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ -	\$ -	\$ -	\$ -
Cash in custody of other officials	404,691,892	18,696	176,413	404,887,001
<i>Investments:</i>				
Investments	-	-	-	-
Fixed income securities	5,671,983,788	1,235,796	8,116,361	5,681,335,945
Marketable equity securities	11,108,979,632	3,202,708	21,573,369	11,133,755,709
International securities	4,513,099,459	588,042	3,743,992	4,517,431,493
Mortgage loans	10,698	-	-	10,698
Real estate	1,075,034,761	-	-	1,075,034,761
Alternative investments	384,721,304	-	-	384,721,304
Collateral on loaned securities	3,390,654,058	-	-	3,390,654,058
<i>Receivables:</i>				
Accrued interest and dividends	93,040,584	13,593	81,753	93,135,930
Trades pending settlement	302,642,591	17,519	115,003	302,775,113
Intergovernmental receivables	82,282,301	-	1,813,855	84,096,156
Due from fiduciary funds	20,649,581	-	-	20,649,581
Other assets	1,358,459	-	-	1,358,459
Furniture and equipment	28,206,577	-	-	28,206,577
Accumulated depreciation	(25,111,542)	-	-	(25,111,542)
<b>Total assets</b>	<b>27,052,244,143</b>	<b>5,076,354</b>	<b>35,620,746</b>	<b>27,092,941,243</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accounts payable	10,182,151	1,131	1,926	10,185,208
Intergovernmental payables	-	-	-	-
Trades pending settlement	950,047,427	40,243	201,177	950,288,847
Obligations under securities lending	3,390,654,058	-	-	3,390,654,058
Due to other funds	549	-	-	549
Other liabilities	-	216,023	-	216,023
<b>Total liabilities</b>	<b>4,350,884,185</b>	<b>257,397</b>	<b>203,103</b>	<b>4,351,344,685</b>
<b>Net Assets</b>				
<i>Held in trust for:</i>				
Employees' pension benefits	22,701,359,958	4,818,957	35,417,643	22,741,596,558
Individuals, organizations and other governments	-	-	-	-
<b>Total net assets</b>	<b>\$ 22,701,359,958</b>	<b>\$ 4,818,957</b>	<b>\$ 35,417,643</b>	<b>\$ 22,741,596,558</b>



**Investment Trust Funds**

<b>Local Government Investment Pool</b>	<b>Nevada Enhanced Savings Term</b>	<b>Total</b>
\$ 375	\$ -	\$ 375
-	-	-
706,226,342	366,893,529	1,073,119,871
-	-	-
-	-	-
-	-	-
-	-	-
25,205	-	25,205
5,183,105	2,746,518	7,929,623
-	-	-
-	-	-
-	-	-
-	-	-
<u>711,435,027</u>	<u>369,640,047</u>	<u>1,081,075,074</u>
-	252,567	252,567
2,901,935	-	2,901,935
-	-	-
25,205	-	25,205
12,301	-	12,301
-	-	-
<u>2,939,441</u>	<u>252,567</u>	<u>3,192,008</u>
-	-	-
708,495,586	369,387,480	1,077,883,066
<u>\$ 708,495,586</u>	<u>\$ 369,387,480</u>	<u>\$ 1,077,883,066</u>

## Combining Statement of Changes in Fiduciary Net Assets Pension Trust and Investment Trust Funds

For the Fiscal Year Ended June 30, 2007

	Pension Trust Funds			
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Total
<b>Additions</b>				
<i>Contributions:</i>				
Employer	\$ 1,046,628,769	\$ 185,383	\$ 6,425,211	\$ 1,053,239,363
Plan members	83,219,638	40,264	-	83,259,902
Repayment and purchase of service	45,632,332	-	70,135	45,702,467
<b>Total contributions</b>	<b>1,175,480,739</b>	<b>225,647</b>	<b>6,495,346</b>	<b>1,182,201,732</b>
<i>Investment income:</i>				
Net increase (decrease) in fair value of investments	2,310,325,045	582,132	3,904,827	2,314,812,004
Interest, dividends	565,036,393	59,298	398,860	565,494,551
Securities lending income	129,784,535	-	-	129,784,535
Other	81,758,481	-	-	81,758,481
	3,086,904,454	641,430	4,303,687	3,091,849,571
Less investment expense:				
Cost of securities lending	(124,285,513)	-	-	(124,285,513)
Other	(25,531,576)	(1,497)	(10,367)	(25,543,440)
<b>Net investment income</b>	<b>2,937,087,365</b>	<b>639,933</b>	<b>4,293,320</b>	<b>2,942,020,618</b>
<i>Other:</i>				
Investment from local governments	-	-	-	-
Reinvestment from interest income	-	-	-	-
Other	3,278,191	68,328	1,443	3,347,962
<b>Total other</b>	<b>3,278,191</b>	<b>68,328</b>	<b>1,443</b>	<b>3,347,962</b>
<b>Total additions</b>	<b>4,115,846,295</b>	<b>933,908</b>	<b>10,790,109</b>	<b>4,127,570,312</b>
<b>Deductions</b>				
Principal redeemed	-	-	-	-
Benefit payments	929,376,391	402,027	2,203,207	931,981,625
Refunds	17,444,520	11,316	-	17,455,836
Contribution distributions	1,960,981	-	-	1,960,981
Dividends to investors	-	-	-	-
Administrative expense	8,588,057	67,362	67,647	8,723,066
<b>Total deductions</b>	<b>957,369,949</b>	<b>480,705</b>	<b>2,270,854</b>	<b>960,121,508</b>
Change in net assets	3,158,476,346	453,203	8,519,255	3,167,448,804
Net assets, July 1	19,542,883,612	4,365,754	26,898,388	19,574,147,754
<b>Net assets, June 30</b>	<b>\$ 22,701,359,958</b>	<b>\$ 4,818,957</b>	<b>\$ 35,417,643</b>	<b>\$ 22,741,596,558</b>

**Investment Trust Funds**

<b>Local Government Investment Pool</b>	<b>Nevada Enhanced Savings Term</b>	<b>Total</b>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
(220,421)	2,351,840	2,131,419
36,669,386	15,212,353	51,881,739
8,917,558	-	8,917,558
-	-	-
45,366,523	17,564,193	62,930,716
(8,808,875)	-	(8,808,875)
-	(850,808)	(850,808)
36,557,648	16,713,385	53,271,033
1,270,754,833	124,508,941	1,395,263,774
35,331,556	-	35,331,556
-	-	-
1,306,086,389	124,508,941	1,430,595,330
1,342,644,037	141,222,326	1,483,866,363
1,263,469,906	3,280,129	1,266,750,035
-	-	-
-	-	-
-	-	-
36,619,357	-	36,619,357
158,712	-	158,712
1,300,247,975	3,280,129	1,303,528,104
42,396,062	137,942,197	180,338,259
666,099,524	231,445,283	897,544,807
\$ 708,495,586	\$ 369,387,480	\$ 1,077,883,066

## Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2007

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
<b>Assets</b>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 18,397,392	\$ 45,593,458	\$ 22,142,814	\$ -
Cash in custody of other officials	-	80,356,466	2,861,540	4,014,801
Investments	-	123,842,754	-	-
Collateral on loaned securities	896,916	-	-	-
<i>Receivables:</i>				
Taxes receivable	14,883,267	-	-	-
Other receivables	-	-	41,635,446	-
Due from other funds	452,346,224	-	987,689	-
Due from fiduciary funds	13,318,593	-	-	-
<b>Total assets</b>	<b>\$ 499,842,392</b>	<b>\$ 249,792,678</b>	<b>\$ 67,627,489</b>	<b>\$ 4,014,801</b>
<b>Liabilities</b>				
<i>Accounts payable and accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	498,944,226	-	49,874,486	-
Obligations under securities lending	896,916	-	-	-
Due to other funds	-	-	25,110	-
Due to fiduciary funds	-	-	13,318,593	-
<i>Other liabilities:</i>				
Deposits	-	249,758,146	4,162,890	-
Other liabilities	1,250	34,532	246,410	4,014,801
<b>Total liabilities</b>	<b>\$ 499,842,392</b>	<b>\$ 249,792,678</b>	<b>\$ 67,627,489</b>	<b>\$ 4,014,801</b>



NEVADA

<u>Child Welfare Trust</u>	<u>Restitution Trust</u>	<u>Veterans Custodial</u>	<u>State Payroll</u>	<u>Total</u>
\$ 656,758	\$ 3,034,747	\$ 1,706,542	\$ 19,848,216	\$ 111,379,927
-	-	-	-	87,232,807
-	-	-	-	123,842,754
356,324	-	925,883	-	2,179,123
-	-	-	-	14,883,267
3,589	-	-	-	41,639,035
14,536	2,912	29,260	811,794	454,192,415
-	24,453	-	-	13,343,046
<u>\$ 1,031,207</u>	<u>\$ 3,062,112</u>	<u>\$ 2,661,685</u>	<u>\$ 20,660,010</u>	<u>\$ 848,692,374</u>
\$ -	\$ -	\$ -	\$ 10,427	\$ 10,427
3,965	-	-	-	548,822,677
356,324	-	925,883	-	2,179,123
-	-	-	-	25,110
-	-	-	20,649,581	33,968,174
-	-	-	-	253,921,036
670,918	3,062,112	1,735,802	2	9,765,827
<u>\$ 1,031,207</u>	<u>\$ 3,062,112</u>	<u>\$ 2,661,685</u>	<u>\$ 20,660,010</u>	<u>\$ 848,692,374</u>

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

For the Fiscal Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>Intergovernmental</b>				
<b>Assets</b>				
Cash with treasurer	\$ 16,496,756	\$ 3,110,263,712	\$ 3,108,363,076	\$ 18,397,392
Collateral on loaned securities	917,703	896,916	917,703	896,916
Taxes receivable	21,298,213	41,999,356	48,414,302	14,883,267
Due from other funds	457,056,857	452,346,224	457,056,857	452,346,224
Due from fiduciary funds	13,584,014	13,318,593	13,584,014	13,318,593
<b>Total assets</b>	<b>\$ 509,353,543</b>	<b>\$ 3,618,824,801</b>	<b>\$ 3,628,335,952</b>	<b>\$ 499,842,392</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 508,435,840	\$ 3,699,686,344	\$ 3,709,177,958	\$ 498,944,226
Obligations under securities lending	917,703	896,916	917,703	896,916
Other liabilities	-	1,250	-	1,250
<b>Total liabilities</b>	<b>\$ 509,353,543</b>	<b>\$ 3,700,584,510</b>	<b>\$ 3,710,095,661</b>	<b>\$ 499,842,392</b>
<b>State Agency Fund for Bonds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 47,924,383	\$ 5,544,848	\$ 7,875,773	\$ 45,593,458
Cash in custody of other officials	72,943,356	21,011,542	13,598,432	80,356,466
Investments	111,917,663	35,766,368	23,841,277	123,842,754
Due from other funds	2,574,154	-	2,574,154	-
<b>Total assets</b>	<b>\$ 235,359,556</b>	<b>\$ 62,322,758</b>	<b>\$ 47,889,636</b>	<b>\$ 249,792,678</b>
<b>Liabilities</b>				
Deposits	\$ 235,326,520	\$ 59,540,861	\$ 45,109,235	\$ 249,758,146
Other liabilities	33,036	4,678	3,182	34,532
<b>Total liabilities</b>	<b>\$ 235,359,556</b>	<b>\$ 59,545,539</b>	<b>\$ 45,112,417</b>	<b>\$ 249,792,678</b>
<b>Motor Vehicle</b>				
<b>Assets</b>				
Cash with treasurer	\$ 20,648,655	\$ 1,175,230,653	\$ 1,173,736,494	\$ 22,142,814
Cash in custody of other officials	2,836,240	33,300	8,000	2,861,540
Other receivables	42,616,941	81,374,560	82,356,055	41,635,446
Due from other funds	1,305,606	987,689	1,305,606	987,689
<b>Total assets</b>	<b>\$ 67,407,442</b>	<b>\$ 1,257,626,202</b>	<b>\$ 1,257,406,155</b>	<b>\$ 67,627,489</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 49,452,163	\$ 1,175,917,959	\$ 1,175,495,636	\$ 49,874,486
Due to other funds	-	25,110	-	25,110
Due to fiduciary funds	13,584,014	13,318,593	13,584,014	13,318,593
Deposits	3,981,167	409,561	227,838	4,162,890
Other liabilities	390,098	14,160	157,848	246,410
<b>Total liabilities</b>	<b>\$ 67,407,442</b>	<b>\$ 1,189,685,383</b>	<b>\$ 1,189,465,336</b>	<b>\$ 67,627,489</b>
<b>Child Support Disbursement</b>				
<b>Assets</b>				
Cash in custody of other officials	\$ 4,619,678	\$ 157,900,878	\$ 158,505,755	\$ 4,014,801
<b>Total assets</b>	<b>\$ 4,619,678</b>	<b>\$ 157,900,878</b>	<b>\$ 158,505,755</b>	<b>\$ 4,014,801</b>
<b>Liabilities</b>				
Other liabilities	\$ 4,619,678	\$ 160,957,721	\$ 161,562,598	\$ 4,014,801
<b>Total liabilities</b>	<b>\$ 4,619,678</b>	<b>\$ 160,957,721</b>	<b>\$ 161,562,598</b>	<b>\$ 4,014,801</b>
<b>Child Welfare Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 653,681	\$ 189,441	\$ 186,364	\$ 656,758
Collateral on loaned securities	354,249	356,324	354,249	356,324
Other receivables	7,339	3,589	7,339	3,589
Due from other funds	10,589	14,536	10,589	14,536
<b>Total assets</b>	<b>\$ 1,025,858</b>	<b>\$ 563,890</b>	<b>\$ 558,541</b>	<b>\$ 1,031,207</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 266	\$ 3,965	\$ 266	\$ 3,965
Obligations under securities lending	354,249	356,324	354,249	356,324
Other liabilities	671,343	217,800	218,225	670,918
<b>Total liabilities</b>	<b>\$ 1,025,858</b>	<b>\$ 578,089</b>	<b>\$ 572,740</b>	<b>\$ 1,031,207</b>



NEVADA

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>Restitution Trust</b>				
<b>Assets</b>				
Cash with treasurer	\$ 2,889,060	\$ 5,014,488	\$ 4,868,801	\$ 3,034,747
Due from other funds	2,176	2,912	2,176	2,912
Due from fiduciary funds	31,486	24,453	31,486	24,453
<b>Total assets</b>	<b>\$ 2,922,722</b>	<b>\$ 5,041,853</b>	<b>\$ 4,902,463</b>	<b>\$ 3,062,112</b>
<b>Liabilities</b>				
Other liabilities	\$ 2,922,722	\$ 4,939,735	\$ 4,800,345	\$ 3,062,112
<b>Total liabilities</b>	<b>\$ 2,922,722</b>	<b>\$ 4,939,735</b>	<b>\$ 4,800,345</b>	<b>\$ 3,062,112</b>
<b>Veterans Custodial</b>				
<b>Assets</b>				
Cash with treasurer	\$ 1,744,760	\$ 1,032,140	\$ 1,070,358	\$ 1,706,542
Collateral on loaned securities	944,589	925,883	944,589	925,883
Due from other funds	27,017	29,260	27,017	29,260
<b>Total assets</b>	<b>\$ 2,716,366</b>	<b>\$ 1,987,283</b>	<b>\$ 2,041,964</b>	<b>\$ 2,661,685</b>
<b>Liabilities</b>				
Obligations under securities lending	\$ 944,589	\$ 925,883	\$ 944,589	\$ 925,883
Other liabilities	1,771,777	1,043,221	1,079,196	1,735,802
<b>Total liabilities</b>	<b>\$ 2,716,366</b>	<b>\$ 1,969,104</b>	<b>\$ 2,023,785</b>	<b>\$ 2,661,685</b>
<b>State Payroll</b>				
<b>Assets</b>				
Cash with treasurer	\$ 17,531,309	\$ 480,235,635	\$ 477,918,728	\$ 19,848,216
Due from other funds	1,262,163	811,794	1,262,163	811,794
<b>Total assets</b>	<b>\$ 18,793,472</b>	<b>\$ 481,047,429</b>	<b>\$ 479,180,891</b>	<b>\$ 20,660,010</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 14,092	\$ 301,860,576	\$ 301,864,241	\$ 10,427
Due to fiduciary funds	18,779,380	177,128,570	175,258,369	20,649,581
Other liabilities	-	2	-	2
<b>Total liabilities</b>	<b>\$ 18,793,472</b>	<b>\$ 478,989,148</b>	<b>\$ 477,122,610</b>	<b>\$ 20,660,010</b>
<b>Retired Employee Insurance</b>				
<b>Assets</b>				
Cash with treasurer	\$ -	\$ 30,066,246	\$ 30,066,246	\$ -
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 30,066,246</b>	<b>\$ 30,066,246</b>	<b>\$ -</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ -	\$ 30,066,246	\$ 30,066,246	\$ -
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 30,066,246</b>	<b>\$ 30,066,246</b>	<b>\$ -</b>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash with treasurer	\$ 107,888,604	\$ 4,807,577,163	\$ 4,804,085,840	\$ 111,379,927
Cash in custody of other officials	80,399,274	178,945,720	172,112,187	87,232,807
Investments	111,917,663	35,766,368	23,841,277	123,842,754
Collateral on loaned securities	2,216,541	2,179,123	2,216,541	2,179,123
Taxes receivable	21,298,213	41,999,356	48,414,302	14,883,267
Other receivables	42,624,280	81,378,149	82,363,394	41,639,035
Due from other funds	462,238,562	454,192,415	462,238,562	454,192,415
Due from fiduciary funds	13,615,500	13,343,046	13,615,500	13,343,046
<b>Total assets</b>	<b>\$ 842,198,637</b>	<b>\$ 5,615,381,340</b>	<b>\$ 5,608,887,603</b>	<b>\$ 848,692,374</b>
<b>Liabilities</b>				
Accrued payroll and related liabilities	\$ 14,092	\$ 301,860,576	\$ 301,864,241	\$ 10,427
Intergovernmental payables	557,888,269	4,905,674,514	4,914,740,106	548,822,677
Obligations under securities lending	2,216,541	2,179,123	2,216,541	2,179,123
Due to other funds	-	25,110	-	25,110
Due to fiduciary funds	32,363,394	190,447,163	188,842,383	33,968,174
Deposits	239,307,687	59,950,422	45,337,073	253,921,036
Other liabilities	10,408,654	167,178,567	167,821,394	9,765,827
<b>Total liabilities</b>	<b>\$ 842,198,637</b>	<b>\$ 5,627,315,475</b>	<b>\$ 5,620,821,738</b>	<b>\$ 848,692,374</b>



**HOOVER DAM, LAKE MEAD**

Photographed By: John Walker

Provided By: Nevada Department of Conservation

# STATISTICAL SECTION

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

## **TABLES**

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### **FINANCIAL TRENDS**

These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time. **150**

### **REVENUE CAPACITY**

These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales. **154**

### **DEBT CAPACITY**

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### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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### **OPERATING INFORMATION**

These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. **162**

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



**Table 1 - Net Assets by Component**

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

	2002	2003	2004	2005	2006	2007
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt	\$ 3,149,657	\$ 3,222,052	\$ 3,493,458	\$ 3,257,469	\$ 3,445,629	\$ 3,486,155
Restricted	402,535	432,125	484,164	663,901	675,966	613,375
Unrestricted (deficit) (a)	(31,969)	(161,833)	(153,370)	303,704	504,541	623,787
<b>Total governmental activities net assets</b>	<b>\$ 3,520,223</b>	<b>\$ 3,492,344</b>	<b>\$3,824,252</b>	<b>\$ 4,225,074</b>	<b>\$ 4,626,136</b>	<b>\$ 4,723,317</b>
<b>Business-type Activities</b>						
Invested in capital assets, net of related debt	\$ 2,659	\$ 3,059	\$ 3,047	\$ 2,906	\$ 2,824	\$ 2,783
Restricted	826,190	801,846	821,829	956,895	1,143,248	1,293,737
Unrestricted	8,009	8,029	8,475	8,470	6,428	9,441
<b>Total business-type activities net assets</b>	<b>\$ 836,858</b>	<b>\$ 812,934</b>	<b>\$833,351</b>	<b>\$ 968,271</b>	<b>\$ 1,152,500</b>	<b>\$ 1,305,961</b>
<b>Primary Government</b>						
Invested in capital assets, net of related debt	\$ 3,152,316	\$ 3,225,111	\$ 3,496,505	\$ 3,260,375	\$ 3,448,453	\$ 3,488,938
Restricted	1,228,725	1,233,971	1,305,993	1,620,796	1,819,214	1,907,112
Unrestricted (deficit) (a)	(23,960)	(153,804)	(144,895)	312,174	510,969	633,228
<b>Total primary government net assets</b>	<b>\$ 4,357,081</b>	<b>\$ 4,305,278</b>	<b>\$4,657,603</b>	<b>\$ 5,193,345</b>	<b>\$ 5,778,636</b>	<b>\$ 6,029,278</b>

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

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

**Table 2 - Changes in Net Assets**

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

	2002	2003	2004	2005	2006	2007
<b>Expenses</b>						
Governmental activities:						
General government	\$ 209,074	\$ 226,761	\$ 226,585	\$ 304,926	\$ 349,224	\$ 421,291
Health and social services (c)	1,604,205	1,817,001	1,888,806	2,082,562	2,198,551	2,340,884
Education and support services	1,363,536	1,439,255	1,663,862	1,717,479	1,830,236	2,254,626
Law, justice and public safety	448,082	444,774	485,480	535,371	578,049	624,149
Regulation of business	81,800	81,674	86,318	92,240	101,857	104,385
Transportation	356,692	394,489	474,416	665,315	508,569	680,281
Recreation and resource development	115,082	124,426	132,106	157,881	156,933	173,037
Interest on long-term debt	121,092	112,096	130,902	141,154	132,969	150,486
Unallocated depreciation	1,144	1,152	1,315	1,441	1,513	720
<b>Total governmental activities expenses</b>	<b>4,300,707</b>	<b>4,641,628</b>	<b>5,089,790</b>	<b>5,698,369</b>	<b>5,857,901</b>	<b>6,749,859</b>
Business-type activities:						
Unemployment insurance	407,241	377,395	334,065	238,386	239,232	296,784
Housing	76,904	71,927	60,250	53,011	45,397	46,152
Water loans	4,930	4,715	5,856	7,710	8,226	7,885
Workers' compensation and safety	19,581	19,274	20,685	21,004	23,991	25,381
Higher education (a)	-	-	-	11,496	18,940	10,504
Other	12,695	13,134	13,021	14,706	15,601	16,424
<b>Total business-type activities expenses</b>	<b>521,351</b>	<b>486,445</b>	<b>433,877</b>	<b>346,313</b>	<b>351,387</b>	<b>403,130</b>
<b>Total primary government expenses</b>	<b>\$ 4,822,058</b>	<b>\$ 5,128,073</b>	<b>\$ 5,523,667</b>	<b>\$ 6,044,682</b>	<b>\$ 6,209,288</b>	<b>\$ 7,152,989</b>





**Table 3 - Fund Balances of Governmental Funds**

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

	2002	2003	2004	2005	2006	2,007
<b>General Fund</b>						
Reserved	\$ 43,256	\$ 68,540	\$ 66,523	\$ 65,656	\$ 35,336	\$ 17,585
Unreserved	7,492	40,981	275,586	474,342	486,160	427,506
<b>Total General fund</b>	<b>\$ 50,748</b>	<b>\$ 109,521</b>	<b>\$ 342,109</b>	<b>\$ 539,998</b>	<b>\$ 521,496</b>	<b>\$ 445,091</b>
<b>All Other Governmental Funds</b>						
Reserved	\$ 1,474,192	\$ 1,384,530	\$ 651,738	\$ 798,715	\$ 1,004,407	\$ 1,244,430
Unreserved, reported in:						
Special revenue funds	383,769	260,297	1,156,797	1,225,603	1,038,753	771,887
Capital projects funds	51,352	71,137	41,871	46,316	39,365	87,057
Permanent funds	21	22	22	21	21	22
<b>Total all other governmental funds</b>	<b>\$ 1,909,334</b>	<b>\$ 1,715,986</b>	<b>\$ 1,850,428</b>	<b>\$ 2,070,655</b>	<b>\$ 2,082,546</b>	<b>\$ 2,103,396</b>

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

**Table 4 - Changes in Fund Balances of Governmental Funds**

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

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

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

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

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



**Table 5 - Taxable Sales by County**

Last Ten Fiscal Years, (Expressed in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Taxable Sales by County:</b>										
Carson City	\$ 673,920	\$ 740,961	\$ 753,186	\$ 824,013	\$ 888,249	\$ 861,278	\$ 913,495	\$ 979,049	\$ 1,021,210	\$ 991,893
Churchill	211,479	221,899	223,954	216,392	220,744	226,398	240,352	280,304	331,338	306,426
Clark	17,653,411	19,920,298	21,327,334	22,629,122	22,835,362	24,535,344	28,075,636	32,430,309	35,604,392	36,262,388
Douglas	419,531	454,360	508,005	573,497	565,974	646,960	750,928	805,334	815,590	765,218
Elko	755,739	723,398	781,708	773,158	714,949	700,491	757,714	857,707	1,029,763	1,193,449
Esmeralda	11,412	10,862	9,431	5,705	5,349	5,472	7,575	8,707	8,598	16,523
Eureka	178,191	180,454	184,930	142,184	140,199	153,837	162,155	194,943	315,450	501,077
Humboldt	407,388	366,956	330,884	307,041	312,273	306,695	332,605	386,364	483,366	474,811
Lander	110,799	98,016	86,670	71,903	62,927	48,072	55,421	157,114	170,539	280,378
Lincoln	16,664	22,422	25,339	22,086	22,026	35,946	24,131	30,023	31,529	15,398
Lyon	179,431	201,850	213,808	254,695	251,497	274,983	323,078	390,743	441,896	375,523
Mineral	43,903	41,330	40,741	32,621	28,821	30,867	36,424	31,532	33,445	35,679
Nye	258,671	280,802	280,205	296,517	291,330	309,420	366,330	477,921	522,296	540,377
Pershing	75,528	72,813	45,958	61,175	56,962	54,274	54,925	56,847	62,992	68,332
Storey	37,982	42,735	37,618	57,915	40,518	38,504	54,571	85,416	109,411	204,717
Washoe	4,377,547	4,679,516	4,966,613	5,194,146	5,280,706	5,475,602	6,003,368	6,660,263	7,245,525	7,202,641
White Pine	117,330	109,585	75,247	64,994	68,065	70,754	80,819	127,928	175,147	192,877
<b>Total</b>	<b>\$ 25,528,926</b>	<b>\$ 28,168,257</b>	<b>\$ 29,891,631</b>	<b>\$ 31,527,164</b>	<b>\$ 31,785,951</b>	<b>\$ 33,774,897</b>	<b>\$ 38,239,527</b>	<b>\$ 43,960,504</b>	<b>\$ 48,402,487</b>	<b>\$ 49,427,707</b>
<b>Direct Sales Tax Rate</b>	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Source: Department of Taxation

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

	Fiscal Year 1998			Fiscal Year 2007		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
<b>Business Type:</b>						
Food services and drinking places	\$ 4,040,020	15.8%	\$ 80,800	\$ 7,542,940	15.3%	\$ 150,859
Motor vehicle and parts dealers	3,248,585	12.7%	64,972	5,833,077	11.8%	116,662
General merchandise stores	2,064,573	8.1%	41,291	4,335,675	8.8%	86,714
Merchant wholesalers, durable goods	1,809,620	7.1%	36,192	3,799,464	7.7%	75,989
Clothing and clothing accessories stores	1,003,869	3.9%	20,077	2,963,304	6.0%	59,266
Building material, garden equipment, supplies	1,827,683	7.2%	36,554	2,690,438	5.4%	53,809
Health and personal care stores	-	-	-	2,495,645	5.0%	49,913
Food and beverage stores	1,148,043	4.5%	22,961	1,752,713	3.5%	35,054
Rental and leasing services	-	-	-	1,748,698	3.5%	34,974
Accommodation	-	-	-	1,489,032	3.0%	29,781
Miscellaneous retail	2,663,826	10.4%	53,277	-	-	-
Furniture and home furnishings stores	1,330,365	5.2%	26,607	-	-	-
Business services	1,026,193	4.0%	20,524	-	-	-
<b>Total</b>	<b>\$ 20,162,777</b>	<b>78.9%</b>	<b>\$ 403,255</b>	<b>\$ 34,650,986</b>	<b>70.0%</b>	<b>\$ 693,021</b>

**Source:** Department of Taxation

**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the source of the State's revenue.

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

	Last Six Fiscal Years, (Expressed in Thousands, Except for Per Capita)					
	2002	2003	2004	2005	2006	2007
<b>Governmental Activities</b>						
General obligation bonds	\$ 2,185,798	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616
Highway revenue bonds	91,935	83,505	238,265	380,945	541,680	693,285
Obligations under capital leases	5,402	7,152	8,236	7,712	9,866	15,955
Certificates of participation	14,395	13,765	34,655	56,400	55,680	60,455
Total governmental activities	2,297,530	2,282,640	2,567,705	2,738,850	2,682,984	2,734,311
<b>Business-type Activities</b>						
General obligation bonds	1,370,660	1,238,573	1,090,617	983,421	864,320	899,617
<b>Total primary government</b>	<b>\$ 3,668,190</b>	<b>\$ 3,521,213</b>	<b>\$ 3,658,322</b>	<b>\$ 3,722,271</b>	<b>\$ 3,547,304</b>	<b>\$ 3,633,928</b>
<b>Debt as a Percentage of Personal Income</b>	5.70%	5.28%	5.11%	4.72%	4.09%	3.93%
<b>Amount of Debt per Capita</b>	\$ 1,751	\$ 1,624	\$ 1,632	\$ 1,595	\$ 1,469	\$ 1,456

**Note:** Details regarding the State's debt can be found in the notes to the financial statements. The State did not begin reporting government-wide statements until the implementation of GASB Statement 34 in fiscal year 2002. See table 11 for personal income and population data.

Debt as a Percentage of Personal Income percentage is based on prior year Personal Income. Amount of Debt per Capita is based on prior year Population.



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

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Bonded Debt</b>										
<b>Outstanding</b>										
General obligation bonds	\$ 1,615,859	\$ 2,095,549	\$ 2,122,631	\$ 2,204,316	\$ 2,185,798	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616
Certificates of participation	-	15,000	15,000	15,000	14,395	13,765	13,105	12,415	11,695	10,940
Water projects bonds (a)	-	-	-	-	57,625	54,410	120,530	120,455	120,782	117,355
Housing bonds	915,053	1,015,211	1,153,232	1,276,954	1,313,035	1,184,163	970,087	862,966	745,780	782,307
Total	2,530,912	3,125,760	3,290,863	3,496,270	3,570,853	3,430,556	3,390,271	3,289,629	2,954,015	2,875,218
Less: amounts restricted to repaying principal	103,047	79,396	92,393	100,891	105,685	107,448	110,906	110,467	125,884	129,087
<b>Net general bonded debt</b>	<b>\$ 2,427,865</b>	<b>\$ 3,046,364</b>	<b>\$ 3,198,470</b>	<b>\$ 3,395,379</b>	<b>\$ 3,465,168</b>	<b>\$ 3,323,108</b>	<b>\$ 3,279,365</b>	<b>\$ 3,179,162</b>	<b>\$ 2,828,131</b>	<b>\$ 2,746,131</b>
<b>Actual Taxable Property Value</b>	\$ 106,611,040	\$ 116,612,869	\$ 131,125,648	\$ 142,140,708	\$ 151,267,821	\$ 165,053,522	\$ 179,822,444	\$ 198,569,862	\$ 245,075,283	\$ 327,140,473
<b>Percentage of Actual Taxable Value of Property</b>	2.28%	2.61%	2.44%	2.39%	2.29%	2.01%	1.82%	1.60%	1.15%	0.84%
<b>Debt Per Capita (b)</b>	\$ 1,310	\$ 1,574	\$ 1,585	\$ 1,621	\$ 1,598	\$ 1,482	\$ 1,406	\$ 1,316	\$ 1,133	N/A

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

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

(b) See Table 11 for population data.

## Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 831,746	\$ 934,106	\$ 1,011,490	\$ 1,075,731	\$ 1,172,317	\$ 1,276,838	\$ 1,408,688	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849
Total debt applicable to limit	476,050	666,234	709,490	777,902	804,860	825,082	925,183	944,732	920,737	1,015,375
<b>Legal debt margin</b>	<b>\$ 355,696</b>	<b>\$ 267,872</b>	<b>\$ 302,000</b>	<b>\$ 297,829</b>	<b>\$ 367,457</b>	<b>\$ 451,756</b>	<b>\$ 483,505</b>	<b>\$ 799,004</b>	<b>\$ 1,418,856</b>	<b>\$ 1,741,474</b>
<b>Legal debt margin as a percentage of the debt limit</b>	<b>42.76%</b>	<b>28.68%</b>	<b>29.86%</b>	<b>27.69%</b>	<b>31.34%</b>	<b>35.38%</b>	<b>34.32%</b>	<b>45.82%</b>	<b>60.65%</b>	<b>63.17%</b>

### Computation of Legal Debt Margin at June 30, 2007:

<b>Assessed value of taxable property at June 30, 2007 (a)</b>	<b>\$ 137,842,454</b>
Debt limitation (2% of assessed value)	\$ 2,756,849
General Obligation Bonds subject to limit	\$ 988,480
Leases	15,955
Certificates of participation	60,455
<i>Less obligations exempt from debt margin:</i>	
Leases - internal service funds	-
Lease revenue certificates of participation	(49,515)
Debt subject to debt limitation	(1,015,375)
<b>Legal debt margin at June 30, 2007</b>	<b>\$ 1,741,474</b>

#### Note:

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



**Table 10 - Pledged Revenue Coverage**

Last Ten Fiscal Years, (Expressed in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Highway Improvement Revenue Bonds</b>										
<b>Revenue - fuel taxes</b>	\$ 208,997	\$ 213,540	\$ 235,744	\$ 232,974	\$ 239,365	\$ 250,740	\$ 265,964	\$ 278,641	\$ 294,348	\$ 297,142
Debt service										
Principal	\$ 17,700	\$ 17,700	\$ -	\$ -	\$ 8,065	\$ 8,430	\$ 21,675	\$ 30,665	\$ 30,710	\$ 41,125
Interest	2,080	1,239	-	2,254	4,806	4,394	11,712	18,719	23,739	30,106
<b>Total</b>	\$ 19,780	\$ 18,939	\$ -	\$ 2,254	\$ 12,871	\$ 12,824	\$ 33,387	\$ 49,384	\$ 54,449	\$ 71,231
Coverage (c)	10.57	11.28	N/A	103.36	18.60	19.55	7.97	5.64	5.41	4.17
<b>Mortgage Revenue Bonds</b>										
<b>Revenue (a)</b>	\$ 148,101	\$ 183,441	\$ 123,773	\$ 167,700	\$ 206,589	\$ 312,431	\$ 335,062	\$ 251,806	\$ 435,332	\$ 355,328
Expenses (b)	8,519	9,552	9,014	9,315	11,835	8,770	10,335	9,512	6,720	4,595
<b>Net available revenues</b>	\$ 139,582	\$ 173,889	\$ 114,759	\$ 158,385	\$ 194,754	\$ 303,661	\$ 324,727	\$ 242,294	\$ 428,612	\$ 350,733
Debt service										
Principal	\$ 17,827	\$ 79,680	\$ 105,187	\$ 69,511	\$ 187,664	\$ 257,702	\$ 297,681	\$ 155,791	\$ 136,186	\$ 51,003
Interest	54,115	58,154	63,406	65,749	67,796	63,235	50,034	42,298	38,644	37,002
<b>Total</b>	\$ 71,942	\$ 137,834	\$ 168,593	\$ 135,260	\$ 255,460	\$ 320,937	\$ 347,715	\$ 198,089	\$ 174,830	\$ 88,005
Coverage (c)	1.94	1.26	0.68	1.17	0.76	0.95	0.93	1.22	2.45	3.99

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

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

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

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

**Table 11 - Demographic and Economic Statistics**

Last Ten Calendar Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Population</b>										
Nevada	1,764,104	1,853,191	1,934,718	2,018,214	2,094,827	2,167,867	2,241,700	2,332,898	2,414,807	2,495,529
Percentage change	5.9%	5.0%	4.4%	4.3%	3.8%	3.5%	3.4%	4.1%	3.5%	3.3%
United States	272,646,925	275,854,104	279,040,168	282,193,477	285,107,923	287,984,799	290,850,005	293,656,842	296,410,404	299,398,484
Percentage change	1.2%	1.2%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	1.0%
<b>Total Personal Income</b>										
Nevada ( <i>in millions</i> )	47,258	52,371	56,462	61,428	64,367	66,632	71,606	78,822	86,650	92,557
Percentage change	9.1%	10.8%	7.8%	8.8%	4.8%	3.5%	7.5%	10.1%	9.9%	6.8%
United States ( <i>in millions</i> )	6,928,545	7,415,709	7,796,137	8,422,074	8,716,992	8,872,871	9,157,257	9,705,504	10,251,639	10,860,917
Percentage change	6.0%	7.0%	5.1%	8.0%	3.5%	1.8%	3.2%	6.0%	5.6%	5.9%
<b>Per Capita Personal Income</b>										
Nevada	26,789	28,260	29,184	30,437	30,727	30,736	31,943	33,787	35,883	37,089
Percentage change	3.0%	5.5%	3.3%	4.3%	1.0%	0.0%	3.9%	5.8%	6.2%	3.4%
United States	25,412	26,883	27,939	29,845	30,574	30,810	31,484	33,050	34,586	36,276
Percentage change	4.7%	5.8%	3.9%	6.8%	2.4%	0.8%	2.2%	5.0%	4.6%	4.9%
<b>Labor Force and Employment</b>										
Nevada Labor Force	937,803	982,065	1,022,584	1,064,015	1,102,370	1,124,629	1,148,519	1,177,558	1,218,525	1,295,085
Unemployed	42,545	43,403	43,615	47,943	58,459	62,729	58,810	51,212	49,002	54,217
Unemployment Rate	4.5%	4.4%	4.3%	4.5%	5.3%	5.6%	5.1%	4.3%	4.0%	4.2%
United States Labor Force	136,297,000	137,673,000	139,368,000	142,583,000	143,734,000	144,863,000	146,510,000	147,401,000	149,320,000	151,428,000
Unemployed	6,739,000	6,210,000	5,880,000	5,692,000	6,801,000	8,378,000	8,774,000	8,149,000	7,591,000	7,001,000
Unemployment Rate	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%

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

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



Table 12 - Principal Employers

Current Year and Nine Years Ago

Employer:	Calendar Year 1997			Calendar Year 2006		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Clark County School District	20,500 - 20,999	1	2.21%	34,500 - 34,999	1	2.68%
State of Nevada	15,000 - 15,499	2	1.63%	20,500 - 20,999	2	1.60%
Clark County	6,500 - 6,999	5	0.72%	9,500 - 9,999	3	0.75%
Bellagio LLC	-		-	8,500 - 8,999	4	0.68%
Wynn Las Vegas LLC	-		-	8,500 - 8,999	5	0.68%
MGM Grand Hotel-Casino	8,000 - 8,499	3	0.88%	8,500 - 8,999	6	0.68%
Washoe County School District	6,000 - 6,499	6	0.67%	8,000 - 8,499	7	0.64%
Mandalay Bay Resort and Casino	-		-	7,500 - 7,999	8	0.60%
University of Nevada-Las Vegas	6,000 - 6,499	7	0.67%	6,000 - 6,499	9	0.48%
Caesars Palace	4,500 - 4,999	8	0.51%	5,500 - 5,999	10	0.44%
Mirage Casino - Hotel	7,000 - 7,499	4	0.77%	-		-
Luxor	4,000 - 4,499	9	0.45%	-		-
Las Vegas Hilton Corporation	4,000 - 4,499	10	0.45%	-		-
<b>Total</b>	<b>81,500 - 86,490</b>		<b>8.96%</b>	<b>117,000 - 121,990</b>		<b>9.23%</b>

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Personnel

Note: Percentage of total state employment is based on the midpoints in the ranges given.

**Table 13 - School Enrollment**

Last Ten Fiscal Years

	Fall Enrollment									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Public School Enrollment</b>										
Primary (K - 6)	181,612	189,755	198,863	207,039	211,260	217,488	223,973	229,419	201,465	239,418
Secondary (7 - 12)	129,451	135,855	141,843	149,775	158,225	167,926	177,245	183,833	189,501	193,822
<b>Total</b>	<b>311,063</b>	<b>325,610</b>	<b>340,706</b>	<b>356,814</b>	<b>369,485</b>	<b>385,414</b>	<b>401,218</b>	<b>413,252</b>	<b>390,966</b>	<b>433,240</b>
<b>Public Higher Education Enrollment</b>										
Universities:										
Reno	9,488	9,881	9,898	10,804	11,668	11,965	12,451	12,660	12,444	12,429
Las Vegas	15,318	15,428	15,093	16,232	17,777	18,639	20,077	20,569	20,180	20,007
State College:										
Henderson	-	-	-	-	116	330	856	1,017	1,310	1,418
Community Colleges:										
Southern Nevada	13,135	15,215	14,410	15,266	16,532	17,716	17,676	18,234	18,320	19,501
Great Basin	1,132	1,252	1,322	1,208	1,251	1,436	1,356	1,353	1,584	1,613
Truckee Meadows	4,560	4,867	5,032	4,889	5,324	5,559	5,953	6,213	6,210	6,454
Western Nevada	2,013	2,045	2,037	2,128	2,164	2,180	2,288	2,410	2,463	2,427
<b>Total</b>	<b>45,646</b>	<b>48,688</b>	<b>47,792</b>	<b>50,527</b>	<b>54,832</b>	<b>57,825</b>	<b>60,657</b>	<b>62,456</b>	<b>62,511</b>	<b>63,849</b>

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

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

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

Last Nine Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007
	General government	2,168	1,391	1,423	1,449	1,421	1,470	1,513	1,536
Health and social services	4,316	4,456	4,425	4,495	4,562	5,044	4,992	5,364	5,773
Education and support services	2,893	3,063	3,310	3,534	3,503	3,484	3,472	3,454	3,663
Law, justice and public safety	4,687	4,809	5,148	5,210	4,995	5,244	5,449	5,654	5,946
Regulation of business	1,217	1,251	1,261	1,259	1,217	1,298	1,315	1,331	1,412
Transportation	1,629	1,642	1,703	1,720	1,757	1,798	1,783	1,771	1,792
Recreation and resource development	1,078	1,353	1,369	1,398	1,417	1,425	1,455	1,479	1,403
<b>Total</b>	<b>17,988</b>	<b>17,965</b>	<b>18,639</b>	<b>19,065</b>	<b>18,872</b>	<b>19,763</b>	<b>19,979</b>	<b>20,589</b>	<b>21,547</b>

**Sources:** Nevada Department of Personnel and Legislative Counsel Bureau

**Note:** FTE employees by function is not available prior to fiscal year 1999 due to a computer conversion.



Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
<i>Department of Taxation</i>										
Number of sales and use tax audits	2,414	2,429	1,768	1,413	1,796	1,825	1,377	1,643	1,668	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	27,551	27,996	28,145	30,196	30,889	31,328	31,042	33,395	35,049	38,936
Generic drug utilization (b)	N/A	N/A	N/A	43%	43%	52%	52%	59%	59%	N/A
<i>Department of Administration</i>										
Square feet of non-state owned space leased (b)	1,226,660	1,305,104	1,305,104	1,391,463	1,391,463	1,376,534	1,376,534	1,377,525	1,377,525	N/A
Job applications processed	37,240	25,369	37,382	21,641	27,536	39,635	48,089	36,317	54,378	92,353
<b>Health and Social Services</b>										
<i>Department of Education, Training &amp; Rehabilitation</i>										
Vocational Rehabilitation clients entering full-time employment with insurance (b)	78%	78%	78%	79%	79%	65%	65%	48%	48%	N/A
Career Enhancement Program clients entering employment (b)	63%	85%	85%	60%	60%	91%	91%	84%	84%	N/A
<i>Health Care Financing &amp; Policy</i>										
Nevada Medicaid - average monthly eligibles	N/A	98,624	99,412	117,629	141,681	163,784	172,779	176,418	172,685	168,197
NV Check-Up Program - average monthly enrollment (b)	N/A	N/A	N/A	22,414	22,414	25,025	25,025	27,492	27,492	N/A
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	444,135	437,303	454,307	476,920	482,421	520,463	538,857	567,076	602,100	N/A
<i>Welfare Division</i>										
Average monthly number of TANF recipients	27,848	21,900	16,661	18,123	28,809	31,034	24,956	21,748	19,880	92,353
Average monthly number of Mental Health clients	N/A	N/A	N/A	13,187	14,354	16,390	16,616	14,981	14,655	92,353
Average monthly number of Mental Health inpatients	N/A	N/A	N/A	146	155	142	153	182	198	246
Average monthly number of Food Stamp recipients	73,876	63,505	61,490	70,016	91,216	106,966	119,750	122,042	118,474	92,353
Average monthly number of Developmental Services clients	1,894	2,161	2,458	2,782	3,054	3,225	3,522	3,888	4,057	4,387
Percent of current child support owed that is collected (b)	N/A	41%	41%	46%	46%	47%	47%	46%	46%	N/A
TANF recipient children receiving child care (b)	N/A	N/A	N/A	17,325	17,325	15,843	15,843	17,977	17,977	N/A
Non-TANF children receiving child care (b)	N/A	N/A	N/A	106,779	106,779	44,998	44,998	104,463	104,463	N/A
Applications for energy assistance received (b)	9,927	9,637	9,637	20,076	20,076	19,081	19,081	24,846	24,846	N/A
Households served with energy assistance (b)	8,257	7,844	7,844	15,665	15,665	15,986	15,986	14,552	14,552	N/A
<b>Education and Support Services</b>										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (b)	N/A	85%	85%	N/A	N/A	89%	89%	88%	88%	N/A
Percent of public schools participating in the Nat'l School Lunch Program (b)	85%	73%	73%	85%	85%	93%	93%	94%	94%	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program (b)	41%	39%	39%	42%	42%	34%	34%	41%	41%	N/A
Number of meals served in the Children & Adult Food Care Program (b)	N/A	N/A	N/A	3,243,965	3,243,965	4,297,850	4,297,850	4,256,701	4,256,701	N/A
Number of special education students receiving a high school diploma (b)	N/A	422	422	492	492	675	675	503	503	N/A
Percent of elementary students identified as being at risk receiving supplemental instruction from Title I funds (b), actual beginning 2006	77%	50%	50%	52%	52%	60%	60%	5,389	5,389	N/A
<i>Department of Cultural Affairs</i>										
Volumes (excludes documents and microfilm)	59,865	61,297	62,790	64,451	66,140	69,361	73,005	76,527	76,527	N/A
Government publications (U.S., Nevada and California)	555,224	595,701	624,408	677,500	683,384	741,573	771,258	779,194	798,013	N/A





Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
State owned office space (square feet)	129,198	131,561	134,295	132,975	138,011	138,011	146,045	142,733	214,747	215,867
Vehicles (motor pool)	710	708	743	762	816	756	789	741	824	790
<b>Health and Social Services</b>										
State owned office space (square feet)	89,023	89,023	86,712	86,712	77,668	77,668	93,509	93,509	122,415	52,626
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	0	0	0	0	1	1	1	1	1	1
Youth correctional centers	2	2	2	2	2	2	3	3	3	3
Vehicles	250	253	253	254	272	267	249	251	241	240
<b>Education and Support Services</b>										
State owned office space (square feet)	19,767	19,767	19,767	19,767	19,767	19,767	19,767	19,767	28,200	28,200
Number of State museums	6	6	6	6	6	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
<b>Law, Justice and Public Safety</b>										
State owned office space (square feet)	378,220	378,220	383,308	383,308	385,428	400,108	459,331	478,724	550,648	540,125
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	20	20	21	20	20	20	20	21	21
Vehicles	891	899	956	915	1,022	1,049	1,020	1,065	1,091	1,067
<b>Regulation of Business</b>										
State owned office space (square feet)	82,081	82,081	74,470	74,470	77,954	77,954	72,259	71,811	107,547	107,547
Vehicles	296	297	208	207	240	238	250	283	279	285
<b>Transportation</b>										
State owned office space (square feet)	179,948	179,948	179,948	179,948	179,948	179,948	179,948	179,948	184,988	251,658
NDOT lane miles	13,645	13,226	13,199	13,220	13,203	13,196	13,199	13,199	13,087	13,131
NDOT bridges	1,002	1,023	1,008	1,004	994	1,005	997	1,015	1,025	1,045
NDOT vehicles	721	769	793	791	812	758	803	829	872	864
NDOT heavy equipment	1,828	1,750	1,732	1,751	1,751	1,814	1,802	1,826	1,875	1,900
NDOT maintenance stations (staffed)	45	45	45	45	45	45	45	45	41	51
<b>Recreation and Resource Development</b>										
State owned office space (square feet)	33,042	33,042	33,042	33,042	26,965	26,965	36,593	36,593	146,982	137,353
Number of State Parks	25	25	25	25	25	25	25	25	26	24
Acres of State Parks	132,914	132,587	132,590	132,590	132,590	132,590	132,800	132,800	132,800	132,800
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	10	10	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	109,637	111,533	117,959	117,959	117,959	117,959	117,959	117,959	117,959	117,959
Vehicles	881	887	895	911	913	940	927	1,007	998	803

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

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

# COMPLIANCE SECTION



**LAKE TAHOE, EMERALD BAY**

Photographed By: Dave Emme

Provided By: Nevada Department of Conservation



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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada (the State), as of and for the year ended June 30, 2007, which collectively comprise the State's basic financial statements and have issued our report thereon dated December 13, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance Internal Service Fund and the Pension Trust Funds, as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Higher Education Tuition Trust Enterprise Fund, the Self Insurance Internal Service Fund, the Pension Trust Funds and the Local Government Investment Pool Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting:

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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

not be prevented or detected by the State's internal control. We consider the deficiency described in item 07-1 of the accompanying Schedule of Findings and Responses to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State's internal control. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness.

Compliance and Other Matters:

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

The State's response to the identified finding is described in the accompanying Schedule of Findings and Responses. We did not audit the State's response, and accordingly, we express no opinion on it.

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



Reno, Nevada  
December 13, 2007



**STATE OF NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2007**

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

Finding 07-1

<i>Criteria and Condition:</i>	<p>Statement No. 28 issued by the Governmental Accounting Standards Board requires a government to disclose in a note to the financial statements, the amount of securities on loan when the government participates in a securities lending program.</p> <p>The financial statement note disclosures prepared by the State included a statement that there were no securities on loan, when, in fact, there were more than \$1 billion on loan at June 30, 2007.</p>
<i>Effect:</i>	<p>The disclosures in the notes to the financial statements were not accurate and did not support the information in the financial statements.</p>
<i>Cause:</i>	<p>There was a miscommunication between the Controller's Office and the Treasurer's Office relative to the securities lending disclosures.</p>
<i>Recommendation:</i>	<p>We recommend the two offices resolve the communication issues relative to securities lending disclosures.</p>
<i>Management's Response:</i>	<p>The two offices have agreed to ensure that information is transmitted in a format that provides an audit trail and provides evidence of delivery.</p>

