

STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE CONTROLLER
KIM R. WALLIN CMA, CFM, CPA



“Lost Azure”

Photographed by: Taylar Cobb

STATE OF NEVADA

Comprehensive Annual Financial Report

for the Fiscal Year
Ended June 30, 2012

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



KIM R. WALLIN, CMA, CFM, CPA

STATE CONTROLLER

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

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

Kim has been appointed to two workgroups that were formed by an Executive Order. The first one was to address improper payments and Nevada was one of only three States that was asked to serve on the workgroup. The second one was President Obama's Federal/State Advisory Committee on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments. The committee's purpose was to promote more effective government by reducing unnecessary regulatory and administrative burdens and redirecting resources to services that are essential to achieve better outcomes at lower costs.

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. In 2011 she received the "President's Award" from the National Association of State Auditors, Comptrollers and Treasurers (NASACT).

Kim is the former Global Chair of the Institute of Management Accountants (IMA). IMA is the resource for developing, certifying, and connecting the world's best accountants and financial professionals working in business. She served as Chair of IMA in 2003-2004 and she served as Chair of the Board of Regents of the ICMA.

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

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



TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	1
Constitutional Officers.....	6
Organizational Chart.....	7
GFOA Certificate of Achievement.....	8

FINANCIAL SECTION

Independent Auditor's Report.....	
Management's Discussion and Analysis.....	12

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Assets.....	26
Statement of Activities.....	28

Fund Financial Statements

Balance Sheet - Governmental Funds.....	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	34
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
Statement of Net Assets - Proprietary Funds.....	38
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds.....	41
Statement of Cash Flows - Proprietary Funds.....	42
Statement of Fiduciary Net Assets - Fiduciary Funds.....	44
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	45
Notes to the Financial Statements.....	47

Required Supplementary Information

Budgetary Comparison Schedule - General Fund and Major Special Revenue Funds.....	88
Notes to Required Supplementary Information - Budgetary Reporting.....	90
Schedule of Funding Progress - Pension Plans.....	91
Schedule of Infrastructure Condition and Maintenance Data.....	92

Combining Statements and Schedules

Nonmajor Governmental Funds

Combining Balance Sheet.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	97

Nonmajor Special Revenue Funds

Combining Balance Sheet.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	102

Nonmajor Capital Projects Funds

Combining Balance Sheet.....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	108



TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued)

Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis - All General Fund Budgets.....	
Schedule of Total Uses - Budget and Actual, Non-GAAP Budgetary Basis - All Special Revenue Fund Budgets.....	119
Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis - All Nonmajor Special Revenue Fund Budgets.....	122
Nonmajor Enterprise Funds	
Combining Statement of Net Assets.....	126
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	128
Combining Statement of Cash Flows.....	130
Internal Service Funds	
Combining Statement of Net Assets.....	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	136
Combining Statement of Cash Flows.....	138
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets--Pension and Other Employee Benefit Trust, Investment Trust and Private--Purpose Trust Funds.....	142
Combining Statement of Changes in Fiduciary Net Assets--Pension and Other Employee Benefit Trust, Investment Trust and Private--Purpose Trust Funds.....	144
Combining Statement of Fiduciary Assets and Liabilities--Agency Funds.....	146
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	148

STATISTICAL SECTION

Table 1 - Net Assets by Component.....	152
Table 2 - Changes in Net Assets.....	152
Table 3 - Fund Balances of Governmental Funds.....	154
Table 4 - Changes in Fund Balances of Governmental Funds.....	154
Table 5 - Taxable Sales by County.....	156
Table 6 - Principal Sales Tax Payers by Business Type.....	157
Table 7 - Ratios of Outstanding Debt by Type.....	157
Table 8 - Ratios of General Bonded Debt Outstanding.....	158
Table 9 - Legal Debt Margin Information.....	159
Table 10 - Pledged Revenue Coverage.....	160
Table 11 - Demographic and Economic Statistics.....	161
Table 12 - Principal Employers.....	162
Table 13 - School Enrollment.....	163
Table 14 - Full-time Equivalent State Government Employees by Function.....	163
Table 15 - Operating Indicators by Function.....	164
Table 16 - Capital Asset Statistics by Function.....	166

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters...	170
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State of Nevada
Office of State Controller
Carson City, Nevada 89701-4786

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

December 17, 2012

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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, 2012. The objective of this Report is to provide a clear picture of the government as a single, unified entity, in addition to traditional fund-based financial statements.

Introduction to the Report

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

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

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

Many of the essential control features are decentralized. Consequently, the State relies upon the controls in place within the various State departments and agencies. NRS 353A.025 requires the head of each agency to review their internal controls on a periodic basis to determine if the agency is in compliance with the Uniform System of Internal Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to July 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: U.S. Generally accepted accounting principles require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Government

Background: The State of Nevada was admitted to the Union in 1864 and is bordered by five other states. The Great Basin Desert dominates the landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Over 80 percent of Nevada's 70,264,320 acres are owned and managed by the federal government. Approximately 88 percent of our 2.7 million residents live in two distinct population centers, Washoe County in the northwest and Clark County at the southeast tip, separated by 450 miles.

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

The State operates under a constitution 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 the Public Employees', Legislators' and Judicial Retirement Systems, and the Nevada Real Property Corporation. The State Legislature retains significant governing powers over these entities. The Nevada System of Higher Education 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 a proposed budget for the Executive Branch to the State Legislature before each regular session, which convenes every odd-numbered year. The Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

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

Economic Outlook

Nevada continues to experience a modest recovery after our worst recession. General Fund revenue for the fiscal year 2012 increased \$48 million over last year to \$6.2 billion. The largest increases over 2011 revenues were \$39 million in sales taxes; \$35 million in gaming taxes, fees and licenses; and \$14 million in other taxes. The largest decreases were \$23 million in licenses, fees and permits; \$12 million in modified business taxes; and \$10 million in intergovernmental revenue (funds received from the Federal government). Nevada will continue to see a decline in funds received from the Federal government as the American Recovery and Reinvestment Act (ARRA) money runs out. This will strain our already limited resources for providing services to our citizens.

General Fund spending in fiscal year 2012 decreased by \$91 million to \$6.2 billion compared to 2011. The largest decrease in spending was in intergovernmental expenditures for \$153 million which was largely due to cuts in education of \$126 million. This decrease was offset by an increase of \$102 million in Medicaid spending.

The consensus, at the non-binding meeting of Nevada's Economic Forum in November, was that tax revenues for 2013 are expected to increase by 2.4% over fiscal year 2012. Sales tax revenues are expected to increase by 5.7% over 2012 and gaming taxes by 2.6%.

For the fiscal year ended, gaming taxes were \$885 million which was a 4.1% increase over 2011, and sales taxes were \$967 million which was a 3.8% increase over 2011. However, our gaming taxes and sales taxes remain below prerecession levels by 14.0% and 15.8% respectively. In Las Vegas, there were slight increases in hotel occupancy, up .1%. Average daily room rates were up 4.2%, and visitor volume was up 3% compared to the same period in 2011.

Nevada is continuing to experience modest, steady job growth. The unemployment rate in Nevada was 11.6% in June 2012, compared to the national rate of 8.2%. Nevada continues to have the highest unemployment rate in the nation. During 2012, Nevada is expected to have added 13,000 new jobs, compared to only 12,000 jobs added in 2011. Nevada's employment base is expected grow by 12,000 jobs in 2013, dropping the unemployment rate to 10.6%. The State's largest industry, tourism, gaming and entertainment, has added nearly 20,000 jobs since reaching a recessionary low in November 2009. Other industries, professional and business services, health care and social assistance, trade, transportation and utilities have all seen modest gains since late 2010.

Nevada's housing market is beginning to show signs of recovery and Nevada is no longer the highest in the nation for home foreclosures. The State's foreclosure rate experienced a 31% decrease from 2010 to 2011. Sales of new and existing homes in 2012 are up over last year and home inventories are decreasing. Currently, the median asking price for a home in Las Vegas is up by 8.4% over a year ago at \$129,900 and in Reno the median asking price is up by 12.6% to \$225,000 over the same period in 2011.

Nevada extracts nearly 80% of the gold mined in the United States. In addition to large-scale commodities – gold, silver and copper - other essential minerals, such as lithium compounds, are mined to fulfill demands for high-tech products. The number of mining jobs grew to 16,200 in June 2012 up from 14,000 last year. Employment in this sector is expected to increase by 5.7% annually through 2013.

Major Initiatives

Business Growth: Nevada Governor's Office of Economic Development was created during the 2011 Legislative session to promote a diversified economy in Nevada by stimulating business expansion, encouraging entrepreneurial enterprise and by attracting new businesses. Apple, Inc. has committed to invest \$400 million over the next four years in a new data center and office building in Washoe County. The data center estimates that they will add 35 employees and more than 200 contractors. Apple's application agreement with the State includes tax abatements: sales tax reduced to 2% for up to three four-year periods; and a reduction in personal property taxes by 85% for up to three 10-year periods. Pestmaster Services, a company that specializes in green, sustainable solutions for pest control management, has relocated their corporate headquarters to Reno from Bishop, California. The new headquarters' relocation will add 25 employees to the area. Between capital investment and job creation they expect to generate \$10.5 million in economic growth in the region over the next five years. The office of Economic Development at UNLV seeks to promote private and public partnerships to support workforce development, match faculty expertise with industry needs and develop technology by bringing intellectual property and inventions to the marketplace.

Defense opportunities still exist for Nevada in light of looming spending cuts in the national budget. Nevada has a long history in the nation's defense and aerospace industries, focusing on testing and training in a variety of defense related areas. Nevada has applied to be one of the designated test sites for unmanned aerial vehicles for military and civilian uses. If Nevada is chosen it will open up additional areas for developing and testing unmanned aerial vehicles. In calendar year 2011 over 800 jobs were in the aerospace and defense industries. We have the potential to create an additional 400 new jobs through 2016.

Resource Development: Nevada has an abundance of solar, geothermal and wind resources with the potential to drive a strong economy. As the renewable energy industry matures, our business environment and policies will become even more important than the natural resources at our disposal. Today's challenge is to provide the best business environment for employers that design, manufacture and install renewable power generation systems. The State's renewable portfolio standards require all public utilities to generate 25% of their electricity from renewable energy resources by 2025. In calendar year 2011, 16% of the State's net electricity generation came from renewable sources.

Nevada is first in the nation in solar watts produced per capita. Several of the world's largest solar projects are located in Nevada: Acciona Solar Power's 64-megawatt Nevada Solar One power plant near Boulder City can power 14,000 homes annually; Sempra Generation's 55-megawatt Copper Mountain near Boulder City, the largest photovoltaic plant in the United States, can power 17,000 homes; Fotowatio Nevada Solar's 13 megawatt Nellis Air Force Base power plant can supply more than 25% of the total power used by the base population. Enel Green Power's Stillwater Solar project and Enbridge/First Solar's Silver State North project were both completed in 2012 with the potential to create 74 megawatts of power. Sun Edison is building a solar energy plant, RV Apex Solar, near Las Vegas. The project will create 250 construction jobs and four permanent positions. The plant is expected to generate 20-megawatts of power when completed in late 2012. This infusion of capital created a significant impact in establishing a solid economic base for green energy jobs and production of renewable energy in Nevada. Solar Reserve accepted a loan guarantee of \$737 million from the US Department of Energy for a 110 megawatt Crescent Dunes solar thermal energy project near Tonopah. This project will create 600 construction jobs and could power almost 75,000 homes when completed by the end of 2013. The Crescent Dunes project located in Nye County is the nation's first commercial-scale solar power facility with fully integrated energy storage and is the largest plant of its kind in the world.

The Spring Valley Wind project in White Pine County was completed in July 2012. The 150 megawatt project provided 225 construction jobs and 13 permanent positions. Their power purchase agreement with NV Energy will supply the power needs of 45,000 homes and is expected to generate \$20 million in tax revenue over the next 20 years. The Lander County School District Wind Energy Project in Lander County was completed in December 2011, providing 360-kilowatts of power and is the largest investment in wind power by any Nevada School District.

Gradient Resources began construction in the third quarter of 2011 of the Patua Geothermal project located in Lyon County. The \$300 million project has the potential to generate 60 megawatts of power and is expected to create 170 construction jobs and 32 permanent positions. The project should be completed in 2012 and will generate enough to power 36,000 homes. Ormat Nevada, Inc. accepted \$350 million in loan guarantees from US Department of Energy to develop new geothermal facilities in Lander, Pershing and Elko counties that would generate up to 121 megawatts, doubling the company's output. These projects created 330 construction jobs and 65 permanent jobs while increasing geothermal production by 25 percent in the State. The Jersey Valley project in Pershing County became operational in 2011 and the McGinness Hills project in Lander County and Tuscarora project in Elko County became operational in 2012.

Education: The Adequate Yearly Progress (AYP) results for all Nevada public schools show improvement over last year's results. This year 49% or 339 of our schools met the AYP requirements, up from 45%, or 308 schools, last year. Among the schools that met AYP, 56 received distinguished recognition as High Achieving, Continuing Exemplary, Exemplary or Exemplary Turnaround. This is an improvement of 24 schools, or 43%, over last year. This is the last year that Nevada will report AYP results since the State has adopted a new Common Core Standards measure system.

Nevada was granted a waiver from U.S. Department of Education's "No Child Left Behind" mandates by adding a condition that the State adopts a 100-point index system to measure students' performance. This differs from No Child Left Behind in that it measures students' progress rather than focusing on test scores at grade levels. Nevada will replace old standardized tests and create new ones based on Common Core Standards. Nevada joins 32 other states and the District of Columbia that have abandoned the federal measure system.

Despite continued efforts for improvements in key areas, Nevada continues to have the lowest graduation rate in the nation. The Nevada Department of Education reports that only 62% of Nevada's high school students will graduate in four years. In Clark County that rate was even lower at 59%. The Reclaim Your Future program launched this year in Clark County is aimed

at getting students back in the classroom. The program includes a mentorship program that reaches out to at risk students by connecting community volunteers with struggling students to help them make progress towards graduation. Another initiative involves about 300 school and community volunteers visiting the homes of dropouts encouraging students to return to school.

Health and Human Services: Nevada spent \$1.6 billion on Medicaid in 2012 or 26% of all general fund expenditures. Case-loads grew by 5.6% to 285,485. This represents 10% of the State's population, and that figure is expected to top 350,000 by 2015. In addition to more spending on Medicaid, additional demands were placed on other social services in 2012. The number of those needing food stamps increased by 9% and the number of Women, Infants and Children (WIC) participants increased by less than 1%. Nevada continues to struggle with a large number of uninsured citizens. It is estimated that 22% or 589,000 Nevadans are uninsured compared to 15% or 46 million nationwide.

The Office of Inspector General for the Department of Health and Human Services determined that during the period October 1, 2007 through September 30, 2009, Nevada improperly claimed federal reimbursement on behalf of Medicaid beneficiaries for more than \$72 million in Medicare Part B premiums. The Nevada Department of Health and Human Services (DHHS) Division of Health Care Financing and Policy did not always comply with federal requirements for claiming reimbursement for those premiums. The Center for Medicare and Medicaid Services has set aside \$72.8 million for resolution with the DHHS Division of Health Care Financing and Policy.

Transportation: Nevada Department of Transportation (NDOT) completed one major project during the year. Phase 4 of the US 95 Northwest Corridor Improvements Project was a new interchange on US 95 at Horse Drive in Las Vegas. The project was completed on-time for a total of \$82.5 million. In addition, travelers and commuters started traveling along the new I-580 Freeway Extension between Reno and Carson City and the project is on track for final completion at the end of 2012. It has alleviated severe congestion and is expected to reduce accidents between Carson City and Reno.

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

Awards and Acknowledgments

GFOA Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR.

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

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

Sincerely,



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

STATE OF NEVADA CONSTITUTIONAL OFFICERS



BRIAN KROLICKI
LIEUTENANT GOVERNOR



BRIAN SANDOVAL
GOVERNOR



ROSS MILLER
SECRETARY OF STATE



KATE MARSHALL
TREASURER

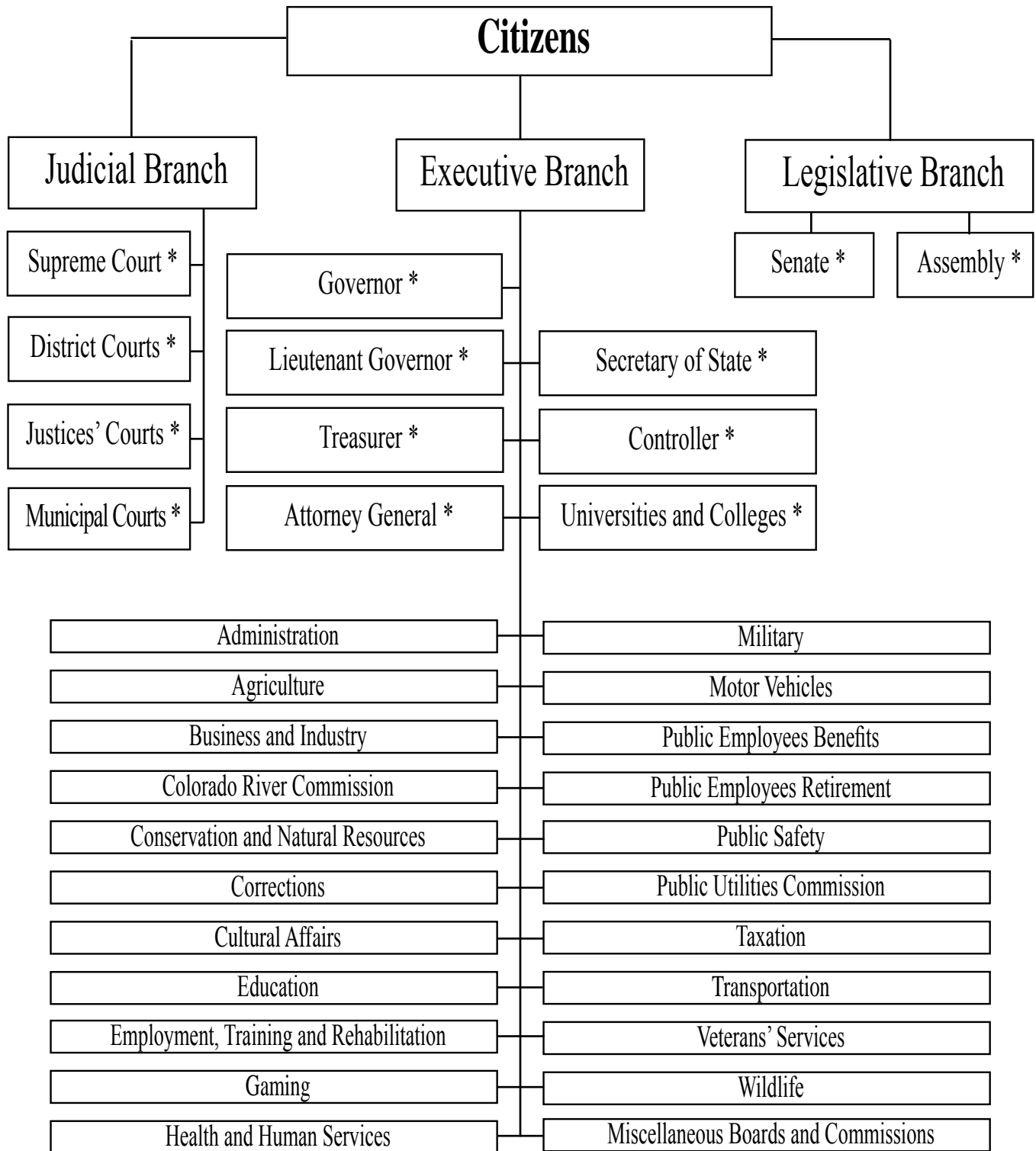


KIM R. WALLIN
CONTROLLER



CATHERINE CORTEZ MASTO
ATTORNEY GENERAL

ORGANIZATIONAL CHART



* Elected Officials

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, 2011

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.



Christopher P. Moine

President

Jeffrey R. Emer

Executive Director



Provided by the Nevada Museum of Art

"Home Sweet Home"
Nicole Kersting



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

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, 2012, 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 54.59 percent of the assets and 3.95 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, a major fund;
- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and the net assets, and 5.19 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 71.94 percent of the assets, 71.08 percent of the net assets and 35.73 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 21.60 percent of the assets, 25.16 percent of the net assets and 38.36 percent of the revenues of the aggregate remaining fund information;
- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets, net assets and revenues of the aggregate remaining fund information;
- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets, fund balance and revenues of the aggregate remaining fund information.

Those 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 Division of the Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*. An audit 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 22 and the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 88 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's financial statements as a whole. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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 do not express an opinion or provide any assurance on them.

Kafoury, Armstrong & Co.

Reno, Nevada
December 14, 2012

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, 2012. 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 liabilities at the close of the fiscal year ended June 30, 2012 by \$4.6 billion (reported as *net assets*). Of the \$4.6 billion in net assets, \$1.2 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is \$4.0 billion invested in capital assets, net of related debt.

Changes in Net Assets – The State's total net assets increased by \$359.2 million in fiscal year 2012. Net assets of governmental activities increased by \$310.4 million (a 7.1% increase) and net assets of the business-type activities increased by \$48.8 million (a 93.8% increase).

Fund-level:

At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.4 billion, a decrease of \$82.5 million from the prior year. Of the ending fund balance, \$638.5 million is not in spendable form, primarily municipal securities and permanent fund principal, and \$735.5 million is available for spending. The \$735.5 million that is spendable consists of: \$337.7 million restricted to expenditure for specific purposes such as transportation and capital projects; \$494.1 million committed to expenditure for specific purposes such as servicing bonds payable, recreation and resource development, contingencies and fiscal emergencies; and a negative \$96.3 million unassigned, in the General Fund. The reasons for the negative unassigned fund balance are disclosed in the Financial Analysis of the State's Funds section below.

The State's enterprise funds reported combined ending net assets of a negative \$3.2 million, an increase of \$48.8 million from the prior year, attributable primarily to an increase of \$26.1 million in net assets of the Water Projects Loans Fund, \$14.5 million in the Unemployment Compensation Fund, \$7.2 million in the Housing Division and \$1 million in the non-major enterprise funds. Of the combined ending net assets, \$544.4 million represents a deficit in *unrestricted net assets* of which \$552.6 million is from the Unemployment Compensation Fund.

The State's fiduciary funds reported combined ending net assets of \$36.2 billion, an increase of \$1.6 billion from the prior year. This increase is due primarily to the change in the fair value of investments in the Pension Trust Funds and Private Purpose Trust Funds.

Long-term Debt (government-wide):

The State's total bonds payable and certificates of participation payable decreased by \$239.3 million or 6.4% from \$3.8 billion in fiscal year 2011 to \$3.5 billion in fiscal year 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements:

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

The *statement of net 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, 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, 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 U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of funding progress for certain pension trust funds and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's overall financial position and operations for the fiscal years ended June 30, 2012 and 2011 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
	2012	2011	2012	2011	2012	2011	2012-2011
Assets							
Current and other assets	\$ 3,427,097	\$ 3,301,053	\$ 1,886,060	\$ 1,976,771	\$ 5,313,157	\$ 5,277,824	\$ 35,333
Net capital assets	5,650,527	5,497,486	10,721	10,765	5,661,248	5,508,251	152,997
Total assets	9,077,624	8,798,539	1,896,781	1,987,536	10,974,405	10,786,075	188,330
Liabilities							
Current liabilities	1,588,782	1,494,432	101,252	90,717	1,690,034	1,585,149	104,885
Long-term liabilities	2,830,423	2,956,072	1,798,728	1,948,874	4,629,151	4,904,946	(275,795)
Total liabilities	4,419,205	4,450,504	1,899,980	2,039,591	6,319,185	6,490,095	(170,910)
Net Assets							
Invested in capital assets, net of related debt	4,017,147	3,875,141	3,076	3,120	4,020,223	3,878,261	141,962
Restricted	700,341	749,818	538,143	503,090	1,238,484	1,252,908	(14,424)
Unrestricted (deficit)	(59,069)	(276,924)	(544,418)	(558,265)	(603,487)	(835,189)	231,702
Total net assets	\$ 4,658,419	\$ 4,348,035	\$ (3,199)	\$ (52,055)	\$ 4,655,220	\$ 4,295,980	\$ 359,240

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) increased to \$4.6 billion at the end of 2012, compared with \$4.3 billion at the end of the previous year.

The largest portion of the State's net assets (\$4.0 billion or 86.4%) 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 (\$1.2 billion or 26.6%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net assets deficit of \$603.5 million or (13.0%), as compared to an \$835.2 million deficit in the prior year.

The unrestricted net assets deficit decreased in governmental activities by \$217.9 million, and in business-type activities by \$13.8 million. In the governmental activities, the decrease was a result of several factors, including a decrease in long-term obligations of \$134.4 million; an increase in the unrestricted fund balances of the General Fund and the Tobacco Settlement fund (a nonmajor special revenue fund) in the amounts of \$36.2 million and \$13.9 million, respectively; and an increase in General Fund deferred revenue unavailable, recognized as revenue in the government-wide statement of net assets, in the amount of \$29.2 million. Of this amount, \$13.4 million is from rebates for health and social services, and \$7.5 million is from taxes. In the business-type activities, the decrease is primarily due to a decrease in the deficit net assets of the Unemployment Compensation Fund in the amount of \$14.5 million.

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

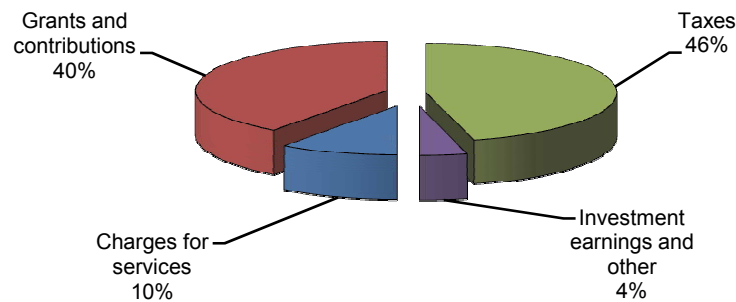
	Governmental Activities		Business-type Activities		Total		Total Change
	2012	2011	2012	2011	2012	2011	2012-2011
Revenues							
Program revenues							
Charges for services	\$ 794,555	\$ 870,281	\$ 93,924	\$ 97,356	\$ 888,479	\$ 967,637	\$ (79,158)
Operating grants and contributions	3,091,556	3,050,092	862,548	1,251,949	3,954,104	4,302,041	(347,937)
Capital grants and contributions	73,749	164,711	-	-	73,749	164,711	(90,962)
General revenues							
Sales and use taxes	967,373	931,911	-	-	967,373	931,911	35,462
Gaming taxes	884,928	850,021	-	-	884,928	850,021	34,907
Modified business taxes	373,156	378,971	-	-	373,156	378,971	(5,815)
Insurance premium taxes	238,083	233,334	-	-	238,083	233,334	4,749
Property and transfer taxes	215,649	231,758	-	-	215,649	231,758	(16,109)
Motor and special fuel taxes	267,181	267,649	-	-	267,181	267,649	(468)
Other taxes	655,265	662,120	515,402	403,509	1,170,667	1,065,629	105,038
Investment earnings	(11,543)	(4,182)	-	-	(11,543)	(4,182)	(7,361)
Other	341,597	240,909	-	-	341,597	240,909	100,688
Total Revenues	7,891,549	7,877,575	1,471,874	1,752,814	9,363,423	9,630,389	(266,966)
Expenses							
General government	240,417	334,616	-	-	240,417	334,616	(94,199)
Health and social services	3,250,926	3,209,237	-	-	3,250,926	3,209,237	41,689
Education and support services	2,280,899	2,393,536	-	-	2,280,899	2,393,536	(112,637)
Law, justice and public safety	646,701	667,598	-	-	646,701	667,598	(20,897)
Regulation of business	101,687	122,679	-	-	101,687	122,679	(20,992)
Transportation	801,797	630,657	-	-	801,797	630,657	171,140
Recreation and resource development	138,599	153,404	-	-	138,599	153,404	(14,805)
Interest on long-term debt	122,080	128,606	-	-	122,080	128,606	(6,526)
Unallocated depreciation	1,755	1,402	-	-	1,755	1,402	353
Unemployment insurance	-	-	1,286,839	1,767,632	1,286,839	1,767,632	(480,793)
Housing	-	-	50,979	83,467	50,979	83,467	(32,488)
Water loans	-	-	8,249	16,476	8,249	16,476	(8,227)
Workers' compensation and safety	-	-	27,706	29,642	27,706	29,642	(1,936)
Higher education	-	-	26,067	18,959	26,067	18,959	7,108
Other	-	-	26,187	28,905	26,187	28,905	(2,718)
Total Expenses	7,584,861	7,641,735	1,426,027	1,945,081	9,010,888	9,586,816	(575,928)
Excess (deficiency) in net assets before contributions to permanent funds and transfers	306,688	235,840	45,847	(192,267)	352,535	43,573	308,962
Contributions to permanent fund	6,705	6,637	-	-	6,705	6,637	68
Transfers	(3,009)	24,044	3,009	(24,044)	-	-	-
Change in net assets	310,384	266,521	48,856	(216,311)	359,240	50,210	309,030
Net assets - beginning of year	4,348,035	4,081,514	(52,055)	164,256	4,295,980	4,245,770	50,210
Net assets - end of year	\$ 4,658,419	\$ 4,348,035	\$ (3,199)	\$ (52,055)	\$ 4,655,220	\$ 4,295,980	\$ 359,240

Changes in Net Assets:

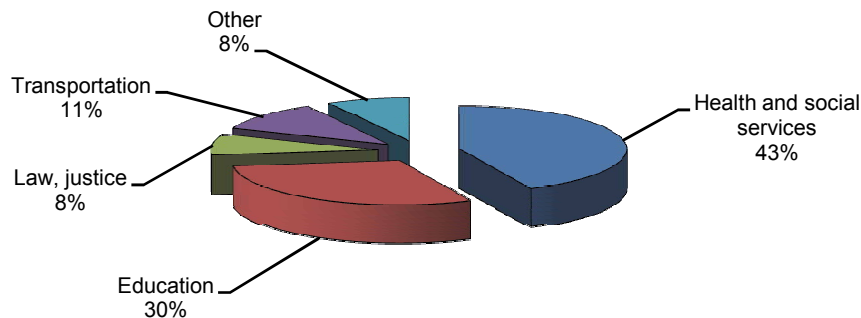
Total government-wide revenues decreased by \$266.9 million over the prior year, due primarily to a reduction in the State's federal funds. The federal funds received by the Unemployment Compensation Fund through the American Recovery and Reinvestment Act decreased to \$734.8 million in 2012, down from \$1.1 billion in 2011.

Governmental activities – The net assets increased by \$310.4 million or 7.1%. Approximately 46.0% of the total revenue came from taxes, while 40.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 10.0% of the total revenues (see chart below). The State’s governmental activities expenses cover a range of services and the largest expenses were for health and social services (43.0%) and education (30.0%) (see chart below). In 2012, governmental activities expenses exceeded program revenues, resulting in the use of \$3.6 billion in general revenues, which were generated to support the government.

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



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

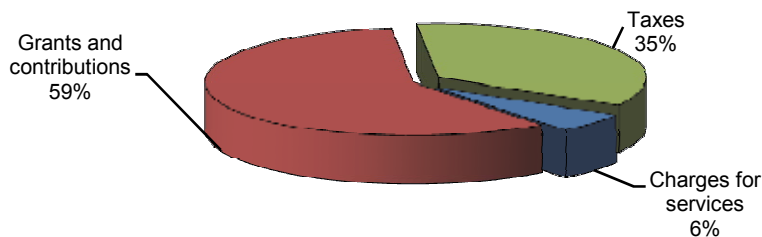


The following table depicts the total program revenues and expenses for each function of governmental activities:

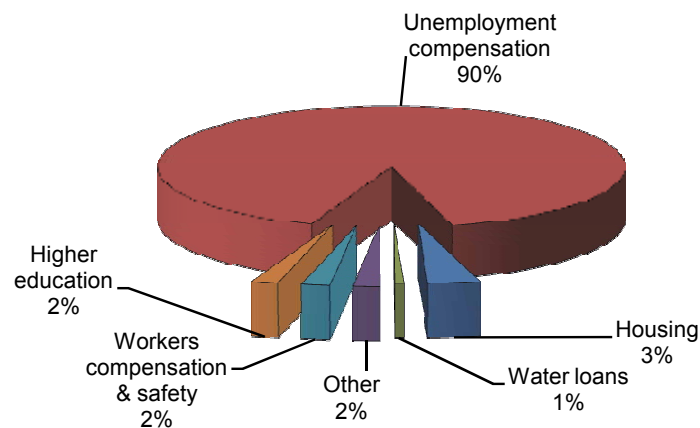
Revenues and Expenses by Function: Governmental Activities (expressed in thousands)		
	Expenses	Revenue
General Government	\$ 240,417	\$ 228,047
Health and Social Services	3,250,926	2,252,289
Education	2,280,899	420,338
Law, Justice	646,701	337,301
Regulation	101,687	87,491
Transportation	801,797	556,408
Recreation	138,599	76,660
Total	<u>\$ 7,461,026</u>	<u>\$ 3,958,534</u>

Business-type activities – The net assets increased by \$48.8 million or 93.9%. Approximately 35.0% of the total revenue came from taxes, while 59.0% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 6.0% 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 (90.0%) and housing (3.0%) (see chart below). In 2012, business-type activities expenses exceeded program revenues by \$469.6 million. Of this amount, unemployment compensation was the largest, with net expenses of \$514.9 million, resulting in the use of \$515.4 million in general revenues generated by and restricted to the Unemployment Compensation Fund.

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



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



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

	Expenses	Revenue
Unemployment Compensation	\$ 1,286,839	\$ 771,923
Housing	50,979	58,127
Water Loans	8,249	35,639
Workers Compensation	27,706	40,437
Higher Education	26,067	23,044
Other	26,187	27,302
Total	\$ 1,426,027	\$ 956,472

The State government's overall financial position improved over the past fiscal year, with a \$310.4 million increase in the net assets of the governmental activities and a \$48.8 million increase in the net assets of the business-type activities. Net assets of the governmental activities increased 7.1% during 2012, while 2011 increased 6.5%. The net assets of the business-type activities had a 93.9% increase during the current fiscal year. In 2011, business-type activities net assets declined 131.7%. Nevada continues to recover at a moderate pace. Key economic indicators from the State's sales and gaming taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year \$45.9 million or 1.3%, compared to an increase of \$70.0 million or 2.0% in the prior fiscal year. This increase was mainly a result of increased collections of sales taxes and gaming taxes. In the Highway Fund, revenues increased \$11.7 million in interlocal projects, \$8.1 million in registration fees and \$2.7 million in gas tax. In addition, mining fees totaling \$16.3 million were refunded in fiscal year 2012, under Senate Bill 493 of the 74th Legislative Session.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds:

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$1.4 billion, a decrease of \$82.5 million in comparison with the prior year. Of these total ending fund balances, \$638.5 million (46.4%) is nonspendable, either due to its form or legal constraints, and \$337.7 million (24.6%) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$494.1 million (36.0%) of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. Included in committed fund balance is \$84.7 million for fiscal emergency. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations, in which case forty percent of the excess is deposited to the Stabilization Account. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. Additions to the Stabilization Account were \$45.5 million in the current fiscal year and \$39.2 million in the prior fiscal year. The remaining negative \$96.3 million (7.0%) of fund balance is unassigned. The major funds are discussed more fully below.

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was \$270.3 million compared to \$246.7 million in the prior fiscal year. The fund balance increase from operations of \$23.6 million during the current fiscal year is a 9.6% increase from the prior year. Reasons for this increase are discussed in further detail below. The negative unassigned fund balance of \$96.3 million is mostly due to an accrual for Medicaid expenditures and for deferral of gaming taxes and mining taxes already collected and budgeted.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2012 and 2011 (expressed in thousands). Other financing sources are not included.

General Fund Revenues (expressed in thousands)						
	2012		2011		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 870,007	14.0%	\$ 835,245	13.5%	\$ 34,762	4.2%
Sales taxes	965,060	15.5%	925,898	15.0%	39,162	4.2%
Modified business taxes	369,661	5.9%	381,901	6.2%	(12,240)	-3.2%
Insurance premium taxes	236,787	3.8%	234,831	3.8%	1,956	0.8%
Property and transfer taxes	48,683	0.8%	51,552	0.8%	(2,869)	-5.6%
Motor and special fuel taxes	2,825	0.0%	2,953	0.0%	(128)	-4.3%
Other taxes	598,210	9.6%	583,828	9.4%	14,382	2.5%
Intergovernmental	2,678,186	43.0%	2,688,280	43.4%	(10,094)	-0.4%
Licenses, fees and permits	278,356	4.5%	301,462	4.9%	(23,106)	-7.7%
Sales and charges for services	55,719	0.9%	53,284	0.9%	2,435	4.6%
Interest and investment income	6,006	0.1%	10,161	0.2%	(4,155)	-40.9%
Other revenues	125,418	2.0%	117,688	1.9%	7,730	6.6%
Total revenues	<u>\$ 6,234,918</u>	<u>100.0%</u>	<u>\$ 6,187,083</u>	<u>100.0%</u>	<u>\$ 47,835</u>	<u>0.8%</u>

The total General Fund revenues increased 0.8%. The largest increases in revenue sources were \$39.2 million or 4.2% in sales taxes, \$34.8 million or 4.2% in gaming taxes, fees and licenses, and \$14.4 million or 2.5% in other taxes. Other taxes include a Legislative allocation from the Highway Fund of commissions and penalties on the Governmental Services Tax of \$24.7 million. The largest declines in revenue sources were \$23.1 million or 7.7% in licenses, fees and permits revenue, due to a decrease in mining claim fees of \$18.1 million, and \$12.2 million or 3.2% in modified business taxes. During the 2011 Legislative Session, Senate Bill No. 493, Sec. 16.3, repealed NRS 517.187 (enacted during the 26th Special Session in 2010) thereby eliminating certain fees that had been imposed upon persons holding mining claims.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2012 and 2011 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures (expressed in thousands)

	2012		2011		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 134,260	2.2%	\$ 140,751	2.2%	\$ (6,491)	-4.6%
Health and social services	2,991,985	48.0%	2,890,268	45.7%	101,717	3.5%
Education and support services	53,430	0.9%	53,333	0.8%	97	0.2%
Law, justice and public safety	424,439	6.8%	434,004	6.9%	(9,565)	-2.2%
Regulation of business	73,408	1.2%	90,492	1.4%	(17,084)	-18.9%
Recreation, resource development	100,956	1.6%	107,769	1.7%	(6,813)	-6.3%
Intergovernmental	2,449,931	39.3%	2,602,499	41.2%	(152,568)	-5.9%
Debt service	3,190	0.1%	3,684	0.1%	(494)	-13.4%
Total expenditures	<u>\$ 6,231,599</u>	<u>100.0%</u>	<u>\$ 6,322,800</u>	<u>100.0%</u>	<u>\$ (91,201)</u>	<u>-1.4%</u>

The total General Fund expenditures decreased 1.4%. Health and social services expenditures increased \$101.7 million or 3.5%. The largest portion of this amount was for the Medicaid and food stamp programs. The decrease in remaining expenditures was \$192.9 million or 5.6% with the largest decrease of \$152.6 million occurring in intergovernmental expenditures.

The State Highway Fund is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance decreased \$134.1 million during the current fiscal year, which is a 46.5% decrease from the prior year. Other taxes decreased by \$24.9 million down from \$38.4 million in 2011 primarily due to a Legislative allocation to the General Fund of commissions and penalties on the Governmental Services Tax, and increased intergovernmental transportation payments of \$80.4 million compared to \$58.7 million in 2011. The nonspendable fund balance is \$14.8 million and the restricted fund balance is \$139.3 million.

The Municipal Bond Bank Fund is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by \$0.9 million during the current fiscal year, which is a less than 1% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

The Consolidated Bond Interest and Redemption Fund is a debt service fund used to accumulate monies for the payment of leases and principal and interest on general obligation bonds of the State. The fund balance increased by \$3.6 million during the current fiscal year, which is a 2.5% increase from the prior year. Revenue from property tax collections decreased, but was more than offset by the decrease in expenditures for debt service principal and interest.

The Permanent School Fund is a permanent fund used to account for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education. The fund balance increased by \$6.7 million during the current fiscal year, which is a 2.2% increase from the prior year. This increase was primarily due to \$5.9 million in fines received from county justice courts and district courts.

Proprietary Funds:

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

Enterprise Funds – There are three *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund and Water Projects Loans Fund. The combined net assets of the three major funds is a negative \$46.7 million, the net assets of the nonmajor funds is a positive \$43.5 million and total combined net assets of all enterprise funds is a negative \$3.2 million. The combined net assets of the enterprise funds increased by \$48.8 million in 2012. 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 \$7.2 million or 3.7% during the current fiscal year, and the results of operations were down 45.3% from last year, due to the increase in payments of federal grant funds to struggling homeowners from Nevada Affordable Housing Assistance Corporation.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net assets increased by \$14.5 million during the current fiscal year, which is a 2.6% increase from the prior year. Claims revenue exceeded expenses by \$27.2 million for fiscal year 2012. Fiscal year 2012 total claims expense of \$1.3 billion was less than the fiscal year 2011 total claims expense of \$1.8 billion, or a 28.1% decrease. The leading cause for the net asset increase is due to the previously allowed employers' State unemployment credit that is now applied to the State's outstanding unemployment loan balance, and a reduction in unemployment claims. During the fiscal year, the General Fund paid \$22.6 million in accrued interest on federal advances from the previous fiscal year to the Federal government. Interest is due and payable on the federal advances by the end of the Federal fiscal year which ends on September 30. As of June 30, 2012, the total amount of federal unemployment advances and interest due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act totaled \$720.4 million and \$18.9 million, respectively. Total federal advances decreased \$52.7 million from \$773.1 million in 2011.

The Water Projects Loans Fund issues loans to governmental and private entities for two programs: safe drinking water and water pollution control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. Total revenues exceeded expenses and transfers by \$26.1 million during the current fiscal year, for final net assets of \$306.1 million, which is a 9.3% increase from the prior year. This increase is a result of decreased operating expenses related to aid to governmental units.

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 2012, total internal service fund net assets decreased by \$1.8 million, for a final net asset balance of \$56.2 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net assets increased by \$6.6 million during the current fiscal year, which is an 8.7% increase from the prior year, leaving final net assets of \$83.3 million. This year's increase was caused primarily by a 21.9% decrease in claims expense offset by a 15.8% decrease in insurance premium income.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The deficit increased by \$8.4 million or 21.1% during fiscal year 2012, to a total deficit of \$48.3 million. The decrease in net premium income of 24.0% was caused by a reduction of the insurance assessment based on the State's history of claims.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund total sources were \$468.2 million or 6.0% less than the final budget. This was due primarily to actual intergovernmental revenues received that were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was \$619.3 million. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. Increases due to the non-executive budgets approved after July 1 and increased estimated receipts were approximately \$619.4 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2012, amount to \$6.7 billion, net of accumulated depreciation of \$1.0 billion, leaving a net book value of \$5.7 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

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

<u>Condition Level of the Roadways</u>					
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 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%

<u>Condition Level of the Bridges</u>			
Percentage of substandard bridges			
	2011	2009	2007
State Policy-maximum percentage	10%	10%	10%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2012 by \$17.9 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to continue to meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress or completed during 2012 (expressed in millions):

	<u>Expended by June 30, 2012</u>	<u>Total Budget</u>
Indian Springs Conservation Camp	\$ 40.8	\$ 40.9
New Readiness Center North Las Vegas	14.5	35.8
Unemployment Insurance Software Development	17.5	35.6
SDCC Housing Unit & Planning	23.6	28.9
Las Vegas Readiness Center	24.6	25.9
Las Vegas Readiness Center - Field Maintenance Shop	2.5	26.9
Department of Corrections Energy Retrofit	16.7	16.7
Elko County Readiness Center	10.5	16.6
Civil Support Team WMD Readiness Center	0.8	13.7
Southern Nevada Veterans' Cemetery Expansion	2.5	11.4

The total increase in the State's capital assets for the primary government for the current fiscal year was \$346.0 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled \$70.6 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 \$4.6 billion in long-term liabilities outstanding, compared to \$4.9 billion last year, a decrease of \$275.8 million or 5.6% during the current fiscal year. This decrease was due primarily to the refunding of general obligation bonds.

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

New bonds issued during the 2012 fiscal year were (expressed in thousands):

Housing Single-Family 2011 Issue C	01/21/2011	\$ 5,500
Housing Single-Family 2011 Issue D	01/11/2011	32,460
Housing Single-Family 2011 Issue B	06/30/2011	15,000
General Obligation Capital Improvement, Cultural Affairs and Refunding Bonds	11/16/2011A	65,245
General Obligation Hoover Upgrading Refunding Bonds	11/16/2011B	5,545
General Obligation Water Pollution Control Revolving Fund Leveraged Refunding Bonds	11/16/2011C	28,460
General Obligation Open Space, Parks and Cultural Resources Refunding Bonds	11/16/2011D	32,835
General Obligation Open Space, Parks and Natural Resources Refunding Bonds	11/16/2011E	14,530
General Obligation Safe Drinking Water Revolving Fund Matching Bonds	11/16/2011F	2,820
General Obligation Municipal Bond Bank Projects	03/22/2012A	25,445
General Obligation Capital Improvement, Cultural Affairs and Refunding Bonds	03/22/2012B	50,800
General Obligation Natural Resources Refunding Bonds	03/22/2012C	25,510
General Obligation Open Space, Parks and Natural Resources Refunding Bonds	03/22/2012D	4,245
Highway Revenue Refunding Bonds	05/14/2012	66,490

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

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

Requests for Information

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

The **Nevada Museum of Art** is a museum of ideas. While building upon our founding collections and values, we cultivate meaningful art and societal experiences, and foster new knowledge in the visual arts by encouraging interdisciplinary investigation. The Nevada Museum of Art serves as a cultural and educational resource for everyone.

For almost all of its nearly 80-year history, the Nevada Museum of Art has provided significant arts education programming for the public, school-aged youth, teachers, and artists in northern Nevada. Providing rich cultural programming for the community and region has been a central focus of the Museum's educational mission, and the Museum seeks to further this important foundation of work.

As the only accredited art museum in the State of Nevada, the Museum has a great responsibility to serve the public. As many of Nevada's school districts currently lack any certified art teachers at the elementary level, and many districts require only one credit in arts or humanities for high school graduation, the Museum also serves an important role in providing cultural and art education opportunities for the youth of the region who will otherwise not have access to broad arts education opportunities in the State.



"Read the Day Away"
Tori Hansen

Provided by the Nevada Museum of Art



Contact Information:

Donald W. Reynolds Center for the Visual Arts
160 West Liberty Street
Reno, Nevada 89501

Phone: 775.329.3333

Fax: 775.329.1541

Email: art@nevadaart.org

Website: <http://www.nevadaart.org/>



BASIC FINANCIAL STATEMENTS



Provided by the Nevada Museum of Art

"A Vast Sea of Emptiness"
Colton Witt



Statement of Net Assets



NEVADA

June 30, 2012 (Expressed in Thousands)

	Primary Government		Component Units	
	Governmental Activities	Business-Type Activities	Colorado River Commission	Nevada System of Higher Education
Assets				
Cash and pooled investments	\$ 1,300,886	\$ 185,223	\$ 8,673	\$ 225,303
Investments	608,285	755,275	-	994,506
Internal balances	7,887	(7,887)	-	-
Due from component unit	5,272	-	-	-
Due from primary government	-	-	73	19,836
Accounts receivable	70,043	3,634	17,504	32,417
Taxes/assessments receivable	834,084	187,477	-	-
Intergovernmental receivables	451,223	1,499	-	36,946
Accrued interest and dividends	5,016	11,712	38	-
Contracts receivable	-	24,522	-	-
Mortgages receivable	-	559,847	-	-
Notes/loans receivable	12,196	47,377	-	13,005
Settlement receivable	87,428	-	-	-
Other receivables	16	6,801	-	54,729
Inventory	17,811	1,558	-	6,868
Prepaid expenses	3,563	144	25,286	-
Deferred charges	23,387	5,440	-	-
<i>Restricted assets:</i>				
Cash	-	-	10,062	14,770
Investments	-	103,361	-	32,245
Other assets	-	77	-	51,311
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	4,368,698	9,175	-	121,659
Other capital assets, net	1,281,829	1,546	52,494	1,837,605
Total assets	9,077,624	1,896,781	114,130	3,441,200
Liabilities				
Accounts payable	883,405	39,912	9,930	35,673
Accrued payroll and related liabilities	62,693	952	-	68,111
Intergovernmental payables	106,538	105	-	-
Interest payable	20,649	26,777	1,031	11,675
Due to component units	19,855	54	-	-
Due to primary government	-	-	142	5,130
Contracts/retentions payable	47,391	-	-	-
Unearned revenues	363,097	11,585	147	48,745

Other liabilities	85,154	21,867	107,021	15,960	28,772
Long-term liabilities:					
<i>Portion due or payable within one year:</i>					
Reserve for losses	63,121	-	63,121	-	-
Obligations under capital leases	1,688	-	1,688	-	579
Compensated absences	59,509	989	60,498	194	30,710
Benefits payable	-	13,337	13,337	-	-
Bonds payable	174,319	23,855	198,174	4,009	20,414
Certificates of participation payable	1,913	-	1,913	-	-
Arbitrage rebate liability	732	-	732	-	-
<i>Portion due or payable after one year:</i>					
Federal advances	-	720,432	720,432	-	8,059
Reserve for losses	43,616	-	43,616	-	-
Obligations under capital leases	26,707	-	26,707	-	589
Compensated absences	33,976	655	34,631	112	16,050
Benefits payable	-	145,759	145,759	-	-
Bonds payable	2,372,380	893,701	3,266,081	70,962	477,242
Certificates of participation payable	52,394	-	52,394	-	-
Net pension obligation	1	-	1	-	-
Arbitrage rebate liability	67	-	67	-	-
Total liabilities	4,419,205	1,899,980	6,319,185	102,487	751,749
Net Assets					
Invested in capital assets, net of related debt	4,017,147	3,076	4,020,223	5,999	1,470,059
Restricted for:					
Security of outstanding obligations	-	190,585	190,585	-	-
Workers' compensation	-	33,031	33,031	-	-
Tuition contract benefits	-	2,237	2,237	-	-
Capital projects	4,709	-	4,709	-	39,858
Debt service	33,347	-	33,347	-	20,560
Education and support services	2,159	-	2,159	-	-
Transportation	162,335	-	162,335	-	-
Recreation and resource development	66,591	306,145	372,736	-	-
Law, justice and public safety	95,426	-	95,426	-	-
Health and social services	13,085	-	13,085	-	-
Regulation of business	9,030	6,145	15,175	-	-
Scholarships	-	-	-	-	289,417
Loans	-	-	-	-	7,643
Operations and maintenance	-	-	-	711	-
Research and development	-	-	-	3,468	-
Other purposes	355	-	355	-	1,197
Funds held as permanent investments:					
Nonexpendable	313,284	-	313,284	-	325,156
Expendable	20	-	20	-	-
Unrestricted (deficit)	(59,069)	(544,418)	(603,487)	1,465	535,561
Total net assets	\$ 4,658,419	\$ (3,199)	\$ 4,655,220	\$ 11,643	\$ 2,689,451

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

Statement of Activities



NEVADA

For the Fiscal Year Ended June 30, 2012 (Expressed in Thousands)

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
							Nevada System of Higher Education
Functions/Programs							
Primary Government							
Governmental activities:							
General government	\$ 240,417	\$ 183,278	\$ 44,769	\$ -	\$ (12,370)	\$ -	\$ -
Health and social services	3,250,926	212,730	2,039,559	-	(998,637)	-	-
Education and support services	2,280,899	3,823	416,515	-	(1,860,561)	-	-
Law, justice and public safety	646,701	253,431	71,984	11,886	(309,400)	-	-
Regulation of business	101,687	69,694	17,797	-	(14,196)	-	-
Transportation	801,797	28,537	466,095	61,776	(245,389)	-	-
Recreation and resource development	138,599	43,062	33,511	87	(61,939)	-	-
Interest on long-term debt	122,080	-	1,326	-	(120,754)	-	-
Unallocated depreciation	1,755	-	-	-	(1,755)	-	-
Total governmental activities	7,584,861	794,555	3,091,556	73,749	(3,625,001)	-	-
Business-type activities:							
Unemployment insurance	1,286,839	1,544	770,379	-	-	(514,916)	-
Housing	50,979	20,105	38,022	-	-	7,148	-
Water loans	8,249	8,371	27,268	-	-	27,390	-
Workers' compensation and safety	27,706	37,946	2,491	-	-	12,731	-
Higher education	26,067	102	22,942	-	-	(3,023)	-
Other	26,187	25,856	1,446	-	-	1,115	-
Total business-type activities	1,426,027	93,924	862,548	-	-	(469,555)	-
Total primary government	\$ 9,010,888	\$ 888,479	\$ 3,954,104	\$ 73,749	(3,625,001)	(469,555)	(4,094,556)
Component Units							
Colorado River Commission	89,313	90,366	-	-	-	-	1,053
Nevada System of Higher Education	1,482,968	552,643	419,072	3,393	-	-	(507,860)
Total component units	\$ 1,572,281	\$ 643,009	\$ 419,072	\$ 3,393	-	-	1,053
							(507,860)

General revenues:					
Taxes:					
Gaming	852,632	-	852,632	-	-
Sales and use	877,910	-	877,910	-	-
Modified business	373,156	-	373,156	-	-
Insurance premium	238,083	-	238,083	-	-
Property and transfer	48,683	-	48,683	-	-
Motor and special fuel	2,825	-	2,825	-	-
Other	440,954	-	440,954	-	-
Restricted for unemployment compensation:					
Other taxes	-	515,402	515,402	-	-
Restricted for educational purposes:					
Sales and use taxes	89,464	-	89,464	-	-
Gaming taxes	32,296	-	32,296	-	-
Other taxes	126,448	-	126,448	-	-
Restricted for debt service purposes:					
Property and transfer taxes	146,097	-	146,097	-	-
Motor and special fuel taxes	80,500	-	80,500	-	-
Other	41,168	-	41,168	-	-
Restricted for recreation and resource development purposes:					
Other taxes	31,210	-	31,210	-	-
Land Sales	11	-	11	-	-
Restricted for health and social services purposes:					
Property and transfer taxes	20,869	-	20,869	-	-
Other taxes	40,584	-	40,584	-	-
Restricted for transportation purposes:					
Motor and special fuel taxes	183,856	-	183,856	-	-
Other taxes	11,959	-	11,959	-	-
Restricted for regulation purposes:					
Other taxes	4,108	-	4,108	-	-
Settlement income	129,677	-	129,677	-	-
Unrestricted investment earnings	(11,543)	-	(11,543)	42	24,625
Other general revenues	170,742	-	170,742	1,473	13,099
Contributions to permanent funds	6,705	-	6,705	-	11,772
Payments from State of Nevada	-	-	-	-	482,715
Transfers	(3,009)	3,009	-	-	-
Total general revenues and transfers	3,935,385	518,411	4,453,796	1,515	532,211
Change in net assets	310,384	48,856	359,240	2,568	24,351
Net assets - beginning	4,348,035	(52,055)	4,295,980	9,075	2,665,100
Net assets - ending	\$ 4,658,419	\$ (3,199)	\$ 4,655,220	\$ 11,643	\$ 2,689,451

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

Balance Sheet

Governmental Funds

June 30, 2012

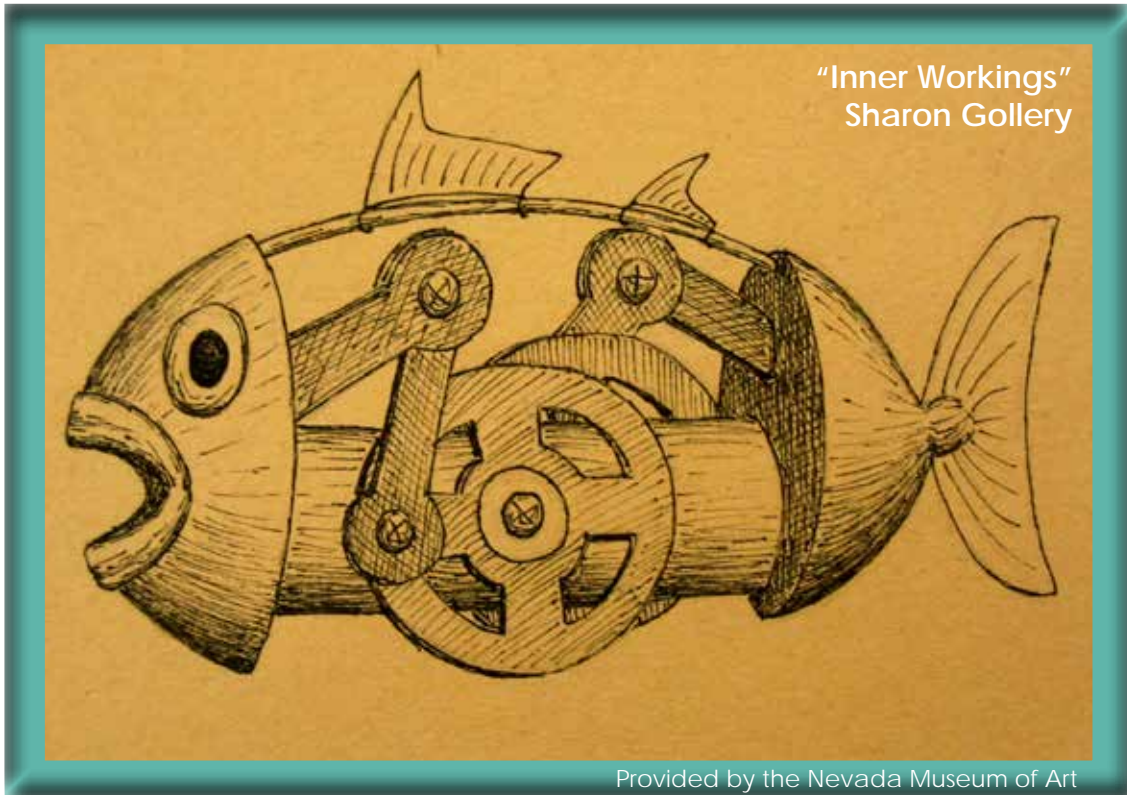
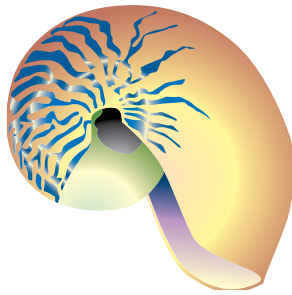
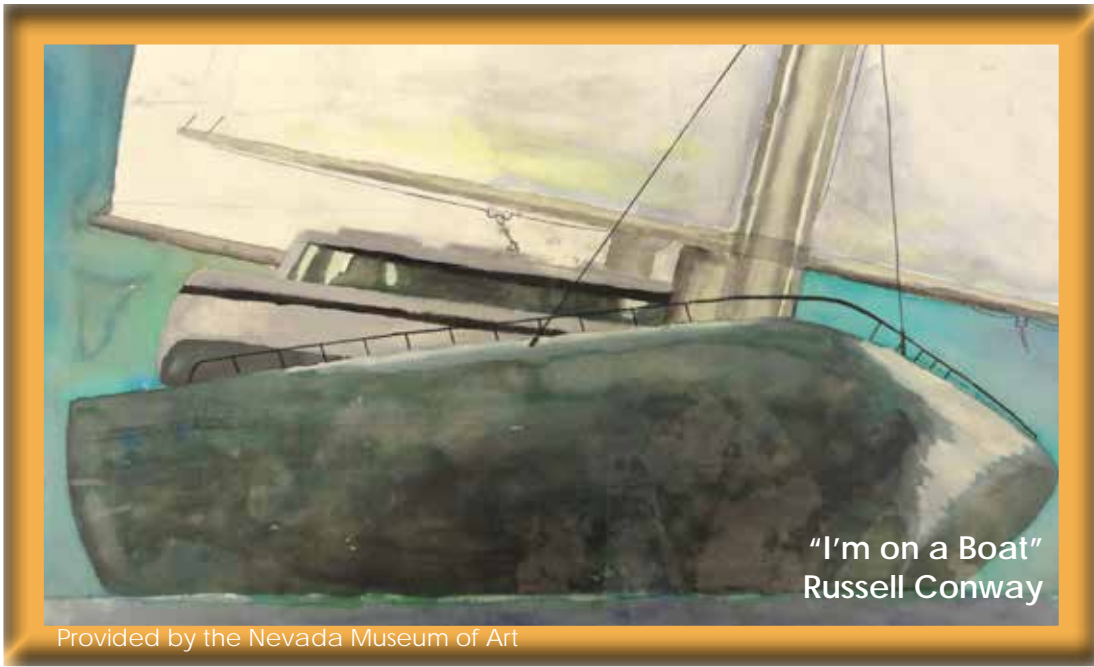
	General Fund	State Highway	Municipal Bond Bank
Assets			
<i>Cash and pooled investments:</i>			
Cash with treasurer	\$ 530,770,568	\$ 198,708,927	\$ 341,525
Cash in custody of other officials	7,672,518	167,209	-
Investments	9,419,045	-	286,235,000
<i>Receivables:</i>			
Accounts receivable	40,187,377	2,483,523	-
Taxes receivable	791,082,924	36,573,746	-
Intergovernmental receivables	304,257,617	28,559,008	-
Accrued interest and dividends	2,694,473	-	1,358,975
Notes/loans receivable	12,096,332	-	-
Settlement receivable	-	-	-
Other receivables	15,830	-	-
Due from other funds	37,930,574	7,415,653	5,711
Due from fiduciary funds	234,271	-	-
Due from component units	152,059	1,371	-
Inventory	2,387,464	14,778,377	-
Advances to other funds	6,399,035	-	-
Prepaid items	3,456,341	20,886	-
Total assets	\$ 1,748,756,428	\$ 288,708,700	\$ 287,941,211
<i>Accounts payable and accruals:</i>			
Accounts payable	\$ 346,540,360	\$ 34,893,507	\$ -
Accrued payroll and related liabilities	42,091,939	16,065,690	-
Intergovernmental payables	82,944,593	13,352,422	6,620
Interest payable	-	-	-
Contracts/retentions payable	1,133,003	36,644,370	-
Due to other funds	19,367,481	2,143,223	408,760
Due to fiduciary funds	457,663,879	1,047,832	-
Due to component units	6,501,676	132,763	-
Deferred revenues	439,912,163	29,083,425	1,360,060
Bonds payable	-	-	-
Other liabilities	82,272,608	1,287,109	-
Total liabilities	1,478,427,702	134,650,341	1,775,440
Fund balances:			
Nonspendable	23,800,656	14,799,263	286,165,771
Restricted	61,049,208	139,259,096	-
Committed	281,751,325	-	-
Unassigned	(96,272,463)	-	-
Total fund balances	270,328,726	154,058,359	286,165,771
Total liabilities and fund balances	\$ 1,748,756,428	\$ 288,708,700	\$ 287,941,211

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



NEVADA

Consolidated Bond Interest and Redemption	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
\$ 146,764,487	\$ 7,723,544	\$ 252,692,612	\$ 1,137,001,663
-	-	199,893	8,039,620
-	306,754,841	5,876,066	608,284,952
-	-	22,971,262	65,642,162
-	-	6,427,259	834,083,929
105,979,167	394,683	8,583,175	447,773,650
-	960,959	1,632	5,016,039
-	-	-	12,096,332
-	-	87,428,226	87,428,226
-	-	-	15,830
972,564	31,410	16,856,854	63,212,766
-	-	432,084	666,355
5,066,075	-	-	5,219,505
-	-	437,562	17,603,403
1,205,093	-	-	7,604,128
-	-	10,064	3,487,291
<u>\$ 259,987,386</u>	<u>\$ 315,865,437</u>	<u>\$ 401,916,689</u>	<u>\$ 3,303,175,851</u>
\$ 103,383	\$ -	\$ 18,338,264	\$ 399,875,514
-	-	3,016,895	61,174,524
-	-	2,983,217	99,286,852
2,421,696	-	-	2,421,696
-	-	9,554,919	47,332,292
213,443	1,208,676	41,117,396	64,458,979
-	-	10,531	458,722,242
28,195	-	13,176,441	19,839,075
110,174,336	8,331	110,129,158	690,667,473
240,000	-	-	240,000
-	1,594,302	-	85,154,019
<u>113,181,053</u>	<u>2,811,309</u>	<u>198,326,821</u>	<u>1,929,172,666</u>
-	313,054,128	677,626	638,497,444
-	-	137,407,581	337,715,885
146,806,333	-	65,504,661	494,062,319
-	-	-	(96,272,463)
<u>146,806,333</u>	<u>313,054,128</u>	<u>203,589,868</u>	<u>1,374,003,185</u>
<u>\$ 259,987,386</u>	<u>\$ 315,865,437</u>	<u>\$ 401,916,689</u>	<u>\$ 3,303,175,851</u>



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



NEVADA

June 30, 2012

Total fund balances - governmental funds

\$ 1,374,003,185

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	\$ 143,870,124	
Construction in progress	139,180,430	
Infrastructure assets	3,476,100,198	
Rights-of-way	609,416,369	
Buildings	1,591,325,419	
Improvements other than buildings	117,072,805	
Furniture and equipment	332,469,387	
Software costs	158,135,861	
Accumulated depreciation/amortization	(937,800,117)	
Total capital assets		5,629,770,476

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.

327,646,273

Intergovernmental receivable not providing current resources.

221,045

The Judicial Retirement System of Nevada has a net pension obligation not reported as an expenditure in the funds.

(1,288)

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.

56,268,051

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.

10,749,419

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

12,638,030

Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.

(21,317,183)

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	(2,539,669,887)	
Accrued interest on bonds	(18,226,883)	
Arbitrage rebate liability	(798,758)	
Certificates of participation	(54,307,447)	
Capital leases	(28,019,192)	
Compensated absences	(90,536,989)	
Total long-term liabilities		(2,731,559,156)

Net assets of governmental activities

\$ 4,658,418,852

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, 2012

	General Fund	State Highway	Municipal Bond Bank
Gaming taxes, fees, licenses	\$ 870,006,559	\$ -	\$ -
Sales taxes	965,059,778	-	-
Modified business taxes	369,660,633	-	-
Insurance premium taxes	236,787,376	-	-
Property and transfer taxes	48,683,032	-	-
Motor and special fuel taxes	2,824,782	183,856,011	-
Other taxes	598,210,399	13,556,108	-
Intergovernmental	2,678,185,912	527,122,902	-
Licenses, fees and permits	278,355,925	181,306,963	-
Sales and charges for services	55,718,819	13,934,061	-
Interest and investment income	6,006,062	3,033,810	14,299,448
Settlement income	-	-	-
Land sales	-	-	-
Other	125,418,529	21,911,390	-
Total revenues	6,234,917,806	944,721,245	14,299,448
Current:			
General government	134,259,973	-	-
Health and social services	2,991,985,100	-	-
Education and support services	53,430,214	-	-
Law, justice and public safety	424,438,638	151,311,864	-
Regulation of business	73,407,545	-	-
Transportation	-	846,334,764	-
Recreation and resource development	100,956,250	-	-
Intergovernmental	2,449,930,981	80,449,683	-
Capital outlay	-	-	-
Debt service:			
Principal	1,620,888	53,423	-
Interest, fiscal charges	1,565,760	2,412	-
Debt issuance costs	3,234	-	-
Arbitrage payments	-	-	-
Total expenditures	6,231,598,583	1,078,152,146	-
Excess (deficiency) of revenues over expenditures	3,319,223	(133,430,901)	14,299,448
Other financing sources (uses):			
Sale of general obligation bonds	451,307	-	15,310,000
Sale of general obligation refunding bonds	-	-	10,135,000
Premium on general obligation bonds	41,927	-	-
Payment to refunded bond agent	-	-	(10,611,791)
Sale of capital assets	93,555	-	-
Transfers in	61,766,448	6,470,232	-
Transfers out	(42,088,933)	(7,161,843)	(30,014,348)
Total other financing sources (uses)	20,264,304	(691,611)	(15,181,139)
Net change in fund balances	23,583,527	(134,122,512)	(881,691)
Fund balances, July 1	246,745,199	288,180,871	287,047,462
Fund balances, June 30	\$ 270,328,726	\$ 154,058,359	\$ 286,165,771

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



NEVADA

Consolidated Bond Interest and Redemption	Permanent School Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,323,967	\$ 884,330,526
-	-	-	965,059,778
-	-	-	369,660,633
-	-	-	236,787,376
146,097,340	-	20,869,058	215,649,430
-	-	80,499,712	267,180,505
-	-	45,371,372	657,137,879
28,945,231	-	101,304,390	3,335,558,435
-	-	30,577,565	490,240,453
416,144	-	15,141,788	85,210,812
(1,613,218)	1,977,004	(1,103,841)	22,599,265
-	-	40,291,149	40,291,149
-	396,594	-	396,594
-	6,327,053	7,263,932	160,920,904
173,845,497	8,700,651	354,539,092	7,731,023,739
259,388	-	369,461	134,888,822
-	-	104,471,955	3,096,457,055
-	-	529,191	53,959,405
-	-	28,613,309	604,363,811
-	-	18,384,782	91,792,327
-	-	-	846,334,764
-	-	24,852,565	125,808,815
170,750	-	39,141,750	2,569,693,164
-	-	34,222,539	34,222,539
118,495,000	-	50,835,000	171,004,311
95,958,933	-	28,450,539	125,977,644
1,223,569	-	567,998	1,794,801
21,621	-	-	21,621
216,129,261	-	330,439,089	7,856,319,079
(42,283,764)	8,700,651	24,100,003	(125,295,340)
-	-	26,258,693	42,020,000
166,455,000	-	66,490,000	243,080,000
25,501,360	-	14,987,159	40,530,446
(190,663,252)	-	(78,641,419)	(279,916,462)
-	-	9,954	103,509
44,773,969	-	43,026,080	156,036,729
(150,165)	(2,007,215)	(77,658,174)	(159,080,678)
45,916,912	(2,007,215)	(5,527,707)	42,773,544
3,633,148	6,693,436	18,572,296	(82,521,796)
143,173,185	306,360,692	185,017,572	1,456,524,981
\$ 146,806,333	\$ 313,054,128	\$ 203,589,868	\$ 1,374,003,185

"Rich Berj-Dubai"
Keagn Rahe



Provided by the Nevada Museum of Art

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



For the Fiscal Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ (82,521,796)

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	\$ 221,991,031	
Depreciation expense	(66,188,533)	
Excess of capital outlay over depreciation expense		155,802,498

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	(285,100,000)	
Premiums on debt issued	(40,530,445)	
Total bond proceeds		(325,630,445)

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	162,291,677	
Certificates of participation retirement	1,660,000	
Payments to the bond refunding agent	279,916,462	
Capital lease payments	1,693,331	
Total long-term debt repayment		445,561,470

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. (1,877,267)

Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues unavailable decreased by this amount. 122,908,424

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 change in net assets differs from the change in fund balance by the cost of the asset sold. (461,828)

In the statement of activities, bond issuance costs are deferred and amortized over the life of the bonds, whereas in governmental funds the entire expenditure is recognized. 1,794,801

Amortization of bond issuance costs is reported as an expense for the statement of activities. (1,219,319)

Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities. (6,988,111)

Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities. 12,304,601

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

Decrease in pension obligation	163,931	
Decrease in accrued interest	1,459,415	
Decrease in compensated absences	6,253,355	
Decrease in arbitrage liability	680,318	
Decrease in long term due to component unit	3,471,391	
Increase in settlement agreement liability	(21,317,183)	
Total additional expenditures		(9,288,773)

Change in net assets of governmental activities \$ 310,384,255

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

Statement of Net Assets Proprietary Funds

June 30, 2012

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
Current assets:						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 755,863	\$ -	\$ 93,922,838	\$ 50,729,327	\$ 145,408,028	\$ 155,845,074
Cash in custody of other officials	5,499,192	21,291,891	-	13,023,606	39,814,689	100
Investments	94,028,391	-	-	143,244,996	237,273,387	-
<i>Receivables:</i>						
Accounts receivable	-	-	-	3,629,221	3,629,221	1,331,779
Assessments receivable	-	187,477,390	-	-	187,477,390	-
Intergovernmental receivables	-	-	1,041,615	457,249	1,498,864	3,227,895
Contracts receivable	-	-	-	5,440,426	5,440,426	-
Mortgages receivable	12,619,054	-	-	-	12,619,054	-
Accrued interest and dividends	7,488,628	-	3,811,539	411,874	11,712,041	-
Notes/loans receivable	-	-	-	-	-	5,000
Trades pending settlement	-	-	-	6,800,546	6,800,546	-
Due from other funds	47,414	470	581,565	1,188,496	1,817,945	5,062,523
Due from fiduciary funds	-	-	-	6,047	6,047	2,402,664
Due from component units	-	-	-	-	-	53,155
Inventory	-	-	-	1,558,028	1,558,028	207,181
Prepaid expenses	103,291	-	-	40,279	143,570	75,724
<i>Restricted assets:</i>						
Investments	97,354,652	-	-	-	97,354,652	-
Total current assets	217,896,485	208,769,751	99,357,557	226,530,095	752,553,888	168,211,095
Noncurrent assets:						
Investments	261,767,357	-	256,233,822	-	518,001,179	-
<i>Receivables:</i>						
Contracts receivable	-	-	-	19,081,086	19,081,086	-
Mortgages receivable	547,227,714	-	-	-	547,227,714	-
Notes/loans receivable	108,450	-	47,268,467	-	47,376,917	95,000
Deferred charges	2,424,468	-	2,908,648	107,331	5,440,447	-
<i>Restricted assets:</i>						
Investments	6,006,196	-	-	-	6,006,196	-
Other assets	61,709	-	-	15,000	76,709	-
<i>Capital assets:</i>						
Land	-	-	-	567,812	567,812	130,954
Buildings	-	-	-	3,388,840	3,388,840	18,789,315
Improvements other than buildings	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	423,317	-	35,280	5,428,877	5,887,474	45,486,442
Software costs	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	8,607,008	8,607,008	-
Less accumulated depreciation/ amortization	(423,317)	-	(35,280)	(7,901,944)	(8,360,541)	(62,814,114)
Total noncurrent assets	817,595,894	-	306,410,937	29,924,657	1,153,931,488	20,851,028
Total assets	1,035,492,379	208,769,751	405,768,494	256,454,752	1,906,485,376	189,062,123



NEVADA

Enterprise Funds

	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	Internal Service Funds
Current liabilities:						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 18,076,334	\$ 20,147,053	\$ 27,823	\$ 1,586,402	\$ 39,837,612	\$ 5,142,222
Accrued payroll and related liabilities	93,070	-	19,124	839,798	951,992	1,518,806
Interest payable	6,173,663	18,904,178	1,662,313	36,462	26,776,616	-
Intergovernmental payables	-	-	59,140	45,869	105,009	96,279
Trades pending settlement	-	-	-	21,855,645	21,855,645	-
Bank overdraft	-	-	-	-	-	5,545,826
Due to other funds	3,137	1,930,412	328,681	2,107,218	4,369,448	1,264,807
Due to fiduciary funds	-	-	-	73,952	73,952	14,100
Due to component units	-	-	21,219	33,220	54,439	16,106
Unearned revenues	-	-	-	11,584,820	11,584,820	75,658
Other liabilities	-	-	-	11,509	11,509	-
<i>Short-term portion of long-term liabilities:</i>						
Reserve for losses	-	-	-	-	-	63,121,352
Compensated absences	144,111	-	23,242	821,449	988,802	1,769,246
Benefits payable	-	-	-	13,337,173	13,337,173	-
Bonds payable	13,630,000	-	10,074,115	150,776	23,854,891	513,323
Obligations under capital leases	-	-	-	-	-	128,278
Total current liabilities	38,120,315	40,981,643	12,215,657	52,484,293	143,801,908	79,206,003
Noncurrent liabilities:						
Advances from funds	-	-	-	5,289,380	5,289,380	2,314,748
Federal Unemployment Advance	-	720,432,318	-	-	720,432,318	-
Reserve for losses	-	-	-	-	-	43,615,899
Compensated absences	148,295	-	10,094	497,107	655,496	1,179,072
Benefits payable	-	-	-	145,759,183	145,759,183	-
Bonds payable	797,375,612	-	87,397,603	8,927,539	893,700,754	6,276,218
Obligations under capital leases	-	-	-	-	-	247,920
Total noncurrent liabilities	797,523,907	720,432,318	87,407,697	160,473,209	1,765,837,131	53,633,857
Total liabilities	835,644,222	761,413,961	99,623,354	212,957,502	1,909,639,039	132,839,860
Invested in capital assets, net of related debt	-	-	-	3,076,240	3,076,240	13,758,872
<i>Restricted for:</i>						
Tuition contract benefits	-	-	-	2,236,573	2,236,573	-
Security of outstanding obligations	190,584,941	-	-	-	190,584,941	-
Workers' compensation	-	-	-	33,030,563	33,030,563	-
Revolving loans	-	-	306,145,140	-	306,145,140	-
Regulation of business	6,143,430	-	-	2,000	6,145,430	-
Unrestricted (deficit)	3,119,786	(552,644,210)	-	5,151,874	(544,372,550)	42,463,391
Total net assets	\$ 199,848,157	\$ (552,644,210)	\$ 306,145,140	\$ 43,497,250	(3,153,663)	\$ 56,222,263
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.					(45,788)	
Net assets of business-type activities					<u>\$ (3,199,451)</u>	

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

"Figure 3-1"
Gabrielle Bachand



Provided by the Nevada Museum of Art

"Crane"
Gabrielle Bachand



Provided by the Nevada Museum of Art

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



NEVADA

For the Fiscal Year Ended June 30, 2012

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Total	
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$331,283,347
Sales	-	-	-	19,851,203	19,851,203	2,313,306
Assessments	-	515,402,076	-	-	515,402,076	-
Charges for services	-	-	-	17,205,895	17,205,895	42,542,103
Rental income	-	-	-	56,400	56,400	18,283,610
Interest income on loans/notes	16,725,124	-	8,370,687	-	25,095,811	-
Federal government	10,699,950	770,378,985	28,708,844	-	809,787,779	-
Licenses, fees and permits	-	-	-	36,644,416	36,644,416	-
Fines	-	-	-	2,766,448	2,766,448	-
Other	3,380,073	1,543,857	-	1,338,046	6,261,976	48,260
Total operating revenues	<u>30,805,147</u>	<u>1,287,324,918</u>	<u>37,079,531</u>	<u>77,862,408</u>	<u>1,433,072,004</u>	<u>394,470,626</u>
Operating Expenses						
Salaries and benefits	2,820,078	-	373,631	29,572,965	32,766,674	30,283,010
Operating	11,649,174	-	4,347,485	12,819,810	28,816,469	35,514,679
Claims and benefits expense	-	1,260,135,089	-	34,031,846	1,294,166,935	204,929,647
Interest on bonds payable	26,444,014	-	-	-	26,444,014	-
Materials or supplies used	-	-	-	2,770,109	2,770,109	1,046,464
Servicers' fees	111,824	-	-	-	111,824	-
Depreciation	-	-	-	364,982	364,982	3,872,175
Amortization	-	-	-	-	-	214,246
Bond issuance costs amortization	1,170,280	-	379,090	-	1,549,370	-
Insurance premiums	-	-	-	-	-	120,058,292
Total operating expenses	<u>42,195,370</u>	<u>1,260,135,089</u>	<u>5,100,206</u>	<u>79,559,712</u>	<u>1,386,990,377</u>	<u>395,918,513</u>
Operating income (loss)	<u>(11,390,223)</u>	<u>27,189,829</u>	<u>31,979,325</u>	<u>(1,697,304)</u>	<u>46,081,627</u>	<u>(1,447,887)</u>
Nonoperating Revenues (Expenses)						
Interest and investment income	18,305,485	-	(1,440,184)	8,849,764	25,715,065	(560,335)
Interest expense	-	(26,704,058)	(3,176,738)	(441,226)	(30,322,022)	(33,613)
Bond issuance costs amortization	-	-	-	(4,206)	(4,206)	-
Federal grant revenue	9,016,494	-	-	4,065,741	13,082,235	-
Federal grant expense	(8,783,330)	-	-	-	(8,783,330)	-
Gain (loss) on disposal of assets	-	-	-	5,101	5,101	175,422
Arbitrage rebate	-	-	26,629	-	26,629	-
Total nonoperating revenues (expenses)	<u>18,538,649</u>	<u>(26,704,058)</u>	<u>(4,590,293)</u>	<u>12,475,174</u>	<u>(280,528)</u>	<u>(418,526)</u>
Income (loss) before transfers	<u>7,148,426</u>	<u>485,771</u>	<u>27,389,032</u>	<u>10,777,870</u>	<u>45,801,099</u>	<u>(1,866,413)</u>
Transfers						
Transfers in	24,747	22,552,947	-	2,096,622	24,674,316	272,433
Transfers out	-	(8,505,494)	(1,292,674)	(11,867,623)	(21,665,791)	(237,009)
Change in net assets	<u>7,173,173</u>	<u>14,533,224</u>	<u>26,096,358</u>	<u>1,006,869</u>	<u>48,809,624</u>	<u>(1,830,989)</u>
Net assets, July 1	<u>192,674,984</u>	<u>(567,177,434)</u>	<u>280,048,782</u>	<u>42,490,381</u>		<u>58,053,252</u>
Net assets, June 30	<u>\$ 199,848,157</u>	<u>\$ (552,644,210)</u>	<u>\$306,145,140</u>	<u>\$ 43,497,250</u>		<u>\$ 56,222,263</u>

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

46,278

\$ 48,855,902

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, 2012

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
Cash flows from operating activities						
Receipts from customers and users	\$ 10,201,399	\$ 496,518,496	\$ -	\$ 71,473,476	\$ 578,193,371	\$ 67,184,891
Receipts for interfund services provided	32,933	3,125,561	-	3,737,565	6,896,059	258,591,556
Receipts from component units	-	-	-	-	-	72,895,901
Receipts of principal on loans/notes	57,086,611	-	22,569,414	-	79,656,025	5,000
Receipts of interest on loans/notes	38,829,398	-	8,041,770	-	46,871,168	-
Receipts from federal government	10,699,950	770,378,985	29,616,332	-	810,695,267	-
Payments to suppliers, other governments and beneficiaries	(17,194,914)	(1,267,458,874)	(4,278,017)	(21,270,183)	(1,310,201,988)	(331,004,819)
Payments to employees	(2,634,210)	-	(374,196)	(30,846,924)	(33,855,330)	(30,200,107)
Payments for interfund services	(678,320)	-	(93,613)	(6,091,381)	(6,863,314)	(19,940,104)
Payments to component units	-	-	-	(4,597,155)	(4,597,155)	(241,290)
Purchase of loans and notes	(56,029,732)	-	(33,151,142)	-	(89,180,874)	-
Net cash provided by (used for) operating activities	40,313,115	2,564,168	22,330,548	12,405,398	77,613,229	17,291,028
Cash flows from noncapital financing activities						
Grant receipts	9,016,494	-	-	3,827,847	12,844,341	-
Advances from federal government	-	314,946,333	-	-	314,946,333	-
Proceeds from sale of bonds	48,346,000	-	34,701,425	-	83,047,425	-
Transfers and advances from other funds	24,747	22,552,947	-	2,096,701	24,674,395	298,769
Payment on federal advance	-	(367,674,983)	-	-	(367,674,983)	-
Payment on refunding bonds	-	-	(31,770,035)	-	(31,770,035)	-
Principal paid on noncapital debt	(157,975,418)	-	(8,690,000)	-	(166,665,418)	-
Interest paid on noncapital debt	(27,073,322)	(22,552,947)	(3,841,330)	-	(53,467,599)	-
Issue costs	(1,186,721)	-	-	-	(1,186,721)	-
Transfers and advances to other funds	-	(8,722,256)	(1,480,328)	(10,920,589)	(21,123,173)	(336,289)
Payments to other governments and organizations	(8,783,330)	-	(9,987)	-	(8,793,317)	-
Net cash provided by (used for) noncapital financing activities	(137,631,550)	(61,450,906)	(11,090,255)	(4,996,041)	(215,168,752)	(37,520)
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	-	5,100	5,100	175,422
Purchase of capital assets	-	-	-	(239,158)	(239,158)	(1,759,112)
Principal paid on capital debt	-	-	-	(174,703)	(174,703)	(1,887,949)
Interest paid on capital debt	-	-	-	(442,349)	(442,349)	(33,602)
Payments on construction projects	-	-	-	(81,620)	(81,620)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	(932,730)	(932,730)	(3,505,241)
Cash flows from investing activities						
Proceeds from sale of investments	688,205,354	-	-	192,988,060	881,193,414	-
Purchase of investments	(609,204,207)	-	-	(192,914,677)	(802,118,884)	-
Interest, dividends and gains (losses)	18,808,252	-	(1,746,337)	2,914,377	19,976,292	(816,296)
Net cash provided by (used for) investing activities	97,809,399	-	(1,746,337)	2,987,760	99,050,822	(816,296)
Net increase (decrease) in cash	490,964	(58,886,738)	9,493,956	9,464,387	(39,437,431)	12,931,971
Cash and cash equivalents, July 1	5,764,091	80,178,629	84,428,882	54,288,546	224,660,148	142,913,203
Cash and cash equivalents, June 30	\$ 6,255,055	\$ 21,291,891	\$ 93,922,838	\$ 63,752,933	\$ 185,222,717	\$ 155,845,174

	Enterprise Funds					Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Other Enterprise Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (11,390,223)	\$ 27,189,829	\$ 31,979,325	\$ (1,697,304)	\$ 46,081,627	\$ (1,447,887)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	-	-	-	364,982	364,982	3,872,175
Amortization	-	-	-	-	-	214,246
Bond issuance costs amortization	1,170,280	-	379,090	-	1,549,370	-
Interest on bonds payable	26,444,014	-	-	-	26,444,014	-
Decrease (increase) in loans and notes receivable	22,310,609	-	(10,581,728)	-	11,728,881	5,000
Decrease (increase) in accrued interest and receivables	58,775	(17,301,876)	578,571	(3,762,007)	(20,426,537)	3,969,406
Decrease (increase) in inventory, deferred charges, other assets	3,913,659	-	-	(123,711)	3,789,948	140,691
Increase (decrease) in accounts payable, accruals, other liabilities	(2,193,999)	(7,323,785)	(24,710)	17,623,438	8,080,944	10,537,408
Other adjustments	-	-	-	-	-	(11)
Total adjustments	51,703,338	(24,625,661)	(9,648,777)	14,102,702	31,531,602	18,738,915
Net cash provided by (used for) operating activities	\$ 40,313,115	\$ 2,564,168	\$ 22,330,548	\$ 12,405,398	\$ 77,613,229	\$ 17,291,028
Noncash investing, capital and financing activities						
Conversion of bonds	\$ 66,940,000	\$ -	\$ -	\$ -	\$ 66,940,000	\$ -
Increase (decrease) in fair value of investments	-	-	-	5,971,232	5,971,232	-

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

Statement of Fiduciary Net Assets

Fiduciary Funds



NEVADA

June 30, 2012

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Cash and pooled investments:				
Cash with treasurer	\$ 1,528,963	\$ 9,332	\$ 5,134,366	\$ 81,247,513
Cash in custody of other officials	593,524,578	10,725,936	6,619,077	38,814,981
Investments:				
Investments	940,236	1,064,442,063	9,182,521,279	189,224,684
Fixed income securities	7,146,546,121	-	-	-
Marketable equity securities	10,191,138,667	-	-	-
International securities	5,998,645,275	-	-	-
Real estate	1,274,776,786	-	-	-
Alternative investments	823,381,966	-	-	-
Collateral on loaned securities	4,282,354,105	-	-	-
Receivables:				
Accounts receivable	-	-	130,361	-
Accrued interest and dividends	98,664,392	2,142,101	1,398,795	-
Taxes receivable	-	-	-	45,941,051
Trades pending settlement	100,598,488	151,327	747,658	-
Intergovernmental receivables	106,338,087	-	6,508	100,713
Contributions receivable	-	-	7,378,873	-
Other receivables	-	-	-	109,395
Due from other funds	106,963	-	182,150	458,521,181
Due from fiduciary funds	17,540,862	-	-	10,386,098
Due from component unit	1,089,169	-	-	-
Other assets	1,943,229	-	-	-
Furniture and equipment	38,012,927	-	-	-
Accumulated depreciation	(34,477,355)	-	-	-
Total assets	30,642,653,459	1,077,470,759	9,204,119,067	824,345,616
Accounts payable and accruals:				
Accounts payable	12,450,955	139,746	1,828,504	-
Accrued payroll and related liabilities	-	-	-	3,770
Intergovernmental payables	-	5,176	23,220	504,331,783
Redemptions payable	-	-	2,153,248	-
Trades pending settlement	334,653,478	11,353,105	2,075,735	-
Bank overdraft	-	-	453,000	-
Obligations under securities lending	4,324,339,085	-	-	-
Due to other funds	2,402,664	37,518	634,884	-
Due to fiduciary funds	-	-	33,477	27,893,483
Other liabilities:				
Deposits	-	-	-	285,729,611
Other liabilities	-	-	-	6,386,969
Total liabilities	4,673,846,182	11,535,545	7,202,068	824,345,616
Held in trust for:				
Employees' pension benefits	25,967,529,585	-	-	-
OPEB benefits	1,277,692	-	-	-
Pool participants	-	1,065,935,214	-	-
Individuals	-	-	9,196,916,999	-
Total net assets	\$ 25,968,807,277	\$ 1,065,935,214	\$ 9,196,916,999	\$ -

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, 2012

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Contributions:			
Employer	\$ 1,368,166,392	\$ -	\$ -
Plan members	98,209,337	-	-
Participants	-	-	2,328,941,249
Repayment and purchase of service	37,993,705	-	-
Total contributions	1,504,369,434	-	2,328,941,249
Investment income:			
Net increase (decrease) in fair value of investments	34,725,381	(2,548,438)	(81,283,496)
Interest, dividends	673,857,038	12,979,485	212,318,586
Net securities lending income	(3,406,661)	-	-
Other	91,642,326	-	-
	796,818,084	10,431,047	131,035,090
Less investment expense:			
Other	(29,022,141)	(30,761)	-
Net investment income	767,795,943	10,400,286	131,035,090
Other:			
Investment from local governments	-	781,043,373	-
Reinvestment from interest income	-	685,478	-
Other	2,138,652	312	-
Total other	2,138,652	781,729,163	-
Total additions	2,274,304,029	792,129,449	2,459,976,339
Principal redeemed	-	840,089,025	1,398,789,751
Benefit payments	1,588,595,395	-	17,600,480
Refunds	27,783,467	-	-
Contribution distributions	1,660,482	-	-
Dividends to investors	-	735,093	-
Administrative expense	10,111,946	644,129	21,695,787
Transfer out	-	-	-
Total deductions	1,628,151,290	841,468,247	1,438,086,018
Change in net assets	646,152,739	(49,338,798)	1,021,890,321
Net assets, July 1	25,322,654,538	1,115,274,012	8,175,026,678
Net assets, June 30	\$ 25,968,807,277	\$ 1,065,935,214	\$ 9,196,916,999

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



"Hopeless Reflection"
Taylor Cobb

Provided by the Nevada Museum of Art



INDEX

Note 1 - Summary of Significant Accounting Policies.....	48
Note 2 - Budgetary and Legal Compliance.....	54
Note 3 - Deposits and Investments.....	55
Note 4 - Receivables.....	62
Note 5 - Interfund Transactions.....	63
Note 6 - Restricted Assets.....	66
Note 7 - Capital Assets.....	66
Note 8 - Long-Term Obligations.....	68
Note 9 - Pensions and Other Employee Benefits.....	74
Note 10 - Risk Management.....	79
Note 11 - Fund Balances and Net Assets.....	80
Note 12 - Principal Tax Revenues.....	81
Note 13 - Works of Art and Historical Treasures.....	82
Note 14 - Commitments and Contingencies.....	83
Note 15 - Subsequent Events.....	85



NEVADA

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

The *Retirement Benefits Investment Fund* (RBIF) was created by NRS 355.220 (2) for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

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 are 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 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.



(Note 1 Continued)

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
- *Retirement Benefits Investment Fund*
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 inter-fund activity has been removed from these statements. Inter-fund 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. Addition-

al 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 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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities



(Note 1 Continued)

and enterprise funds, subject to this same limitation. The State has elected not to follow subsequent private-sector guidance.

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 policy of the State is to expend restricted revenues first in a fund, followed by unrestricted revenues.

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.

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

The State reports the following major enterprise funds:

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, prison industry and higher education tuition trust.

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

Fiduciary Fund Types:

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



NEVADA

(Note 1 Continued)

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

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

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

D. 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, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are investment trust funds as defined in

Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitation of section 355.170 of Nevada Revised Statutes. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. Wells Fargo Trust Operations is the custodian and transfer agent for both the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust funds. The Bank of New York Mellon is the custodian and transfer agent for the Retirement Benefits Investment Fund.

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

Investments are discussed further in Note 3.

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

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.



(Note 1 Continued)

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 nonspendable fund balance 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 nonspendable fund balance to indicate that they are unavailable for appropriation.

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

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net 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. Interest incurred during construction is only capitalized in proprietary funds.

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

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

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

Compensated Absences - 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 a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Assets, the accrued compensated absences for both proprietary and governmental fund types is reported.

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 expenses.



NEVADA

(Note 1 Continued)

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

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

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The State's policy is to spend restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

Note 11 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

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

Stabilization Arrangement - NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2012 is \$84,737,276.

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 (as they become susceptible to accrual [measureable and available] under the modified accrual basis of accounting.) The State considers revenues as available if they are collected within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

**Note 2 - Budgetary and Legal Compliance****Budgetary Process and Control**

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

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

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of \$20,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or \$50,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling \$29,035,504 were made in the 2012 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, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

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

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



NEVADA

Note 3 - Deposits and Investments

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

A. Deposits

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

- The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2012, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled \$65,760,357, of which \$4,920,029 was uncollateralized and uninsured.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2012 NSHE's deposits in money market funds totaled \$186,277,000 and cash in bank was \$18,409,000. Of these balances, \$250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

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

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

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

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

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

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

- The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays Aggregate Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2012 (expressed in thousands):

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2012



NEVADA

(Note 3 Continued)

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	\$ 418,153	\$ 202,046	\$ 201,354	\$ 6,229	\$ 8,524
Negotiable certificate of deposit	34,997	34,997	-	-	-
U. S. agencies	6,942,452	1,285,846	1,924,612	858,339	2,873,655
Mutual funds	9,775	9,775	-	-	-
Asset backed corporate securities	289,459	162,106	100,184	15,073	12,096
Corporate bonds and notes	2,117,791	108,954	776,323	680,657	551,857
Commercial paper	51,969	51,969	-	-	-
Fixed income securities	21,869	21,869	-	-	-
International investments	1,680,823	42,227	671,914	495,918	470,764
Municipal bonds	649,210	9,191	100,010	46,783	493,226
Investment agreements	3,998	-	-	446	3,552
Other short-term investments	681,435	681,435	-	-	-
Collateralized mortgage obligations	237,556	4,872	17,722	42,807	172,155
Total	\$ 13,139,487	\$ 2,615,287	\$ 3,792,119	\$ 2,146,252	\$ 4,585,829

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The mutual funds held by Vanguard, USAA, Upromise, and Putnam have various maturities from 19 days to 11.3 years and are not included in the table above.

Component Units – The Nevada System of Higher Education’s (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2012 (expressed in thousands):

Less than 1 year	\$ 209,617
1 to 5 years	150,324
6 to 10 years	18,986
More than 10 years	-
Total	\$ 378,927

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

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

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

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

The State’s investments as of June 30, 2012 were rated by Standard & Poor’s and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor’s rating scale (at fair value, expressed in thousands):

(Note 3 Continued)

	Quality Rating						Unrated
	AAA	AA	A	BBB	BB	B	
Negotiable certificate of deposit	\$ -	\$ -	\$ 34,997	\$ -	\$ -	\$ -	\$ -
U.S. agencies	128,274	3,442,239	514,771	-	-	-	194,931
Mutual funds	9,517	-	-	-	-	-	8,949,577
Asset backed corporate securities	138,803	13,914	130,637	104	11	777	4,089
Corporate bonds and notes	78,503	317,509	997,034	663,572	26,818	277	21,220
Commercial paper	-	-	51,969	-	-	-	-
Fixed income securities	-	-	-	-	-	-	21,851
International investments	143,744	61,425	147,863	177,486	13	-	1,150,291
Municipal bonds	-	649,210	-	-	-	-	-
Investment agreements	-	-	1,627	1,576	-	450	345
Other short-term investments	199,154	63,606	27,023	-	-	-	541,990
Collateralized mortgage obligations	98,699	22,621	20,500	23,822	2,100	-	24,506
Total	\$ 796,694	\$ 4,570,524	\$ 1,926,421	\$ 866,560	\$ 28,942	\$ 1,504	\$ 10,908,800

As of June 30, 2012, the State of Nevada held debt obligations of Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. declared bankruptcy. The ultimate value of the State's debt securities will not be known until the bankruptcy proceedings are completed. However, debt obligations of Lehman Brothers Holdings Inc. held by the State were marked to market at June 30, 2012.

Component Unit – The NSHE's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2012 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	\$ 487,181
Partnerships	96,187
Equities	5,454
Endowment cash/cash equivalents	1,718
Trust(s)	5,563
Private commingled funds	96,951
Total	\$ 693,054

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2012, the following investments exceeded 5% of the Primary Government and Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	Percentage
Primary government		
Federal Home Loan Bank	\$ 577,940	18.23%
Federal National Mortgage Assoc	261,088	8.24%
So Nevada Water Authority	216,410	6.83%
Investment Trust Funds		
Federal Home Loan Bank	197,671	17.33%
Federal National Mortgage Assoc	156,639	13.74%
Federal Home Loan Mortgage Corp	129,886	11.39%

At June 30, 2012, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal National Mortgage Association	\$ 17,557	12.30%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2012, the Housing Division's investments in Fannie Mae and Ginnie Mae are 13% and 39% respectively, of the Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

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

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any



(Note 3 Continued)

deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. The following table summarizes the pension and other employee benefit trust funds and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2012 (expressed in thousands):

Currency by Investment and Fair Value					
	Fixed Income	Equity	Derivatives	Cash	Total
Australian Dollar	\$ 17,956	\$ 274,114	\$ -	\$ 608	\$ 292,678
British Pound Sterling	100,366	870,588	1,800	4,135	976,889
Canadian Dollar	36,405	21,300	-	1,925	59,630
Danish Krone	10,179	40,728	300	618	51,825
Euro	493,709	1,119,569	-	2,517	1,615,795
Hong Kong Dollar	-	105,160	-	206	105,366
Israeli Shekel	-	16,348	-	101	16,449
Japanese Yen	603,466	698,372	(2,500)	7,863	1,307,201
Malaysian Ringgit	2,950	-	-	505	3,455
Mexican New Peso	17,395	-	-	1,313	18,708
New Zealand Dollar	-	3,535	-	-	3,535
Norwegian Krone	3,522	61,461	-	304	65,287
Polish Zloty	8,971	-	-	407	9,378
Singapore Dollar	4,828	72,824	-	417	78,069
Swedish Krona	7,261	94,007	-	706	101,974
Swiss Franc	2,140	335,066	-	2,506	339,712
Total	\$ 1,309,148	\$ 3,713,072	\$ (400)	\$ 24,131	\$ 5,045,951

Private Purpose Trust Fund - The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consists of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, and Putnam for America Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments, natural disasters and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the above portfolios in U.S. dollars as of June 30, 2012 (expressed in thousands):

	Currency at Fair Value
Japanese Yen	\$ 4
Taiwan Dollar	18
Total	\$ 22

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$126,490,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2012.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed

is determined on a daily basis. There were no securities on loan at June 30, 2012 (excluding PERS).

Public Employees' Retirement System (PERS) - The system also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

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

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

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2012



NEVADA

(Note 3 Continued)

The fair value of underlying securities on loan at June 30, 2012 is \$4,218,327,724. Cash collateral received in securities lending arrangements is reported on the Statement of Fiduciary Net Assets as an asset with a related liability. At June 30, 2012, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Primary Government – The Office of the State Treasurer’s investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective May 2011 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2012.

Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds – The PERS, LRS, JRS, and RBIF have exposure to derivatives as of June 30, 2012. Furthermore, the State Retirees’ Health and Welfare Benefits Fund, an other employee benefit trust fund, has investments held with the RBIF. Foreign exchange forward contracts are periodically employed by PERS, LRS, JRS, and RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject both to market risk and to counterparty risk. The derivatives utilized typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolios. Counterparty risk, the risk that the “other party” to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. The PERS, LRS, JRS, and RBIF’s derivative transactions for fiscal year 2012 are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts					
	Purchases	Realized Gain (Loss)	Sells	Realized Gain (Loss)	Total Realized Gain (Loss)
Australian Dollar	\$ 39,700	\$ (125)	\$ (16,015)	\$ (45)	\$ (170)
British Pound Sterling	140,755	(888)	(63,699)	(181)	(1,069)
Canadian Dollar	20,049	23	(4,866)	(23)	-
Danish Krone	12,020	(100)	(2,319)	5	(95)
Euro	314,752	(585)	(182,431)	(127)	(712)
Hong Kong Dollar	13,305	(2)	(731)	-	(2)
Israeli Shekel	1,888	(4)	(469)	(1)	(5)
Japanese Yen	168,560	213	(74,030)	(304)	(91)
Malaysian Ringgit	23	-	-	-	-
Mexican New Peso	1,660	1	(1,739)	(66)	(65)
New Zealand Dollar	303	1	(102)	5	6
Norwegian Krone	14,278	(41)	(4,317)	(10)	(51)
Polish Zloty	1,858	(10)	(1,467)	(7)	(17)
Singapore Dollar	8,772	(23)	(2,828)	(19)	(42)
Swedish Krona	14,158	(131)	(16,488)	(29)	(160)
Swiss Franc	48,425	(116)	(17,531)	129	13
Total	\$ 800,506	\$ (1,787)	\$ (389,032)	\$ (673)	\$ (2,460)

The PERS derivative pending transactions as of June 30, 2012, are summarized in the following table (expressed in thousands):

Foreign Exchange Contracts					
	Purchases	Unrealized Gain (Loss)	Sells	Unrealized Gain (Loss)	Total Unrealized Gain (Loss)
British Pound Sterling	\$ 1,815	\$ 19	\$ -	\$ -	\$ 19
Danish Krone	259	5	-	-	5
Euro	77	2	-	-	2
Japanese Yen	-	-	(2,521)	7	7
Total	\$ 2,151	\$ 26	\$ (2,521)	\$ 7	\$ 33



(Note 3 Continued)

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

Private Purpose Trust Fund – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds, and non-Putnam managed mutual funds. The Portfolios use five types of derivatives: futures contracts, forward currency contracts, total return swap contracts, interest rate swap contracts, and credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All five types of derivatives are considered investments. The fair value amount in the table below represents the unrealized appreciation (depreciation) from derivative financial instruments and is reported in the Statement of Fiduciary Net Assets. The net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Assets. The Portfolios' investment derivative instruments as of June 30, 2012, and changes in fair value for the year then ended are summarized in the following table (expressed in thousands):

	Contracts/ Notional Amounts	Fair Value	Change in Fair Value
Interest Rate Swap Contracts, gross	\$ 22,085	\$ 11	\$ 11
Total Return Swap Contracts, gross	1	55	(12)
Credit Default Contracts, gross	19,423	(51)	(14)
Forward Currency Contracts, net	112,598	(157)	(42)
Futures Contracts, gross	-	59	(90)
Total	\$ 154,107	\$ (83)	\$ (147)

The Portfolios use futures contracts to hedge interest rate risk, gain exposure to interest rates, hedge prepayment risk, equitize cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

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

The Portfolios entered into total return swap contracts to hedge sector exposure, manage exposure to specific sectors or industries, manage exposure to credit risk, and gain exposure to specific markets or countries. Total return swap contracts are arrangements to exchange a market linked return for a periodic payment both based on a notional principal amount. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolios will receive a payment from or make a payment to the counterparty. Total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios' maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Assets.

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

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2012



NEVADA

(Note 3 Continued)

The Portfolios entered into credit default contracts to hedge credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In a credit default contract, the protection buyer typically makes an up-front payment and periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting credit default contracts which could mitigate their risk of loss. The maximum risk of

loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount of the relevant credit default contract.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. The maximum amount of loss due to credit risk is defined as the fair value of the derivative. As of June 30, 2012, over the counter derivative counterparties had ratings that were either greater than or equivalent to long-term ratings of Ba1/A and short-term ratings P-1 /A-1 except for futures contracts. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. The extent of diversification among counterparties is presented below (at fair value, expressed in thousands):

Counterparty	Interest Rate Swap	Total Return Swap	Credit Default	Forward Currency	Futures	Total
Bank of America, N.A.	\$ -	\$ -	\$ (9)	\$ 1	\$ -	\$ (8)
Barclays Bank PLC	-	-	-	(25)	-	(25)
Citibank, N.A.	-	55	-	(33)	-	22
Credit Suisse AG	11	-	25	(12)	-	24
Deutsche Bank AG	-	-	-	(19)	-	(19)
HSBC Bank USA, National Association	-	-	-	(34)	-	(34)
JPMorgan Chase Bank, N.A.	-	-	(67)	(43)	-	(110)
Royal Bank of Scotland PLC (The)	-	-	-	2	-	2
State Street Bank and Trust Co.	-	-	-	9	-	9
UBS AG	-	-	-	15	-	15
Westpac Banking Corp.	-	-	-	(18)	-	(18)
Subtotal	11	55	(51)	(157)	-	(142)
MSCI EAFE	-	-	-	-	70	70
NASDAQ	-	-	-	-	(28)	(28)
S&P 500	-	-	-	-	(10)	(10)
U.S. Treasury	-	-	-	-	27	27
Total	\$ 11	\$ 55	\$ (51)	\$ (157)	\$ 59	\$ (83)

All five types of investment derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2012 (expressed in thousands):

	Maturities in Years				
	Less than 1	1-5	6-10	Greater than 10	Total
Interest Rate Swap Contracts	\$ -	\$ (2)	\$ -	\$ 9	\$ 11
Total Return Swap Contracts	55	-	-	-	55
Credit Default Contracts	-	(51)	-	-	(51)
Forward Currency Contracts	(157)	-	-	-	(157)
Futures Contracts	59	-	-	-	59
Total	\$ (43)	\$ (53)	\$ 4	\$ 9	\$ (83)

The Portfolios' investments in foreign securities are subject to foreign currency risk. The following table provides information about the foreign exchange contracts from open/pending forward contracts as of June 30, 2012 (expressed in thousands):

(Note 3 Continued)

Forward Currency Contracts					
	Buy	Fair Value	Sell	Fair Value	Total Fair Value
Australian Dollar	\$ 6,824	\$ 158	\$ 5,689	\$ (222)	\$ (64)
Brazilian Real	748	5	520	(3)	2
British Pound	6,275	78	4,653	(58)	20
Canadian Dollar	2,562	29	4,516	(44)	(15)
Chilean Peso	1,129	8	860	(8)	-
Czech Koruna	1,770	15	3,015	(38)	(23)
Euro	11,138	201	14,906	(217)	(16)
Hong Kong Dollar	192	-	8	-	-
Hungarian Forint	591	22	443	(28)	(6)
Indian Rupee	-	-	137	(1)	(1)
Japanese Yen	8,948	(84)	8,664	88	4
Malaysian Ringgit	-	-	56	-	-
Mexican Peso	763	13	1,084	(28)	(15)
New Zealand Dollar	-	-	534	(22)	(22)
Norwegian Krone	4,945	104	4,696	(108)	(4)
Philippines Peso	122	3	-	-	3
Polish Zloty	331	5	420	(18)	(13)
Singapore Dollar	15	-	375	(4)	(4)
South African Rand	448	1	359	(19)	(18)
South Korean Won	586	6	89	(3)	3
Swedish Krona	4,141	88	2,810	(86)	2
Swiss Franc	1,759	34	1,400	(28)	6
Taiwan Dollar	6	(1)	274	(1)	(2)
Thai Baht	134	(1)	-	-	(1)
Turkish Lira	2,254	19	1,409	(12)	7
Total	\$ 55,681	\$ 703	\$ 56,917	\$ (860)	\$ (157)

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

	Foreign Currency
Japanese Yen	\$ 4
Taiwan Dollar	18
Total	\$ 22

Note 4 - Receivables

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

	Major Funds		
	General	Consolidated Bond Interest and Redemption	Total
As shown on financial statements:			
Intergovernmental receivables	\$ 304,258	\$ 105,979	\$ 410,237
Notes/loans receivable	12,096	-	12,096
Due from Component Unit	152	5,066	5,218
Total	\$ 316,506	\$ 111,045	\$ 427,551
Classified:			
Current portion	\$ 298,536	\$ 1,345	\$ 299,881
Noncurrent portion:			
Intergovernmental receivables	6,412	105,225	111,637
Notes/loans receivable	11,558	-	11,558
Due from Component Unit	-	4,475	4,475
Total noncurrent portion	17,970	109,700	127,670
Total	\$ 316,506	\$ 111,045	\$ 427,551

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$42.2 million, and uncollectible accounts receivable are estimated at \$96.8 million. The proprietary funds have \$65.9 million in uncollectible accounts receivable of which \$6.1 million are from uninsured employers' fines and penalties, and \$49.4 million are from unemployment contributions and benefit overpayments.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2012



NEVADA

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2012, follows (expressed in thousands):

	Advances From		
	Major Funds		
Advances To	Consolidated		
	Bond Interest		
	General	and Redemption	Total
Nonmajor enterprise	\$ 5,289	\$ -	\$ 5,289
Internal service	1,110	1,205	2,315
Total other funds	\$ 6,399	\$ 1,205	\$ 7,604

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

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

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

A summary of due from and due to other funds and component units at June 30, 2012, is shown below (expressed in thousands):

Due From	Due To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Permanent School	Nonmajor Governmental
Major Governmental Funds:						
General	\$ -	\$ 1,765	\$ 6	\$ 413	\$ 31	\$ 11,647
State Highway	1,222	-	-	-	-	182
Municipal Bond Bank	-	-	-	409	-	-
Consolidated Bond Interest and Redemption	165	-	-	-	-	17
Permanent School Fund	1,209	-	-	-	-	-
Nonmajor governmental	32,334	5,513	-	-	-	3,006
Total Governmental	34,930	7,278	6	822	31	14,852
Major Enterprise Funds:						
Housing Division	-	-	-	-	-	-
Unemployment Comp	-	-	-	-	-	1,930
Water Projects Loans	328	-	-	-	-	-
Nonmajor enterprise	1,975	9	-	-	-	-
Total Enterprise	2,303	9	-	-	-	1,930
Internal Service	698	129	-	151	-	74
Total other funds	\$ 37,931	\$ 7,416	\$ 6	\$ 973	\$ 31	\$ 16,856
Fiduciary	\$ 234	\$ -	\$ -	\$ -	\$ -	\$ 432
Component Units:						
Nevada System of Higher Education	\$ 152	\$ 1	\$ -	\$ 4,925	\$ -	\$ -
Colorado River Commission	-	-	-	141	-	-
Total Component Units	\$ 152	\$ 1	\$ -	\$ 5,066	\$ -	\$ -



(Note 5 Continued)

	Due To						
	Major Enterprise Funds		Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
	Housing Division	Water Projects Loans					
Due From							
Major Governmental Funds:							
General	\$ 47	\$ 550	\$ 1,172	\$ 1,769	\$ 3,736	\$ 19,367	\$ 457,664
State Highway	-	-	7	7	732	2,143	1,047
Municipal Bond Bank	-	-	-	-	-	409	-
Consolidated Bond Interest and Redemption	-	32	-	32	-	214	-
Permanent School Fund	-	-	-	-	-	1,209	-
Nonmajor governmental	-	-	7	7	257	41,117	11
Total Governmental	47	582	1,186	1,815	4,725	64,459	458,722
Major Enterprise Funds:							
Housing Division	-	-	-	-	3	3	-
Unemployment Comp	-	-	-	-	-	1,930	-
Water Projects Loans	-	-	-	-	1	329	-
Nonmajor enterprise	-	-	1	1	122	2,107	74
Total Enterprise	-	-	1	1	126	4,369	74
Internal Service	-	-	2	2	211	1,265	14
Total other funds	\$ 47	\$ 582	\$ 1,189	\$ 1,818	\$ 5,062	\$ 70,093	\$ 458,810
Fiduciary	\$ -	\$ -	\$ 6	\$ 6	\$ 2,403	\$ 3,075	\$ 27,927
Component Units:							
Nevada System of Higher Education	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ 5,130	\$ 1,089
Colorado River Commission	-	-	-	-	1	142	-
Total Component Units	\$ -	\$ -	\$ -	\$ -	\$ 53	\$ 5,272	\$ 1,089

	Due To		
	Component Units		Total Component Units
	Nevada System of Higher Education	Colorado River Commission	
Due From			
Major Governmental Funds:			
General	\$ 6,457	\$ 45	\$ 6,502
State Highway	133	-	133
Consolidated Bond Interest and Redemption	-	28	28
Nonmajor governmental	13,176	-	13,176
Total Governmental Funds	19,766	73	19,839
Major Enterprise Funds:			
Water Projects Loans	21	-	21
Nonmajor enterprise	33	-	33
Total Enterprise	54	-	54
Internal Service	16	-	16
Total	\$ 19,836	\$ 73	\$ 19,909

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

(Note 5 Continued)

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2012, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					Total Governmental
	General	State Highway	Municipal Bond Bank	Cons Bond Interest and Redemption	Permanent School	
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 6,462	\$ -	\$ 150	\$ 2,007	\$ 39,800
State Highway	958	-	-	-	-	5,511
Consolidated Bond Interest and Redemption	4,967	-	30,014	-	-	9,793
Nonmajor governmental	33,869	601	-	-	-	1
Total Governmental	39,794	7,063	30,014	150	2,007	55,105
Major Enterprise Funds:						
Housing	25	-	-	-	-	-
Unemployment	-	-	-	-	-	22,553
Nonmajor enterprise	2,097	-	-	-	-	-
Total Enterprise	2,122	-	-	-	-	22,553
Internal Service	173	99	-	-	-	-
Total other funds	\$ 42,089	\$ 7,162	\$ 30,014	\$ 150	\$ 2,007	\$ 77,658

	Transfers Out/To				
	Major Enterprise Fund		Nonmajor Enterprise	Total Enterprise	Internal Service
	Unemployment Compensation	Water Projects Loans			
Transfers In/From					
Major Governmental Funds:					
General	\$ -	\$ 1,293	\$ 11,868	\$ 13,161	\$ 186
State Highway	-	-	-	-	1
Consolidated Bond Interest and Redemption	-	-	-	-	-
Nonmajor governmental	8,505	-	-	8,505	50
Total Governmental	8,505	1,293	11,868	21,666	237
Major Enterprise Funds:					
Housing	-	-	-	-	-
Unemployment	-	-	-	-	-
Nonmajor enterprise	-	-	-	-	-
Total Enterprise	-	-	-	-	-
Internal Service	-	-	-	-	-
Total other funds	\$ 8,505	\$ 1,293	\$ 11,868	\$ 21,666	\$ 237

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 of \$23 million from the General Fund to pay interest on the federal advances. The transfer was made to Employment Security (a nonmajor special revenue fund), which then transferred it to the Unemployment Compensation Fund where the interest payment was made.

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 \$483 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.

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2012



NEVADA

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, 2012 are as follows (expressed in thousands):

	Business-Type Activities	Total Primary Government	Component Units
Restricted:			
Cash	\$ -	\$ -	\$ 24,832
Investments	103,361	103,361	32,245
Total	<u>\$ 103,361</u>	<u>\$ 103,361</u>	<u>\$ 57,077</u>
Restricted for:			
Debt service	\$ 103,361	\$ 103,361	\$ 3,267
Construction	-	-	16,110
Other purposes	-	-	37,700
Total	<u>\$ 103,361</u>	<u>\$ 103,361</u>	<u>\$ 57,077</u>

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2012, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 138,485	\$ 5,516	\$ -	\$ 144,001
Construction in progress	195,698	65,124	(121,642)	139,180
Infrastructure	3,344,626	131,474	-	3,476,100
Rights-of-way	595,018	14,587	(188)	609,417
Total capital assets, not being depreciated	<u>4,273,827</u>	<u>216,701</u>	<u>(121,830)</u>	<u>4,368,698</u>
Capital assets, being depreciated/amortized				
Buildings	1,512,952	97,163	-	1,610,115
Improvements other than buildings	120,913	-	-	120,913
Furniture and equipment	371,993	13,290	(7,327)	377,956
Software costs	155,203	18,464	(208)	173,459
Total capital assets, being depreciated/amortized	<u>2,161,061</u>	<u>128,917</u>	<u>(7,535)</u>	<u>2,282,443</u>
Less accumulated depreciation/amortization for:				
Buildings	(430,890)	(38,159)	-	(469,049)
Improvements other than buildings	(69,536)	(4,478)	-	(74,014)
Furniture and equipment	(290,691)	(24,380)	6,860	(308,211)
Software costs	(146,285)	(3,258)	203	(149,340)
Total accumulated depreciation/amortization	<u>(937,402)</u>	<u>(70,275)</u>	<u>7,063</u>	<u>(1,000,614)</u>
Total capital assets, being depreciated/amortized, net	<u>1,223,659</u>	<u>58,642</u>	<u>(472)</u>	<u>1,281,829</u>
Governmental activities capital assets, net	<u>\$ 5,497,486</u>	<u>\$ 275,343</u>	<u>\$ (122,302)</u>	<u>\$ 5,650,527</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 568	\$ -	\$ -	\$ 568
Construction in progress	8,525	82	-	8,607
Total capital assets, not being depreciated	<u>9,093</u>	<u>82</u>	<u>-</u>	<u>9,175</u>
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	5,614	280	(7)	5,887
Total capital assets, being depreciated	<u>9,634</u>	<u>280</u>	<u>(7)</u>	<u>9,907</u>
Less accumulated depreciation for:				
Buildings	(2,518)	(103)	-	(2,621)
Improvements other than buildings	(569)	(2)	-	(571)
Furniture and equipment	(4,875)	(301)	7	(5,169)
Total accumulated depreciation	<u>(7,962)</u>	<u>(406)</u>	<u>7</u>	<u>(8,361)</u>
Total capital assets, being depreciated, net	<u>1,672</u>	<u>(126)</u>	<u>-</u>	<u>1,546</u>
Business-type activities capital assets, net	<u>\$ 10,765</u>	<u>\$ (44)</u>	<u>\$ -</u>	<u>\$ 10,721</u>

(Note 7 Continued)

The increase in accumulated depreciation for the business-type activities includes depreciation expense of \$364,982 and an adjustment of \$40,800 to correct accumulated depreciation. Also included in the table above are three Department of Correction facilities that have been closed and are idle, with a carrying value of \$12.2 million as of June 30, 2012.

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

Governmental activities:	
General government	\$ 3,837
Education, support services	2,517
Health, social services	10,174
Law, justice, public safety	29,173
Recreation, resource development	5,752
Transportation	11,178
Regulation of business	1,803
Unallocated	1,755
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	4,086
Total depreciation/amortization expense - governmental activities	\$ 70,275
Business-type activities:	
Enterprise	\$ 365
Total depreciation expense - business-type activities	\$ 365

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2012, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	\$ 75,776	\$ 40,211	\$ (89,078)	\$ 26,909
Land	82,627	-	-	82,627
Intangibles	808	-	-	808
Collections	11,304	320	(309)	11,315
Total capital assets, not being depreciated	170,515	40,531	(89,387)	121,659
Capital assets, being depreciated				
Buildings	2,241,786	105,147	(25,818)	2,321,115
Land and improvements	112,728	1,254	-	113,982
Machinery and equipment	324,583	24,498	(15,277)	333,804
Intangibles	36,839	2,748	-	39,587
Library books and media	121,369	3,336	(4,831)	119,874
Total capital assets, being depreciated	2,837,305	136,983	(45,926)	2,928,362
Less accumulated depreciation for:				
Buildings	(599,436)	(56,757)	8,260	(647,933)
Land and improvements	(81,760)	(3,944)	-	(85,704)
Machinery and equipment	(223,362)	(25,900)	13,842	(235,420)
Intangibles	(7,254)	(4,022)	-	(11,276)
Library books and media	(109,894)	(5,066)	4,536	(110,424)
Total accumulated depreciation	(1,021,706)	(95,689)	26,638	(1,090,757)
Total capital assets, being depreciated, net	1,815,599	41,294	(19,288)	1,837,605
Nevada System of Higher Education activity capital assets, net	\$ 1,986,114	\$ 81,825	\$ (108,675)	\$ 1,959,264


Note 8 - Long-Term Obligations
A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2012 (expressed in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 1,952,885	\$ 218,610	\$ (301,040)	\$ 1,870,455	\$ 106,775
Special obligation bonds	612,045	66,490	(120,800)	557,735	53,300
Subtotal	2,564,930	285,100	(421,840)	2,428,190	160,075
Issuance premiums on bonds	104,921	40,530	(26,942)	118,509	14,244
Total bonds payable	<u>2,669,851</u>	<u>325,630</u>	<u>(448,782)</u>	<u>2,546,699</u>	<u>174,319</u>
Certificates of participation	55,475	-	(1,660)	53,815	1,815
Issuance premiums on certificates of participation	591	-	(99)	492	98
Total certificates of participation	56,066	-	(1,759)	54,307	1,913
Other Governmental long-term activities:					
Obligations under capital leases	30,970	-	(2,575)	28,395	1,688
Compensated absences obligations	99,757	68,126	(74,398)	93,485	59,509
Arbitrage rebate liability	1,479	-	(680)	799	732
Total other governmental long-term activities	132,206	68,126	(77,653)	122,679	61,929
Governmental activities long-term obligations	<u>\$ 2,858,123</u>	<u>\$ 393,756</u>	<u>\$ (528,194)</u>	<u>\$ 2,723,685</u>	<u>\$ 238,161</u>
Business-type activities:					
Bonds payable					
General obligation bonds	\$ 108,975	\$ 31,280	\$ (38,575)	\$ 101,680	\$ 9,565
Special obligation bonds	920,508	48,346	(157,962)	810,892	13,626
Subtotal	1,029,483	79,626	(196,537)	912,572	23,191
Issuance premiums	2,465	3,661	(1,142)	4,984	664
Total bonds payable	1,031,948	83,287	(197,679)	917,556	23,855
Compensated absences obligations	1,754	1,199	(1,309)	1,644	989
Federal unemployment advance	773,160	314,947	(367,675)	720,432	-
Tuition benefits payable	141,975	23,254	(6,133)	159,096	13,337
Arbitrage rebate liability	37	-	(37)	-	-
Business-type activities long-term obligations	<u>\$ 1,948,874</u>	<u>\$ 422,687</u>	<u>\$ (572,833)</u>	<u>\$ 1,798,728</u>	<u>\$ 38,181</u>

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

B. Bonds Payable

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

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

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2012 are comprised of the following (expressed in thousands):

(Note 8 Continued)

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	3.0-7.0%	\$ 1,705,900	\$ 1,258,055
Exempt from Constitutional Debt Limitation	1.6-7.0%	1,442,700	612,400
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	2.5-6.0%	930,415	557,735
Subtotal		4,079,015	2,428,190
Issuance premiums		206,024	118,509
Governmental activities bonds payable		<u>4,285,039</u>	<u>2,546,699</u>
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	2.0-6.3%	194,045	101,680
Special obligation bonds:			
Housing Bonds	*.5-7.6%	1,071,590	810,892
Subtotal		1,265,635	912,572
Issuance premiums		6,997	4,984
Business-type activities bonds payable		<u>1,272,632</u>	<u>917,556</u>
Total bonds payable		<u>\$ 5,557,671</u>	<u>\$ 3,464,255</u>

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

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2012, 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
2013	\$ 160,075	\$ 115,678	\$ 23,191	\$ 29,754
2014	170,400	107,848	21,966	29,173
2015	155,965	99,781	22,475	28,302
2016	154,085	92,185	22,968	27,418
2017	179,805	84,703	22,925	26,478
2018-2022	835,365	295,570	134,936	114,776
2023-2027	709,455	110,025	176,091	79,230
2028-2032	59,910	5,404	148,385	51,223
2033-2037	3,130	401	193,233	25,718
2038-2042	-	-	137,037	7,360
2043-2047	-	-	6,445	1,100
2048-2052	-	-	2,920	246
Total	<u>\$ 2,428,190</u>	<u>\$ 911,595</u>	<u>\$ 912,572</u>	<u>\$ 420,778</u>

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2012, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 1,671,513
Less: Bonds and leases payable as of June 30, 2012, subject to limitation	(1,293,386)
Remaining debt capacity	<u>\$ 378,127</u>



NEVADA

(Note 8 Continued)

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of \$1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Eighteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2012, and total investments in local governments amounted to \$286,235,000.

E. Refunded Debt and Redemptions

During the fiscal year 2012, the State of Nevada refunded \$213,945,000 in general obligation, limited tax, bonds related to capital improvements, cultural resources, natural resources and water projects loans by issuing refunding bonds with a total par amount of \$205,050,000 at a \$29,030,015 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings, to restructure certain outstanding State general obligation bonds paid from property taxes to more closely align debt service paid from property taxes with projected property tax revenues, and to refund certain outstanding self-supporting bonds to realize debt service savings. In addition, the State refunded \$69,965,000 in special obligation bonds, payable and collectible solely out of the gross pledged revenues, by issuing refunding bonds with a total par amount of \$66,490,000 at a \$12,547,683 premium. The refunding decreased the aggregate debt service payments by \$18,954,126 with an economic or present value gain of \$19,116,320. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of \$14,011,943. This amount is being reported as a deferred charge and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The impact of the refunding issues is presented in the following table (expressed in thousands):

Issue Description:	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
General obligation bonds:				
Capital Improvement, Cultural Affairs and Refunding Bonds Series 2011A	\$ 43,753	\$ 39,670	\$ (1,733)	\$ 697
Water Pollution Control Revolving Fund Leveraged Refunding Bonds Series 2011C	31,770	29,740	2,280	2,074
Open Space, Parks and Cultural Resources Refunding Bonds Series 2011D	36,789	34,325	2,031	1,795
Open Space, Parks and Natural Resources Refunding Bonds Series 2011E	15,965	14,895	877	782
Nevada Municipal Bond Bank Projects Nos. 80, 81, 82 and 83 Series 2012A	10,612	10,135	2,256	1,833
Capital Improvement and Cultural Affairs Refunding Bonds Series 2012B	59,273	53,315	4,096	3,749
Natural Resources Refunding Bonds Series 2012C	29,864	27,120	2,084	1,882
Open Space, Parks and Natural Resources Refunding Bonds Series 2012D	5,018	4,745	772	603
Special obligation bonds:				
Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds Series 2012	78,642	69,965	6,291	5,701
Total	\$ 311,686	\$ 283,910	\$ 18,954	\$ 19,116

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, 2012 is \$361,193,445.

F. Bond Indenture Provisions

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

G. Capital Leases

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2012, include equipment with a historical cost of \$1,442,000

with accumulated depreciation of \$1,186,000 and building improvements of \$27,810,000 with accumulated depreciation of \$2,230,000.

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, 2012 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2013	\$ 2,988
2014	3,035
2015	3,082
2016	3,160
2017	3,228
2018-2022	16,079
2023-2027	5,756
Total minimum lease payments	37,328
Less: amount representing interest	(8,933)
Obligations under capital leases	\$ 28,395


(Note 8 Continued)
H. Certificates of Participation

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

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

The following schedule presents future certificates of participation payments as of June 30, 2012 (expressed in thousands):

Year Ending June 30	Principal	Interest
2013	\$ 1,815	\$ 2,488
2014	1,975	2,406
2015	2,150	2,314
2016	2,330	2,214
2017	2,530	2,107
2018-2022	10,085	9,163
2023-2027	13,910	5,962
2028-2032	19,020	2,427
Total	\$ 53,815	\$ 29,081

I. Tuition Benefits Payable

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

APV of the future tuition obligation	\$159,096
Net assets available	161,470
Net assets as a percentage of tuition benefits obligation	101.49%

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

	Universities	Community Colleges
2013-14	11.99%	11.92%
2014-15	0.00%	0.00%
2015-16	8.00%	8.00%

J. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2012, and changes for the fiscal year then ended is presented in Section A of this note.

K. Conduit Debt Obligations

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

(Note 8 Continued)

As of June 30, 2012, there are ten series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$935,301,217. Included in this amount is \$711,071,150 payable from the Las Vegas Monorail Company that filed Chapter 11 bankruptcy protection on January 13, 2010 in order to restructure the company's debt through this process. On May 11, 2012, the Las Vegas Monorail Co.'s reorganization plan was approved by a bankruptcy judge, which allows the company to exit Chapter 11 bankruptcy.

L. Pledged Revenue

Pledged motor vehicle and special fuel tax - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. In May 2012 some of these bonds were refunded as discussed in Section E of this note. The outstanding balance as of June 30, 2012 is \$557,735,000. Total principal and interest remaining on the bonds is \$715,361,536 payable through December 2026. Upon completion of eligible projects, federal aid of \$235,761,313 is expected to be received in fiscal year 2013. For the current year, principal and interest paid was \$79,285,210, and total motor vehicle fuel and special fuel tax revenues were \$264,355,723.

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

monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

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

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

M. Federal Unemployment Advance

As of June 30, 2012, the total amount of advances and interest due to the U.S. Department of Labor in accordance with provisions of Title XII, Section 1201 of the Social Security Act totaled \$720,432,318 and \$18,902,445 respectively. The interest rate set by the Department of the Treasury as of October 1, 2011 is 2.94%. Current fiscal year advances and repayments totaled \$314,946,333 and \$367,674,983 respectively.

N. Component Unit Obligations

Nevada System of Higher Education (NSHE) - Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2012, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$ 515,376	\$ 80,232	\$ (111,667)	\$ 483,941	\$ 19,012
Issuance premiums	10,414	4,236	(1,514)	13,136	863
Total bonds payable	525,790	84,468	(113,181)	497,077	19,875
Obligations under capital leases	3,670	106	(2,608)	1,168	579
Compensated absences obligations	48,379	28,085	(29,704)	46,760	30,710
Total	\$ 577,839	\$ 112,659	\$ (145,493)	545,005	51,164
Discretely presented component units of the NSHE:					
Long-term debt				579	539
Total				\$ 545,584	\$ 51,703

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

(Note 8 Continued)

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2012 (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 19,875	\$ 23,089
2014	21,753	22,336
2015	21,605	21,445
2016	21,247	20,566
2017	28,929	19,409
2018-2022	102,503	81,274
2023-2027	93,325	58,584
2028-2032	92,392	36,115
2033-2037	79,096	13,079
2038-2042	16,352	1,641
Total	\$ 497,077	\$ 297,538

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>
2013	\$ 628
2014	266
2015	234
2016	128
2017	-
Total minimum lease payments	1,256
Less: amount representing interest	(88)
Obligations under capital leases	\$ 1,168

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2012, and the changes for the year then ended, consist of the following (expressed in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 92,800	\$ 5,545	\$ (22,675)	\$ 75,670	\$ 4,005
Issuance premiums	2,410	841	(631)	2,620	383
Unamortized refunding charges	(4,100)	(106)	887	(3,319)	(379)
Total bonds payable	91,110	6,280	(22,419)	74,971	4,009
Compensated absences obligations	298	268	(260)	306	194
Total	\$ 91,408	\$ 6,548	\$ (22,679)	\$ 75,277	\$ 4,203

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>
2013	\$ 4,005	\$ 1,372
2014	4,230	1,151
2015	4,460	917
2016	4,705	671
2017	7,875	2,605
2018-2022	22,255	8,848
2023-2027	20,970	4,284
2028-2032	7,170	317
Total	\$ 75,670	\$ 20,165



NEVADA

Note 9 - Pensions and Other Employee Benefits

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

A. PERS

Plan Description - All full-time State employees and full-time employees of participating local government entities in the State are members in the PERS, a defined benefit cost-sharing, multiple-employer public employees' retirement system established in 1947 by the Nevada Legislature. PERS provides a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. At June 30, 2012, there were 188 participating employers and other contributing entities.

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

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

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

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

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

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

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

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2012 were as follows:

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

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

(Note 9 Continued)

	2012	2011	2010
Primary Government	\$ 163,219	\$ 160,959	\$ 164,630
Component Units:			
Colorado River Commission	476	462	470
Nevada System of Higher Education	27,019	26,827	28,274
Total component units	27,495	27,289	28,744
Total reporting entity	\$ 190,714	\$ 188,248	\$ 193,374
Contributions as %			
of covered payroll	19%	17%	17%
Percentage of pension costs contributed	100%	100%	100%

B. LRS

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

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

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

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

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

Contributions - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated \$364,186 for fiscal years 2011 and 2012, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2011, of which \$182,093 (half) was recognized as employer contributions in the fiscal year 2011, and the other half was recognized in fiscal year 2012. Employee contributions of \$51,348 were received in fiscal year 2011, of which, \$25,674 (half) was recorded as employee contributions in the fiscal year 2011, and the remaining \$25,674 was recorded in fiscal year 2012.

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

Actuarial Cost Method:

Amortization Method:

Asset Valuation Method:

Actuarial Assumptions:

Investment rate of return

Assumed inflation rate

Projected salary increases

Assumed Retirement Age for Active Members:

Entry age normal

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

Five year smoothed market

8%

3.5% per annum

None

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

(Continued on next page)



(Note 9 Continued)

(Continued from previous page)

Assumed Mortality Rate:

Healthy

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

Disabled

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

Assumed Post-Retirement Increases:

2.0% after 3 years of receiving benefits

3.0% after 6 years of receiving benefits

3.5% after 9 years of receiving benefits

4.0% after 12 years of receiving benefits

5.0% after 14 years of receiving benefits *

Cap based on CPI if benefits outpace inflation

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

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

Actuarial Valuation Date*	For Fiscal Year Ended June 30	Annual Pension Cost	State Contribution Made	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
1/1/2009	2010	\$ 201	\$ 201	100%	\$ -
7/1/2010	2011	182	182	100%	-
6/30/12	2012	182	182	100%	-

* Corrected from previous publications.

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

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

C. JRS

Plan Description - The Judicial Retirement System of Nevada (JRS) is the administrator of an agent multiple-employer public employees defined benefit retirement system established in 2001 by the Nevada Legislature. The JRS is legislated by and functions in accordance with laws established by the Nevada Legislature under NRS 1A.160. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. As of June 30, 2012, the Supreme Court and ten municipalities in Nevada elected to participate in JRS.

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

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

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement to a maximum of 75% 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 survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for the first five years of service and 4.1666% for each additional year of service, up to



(Note 9 Continued)

a total maximum of 22 years, times the member's compensation for their last year of service.

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

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

general, fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

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

Actuarial Information – Actuarial valuations of the JRS are prepared annually on a fiscal year basis. Significant actuarial assumptions used in the June 30, 2012 valuation include the following:

Actuarial Cost Method:

Amortization Method:

Asset Valuation Method:

Actuarial Assumptions:

Investment rate of return

Assumed inflation rate

Assumed salary increases

Assumed retirement rates:

Assumed Mortality Rate:

Assumed Post-Retirement Increases:

Entry age normal

Year-by-year closed, level percent of pay (3% payroll growth assumed) over a declining amortization period of:

30 years for Supreme Court and District Judges

20 years for each non-state agency

5-year smoothed market

8%

3.5% per annum

1 to 4 years of service increase of 3% per year

5 years of service increase of 11% per year

6 to 12 years of service increase of 5% per year

13 or more years of service increase of 3% per year

Retirement rates after completion of five years of service and attainment of the following ages:

<u>Age</u>	<u>Rate per Age</u>
60—64	35%
65—67	50%
68—69	75%
70	100%

RP-2000 Male Combined Healthy Table

RP-2000 Female Combined Healthy Table set forward one year

The lesser of

(a) 2.0% after 3 years of receiving benefits

3.0% after 6 years of receiving benefits

3.5% after 9 years of receiving benefits

4.0% after 12 years of receiving benefits

5.0% after 14 years of receiving benefits*

(b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three Preceding years

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

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

(Note 9 Continued)

	2012	2011	2010
Annual required contribution	\$ 5,407	\$ 5,146	\$ 5,043
Interest on net pension obligation	13	(1)	(40)
Adjustment to annual required contribution	(38)	2	116
Annual pension cost	5,382	5,147	5,119
State contribution made	(5,546)	(4,972)	(4,624)
Increase (decrease) in net pension obligation	(164)	175	495
Net pension obligation (asset) at beginning of year	165	(10)	(505)
Net pension obligation (asset) at end of year	\$ 1	\$ 165	\$ (10)
Percentage of annual pension costs contributed	100%	97%	90%

Funded Status and Funding Progress – As of June 30, 2012, the most recent actuarial valuation date, the JRS was 69% funded. The actuarial accrued liability for benefits was \$93.1 million, and the actuarial value of assets was \$63.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$29.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$16.6 million, and the ratio of the UAAL to the covered payroll was 176%.

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

D. Other Postemployment Benefits

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

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

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

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

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

Contributions and Funding Policy - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2011 through June 30, 2012 the rate assessed was 2.134% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. Due to statewide revenue shortfalls, in February 2010, the 26th Special Session of the Nevada Legislature directed \$24,700,000 be withdrawn from the Retirees' Benefits Investment Fund to be used to pay for retiree healthcare during the year ending June 30, 2011, thereby reducing the amount paid by state agencies to the Retirees' Fund. No additional investments or withdrawals from the Retirees' Benefits Investment Fund occurred during the years ending June 30, 2011 or June 30, 2012. For the year ended June 30, 2012, the State and its component units contributed \$27,881,834 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2011, the State and its component units contributed \$9,649,348 to the plan, which is 100% of the contractually required contribution. For the year ended June 30, 2010, the State and its component units contributed \$33,406,435 to the plan, which is 100% of the contractually required contribution.



NEVADA

Note 10 - Risk Management

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

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

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 2010	\$ 34,473	\$ 45,163
Claims and changes in estimates	237,324	30,887
Claim payments	(237,948)	(15,421)
Balance June 30, 2011	33,849	60,629
Claims and changes in estimates	185,271	19,659
Claim payments	(176,132)	(16,539)
Balance June 30, 2012	\$ 42,988	\$ 63,749
Due Within One Year	\$ 42,988	\$ 20,133

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, 2012. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self Insurance Fund

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

their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-two public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of 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. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

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

B. Insurance Premiums Fund

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

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. For the year ended June 30, 2012, the loss retention for this policy was \$1,500,000. Effective January 1, 2001, NSHE and PERS were excluded from cover-

(Note 10 Continued)

age under this policy. Liabilities in the amount of \$51,885,784 as of June 30, 2012 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2012.

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

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

At June 30, 2012, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability

is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart disease. A range of estimated losses from \$12,022,000 to \$47,039,100 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, 2012 total liabilities exceeded total assets by \$48,323,178. The Fund is liable for approximately \$48,000,000 as of June 30, 2012 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 11 - Fund Balances and Net Assets

A. Net Assets Restricted by Enabling Legislation

The government-wide statement of net assets reports \$1,238,484,128 of restricted net assets for the primary government of which \$126,511,510 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2012, is shown below (expressed in thousands):

(Note 11 Continued)

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental
	General	State Highway	Municipal Bond Bank	Consolidated Bond Interest and Redemption	Permanent School		
Fund balances:							
Nonspendable:							
Municipal securities	\$ -	\$ -	\$ 286,166	\$ -	\$ -	\$ -	\$ 286,166
Long term notes/loans receivable	11,558	-	-	-	-	-	11,558
Inventory	2,387	14,778	-	-	-	438	17,603
Advances	6,399	-	-	-	-	-	6,399
Prepaid items	3,456	21	-	-	-	10	3,487
Permanent fund principal	-	-	-	-	313,054	230	313,284
Restricted for:							
General government	348	-	-	-	-	-	348
Health and social services	2,349	-	-	-	-	13,200	15,549
Education and support services	365	-	-	-	-	1,973	2,338
Law, justice, and public safety	115	-	-	-	-	7,010	7,125
Regulation of business	5,071	-	-	-	-	4,487	9,558
Transportation	-	139,259	-	-	-	-	139,259
Recreation and resource development	52,801	-	-	-	-	27,731	80,532
Debt service	-	-	-	-	-	33,347	33,347
Capital projects	-	-	-	-	-	49,660	49,660
Committed to:							
General government	48,763	-	-	-	-	-	48,763
Health and social services	27,641	-	-	-	-	34,444	62,085
Education and support services	2,401	-	-	-	-	10,576	12,977
Law, justice, and public safety	21,006	-	-	-	-	2,906	23,912
Regulation of business	36,487	-	-	-	-	4,550	41,037
Recreation and resource development	60,717	-	-	-	-	5,041	65,758
Debt service	-	-	-	146,806	-	7,425	154,231
Capital projects	-	-	-	-	-	562	562
Fiscal emergency	84,737	-	-	-	-	-	84,737
Unassigned:	(96,272)	-	-	-	-	-	(96,272)
Total fund balances	<u>\$ 270,329</u>	<u>\$ 154,058</u>	<u>\$ 286,166</u>	<u>\$ 146,806</u>	<u>\$ 313,054</u>	<u>\$ 203,590</u>	<u>\$ 1,374,003</u>

C. Individual Fund Deficit

Nonmajor 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 \$85,386 for the fiscal year ended June 30, 2012, resulting in net liabilities (negative net assets) of \$20,417 at June 30, 2012.

Internal Service Fund:

Insurance Premiums - The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded a decrease in net assets of \$8,412,627 for the year ended June 30, 2012, resulting in net liabilities (negative net assets) of \$48,323,178 at June 30, 2012.

Note 12 - Principal Tax Revenues

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

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

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

balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at different rates for businesses and financial institutions. If the sum of all the wages paid by the employer exceeds \$62,500 for the calendar quarter, the tax is 1.17% of the amounts the wages exceed \$62,500. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.



NEVADA

(Note 12 Continued)

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

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

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

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

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

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

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

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

Note 13 - Works of Art and Historical Treasures

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

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

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

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



NEVADA

Note 14 - Commitments and Contingencies**A. Primary Government**

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

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

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

In litigation filed against the Department of Taxation (DOT), the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the DOT as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is \$86.9 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation (DOT) is involved in a nationwide arbitration involving 46 states and 6 territories against the nation's largest tobacco manufacturers. The arbitration is over the Master Settlement Agreement (MSA) from 1998. The DOT is contesting this case vigorously through the arbitration process while at the same time exploring settlement. The State receives an annual payment under the MSA. For fiscal year 2012 the amount received was \$40.3 million.

The Department of Taxation is litigating vigorously two lawsuits of like nature against utility companies. The suits arise out of claims for the refund of use tax paid on coal purchased

out of the state and used in Nevada. The companies claim the use tax is unconstitutional. One case is before the 2nd Judicial District Court on a petition for judicial review. The other is proceeding as a trial de novo in the 1st Judicial District Court. There may be a thirty five percent likelihood of an unfavorable State outcome for both cases totaling \$143 million.

The State instituted a claim for declaratory relief relating to its actions in 2008 in terminating a forward delivery investment agreement between it and Lehman Brothers Commercial Bank, a Utah industrial bank ("LBCB"). When the State entered into the forward delivery investment agreement in June of 2002, it received a fee of \$20.5 million in exchange for agreeing to purchase certain specified US treasury securities of various maturities and principal amounts from LBCB at different times between June 30, 2002 and May 15, 2028. The State was required to purchase the securities at their matured values, or par value if discount securities were purchased. LBCB would realize revenue at the time of delivery to the custodian. In January of 2009, LBCB (now known as Woodlands Commercial Bank) filed an answer to the State's declaratory judgement action and a counterclaim requesting a judgement in favor of LBCB in the declaratory relief claim, and seeking other relief, including an award of damages against the State. Non-binding mediation is scheduled for January 2013. While the State believes it has a meritorious claim for declaratory relief and meritorious defenses to LBCB's counterclaim, the State cannot at this time predict the outcome of this action.

The Nevada Department of Transportation (NDOT) in a direct condemnation case is taking a portion of a casino's property for the Boulder City Bypass Project. The other party contends that the new highway interchange will destroy access to their casino. NDOT made an initial deposit of \$2 million and now, the parties are in the discovery phase. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of \$12 million, before federal participation.

The Nevada Department of Transportation (NDOT) in a direct condemnation case is taking a one acre parcel for the I-15 road improvement project known as Project NEON, in Las Vegas. The landowner claims that NDOT's valuation of the property is too low. NDOT made an initial deposit of \$5.5 million. A motion for occupancy is set for December 21, 2012. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of \$10.8 million, before federal participation.

Unemployment Compensation - Management of the Unemployment Compensation Fund has become aware of the possibility that payments to some recipients may have been incorrectly calculated, resulting in either an overpayment or underpayment. The amount of additional liability, if any, to the State cannot be reasonably estimated at the present time.

PERS - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional \$674.7 million at some future date.



(Note 14 Continued)

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, 2012 amounted to \$35.1 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2012 (expressed in thousands):

	<u>Amount</u>
General Fund	\$ 4,428
State Highway	4,851
Nonmajor governmental funds	445
Total	<u>\$ 9,724</u>

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, 2012, 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 \$798,758 and has been recorded as a liability in the Statement of Net Assets at June 30, 2012. Future calculations might result in different rebateable arbitrage amounts.

Encumbrances - As of June 30, 2012, encumbered expenditures in governmental funds were as follows (expressed in thousands):

<u>For the Year Ending June 30</u>	<u>Amount</u>
2013	\$ 25,441
2014	19,374
2015	16,186
2016	10,626
2017	6,691
2018-2022	8,492
2023-2027	4,704
2028-2032	527
Total	<u>\$ 92,041</u>

Construction Commitments - As of June 30, 2012, the Nevada Department of Transportation had total contractual commitments of approximately \$151.2 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$57.8 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) - As of June 30, 2012, 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.

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

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the System cannot be reasonably determined as of June 30, 2012.

The estimated cost to complete property authorized or under construction at June 30, 2012 is \$27.2 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

During the year, NSHE, University of Nevada's Reno (UNR) campus sold the Fire Science Academy in Carlin, Nevada. As part of the lease agreement executed at the time of sale, upon termination of said lease, UNR is obligated to remove any and all above ground props from the prop field, and assess for and remediate any contamination in accordance with provisions promulgated in Nevada Revised Statutes and Administrative Code (NAC) 445A. The notice of lease termination was executed by the Chancellor on June 30, 2012. The estimated obligation includes all the anticipated costs to close out the Fire



(Note 14 Continued)

Science Program, including disposition of assets, demolition of the prop field and related fire water supply and treatment systems, assessing for environmental contamination, and remediation of such contamination, if found. The estimated obligation amounts were developed by the Senior Director for Facilities Maintenance Services in coordination with outside consultants. An obligation amount of \$4.1 million has been included in accounts payable.

Colorado River Commission (CRC) - The CRC may from time to time be a party in various litigation matters. It is

management's opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

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

Note 15 - Subsequent Events

A. Primary Government

Bonds - After June 30, 2012 the State resolved to execute purchase agreements for the following bonds, which are scheduled for sale on January 29, 2013: \$26,000,000 General Obligation (Limited Tax) Municipal Bond Bank Refunding Bonds, Project Nos. MBB84 (SNWA) MBB85 (Moapa) and MBB86 (Wells) Series 2013A (not subject to the Constitutional Debt Limit); \$23,000,000 General Obligation (Limited Tax) Water Pollution Control Revolving Fund Leveraged Refunding Bonds, Series 2013B (not subject to the Constitutional Debt Limit); \$3,000,000 General Obligation (Limited Tax) Water Pollution Control Revolving Fund Matching Refunding Bonds, Series 2013C, (not subject to the Constitutional Debt Limit).

Litigation - In December 2012, the State settled litigation with Clark County over a claim for the refund of certain ad valorem taxes paid to the State. The County originally demanded \$103 million repayment for revenue swept during the 2009 and 2011 Legislative Sessions. Part of the settlement amends an interlocal agreement by reducing the contract percentage rate that Clark County pays to the State Medicaid program. The rate reduction eliminates \$16.4 million the County would otherwise owe the State for fiscal years 2010 and 2011. Another part of the agreement provides the Nevada Department of Transportation to obligate \$35 million for Phase II of Clark County's McCarran Airport Connector Project, which is subject to certain conditions including, eligibility for federal funding.

State Highway Fund - The Nevada Department of Transportation (NDOT) and Washoe County, Nevada agreed to a compromise over the refund of certain ad valorem taxes collect by the State. Significant parts of this agreement involved refunding to Washoe County \$1.25 million which was accrued in fiscal year 2012, and to commit to funding major maintenance projects in Washoe County. NDOT agreed to provide funding in an amount not to exceed \$6 million for the projects. Approximately \$3 million is committed for such projects in each of the calendar years of 2013 and 2014.

The State and NDOT arbitrated a 3,015.94 acre feet water rights condemnation case related to the construction of the

I-580 freeway from Reno to Carson City. In October 2012, the arbitration award of \$14.1 million was paid. This amount was accrued in fiscal year 2012.

The State and NDOT settled an eminent domain action over 2.85 acres for the I-15 road improvement project known as Project NEON, in Las Vegas. The total settlement was for \$10.6 million. Prior to settlement in May 2012, NDOT deposited with the Clerk of the Court \$4.7 million. Upon settlement, NDOT paid the remaining balance in November 2012 for \$5.9 million. This amount was accrued in fiscal year 2012.

Advances from the Federal Unemployment Account - The State drew repayable advances of \$148.1 million and made voluntary repayments of \$221.2 million between July 1, 2012 and December 6, 2012. The State has applied for and may still draw up to \$51.7 million to meet State unemployment insurance obligations through December 31, 2012. Thereafter loan requests may be submitted every 90 days.

B. Discretely Presented Component Units

Nevada System of Higher Education - On August 7, 2012, NSHE issued a promissory note in the amount of \$6.25 million to be paid in fiscal years 2013 through 2017. On August 20, 2012, NSHE prepaid \$10 million of its University Revenue Bonds, Series 2002A with funds received from the sale of its Fire Science Academy located in Carlin, NV. The final payment on the 2002A bonds will occur in fiscal year 2025.

At the September 2012 Board of Regents meeting, the Board approved the defeasance of up to \$3.9 million of its Universities Revenue Bonds, Series 2004B from funds held by Clark County on behalf of the NSHE. The defeasance of these bonds is expected to occur prior to December 31, 2012.

Colorado River Commission - In July 2012, the Colorado River Commission sold the \$17 million Series 2012E Hoover Upgrading Refunding bonds. Proceeds from these bonds were used to advance refund the Series 2002 bonds. The bonds mature annually beginning on October 1, 2013 through 2016, with interest payable semi-annually on April 1 and October 1 at the annual rate of 4 to 5%.



Provided by the Nevada Museum of Art

REQUIRED SUPPLEMENTARY INFORMATION



Provided by the Nevada Museum of Art

Budgetary Comparison Schedule

General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Fund balances, July 1	\$ 673,027,491	\$ 673,027,491	\$ 673,027,491	\$ -
Prior period adjustment	(10,003,304)	(10,003,304)	(10,003,304)	-
Revenues:				
Sales taxes	833,226,820	833,226,820	875,596,070	42,369,250
Gaming taxes, fees, licenses	828,698,354	828,698,354	827,297,201	(1,401,153)
Intergovernmental	1,988,144,417	2,386,254,663	1,970,456,765	(415,797,898)
Other taxes	1,269,182,593	1,284,342,269	1,326,036,701	41,694,432
Sales, charges for services	168,581,570	175,937,734	163,065,533	(12,872,201)
Licenses, fees and permits	531,458,678	569,174,620	543,809,959	(25,364,661)
Interest	10,454,219	11,898,357	1,369,321	(10,529,036)
Other	288,147,314	368,642,952	307,250,003	(61,392,949)
Other financing sources:				
Proceeds from sale of bonds	-	490,000	490,000	-
Transfers	556,440,030	657,274,876	630,788,753	(26,486,123)
Reversions from other funds	-	-	1,597,527	1,597,527
Total sources	<u>7,137,358,182</u>	<u>7,778,964,832</u>	<u>7,310,782,020</u>	<u>(468,182,812)</u>
Expenditures and encumbrances:				
Elected officials	126,475,475	167,086,710	128,325,105	38,761,605
Legislative and judicial	112,629,276	112,428,820	80,986,410	31,442,410
Finance and administration	76,615,218	81,702,345	59,388,615	22,313,730
Education	2,588,362,726	2,821,180,013	2,652,893,434	168,286,579
Human services	3,094,355,565	3,262,232,190	2,983,061,003	279,171,187
Commerce and industry	166,174,883	207,192,453	117,883,438	89,309,015
Public safety	396,914,900	467,598,865	389,770,611	77,828,254
Infrastructure	283,885,274	340,534,599	157,808,338	182,726,261
Special purpose agencies	36,912,123	41,678,311	33,336,589	8,341,722
Other financing uses:				
Transfers to other funds	30,234,081	30,234,081	30,234,081	-
Reversions to other funds	-	-	1,025,451	(1,025,451)
Projected reversions	<u>(37,500,000)</u>	<u>(37,500,000)</u>	<u>-</u>	<u>(37,500,000)</u>
Total uses	<u>6,875,059,521</u>	<u>7,494,368,387</u>	<u>6,634,713,075</u>	<u>859,655,312</u>
Fund balances, June 30	<u>\$ 262,298,661</u>	<u>\$ 284,596,445</u>	<u>\$ 676,068,945</u>	<u>\$ 391,472,500</u>



NEVADA

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 275,621,187	\$ 275,621,187	\$ 275,621,187	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
237,585,219	543,584,042	526,274,296	(17,309,746)	-	-	-	-
288,657,796	277,717,099	277,925,519	208,420	-	-	-	-
22,720,499	32,121,744	15,899,800	(16,221,944)	-	-	-	-
166,228,216	179,137,625	181,454,767	2,317,142	-	-	-	-
3,511,032	1,617,852	353,776	(1,264,076)	28,889,531	28,889,531	16,206,807	(12,682,724)
34,598,014	36,711,758	28,651,340	(8,060,418)	-	-	-	-
-	-	-	-	-	-	-	-
6,177,578	13,838,745	12,400,748	(1,437,997)	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,035,099,541</u>	<u>1,360,350,052</u>	<u>1,318,581,433</u>	<u>(41,768,619)</u>	<u>28,889,531</u>	<u>28,889,531</u>	<u>16,206,807</u>	<u>(12,682,724)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
180,283,866	196,439,938	174,598,289	21,841,649	-	-	-	-
608,209,048	991,673,148	924,955,711	66,717,437	-	-	-	-
-	-	-	-	-	-	-	-
84,415,581	85,016,512	85,016,512	-	28,889,531	28,889,531	16,204,180	12,685,351
-	-	13,238	(13,238)	-	-	-	-
-	-	-	-	-	-	-	-
<u>872,908,495</u>	<u>1,273,129,598</u>	<u>1,184,583,750</u>	<u>88,545,848</u>	<u>28,889,531</u>	<u>28,889,531</u>	<u>16,204,180</u>	<u>12,685,351</u>
<u>\$ 162,191,046</u>	<u>\$ 87,220,454</u>	<u>\$ 133,997,683</u>	<u>\$46,777,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,627</u>	<u>\$ 2,627</u>

Notes to Required Supplementary Information Budgetary Reporting



NEVADA

For the Fiscal Year Ended June 30, 2012

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

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

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of August 23 are reported instead of the amounts disclosed in the original budget. The August 23, 2012 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, 2012 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
Fund balances (budgetary basis) June 30, 2012	\$ 676,069	\$ 133,998	\$ 3
Adjustments:			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	7,673	167	-
Investments not recorded on the budgetary basis	9,419	-	286,235
Accrual of certain other receivables	151,039	4,288	2
Inventory	2,387	14,778	-
Advances to other funds	7,108	-	-
Accrual of certain accounts payable and other liabilities	(303,826)	-	-
Deferred revenues	(275,920)	-	-
Encumbrances	4,428	4,851	-
Other	(18,486)	(4,024)	(74)
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	10,438	-	-
Fund balances (GAAP basis) June 30, 2012	<u>\$ 270,329</u>	<u>\$ 154,058</u>	<u>\$ 286,166</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2012, 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)	\$ 676,069
Restricted funds	<u>(347,599)</u>
Unrestricted fund balance (budgetary basis)	<u><u>\$ 328,470</u></u>

Schedule of Funding Progress Pension Plans



NEVADA

For the Fiscal Year Ended June 30, 2012

Legislator's Retirement System (LRS)

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

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

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

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

Judicial Retirement System (JRS)

Schedule of Funding Progress - Prior to fiscal year 2010, the Annual Required Contribution (ARC) was based on a calendar year valuation. The ARC was calculated using two calendar year actuarial valuations to arrive at a required contribution amount for the fiscal year contributions. Beginning with fiscal year 2010 the ARC is based on a fiscal year valuation consistent with the financial statements. The most recent actuarial valuation, dated June 30, 2012, is based on June 30, 2012 census data. A schedule of funding progress follows (expressed in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of Assets to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
7/01/10	\$ 80,447	\$ 47,281	\$ 33,166	59%	\$ 15,315	217%
6/30/11	88,035	56,614	31,421	64%	16,465	191%
6/30/12	93,133	63,934	29,199	69%	16,635	176%

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

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

Schedule of Infrastructure Condition and Maintenance Data



NEVADA

For the Fiscal Year Ended June 30, 2012

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

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The most recent condition assessment shows a decline in the condition level of the roadways. Management is aware of the decline and will continue to monitor the results of future condition assessments. However, the results of the three most recent condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above the condition level established. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show the State's policy and the condition level of the roadways and bridges. The State is reporting the information for structurally deficient and functionally obsolete bridges that are State owned. Previously reported information for 2009 included bridges that were not owned by the State, and has been restated.

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 2011 condition assessment	56%	79%	67%	30%	9%
Actual results of 2009 condition assessment	82%	82%	87%	56%	21%
Actual results of 2007 condition assessment	82%	82%	88%	61%	25%

Condition Level of the Bridges

Percentage of substandard bridges

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

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

Maintenance and Preservation Costs

(Expressed in Thousands)

	2012	2011	2010	2009	2008
Estimated	\$ 322,210	\$ 490,910	\$ 181,054	\$ 124,926	\$ 155,051
Actual	304,333	404,871	151,448	121,798	146,507

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



"Zoriontsun"
Katrina Valdez

Provided by the Nevada Museum of Art

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR DEBT SERVICE FUND

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

NONMAJOR PERMANENT FUND

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

Combining Balance Sheet Nonmajor Governmental Funds



NEVADA

June 30, 2012

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Cash and pooled investments:					
Cash with treasurer	\$ 153,590,515	\$ 33,347,118	\$ 65,705,092	\$ 49,887	\$ 252,692,612
Cash in custody of other officials	199,893	-	-	-	199,893
Investments	5,876,066	-	-	-	5,876,066
Receivables:					
Accounts receivable	22,971,262	-	-	-	22,971,262
Taxes receivable	6,427,259	-	-	-	6,427,259
Intergovernmental receivables	8,040,177	-	542,998	-	8,583,175
Accrued interest and dividends	1,632	-	-	-	1,632
Settlement receivable	87,428,226	-	-	-	87,428,226
Due from other funds	13,983,610	16,434	2,856,630	180	16,856,854
Due from fiduciary funds	432,084	-	-	-	432,084
Inventory	437,562	-	-	-	437,562
Prepaid items	10,064	-	-	-	10,064
Total assets	\$ 299,398,350	\$ 33,363,552	\$ 69,104,720	\$ 50,067	\$ 401,916,689
Accounts payable and accruals:					
Accounts payable	\$ 18,320,639	\$ -	\$ 17,625	\$ -	\$ 18,338,264
Accrued payroll and related liabilities	3,016,895	-	-	-	3,016,895
Intergovernmental payables	2,983,217	-	-	-	2,983,217
Contracts payable	-	-	7,754,600	-	7,754,600
Retention payable	-	-	1,800,319	-	1,800,319
Due to other funds	39,947,703	16,435	1,153,165	93	41,117,396
Due to fiduciary funds	10,531	-	-	-	10,531
Due to component units	312,162	-	12,864,279	-	13,176,441
Deferred revenues	110,127,106	-	2,004	48	110,129,158
Total liabilities	174,718,253	16,435	23,591,992	141	198,326,821
Fund balances:					
Nonspendable	647,626	-	-	30,000	677,626
Restricted	59,090,084	33,347,117	44,950,454	19,926	137,407,581
Committed	64,942,387	-	562,274	-	65,504,661
Total fund balances	124,680,097	33,347,117	45,512,728	49,926	203,589,868
Total liabilities and fund balances	\$ 299,398,350	\$ 33,363,552	\$ 69,104,720	\$ 50,067	\$ 401,916,689

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



NEVADA

For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Highway Revenue Bonds Debt Service	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Gaming taxes, fees, licenses	\$ 14,323,967	\$ -	\$ -	\$ -	\$ 14,323,967
Property and transfer taxes	20,869,058	-	-	-	20,869,058
Motor and special fuel taxes	-	80,499,712	-	-	80,499,712
Other taxes	45,371,372	-	-	-	45,371,372
Intergovernmental	89,056,426	-	12,247,964	-	101,304,390
Licenses, fees and permits	30,577,565	-	-	-	30,577,565
Sales and charges for services	15,141,788	-	-	-	15,141,788
Interest and investment income	(1,103,678)	-	8	(171)	(1,103,841)
Settlement income	40,291,149	-	-	-	40,291,149
Other	7,242,644	-	21,288	-	7,263,932
Total revenues	261,770,291	80,499,712	12,269,260	(171)	354,539,092
Current:					
General government	369,461	-	-	-	369,461
Health and social services	104,471,955	-	-	-	104,471,955
Education and support services	529,191	-	-	-	529,191
Law, justice and public safety	28,613,309	-	-	-	28,613,309
Regulation of business	18,384,782	-	-	-	18,384,782
Recreation, resource development	24,852,565	-	-	-	24,852,565
Intergovernmental	31,518,838	-	7,622,912	-	39,141,750
Capital outlay	-	-	34,222,539	-	34,222,539
Debt service:					
Principal	-	50,835,000	-	-	50,835,000
Interest, fiscal charges	329	28,450,210	-	-	28,450,539
Debt issuance costs	-	379,830	188,168	-	567,998
Total expenditures	208,740,430	79,665,040	42,033,619	-	330,439,089
Excess (deficiency) of revenues over expenditures	53,029,861	834,672	(29,764,359)	(171)	24,100,003
Other financing sources (uses):					
Sale of general obligation bonds	-	-	26,258,693	-	26,258,693
Sale of general obligation refunding bonds	-	66,490,000	-	-	66,490,000
Premium on general obligation bonds	-	12,547,683	2,439,476	-	14,987,159
Payment to refunded bond agent	-	(78,641,419)	-	-	(78,641,419)
Sale of capital assets	9,954	-	-	-	9,954
Transfers in	40,720,487	-	2,305,593	-	43,026,080
Transfers out	(77,304,711)	(16,435)	(336,935)	(93)	(77,658,174)
Total other financing sources (uses)	(36,574,270)	379,829	30,666,827	(93)	(5,527,707)
Net change in fund balances	16,455,591	1,214,501	902,468	(264)	18,572,296
Fund balances, July 1	108,224,506	32,132,616	44,610,260	50,190	185,017,572
Fund balances, June 30	\$ 124,680,097	\$ 33,347,117	\$ 45,512,728	\$ 49,926	\$ 203,589,868

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2012

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Cash and pooled investments:				
Cash with treasurer	\$ 12,891,460	\$ 10,040,132	\$ 4,668,289	\$ 12,762,101
Cash in custody of other officials	125	2,200	-	-
Investments	-	-	-	-
Receivables:				
Accounts receivable	8,414	563,755	-	-
Taxes receivable	2,175,815	-	-	-
Intergovernmental receivables	7,442,673	3,392	-	-
Accrued interest and dividends	-	-	-	-
Settlement receivable	-	-	-	-
Due from other funds	2,644,783	295,131	10,256,741	64,324
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	-
Prepaid items	375	9,689	-	-
Total assets	\$ 25,163,645	\$ 10,914,299	\$ 14,925,030	\$ 12,826,425
Accounts payable and accruals:				
Accounts payable	\$ 2,392,531	\$ 83,864	\$ -	\$ 35,698
Accrued payroll and related liabilities	1,825,607	726,939	-	240
Intergovernmental payables	2,122,895	153	-	-
Due to other funds	3,383,434	345,089	7,500,278	5,581,107
Due to fiduciary funds	4,380	12	-	-
Due to component units	188,976	2,500	-	-
Deferred revenues	14,689	909,931	-	16,394
Total liabilities	9,932,512	2,068,488	7,500,278	5,633,439
Fund balances:				
Nonspendable	375	9,689	-	-
Restricted	10,973,845	4,286,066	-	7,192,986
Committed	4,256,913	4,550,056	7,424,752	-
Total fund balances	15,231,133	8,845,811	7,424,752	7,192,986
Total liabilities and fund balances	\$ 25,163,645	\$ 10,914,299	\$ 14,925,030	\$ 12,826,425



			Final Budget		Actual		Variance
Consumer Health Protection			\$ 1,859,467		\$ 1,538,161		\$ 321,306
Hospital Care to Indigent							
Office of Minority Health			1,788,066		1,280,664		507,402
Early Intervention Services			25,320,905		24,349,891		971,014
Immunization Program			6,025,932		5,290,757		735,175
Marijuana Health Registry			1,809,340		911,820		897,520
WIC Food Supplement	19,179,373	\$ 4,118,077	\$ 2,364,706		\$ 40,351,957	\$	6,438,326
Sexually Transmitted Disease Control	-		18,551,867		15,704,842		2,847,025
Health Facilities Hospital Licensing	-		13,754,085		8,103,648		5,650,437
Health Facilities-Admin Penalty	-		511,667		74,956		436,711
Public Health Preparedness Program	-		15,499,287		14,069,850		1,429,437
Family Planning Project	1,577		5,984,188		19,330,646		973,040
Communicable Disease Control	1,200,177	3,051,267	6,609,083		5,508,705		1,100,378
Maternal Child Health Services	-		8,189,579		6,188,830		2,000,749
Office of Health Administration	-		9,301,316		5,500,513		3,800,803
Community Health Services	-		4,420,041		3,707,959		87,428,236
Emergency Medical Services	102,669	157,712	1,473,049		1,186,527		286,522
Welfare and Supportive Services							
Welfare Administration	-		375,021		-		-
Temp Assistance for Needy Families	-		49,152,854		46,623,442		2,529,412
Assistance to Aged and Blind			7,952,442		7,952,000		442
Welfare Field Services	20,482,273	\$ 7,328,633	\$ 3,959,427		\$ 60,001,048	\$	87,428,226
Child Support Enforcement Program			16,596,556		12,267,102		4,329,454
Child Support Federal Reimbursement			36,425,396		23,972,521		12,452,875
Child Assistance and Development			44,569,122		41,881,151		2,687,971
Emergency Assistance Program	\$ 1,812,553	\$	18,101,381		\$ 14,395,762	\$	4,049,688
Mental Health and Developmental Services	98,747		169,240		15,296		-
So NV Adult Mental Health Services	315,700		86,710,502		81,063,306		5,647,194
No NV Adult Mental Health Services			31,503,414		27,996,814		3,506,600
Mental Health Information System	202,461		1,899,546		1,534,268		236,773
Family Preservation Program	-		2,638,570		2,511,784		126,786
Rural Regional Center	-		14,955,675		14,020,245		928,430
MHDS Administration	27,176	1,305	7,666,582		19,075,849		87,428,226
Desert Regional Center	9,164,383	2,430,766	8,747,387		87,397,063		87,428,226
Sierra Regional Center			35,029,626		32,511,708		2,687,917
Facility for the Mental Offender			8,849,328		8,647,034		202,294
Alcohol Tax Program	-		1,262,208		889,104		563,234
Rural Clinics	-		12,548,126		10,740,133		1,908,137
Child and Family Services	4,897,867		-		38,771,787		-
Community Juvenile Justice Programs	4,897,867		5,107,652		3,938,829		1,168,823
Washoe County Integration	20,482,273	\$ 7,328,633	\$ 3,959,427		\$ 60,001,048	\$	87,428,226
Clark County Integration			78,671,092		78,444,217		226,875
UNITY/SACWIS			5,975,155		5,359,534		615,621
Children, Youth and Family Administration			21,045,103		18,495,368		2,549,735
Youth Alternative Placement			3,532,099		3,532,099		-
Juvenile Correctional Facility			1,472,661		1,464,282		8,379
Child Care Services			1,557,623		1,328,528		229,095
Caliente Youth Center			8,012,198		7,678,682		333,516
Victims of Domestic Violence			4,150,734		2,923,761		1,226,973
Childrens Trust Account			792,409		492,163		300,246
Rural Child Welfare			16,936,114		15,065,998		1,870,116
Review of Death of Children			309,465		65,810		243,655
Nevada Youth Training Center			9,073,568		7,316,456		1,757,112
Youth Parole Services			5,490,652		4,576,390		914,262
Farm Account - Youth Training Center			11,650		-		11,650
No NV Child and Adolescent Services			7,747,703		7,231,284		516,419
So NV Child and Adolescent Services			24,407,088		21,061,542		3,345,546
Employment, Training and Rehabilitation							
Blind Business Enterprise Program			5,873,541		2,031,658		3,841,883
Services to the Blind			4,795,726		4,363,220		432,506
Client Assistance Program			197,295		178,286		19,009
Vocational Rehabilitation			20,824,126		16,974,671		3,849,455

Combining Balance Sheet Nonmajor Special Revenue Funds



June 30, 2012

Page 2 of 2

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Cash and pooled investments:					
Cash with treasurer	\$ 2,967,857	\$ 20,673,755	\$ -	\$ 23,175,805	\$ 153,590,515
Cash in custody of other officials	53,812	-	-	143,756	199,893
Investments	200,064	-	4,709,238	966,764	5,876,066
Receivables:					
Accounts receivable	43,389	-	-	2,394,163	22,971,262
Taxes receivable	-	-	-	-	6,427,259
Intergovernmental receivables	69,217	98,633	-	426,262	8,040,177
Accrued interest and dividends	1,632	-	-	-	1,632
Settlement receivable	-	-	-	-	87,428,226
Due from other funds	14,012	168,413	-	30,208	13,983,610
Due from fiduciary funds	-	-	-	57,063	432,084
Inventory	-	-	-	175,361	437,562
Prepaid items	-	-	-	-	10,064
Total assets	\$ 3,349,983	\$ 20,940,801	\$ 4,709,238	\$ 27,369,382	\$ 299,398,350
Accounts payable and accruals:					
Accounts payable	\$ 16,012	\$ 131,828	\$ -	\$ 13,621,485	\$ 18,320,639
Accrued payroll and related liabilities	-	-	-	180,826	3,016,895
Intergovernmental payables	341,217	175,046	-	-	2,983,217
Due to other funds	150	235,737	-	1,343,683	39,947,703
Due to fiduciary funds	-	-	-	12	10,531
Due to component units	-	414	-	362	312,162
Deferred revenues	3,188	26,711	-	2,087,139	110,127,106
Total liabilities	360,567	569,736	-	17,233,507	174,718,253
Fund balances:					
Nonspendable	-	-	-	375,361	647,626
Restricted	2,845,829	20,371,065	4,709,238	6,180,919	59,090,084
Committed	143,587	-	-	3,579,595	64,942,387
Total fund balances	2,989,416	20,371,065	4,709,238	10,135,875	124,680,097
Total liabilities and fund balances	\$ 3,349,983	\$ 20,940,801	\$ 4,709,238	\$ 27,369,382	\$ 299,398,350



"Poppies"
Jill Colbert

Provided by the Nevada Museum of Art

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

For the Fiscal Year Ended June 30, 2012

	Employment Security	Regulatory	Higher Education Capital Construction	Cleaning Up Petroleum Discharges
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ 14,323,967	\$ -
Property and transfer taxes	-	-	-	-
Other taxes	11,470,752	58,441	-	12,718,764
Intergovernmental	83,489,686	644,355	-	-
Licenses, fees and permits	326,632	18,917,227	-	418,808
Sales and charges for services	989,249	5,087	-	-
Interest and investment income	(143,603)	(72,099)	-	(62,461)
Settlement income	-	-	-	-
Other	3,639	370,313	-	-
Total revenues	96,136,355	19,923,324	14,323,967	13,075,111
Expenditures				
<i>Current:</i>				
General government	-	-	-	-
Health and social services	99,424,997	-	-	-
Education and support services	-	-	-	-
Law, justice and public safety	-	-	-	-
Regulation of business	-	18,121,283	-	-
Recreation, resource development	-	-	-	6,444,331
Intergovernmental	-	-	5,000,000	401,544
<i>Debt service:</i>				
Interest	-	4	325	-
Total expenditures	99,424,997	18,121,287	5,000,325	6,845,875
Excess (deficiency) of revenues over expenditures	(3,288,642)	1,802,037	9,323,642	6,229,236
Other Financing Sources (Uses)				
Sale of capital assets	3,764	6,190	-	-
Transfers in	31,059,582	144,716	-	-
Transfers out	(24,842,795)	(594,616)	(11,692,125)	(6,353,985)
Total other financing sources (uses)	6,220,551	(443,710)	(11,692,125)	(6,353,985)
Net change in fund balances	2,931,909	1,358,327	(2,368,483)	(124,749)
Fund balances, July 1	12,299,224	7,487,484	9,793,235	7,317,735
Fund balances, June 30	\$ 15,231,133	\$ 8,845,811	\$ 7,424,752	\$ 7,192,986



NEVADA

Page 14 of 29

		Final Budget	Actual	Variance
Hospital Care to Indigent Persons		\$ 1,859,467	\$ 1,538,161	\$ 321,306
Consumer Health Protection		1,788,066	1,261,824	507,402
Office of Minority Health	Tourism Promotion			
Early Intervention Services		25,320,905	24,349,891	971,014
Immunization Program	\$ -	6,025,932	5,290,757	735,175
Marijuana Health Registry	-	1,809,340	911,820	897,520
WIC Food Supplement	17,318,898	70,741,206	64,302,880	6,438,326
Sexually Transmitted Disease Control	-	18,551,867	15,704,842	2,847,025
Health Facilities Hospital Licensing	8,233	13,754,085	8,103,648	5,650,437
Health Facilities-Admin Penalty	-	13,689,869	74,956	436,711
Public Health Preparedness Program	479	15,499,287	17,446,990	1,429,437
Family Planning Project	-	5,304,988	40,235,149	973,040
Communicable Disease Control	7,298	6,610,763	5,608,275	1,100,378
Maternal Child Health Services	17,334,908	18,188,574	39,619,770	2,000,749
Office of Health Administration		9,301,316	5,500,513	3,800,803
Community Health Services		4,420,041	3,707,959	712,082
Emergency Medical Services		1,473,049	1,186,527	286,522
Welfare and Supportive Services	-	-	369,414	-
Welfare Administration	-	31,677,734	29,666,120	2,617,614
Temp Assistance for Needy Families	-	49,152,854	46,623,442	2,529,412
Assistance to Aged and Blind	-	10,952,440	7,952,000	442
Welfare Field Services	-	75,521,508	70,842,700	4,678,808
Child Support Enforcement Program	12,387,820	16,596,556	12,267,102	4,329,454
Child Support Federal Reimbursement	-	36,425,396	23,972,521	12,452,875
Child Assistance and Development	-	44,569,122	24,294,483	2,687,971
Energy Assistance Program		18,441,391	14,391,703	4,049,688
Mental Health and Developmental Services	-	-	-	-
So NV Adult Mental Health Services	12,387,820	86,710,502	81,063,308	5,647,194
No NV Adult Mental Health Services	-	10,784,246	29,533,289	3,506,600
Mental Health Information System		31,583,711	27,886,814	236,773
Family Preservation Program	4,947,088	1,809,546	1,572,773	126,786
Rural Regional Center		2,883,525	10,076,259	928,430
MHDS Administration		2,638,570	2,511,784	590,789
Desert Regional Center	-	14,955,675	14,027,245	5,076,789
Sierra Regional Center	-	7,666,592	7,075,803	2,687,917
Facility for the Mental Offender	(3,093,925)	87,473,862	82,397,073	202,294
Alcohol Tax Program	(3,093,925)	35,029,626	32,341,709	563,234
Rural Clinics	1,509,011	(3,023,275)	(4,552,483)	1,908,137
Child and Family Services	3,044,704	12,648,750	13,921,993	-
Community Juvenile Justice Programs	\$ -	2,932,087	24,850,392	1,168,823
Washoe County Integration	\$ 4,897,867	2,782,837	38,271,887	730,276
Clark County Integration		29,058,336	28,328,060	226,875
UNITY/SACWIS		78,671,092	78,444,217	615,621
Children, Youth and Family Administration		5,975,155	5,359,534	2,549,735
Youth Alternative Placement		21,045,103	18,495,368	-
Juvenile Correctional Facility		3,532,099	3,532,099	8,379
Child Care Services		1,472,661	1,464,282	229,095
Caliente Youth Center		1,557,623	1,328,528	333,516
Victims of Domestic Violence		8,012,198	7,678,682	1,226,973
Childrens Trust Account		4,150,734	2,923,761	300,246
Rural Child Welfare		792,409	492,163	1,870,116
Review of Death of Children		16,936,114	15,065,998	243,655
Nevada Youth Training Center		309,465	65,810	1,757,112
Youth Parole Services		9,073,568	7,316,456	914,262
Farm Account - Youth Training Center		5,490,652	4,576,390	11,650
No NV Child and Adolescent Services		11,650	-	516,419
So NV Child and Adolescent Services		7,747,703	7,231,284	3,345,546
Employment, Training and Rehabilitation		24,407,088	21,061,542	-
Blind Business Enterprise Program		5,873,541	2,031,658	3,841,883
Services to the Blind		4,795,726	4,363,220	432,506
Client Assistance Program		197,295	178,286	19,009
Vocational Rehabilitation		20,824,126	16,974,671	3,849,455

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

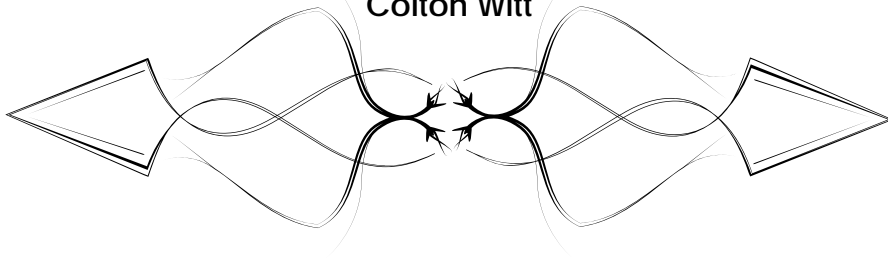


For the Fiscal Year Ended June 30, 2012

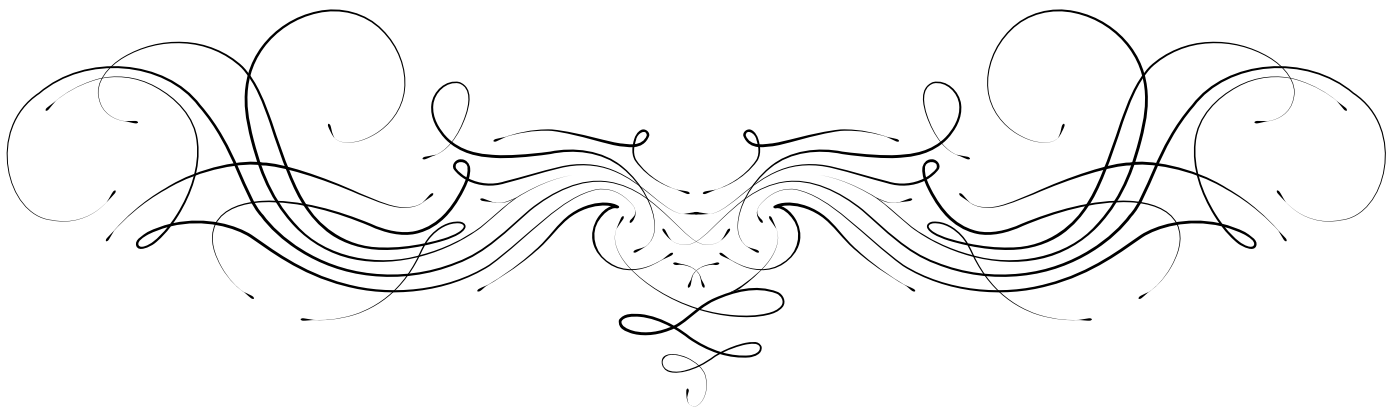
Page 2 of 2

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ -	\$ 14,323,967
Property and transfer taxes	-	-	-	-	20,869,058
Other taxes	-	-	-	3,804,517	45,371,372
Intergovernmental	-	219,072	-	4,574,313	89,056,426
Licenses, fees and permits	927,952	-	-	9,978,713	30,577,565
Sales and charges for services	-	-	-	458,072	15,141,788
Interest and investment income	64,946	89,703	179,307	(142,969)	(1,103,678)
Settlement income	-	-	-	-	40,291,149
Other	780,782	-	2,699,177	3,307,245	7,242,644
Total revenues	1,773,680	308,775	2,878,484	21,979,891	261,770,291
Current:					
General government	-	-	47	-	369,461
Health and social services	111,160	-	-	7,839	104,471,955
Education and support services	470	-	-	528,721	529,191
Law, justice and public safety	-	-	-	17,828,760	28,613,309
Regulation of business	-	-	-	263,499	18,384,782
Recreation, resource development	425,216	5,595,198	-	-	24,852,565
Intergovernmental	1,021,905	800,906	-	-	31,518,838
Debt service:					
Interest	-	-	-	-	329
Total expenditures	1,558,751	6,396,104	47	18,628,819	208,740,430
Excess (deficiency) of revenues over expenditures	214,929	(6,087,329)	2,878,437	3,351,072	53,029,861
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	9,954
Transfers in	93	-	-	1,118,477	40,720,487
Transfers out	(315,111)	(475,591)	(2,812,036)	(358,173)	(77,304,711)
Total other financing sources (uses)	(315,018)	(475,591)	(2,812,036)	760,304	(36,574,270)
Net change in fund balances	(100,089)	(6,562,920)	66,401	4,111,376	16,455,591
Fund balances, July 1	3,089,505	26,933,985	4,642,837	6,024,499	108,224,506
Fund balances, June 30	\$ 2,989,416	\$ 20,371,065	\$ 4,709,238	\$ 10,135,875	\$ 124,680,097

"Dreaming"
Colton Witt



Provided by the Nevada Museum of Art



Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2012

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System
Cash and pooled investments:				
Cash with treasurer	\$ 280,123	\$ 171,068	\$ 291,571	\$ 10,555,754
Receivables:				
Intergovernmental receivables	-	-	-	-
Due from other funds	28,892	111,707	-	2,507,554
Total assets	<u>\$ 309,015</u>	<u>\$ 282,775</u>	<u>\$ 291,571</u>	<u>\$ 13,063,308</u>
Accounts payable and accruals:				
Accounts payable	\$ 13	\$ -	\$ -	\$ 2,341
Contracts payable	-	67,550	7,796	126,701
Retentions payable	-	-	24,422	10,316
Due to other funds	309,000	60,718	15,013	63,954
Due to component units	-	-	288	12,857,992
Deferred revenues	-	-	-	2,004
Total liabilities	<u>309,013</u>	<u>128,268</u>	<u>47,519</u>	<u>13,063,308</u>
Fund balances:				
Restricted	-	59,132	244,052	-
Committed	2	95,375	-	-
Total fund balances	<u>2</u>	<u>154,507</u>	<u>244,052</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 309,015</u>	<u>\$ 282,775</u>	<u>\$ 291,571</u>	<u>\$ 13,063,308</u>



			Final Budget		Actual		Variance
Consumer Health Protection			\$ 1,859,467		\$ 1,538,161		\$ 321,306
Office of Minority Health			1,788,066		1,280,664		507,402
Early Childhood Services	CIP General State		25,320,905		24,349,891		971,014
Immunization Program	CIP Prison System		6,025,032		5,290,757		735,175
Marijuana Health Registry	CIP Military		1,800,340		911,820		897,520
WIC Food Supplement	CIP Wildlife		70,741,206		64,302,880		6,438,326
Sexually Transmitted Disease Control			18,551,867		15,704,842		2,847,025
Health Facilities Hospital Licensing	\$ 16,490,922	\$ 21,908,200	13,754,085	\$ 65,705,092	8,103,648		5,650,437
Health Facilities-Admin Penalty			511,667		74,956		436,711
Public Health Preparedness Program			15,499,287		14,069,850		1,429,437
Family Planning Project		535,234	5,304,988		4,331,948		973,040
Communicable Disease Control		126,295	6,609,052		2,556,620		1,100,378
Maternal Child Health Services	21,908,200	\$ 17,152,451	\$ 8,189,569	\$ 69,109,720	6,104,720		2,000,749
Office of Health Administration			9,301,316		5,500,513		3,800,803
Community Health Services			4,420,041		3,707,959		712,082
Emergency Medical Services			1,473,049		1,186,527		286,522
Welfare and Supportive Services							
Welfare Administration	\$ 1,000	\$ 1,000	\$ 5,231	\$ 31,677,734	\$ 29,160,120		2,617,614
Temp Assistance for Needy Families	196,057	6,046,885	49,152,854	46,623,442			2,529,412
Assistance to Ageed and Blind	196,374	1,423,429	7,952,442	1,800,310			442
Welfare Field Services	93,339	283,281	75,521,508	70,842,680			4,678,808
Child Support Enforcement Program	-	-	16,596,556	12,267,102			4,329,454
Child Support Federal Reimbursement	-	-	36,425,396	23,972,021			12,452,875
Child Assistance and Development	-	-	44,509,122	41,891,131			2,687,971
Energy Assistance Program	1,340,770	7,758,826	18,441,391	23,531,923			4,049,688
Mental Health and Developmental Services							
So NV Adult Mental Health Services			86,710,502	81,063,308			5,647,194
No NV Adult Mental Health Services	20,567,430	9,393,625	31,503,414	27,996,814			3,506,600
Mental Health Information System	-	-	1,809,546	1,577,773			236,773
Family Preservation Program	20,567,430	9,393,625	2,638,750	45,512,784			126,786
Rural Regional Center	\$ 21,908,200	\$ 17,152,451	\$ 14,955,069	\$ 69,104,720			928,430
MRDS Administration			7,666,592	7,075,803			590,789
Desert Regional Center			87,473,862	82,397,073			5,076,789
Sierra Regional Center			35,029,626	32,341,709			2,687,917
Facility for the Mental Offender			8,849,328	8,647,034			202,294
Alcohol Tax Program			1,452,338	889,104			563,234
Rural Clinics			12,648,270	10,740,133			1,908,137
Child and Family Services							
Community Juvenile Justice Programs			5,107,652	3,938,829			1,168,823
Washoe County Integration			29,058,336	28,328,060			730,276
Clark County Integration			78,671,092	78,444,217			226,875
UNITY/SACWIS			5,975,155	5,359,534			615,621
Children, Youth and Family Administration			21,045,103	18,495,368			2,549,735
Youth Alternative Placement			3,532,099	3,532,099			-
Juvenile Correctional Facility			1,472,661	1,464,282			8,379
Child Care Services			1,557,623	1,328,528			229,095
Caliente Youth Center			8,012,198	7,678,682			333,516
Victims of Domestic Violence			4,150,734	2,923,761			1,226,973
Childrens Trust Account			792,409	492,163			300,246
Rural Child Welfare			16,936,114	15,065,998			1,870,116
Review of Death of Children			309,465	65,810			243,655
Nevada Youth Training Center			9,073,568	7,316,456			1,757,112
Youth Parole Services			5,490,652	4,576,390			914,262
Farm Account - Youth Training Center			11,650	-			11,650
No NV Child and Adolescent Services			7,747,703	7,231,284			516,419
So NV Child and Adolescent Services			24,407,088	21,061,542			3,345,546
Employment, Training and Rehabilitation							
Blind Business Enterprise Program			5,873,541	2,031,658			3,841,883
Services to the Blind			4,795,726	4,363,220			432,506
Client Assistance Program			197,295	178,286			19,009
Vocational Rehabilitation			20,824,126	16,974,671			3,849,455

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

For the Fiscal Year Ended June 30, 2012

	Parks Capital Project Construction	CIP Motor Vehicle	CIP Human Resources	CIP University System
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and investment income	8	-	-	-
Other	21,288	-	-	-
Total revenues	21,296	-	-	-
Expenditures				
<i>Current:</i>				
Intergovernmental	-	-	-	7,622,912
Capital outlay	41,680	271,550	653,044	-
<i>Debt service:</i>				
Debt issuance costs	-	-	-	50,312
Total expenditures	41,680	271,550	653,044	7,673,224
Excess (deficiency) of revenues over expenditures	(20,384)	(271,550)	(653,044)	(7,673,224)
Other financing sources (uses)				
Sale of general obligation bonds	-	-	-	7,020,965
Premium on general obligation bonds	-	-	-	652,259
Transfers in	20,379	219,102	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	20,379	219,102	-	7,673,224
Net change in fund balances	(5)	(52,448)	(653,044)	-
Fund balances, July 1	7	206,955	897,096	-
Fund balances, June 30	\$ 2	\$ 154,507	\$ 244,052	\$ -



CIP General State Government	CIP Prison System	CIP Military	Final Budget	Actual	Variance
Consumer Health Protection			\$ 1,859,167	\$ 1,538,161	\$ 321,306
Office of Minority Health			1,788,066	1,290,664	507,402
Early Intervention Services	-	\$ 11,845,863	\$ 25,320,905	\$ 24,349,891	971,014
Immunization Program	-	-	6,025,932	5,290,757	735,175
Marijuana Health Registry	-	-	1,809,340	911,829	897,520
WIC Food Supplement	-	-	70,741,206	64,302,886	6,438,326
Sexually Transmitted Disease Control	-	11,845,863	18,551,867	15,704,842	2,847,025
Health Facilities Hospital Licensing			13,754,085	8,103,648	5,650,437
Health Facilities-Admin Penalty			511,667	74,956	436,711
Public Health Preparedness Program			15,499,287	14,069,850	1,429,437
Family Planning Project	-	-	5,304,988	4,339,948	973,040
Communicable Disease Control	4,166,411	22,264,893	6,609,083	5,082,705	1,100,378
Maternal Child Health Services			8,189,579	6,188,830	2,000,749
Office of Health Administration			9,301,316	5,500,513	3,800,803
Community Health Services	42,568	11,474	4,420,041	3,707,959	712,082
Emergency Medical Services	4,208,979	22,276,367	1,473,049	1,286,327	286,522
Welfare and Supportive Services					
Welfare Administration	(4,208,979)	(10,430,504)	31,677,728	29,096,409	2,617,614
Temp Assistance for Needy Families			49,152,854	46,623,442	2,529,412
Assistance to Aged and Blind			7,952,442	7,952,000	442
Welfare Field Services	5,940,349	1,601,183	75,521,508	70,812,509	4,678,808
Child Support Enforcement Program	551,868	148,753	16,596,556	12,263,076	4,329,454
Child Support Federal Reimbursement	-	188,403	36,425,693	23,978,653	12,452,875
Child Assistance and Development	-	(324,154)	44,569,122	41,883,593	2,687,971
Energy Assistance Program			18,441,391	14,391,703	4,049,688
Mental Health and Developmental Services					
So NV Adult Mental Health Services		1,614,185	1,252,093	30,666,827	5,647,194
No NV Adult Mental Health Services		(8,816,319)	86,710,502	81,063,308	3,506,600
Mental Health Information System		18,209,944	31,503,914	27,998,814	236,773
Family Preparation Program			1,809,561	1,678,102	126,786
Rural Regional Center					
MHDS Administration			7,666,592	7,075,803	590,789
Desert Regional Center			87,473,862	82,397,073	5,076,789
Sierra Regional Center			35,029,626	32,341,709	2,687,917
Facility for the Mental Offender			8,849,328	8,647,034	202,294
Alcohol Tax Program			1,452,338	889,104	563,234
Rural Clinics			12,648,270	10,740,133	1,908,137
Child and Family Services					
Community Juvenile Justice Programs			5,107,652	3,938,829	1,168,823
Washoe County Integration			29,058,336	28,328,060	730,276
Clark County Integration			78,671,092	78,444,217	226,875
UNITY/SACWIS			5,975,155	5,359,534	615,621
Children, Youth and Family Administration			21,045,103	18,495,368	2,549,735
Youth Alternative Placement			3,532,099	3,532,099	-
Juvenile Correctional Facility			1,472,661	1,464,282	8,379
Child Care Services			1,557,623	1,328,528	229,095
Caliente Youth Center			8,012,198	7,678,682	333,516
Victims of Domestic Violence			4,150,734	2,923,761	1,226,973
Childrens Trust Account			792,409	492,163	300,246
Rural Child Welfare			16,936,114	15,065,998	1,870,116
Review of Death of Children			309,465	65,810	243,655
Nevada Youth Training Center			9,073,568	7,316,456	1,757,112
Youth Parole Services			5,490,652	4,576,390	914,262
Farm Account - Youth Training Center			11,650	-	11,650
No NV Child and Adolescent Services			7,747,703	7,231,284	516,419
So NV Child and Adolescent Services			24,407,088	21,061,542	3,345,546
Employment, Training and Rehabilitation					
Blind Business Enterprise Program			5,873,541	2,031,658	3,841,883
Services to the Blind			4,795,726	4,363,220	432,506
Client Assistance Program			197,295	178,286	19,009
Vocational Rehabilitation			20,824,126	16,974,671	3,849,455

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2012

Page 1 of 9

	Final Budget	Actual	Variance
	\$ -	\$ 3,465,127	\$ (3,465,127)
Office of the Governor	2,023,976	1,945,339	78,637
State Fiscal Stabilization	45,727,667	43,174,450	2,553,217
Governor's Mansion Maintenance	266,037	264,661	1,376
Governor's Washington Office	247,079	247,079	-
Ethics Commission	669,280	662,326	6,954
High Level Nuclear Waste	1,272,007	1,075,871	196,136
Petroleum Overcharge Rebate	3,314	3,264	50
Governor's Office Energy Conservation	20,604,232	11,291,448	9,312,784
Renewable Energy/Energy Efficiency Loan Program	3,721,658	1,901,364	1,820,294
Lieutenant Governor	461,975	438,130	23,845
Attorney General Administrative Account	27,383,951	24,783,340	2,600,611
Attorney General Extradition Coordinator	700,478	552,036	148,442
Attorney General Special Fund	7,761,540	2,125,019	5,636,521
Attorney General Workers' Compensation Fraud	4,542,455	3,882,831	659,624
Attorney General Crime Prevention	267,138	247,435	19,703
Attorney General Medicaid Fraud	4,567,637	2,184,703	2,382,934
Attorney General Violence Against Women Grants	3,549,360	2,539,694	1,009,666
Attorney General Council For Prosecuting Attorneys	341,129	185,742	155,387
Attorney General Victims of Domestic Violence	648,185	434,604	213,581
Private Investigators Licensing Board	1,160,830	1,124,866	35,964
Secretary of State	13,550,693	11,440,817	2,109,876
Secretary of State HAVA Election Reform	6,671,575	990,387	5,681,188
Secretary of State Business Portal	3,957,180	3,907,480	49,700
Secretary of State Advisory Committee Gift	61	-	61
Notary Training	408,599	123,991	284,608
State Treasurer	2,363,761	2,174,388	189,373
Silicosis and Disabled Pensions	234,132	46,072	188,060
Nevada College Savings Trust	1,937,146	1,351,141	586,005
Endowment Account	5,145,599	3,347,228	1,798,371
College Savings Private Entity	83,419	-	83,419
Unclaimed Property	2,128,556	1,848,157	280,399
Controller's Office	4,398,521	4,030,953	367,568
Debt Recovery	287,540	289	287,251
	167,086,710	128,325,105	38,761,605
Legislative-Judicial			
Judicial Branch			
Administrative Office of the Courts	5,387,800	3,133,018	2,254,782
Division of Planning and Analysis	1,373,722	1,140,608	233,114
Uniform System of Judicial Records	4,232,940	1,760,932	2,472,008
Judicial Education	2,090,187	1,076,758	1,013,429
District Judges' Salary	20,772,925	20,401,804	371,121
Judicial Travel and Support	916,842	193,436	723,406
District Judge/Surviving Spouse Pension	2,243,200	2,243,200	-
Supreme Court	10,369,839	9,716,541	653,298
Specialty Court	7,389,625	4,217,965	3,171,660
Senior Justice and Senior Judge Program	1,494,729	1,484,331	10,398
Judicial Selection	26,180	19,770	6,410
Foreclosure Mediation Program	7,081,951	4,026,209	3,055,742
Law Library Gift Fund	86,804	5,778	81,026
Law Library	1,625,246	1,450,972	174,274
Judicial Discipline	595,738	585,226	10,512
Legislative Branch			
Interim Finance Committee	42,574,788	29,347,604	13,227,184
Legislative Counsel Bureau Disbursement	4,722	4,722	-
Disaster Relief	4,160,121	177,536	3,982,585
So Nevada Community Project Fund	1,461	-	1,461
	112,428,820	80,986,410	31,442,410



NEVADA

Page 2 of 9

	Final Budget	Actual	Variance
	\$ 1,859,467	\$ 1,538,161	\$ 321,306
Office of Minority Health	1,788,066	1,280,664	507,402
Administration			
Early Intervention Services	25,320,935	24,348,891	972,044
Institutionalization Program	6,025,932	5,392,781	633,151
Deferred Compensation Committee	1,809,340	911,820	897,520
Marijuana Health Registry	70,743,486	64,382,889	6,439,326
WIC Food Supplement	18,551,867	15,790,842	2,847,025
Sexually Transmitted Disease Control	13,754,985	8,102,648	5,652,337
Health Facilities Hospital Licensing	1,513,065	864,930	648,135
Health Facilities Admittance Penalty	15,498,287	14,069,850	1,428,437
Public Health Preparedness Program	5,304,988	4,331,948	973,040
Family Planning Project	16,003,082	10,508,795	5,494,287
Community Disease Control	8,188,579	6,188,830	2,000,749
Maternal Child Health Services	9,291,316	5,228,161	4,063,155
Child Maintenance Reserve	4,636,966	3,696,338	940,628
Office of Health Administration	1,473,903	1,186,527	287,376
Public Works Health Services	1,324,366	384,239	940,127
Emergency Medical Services	31,857,143	29,980,148	1,876,995
Welfare Administration	49,152,854	46,623,442	2,529,412
Welfare Administration - Child Support	7,225,803	7,857,006	(631,203)
Assistance Fund Salary Adjustment	6,953,442	7,857,006	(903,564)
Welfare Field Services	7,574,509	70,843,790	(62,269,281)
Child Support Enforcement Program	16,598,229	12,267,102	4,331,127
Emergency Fund	36,425,399	23,973,521	12,451,878
Child Support Federal Reimbursement	2,860,831	41,881,151	(38,920,320)
Statutory Contingency	44,569,122	41,881,151	2,687,971
Galena	18,420,391	14,391,760	4,028,631
Energy Assistance Program			
Department of Taxation	81,702,345	55,823,488	25,878,857
Mental Health and Developmental Services			
So NV Adult Mental Health Services	31,503,414	27,996,814	3,506,600
Health Information System	1,809,546	1,572,773	236,773
Family Abuse Prevention Program	2,636,192	2,420,824	215,368
Rural Health Services Account	1,314,666,691	1,314,666,691	0
AIDS Health Education - AIDS	7,036,552	7,078,800	(42,248)
Seber Regional Center	81,473,872	81,397,093	76,779
State Support Center	136,020,000	136,548,000	(528,000)
Education Services Center	8,953,450	8,477,092	476,358
Educational Trust Fund	1,402,324	889,807	512,517
Research and Technical Education	11,688,790	10,803,032	885,758
Grand and Family Services			
County Juvenile Justice Programs	3,638,857	1,790,807	1,848,050
Washington County	18,807,652	3,198,124	15,609,528
Washington County	29,833,986	28,323,067	1,510,919
Clark County	78,699,892	78,414,189	285,703
Other Statewide	3,078,593	3,599,534	(520,941)
Commission for Health Education of Minors	21,045,000	18,495,368	2,549,632
Education Teacher Pay Trust	3,532,099	3,532,099	0
Teacher Education and Training	1,472,886	1,402,282	70,604
Director's Office - Unrestricted	1,537,828	1,428,520	109,308
Director's Office - Restricted	78,402,050	59,598,852	18,803,198
State Public Charter School Authority	4,051,734	2,513,763	1,537,971
Elementary and Secondary Ed - Title I	162,751,039	109,492,164	53,258,875
Elementary and Secondary Ed Titles II, V & VI	16,030,714	19,568,918	(3,538,204)
Individuals with Disabilities (IDEA)	111,305,074	83,181,880	28,123,194
Recreation Staff Training Center	9,513,561	7,416,456	2,097,105
Education Support Services	3,566,834	2,784,393	782,441
Family Access to Live and Educational Personnel	17,614,836	17,603,650	11,186
Nevada Child Care Program Services	122,941,703	117,218,000	5,723,703
Commission on Postsecondary Education	24,407,888	21,011,356	3,396,532
Employment, Training and Rehabilitation			
Disability Affairs	295,515	26,595	268,920
Enterprise Program	5,873,541	2,031,658	3,841,883
Cultural Affairs Administration	4,293,150	4,363,226	(70,076)
Cash Assistance Program	197,293	973,280	(775,987)
Volunteer Resource Museum Dev	20,824,820	16,174,695	4,650,125

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2012

Page 3 of 9

	Final Budget	Actual	Variance
Nevada Historical Society	\$ 464,013	\$ 375,342	\$ 88,671
State Museum, Carson City	1,347,550	1,250,474	97,076
Museums and History	365,743	356,355	9,388
Museum and Historical Society - Las Vegas	1,336,730	1,227,142	109,588
State Railroad Museums	1,154,470	1,005,293	149,177
Archives and Records	1,207,130	1,031,322	175,808
Nevada State Library	5,106,389	4,737,833	368,556
Nevada Humanities	40,000	40,000	-
Nevada State Library - CLAN	480,402	310,596	169,806
Nevada Arts Council	1,947,048	1,871,182	75,866
Cultural Resource Program	849,018	484,506	364,512
Historic Preservation	1,650,348	1,490,763	159,585
Comstock Historic District	150,107	141,838	8,269
Comstock Historical District Gifts	113,068	26,202	86,866
Nevada System of Higher Education			
Special Projects	2,930,585	1,772,514	1,158,071
Education for Dependent Children	32,907	20,267	12,640
University of Nevada - Reno	182,632,340	182,404,127	228,213
School of Medical Sciences	35,128,360	35,096,954	31,406
University System Administration	5,091,560	5,091,359	201
University of Nevada Las Vegas	236,494,579	233,122,885	3,371,694
System Computing Center	16,669,848	16,668,160	1,688
UNLV Law School	12,057,501	11,781,623	275,878
National Direct Student Loan Program	35,793	35,793	-
Anatomical Gift	398,482	95,000	303,482
UNLV Dental School	13,506,957	13,449,040	57,917
Collegiate License Plate Account	283,251	255,863	27,388
Nevada State College at Henderson	14,726,421	14,552,662	173,759
Community College of Southern Nevada	123,873,125	120,386,926	3,486,199
Great Basin College	17,916,596	17,466,087	450,509
Desert Research Institute	8,015,222	7,899,756	115,466
Western Nevada Community College	20,560,223	19,719,711	840,512
Truckee Meadows Community College	44,350,621	42,610,659	1,739,962
WICHE Loan and Stipend	1,057,752	886,473	171,279
WICHE Administration	306,682	295,223	11,459
	2,821,180,013	2,652,893,434	168,286,579
Health and Human Services Director's Office			
Administration	5,630,616	3,405,974	2,224,642
Grants Management Unit	25,603,720	24,939,749	663,971
Problem Gambling	1,353,001	745,880	607,121
Public Defender	3,388,931	3,241,387	147,544
Aging and Disability Services			
Aging Older Americans Act	24,751,363	18,432,040	6,319,323
State and Community Collaboration	5,502,626	4,445,269	1,057,357
Developmental Disabilities	650,618	544,343	106,275
Community Based Services	21,527,424	18,571,752	2,955,672
Health Care Financing and Policy			
Intergovernmental Transfer Program	173,932,812	152,269,914	21,662,898
Administration	131,810,409	80,456,835	51,353,574
HIFA Holding Account	192,492	155,950	36,542
Increased Quality of Nursing Care	29,977,121	27,724,611	2,252,510
Nevada Check-Up Program	36,428,358	35,980,292	448,066
Nevada Medicaid, Title XIX	1,706,386,254	1,638,664,986	67,721,268
HIFA Medical	595,179	468,851	126,328
Health			
Radiological Health	3,763,398	2,549,561	1,213,837
Cancer Control Registry	1,420,302	582,704	837,598
Alcoholism and Drug Rehabilitation	25,570,645	22,657,642	2,913,003
Vital Statistics	953,949	904,348	49,601



	Final Budget	Actual	Variance
Consumer Health Protection	\$ 1,859,467	\$ 1,538,161	\$ 321,306
Office of Minority Health	1,788,066	1,280,664	507,402
Early Intervention Services	25,320,905	24,349,891	971,014
Immunization Program	6,025,932	5,290,757	735,175
Marijuana Health Registry	1,809,340	911,820	897,520
WIC Food Supplement	70,741,206	64,302,880	6,438,326
Sexually Transmitted Disease Control	18,551,867	15,704,842	2,847,025
Health Facilities Hospital Licensing	13,754,085	8,103,648	5,650,437
Health Facilities-Admin Penalty	511,667	74,956	436,711
Public Health Preparedness Program	15,499,287	14,069,850	1,429,437
Family Planning Project	5,304,988	4,331,948	973,040
Communicable Disease Control	6,609,083	5,508,705	1,100,378
Maternal Child Health Services	8,189,579	6,188,830	2,000,749
Office of Health Administration	9,301,316	5,500,513	3,800,803
Community Health Services	4,420,041	3,707,959	712,082
Emergency Medical Services	1,473,049	1,186,527	286,522
Welfare and Supportive Services			
Welfare Administration	31,677,734	29,060,120	2,617,614
Temp Assistance for Needy Families	49,152,854	46,623,442	2,529,412
Assistance to Aged and Blind	7,952,442	7,952,000	442
Welfare Field Services	75,521,508	70,842,700	4,678,808
Child Support Enforcement Program	16,596,556	12,267,102	4,329,454
Child Support Federal Reimbursement	36,425,396	23,972,521	12,452,875
Child Assistance and Development	44,569,122	41,881,151	2,687,971
Energy Assistance Program	18,441,391	14,391,703	4,049,688
Mental Health and Developmental Services			
So NV Adult Mental Health Services	86,710,502	81,063,308	5,647,194
No NV Adult Mental Health Services	31,503,414	27,996,814	3,506,600
Mental Health Information System	1,809,546	1,572,773	236,773
Family Preservation Program	2,638,570	2,511,784	126,786
Rural Regional Center	14,955,675	14,027,245	928,430
MHDS Administration	7,666,592	7,075,803	590,789
Desert Regional Center	87,473,862	82,397,073	5,076,789
Sierra Regional Center	35,029,626	32,341,709	2,687,917
Facility for the Mental Offender	8,849,328	8,647,034	202,294
Alcohol Tax Program	1,452,338	889,104	563,234
Rural Clinics	12,648,270	10,740,133	1,908,137
Child and Family Services			
Community Juvenile Justice Programs	5,107,652	3,938,829	1,168,823
Washoe County Integration	29,058,336	28,328,060	730,276
Clark County Integration	78,671,092	78,444,217	226,875
UNITY/SACWIS	5,975,155	5,359,534	615,621
Children, Youth and Family Administration	21,045,103	18,495,368	2,549,735
Youth Alternative Placement	3,532,099	3,532,099	-
Juvenile Correctional Facility	1,472,661	1,464,282	8,379
Child Care Services	1,557,623	1,328,528	229,095
Caliente Youth Center	8,012,198	7,678,682	333,516
Victims of Domestic Violence	4,150,734	2,923,761	1,226,973
Childrens Trust Account	792,409	492,163	300,246
Rural Child Welfare	16,936,114	15,065,998	1,870,116
Review of Death of Children	309,465	65,810	243,655
Nevada Youth Training Center	9,073,568	7,316,456	1,757,112
Youth Parole Services	5,490,652	4,576,390	914,262
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	7,747,703	7,231,284	516,419
So NV Child and Adolescent Services	24,407,088	21,061,542	3,345,546
Employment, Training and Rehabilitation			
Blind Business Enterprise Program	5,873,541	2,031,658	3,841,883
Services to the Blind	4,795,726	4,363,220	432,506
Client Assistance Program	197,295	178,286	19,009
Vocational Rehabilitation	20,824,126	16,974,671	3,849,455

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2012

Page 5 of 9

	Final Budget	Actual	Variance
Rehabilitation Administration	\$ 1,428,202	\$ 1,095,516	\$ 332,686
Disability Adjudication	18,407,914	15,032,706	3,375,208
Equal Rights Commission	1,360,244	1,225,541	134,703
Administration	5,536,214	4,987,742	548,472
Research and Analysis	2,985,132	2,384,446	600,686
Information Development and Processing	12,524,778	10,086,774	2,438,004
Silver State Health Insurance			
Silver State Health Insurance Exchange Adminm	3,273,894	2,349,882	924,012
	<u>3,262,232,190</u>	<u>2,983,061,003</u>	<u>279,171,187</u>
Commerce and Industry			
Economic Development and Tourism			
Governor's Office of Economic Development	7,815,193	7,338,458	476,735
Motion Pictures	1,003,771	739,779	263,992
Indian Commission	213,658	213,167	491
Rural Community Development	3,574,434	2,602,524	971,910
NV SSBCI Program	14,411,111	715,420	13,695,691
Nevada Catalyst Fund	10,000,000	-	10,000,000
Small Business and Procurement	520,021	384,245	135,776
Minerals			
Minerals	3,583,337	2,369,532	1,213,805
Bond Reclamation	7,028,852	539,748	6,489,104
Agriculture			
Nevada Beef Council	275,969	249,194	26,775
Gas Pollution Standards	437,225	350,117	87,108
Weed Abatement and Control	100,200	490	99,710
Plant Industry	274,323	262,320	12,003
Grade and Certification of Ag Products	469,523	249,080	220,443
Garlic and Onion Research Promotion	120,140	1,324	118,816
Agricultural Registration/Enforcement	3,236,734	1,976,418	1,260,316
Livestock Inspection	1,901,929	1,036,626	865,303
USDA CCC	401,375	203,037	198,338
Agriculture License Plates	18,297	15,000	3,297
Veterinary Medical Services	970,616	885,095	85,521
Weights and Measures	2,572,485	1,638,967	933,518
Noxious Weed and Insect Control	2,881,266	2,109,856	771,410
Junior Agricultural Loan Program	254,845	-	254,845
Agriculture Administration	1,297,270	1,273,740	23,530
Rangeland Resources Commission	168,628	117,537	51,091
Mormon Cricket and Grasshoppers	1,006,576	287,714	718,862
Predatory Animal and Rodent Control	915,119	822,833	92,286
Gaming Control			
Gaming Control Board	42,237,409	38,698,246	3,539,163
Gaming Control Federal Forfeiture	650,503	18,903	631,600
Gaming Control - Forfeiture Account	565,170	43,756	521,414
Gaming Control - Other State Forfeiture	523,600	18,160	505,440
Federal Forfeiture Treasury	2,721,018	440,334	2,280,684
Gaming Commission	342,360	312,034	30,326
Business and Industry			
Business and Industry Administration	3,364,396	3,090,013	274,383
Industrial Development Bonds	185,310	12,960	172,350
Insurance Regulation	11,280,069	7,762,149	3,517,920
Captive Insurers	1,616,797	1,028,367	588,430
Insurance Recovery	646,705	606,705	40,000
Insurance Education and Research	1,241,240	655,565	585,675
Nat. Assoc. of Insurance Commissioners	76,898	32,040	44,858
Insurance Cost Stabilization	458,439	144,505	313,934
Special Housing Assistance	9,162,778	1,723,828	7,438,950
Low Income Housing Trust Fund	22,090,571	6,133,836	15,956,735
Weatherization	18,234,268	13,195,247	5,039,021
Employee Management Relations Board	566,644	436,029	130,615



NEVADA

Page 4 of 9

	Final Budget	Actual	Variance
Consumer Interest Communities	\$ 7,813,487	\$ 1,548,735	\$ 2,327,962
Office of Wildlife Protection	1,777,777	1,777,777	0
Office of Wildlife Protection	1,788,666	1,280,864	507,802
Athletic Commission	6,628,583	6,349,899	278,684
Early Intervention Services	25,320,983	24,349,899	971,084
Immunization Program	6,025,932	5,296,937	728,995
Marijuana Health Registry	1,889,540	1,877,820	11,720
Aftercare for Injured Workers	70,727,208	64,365,810	6,361,398
Sexually Transmitted Disease Control	18,820,889	15,788,842	3,032,047
Health Facilities Hospital Licensing	15,934,085	8,465,648	7,468,437
Health Facilities Admin Penalty	347,869	74,958	272,911
Transportation Services Authority	15,838,145	14,869,850	968,295
Public Health Preparedness Program	5,304,988	4,337,548	967,440
Family Planning Projects	206,692,983	115,868,708	89,824,275
Communicable Disease Control	8,189,579	6,188,830	2,000,749
Office of Health Administration	9,301,316	5,500,513	3,800,803
Corrections	4,420,041	3,707,959	712,082
Community Health Services	1,955,020	1,866,532	88,488
Emergency Medical Services	21,009,728	20,358,748	650,980
Welfare and Supportive Services	7,932,551	7,269,509	663,042
Correctional Programs	31,667,723	29,060,120	2,607,603
Welfare Administration	49,152,854	46,623,442	2,529,412
So Nevada Correctional Center	9,334,834	9,847,703	(512,869)
Warm Assistance for Needy Families	7,952,442	7,952,000	442
Assistance to Aged and Blind	26,327,880	26,036,719	291,161
No Nevada Correctional Center	2,923,209	70,842,700	(67,918,491)
Welfare Field Services	16,596,556	12,287,102	4,309,454
Child Support Enforcement Program	36,425,396	23,972,521	12,452,875
Stewart Conservation Camp	44,569,188	41,881,151	2,688,037
Child Support Federal Reimbursement	18,441,391	14,391,703	4,049,688
Child Support Enforcement Program	2,480,731	2,480,795	(64)
Energy Assistance Program	21,515,802	21,430,063	85,739
Indian Springs Conservation Camp	86,780,202	81,083,308	5,696,894
Mental Health and Developmental Services	31,593,414	27,996,814	3,596,600
Southern Desert Correctional Center	1,809,546	1,572,773	236,773
So NV Adult Mental Health Services	2,681,825	2,516,709	165,116
Wells Conservation Camp	2,638,750	2,326,684	312,066
Nevada Adult Mental Health Services	14,955,675	14,027,245	928,430
Humboldt Conservation Camp	7,666,592	7,075,803	590,789
Mental Health Information System	23,893,174	23,349,726	543,448
FLV Conservation Camp	87,473,867	82,397,073	5,076,794
Family Preservation Program	35,029,626	32,347,708	2,681,918
Rural Regional Center	8,849,328	8,647,034	202,294
Sierra Regional Center	22,783,338	21,885,188	898,150
Sierra Regional Center	11,456,130	13,888,104	(2,431,974)
Lonopah Conservation Camp	12,648,270	10,740,133	1,908,137
Facility for the Mental Offender	42,362,388	42,189,515	172,873
Alcohol Tax Program	4,594,657	4,452,142	142,515
Alcohol Tax Program	5,107,652	3,038,829	2,068,823
Rural Clinics	29,058,336	28,328,060	730,276
Hill Desert State Prison	3,305,326	3,348,405	(42,879)
Child and Family Services	78,671,092	78,444,217	226,875
Casa Grande Transitional Housing	68,997,653	29,814,895	39,182,758
Community Juvenile Justice Programs	5,965,353	5,359,504	605,849
Public Safety	21,045,103	18,495,368	2,549,735
Washoe County Integration	2,421,186	1,883,832	537,354
Emergency Management Division	3,532,099	3,532,099	0
Clark County Integration	38,942,761	38,942,761	0
Emergency Victim Assistance Grant	1,472,661	1,464,686	7,975
DMV	1,557,623	1,328,528	229,095
Office of Homeland Security	9,154,066	7,391,361	1,762,705
Children, Youth and Family Administration	8,012,198	7,678,682	333,516
Emergency Assistance Subaccount	4,180,900	2,823,721	1,357,179
Youth Alternative Placement	4,180,900	2,363,663	1,817,237
Parole and Probation	2,792,409	2,492,163	300,246
Juvenile Correctional Facility	2,734,613	2,426,317	308,296
Fund for Reentry Programs	16,936,114	15,065,998	1,870,116
Child Care Services	1,810,650	1,655,810	154,840
Division of Investigations	7,747,703	7,231,284	516,419
Caliente Youth Center	4,693,888	3,558,262	1,135,626
Training Division	24,407,088	21,061,542	3,345,546
Victims of Domestic Violence	15,968,272	10,733,898	5,234,374
Parole Board	24,179,058	19,814,963	4,364,095
Childrens Trust Account	5,873,541	2,031,658	3,841,883
Fire Marshal	15,087	15,087	0
Rural Child Welfare	4,795,726	4,363,220	432,506
Review of Death of Children	697,223	778,286	(81,063)
Highway Safety Plan and Administration	197,293	178,286	19,007
Nevada Youth Training Center	20,824,126	16,974,671	3,849,455
Motorcycle Safety Program			
Youth Parole Services			
K-9 Program			
Farm Account - Youth Training Center			
Justice			
No NV Child and Adolescent Services			
Justice Assistance Account			
So NV Child and Adolescent Services			
Justice Assistance Grant			
Employment, Training and Rehabilitation			
Blind Business Enterprise Program			
Child Volunteer Background Checks Trust			
Services to the Blind			
Contingency Account for Haz Mat			
Client Assistance Program			
Client Assistance Program			
Vocational Rehabilitation			

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

All General Fund Budgets

For the Fiscal Year Ended June 30, 2012

Page 7 of 9

	Final Budget	Actual	Variance
Justice Grant	\$ 510,266	\$ 494,068	\$ 16,198
Dignitary Protection	1,024,543	1,001,766	22,777
Peace Officers Standards and Training			
Peace Officers Standards and Training	2,770,292	2,288,232	482,060
Motor Vehicles			
Motor Vehicle Pollution Control	11,483,468	9,247,543	2,235,925
	467,598,865	389,770,611	77,828,254
Wildlife			
Conservation Education	2,190,128	1,914,047	276,081
Law Enforcement	8,217,781	7,147,077	1,070,704
Game Management	5,262,615	4,387,752	874,863
Fisheries Management	7,185,938	6,485,994	699,944
Diversity	2,003,902	1,771,916	231,986
Habitat	7,077,307	4,490,951	2,586,356
Wildlife Director's Office	3,419,835	3,330,879	88,956
Wildlife Operations	5,913,262	5,587,891	325,371
Wildlife Heritage	6,823,913	290,196	6,533,717
Wildlife Obligated Reserve	27,685,133	14,272,525	13,412,608
Wildlife Habitat Mitigation	12,179,370	2,569,412	9,609,958
Conservation and Natural Resources			
State Environmental Commission	318,385	110,608	207,777
Administration	711,055	663,807	47,248
Conservation and Natural Resources Gift	24,000	-	24,000
Water Resources Legal Cost	3,524,926	124,797	3,400,129
Tahoe Regional Planning Agency	11,856,951	1,287,999	10,568,952
Division of Conservation Districts	145,131	125,414	19,717
Parks Federal Grant Programs	5,673,756	1,442,765	4,230,991
State Parks	11,592,481	9,428,015	2,164,466
State Parks Interpretive and Educational Program	668,150	273,570	394,580
Maintenance of State Parks	2,082,188	225,304	1,856,884
State Parks Facility and Grounds Maintenance	14,972,731	75,784	14,896,947
Coyote Springs Groundwater Basin	38,168	267	37,901
Flood Control Revenue Fund	252,517	-	252,517
USGS Co-Op	998,330	471,266	527,064
Groundwater Recharge Projects	369,628	66,255	303,373
Water Right Surveyors	62,405	3,318	59,087
Well Driller's Licenses	83,065	33,108	49,957
Water Resources	5,819,296	5,540,527	278,769
Water Resources Cooperative Project	1,293,978	406,936	887,042
State Engineer Revenue	257,790	75,977	181,813
Little Humboldt River	185,717	37,120	148,597
Quinn River Distribution	42,011	1,661	40,350
Water Studies	277,000	-	277,000
Adjudication Emergency	16,000	-	16,000
Steptoe Valley Water Basin	16,207	1,669	14,538
Diamond Valley Ground Water	30,916	5,396	25,520
Lake Valley Ground Water Basin	20,134	384	19,750
Middle Reese River Ground Water Basin	30,783	8,080	22,703
Dixie Creek/10 Mi Ground Water	15,951	3,067	12,884
Churchill Valley Ground Water	8,620	830	7,790
Colorado River Valley	17,878	389	17,489
Washoe Valley Ground Water	8,994	5,455	3,539
Amargosa Valley Ground Water	11,285	914	10,371
Las Vegas Basin Water District	4,038,235	926,320	3,111,915
Muddy River Surface Water	31,196	11,357	19,839
Pahrnagat Lake	58,276	43,428	14,848
Pahrump Artesian Basin	158,867	39,950	118,917
Boulder Flat Ground Water	107,519	16,169	91,350
Dayton Valley Ground Water	19,559	1,238	18,321



	Final Budget	Actual	Variance
Mason Valley Ground Water	\$ 105,691	\$ 6,751	\$ 98,940
Humboldt Water District	460,076	198,394	261,682
Water District Revenue Fund	30,000	-	30,000
Smith Valley Artesian Basin	40,819	5,786	35,033
Currant Creek	5,251	-	5,251
Duckwater Creek	39,050	11,060	27,990
Paradise Valley Ground Water	37,894	17,173	20,721
Upper White River	14,000	417	13,583
Muddy River Springs	18,879	446	18,433
Kingston Creek	4,391	1,775	2,616
Warm Springs/Winnemucca Creek	10,133	448	9,685
Eagle Valley	51,881	3,782	48,099
Carson Valley Ground Water	36,867	13,249	23,618
Fish Lake Valley Artesian	21,732	2,360	19,372
Carico Creek	443	-	443
Lemmon Valley	45,232	11,814	33,418
Truckee Meadows/Sun Valley	93,459	28,466	64,993
Antelope Middle Reese River	9,563	1,184	8,379
Warm Springs Ground Water	35,533	8,869	26,664
Lower Moapa Valley Groundwater	8,656	-	8,656
Honey Lake Valley	17,007	28	16,979
Whirlwind Valley	13,055	190	12,865
Crescent Water Groundwater	27,472	4,946	22,526
Pumpnickel Valley	34	34	-
Clovers Area Groundwater	50,211	18,765	31,446
Cold Springs Valley	23,383	1,665	21,718
Imlay Ground Water	24,461	4,079	20,382
Kelly Creek Ground Water	37,338	10,214	27,124
Lower Reese River Valley	42,806	8,665	34,141
Maggie Creek	54,350	14,218	40,132
North Fork Ground Water	25,752	1,600	24,152
Pleasant Valley	3,802	1,206	2,596
Forestry	21,792,042	10,850,578	10,941,464
Forest Fire Suppression/Emergency Response	10,581,424	4,965,414	5,616,010
Forestry Honor Camps	8,733,298	8,123,166	610,132
Forestry Inter-Gov Agreements	4,314,794	3,695,340	619,454
Tahoe License Plates	1,907,842	299,001	1,608,841
Nevada Tahoe Regional Planning Agency	1,371	398	973
State Lands	1,841,145	1,643,370	197,775
State Lands Revolving Account	123,043	3,307	119,736
Tahoe Bond Sale	1,387,844	65,627	1,322,217
Tahoe Mitigation	2,741,413	44,453	2,696,960
Nevada Natural Heritage	1,245,238	748,009	497,229
AB9/Q1 Bonds	21,843,495	8,226,012	13,617,483
Storage Tank Management	324,581	-	324,581
Environmental Protection Administration	6,870,371	5,590,756	1,279,615
Chemical Hazard Prevention	1,248,385	544,634	703,751
Reclamation Surety Account	4,224,895	-	4,224,895
Air Quality Management Account	12,740,751	3,472,994	9,267,757
Air Quality	9,660,012	7,008,852	2,651,160
Water Pollution Control	6,029,430	3,283,249	2,746,181
Water Quality Planning	7,127,407	3,463,342	3,664,065
Safe Drinking Water Regulatory Program	3,702,718	2,474,735	1,227,983
Waste Management and Federal Facilities	18,819,549	11,271,237	7,548,312
Mining Regulation/Reclamation	5,150,829	2,306,401	2,844,428
Interim Fluid Management Trust	1,285,793	-	1,285,793
Hazardous Waste Management	19,595,551	4,822,308	14,773,243
Hazardous Waste - Beatty Site	11,805,585	777,905	11,027,680
Water Planning - Capital Improvement	247,309	41,882	205,427
	340,534,599	157,808,338	182,726,261

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

All General Fund Budgets



For the Fiscal Year Ended June 30, 2012

Page 9 of 9

	Final Budget	Actual	Variance
Veterans' Affairs			
Commissioner for Veterans' Affairs	\$ 2,819,421	\$ 2,600,421	\$ 219,000
Veterans' Home Account	18,208,721	15,158,612	3,050,109
Veterans' Gifts and Donations	348,537	97,858	250,679
Veterans' Home Donation	55,022	22,151	32,871
Gift Account for Veterans	1,282,916	296,430	986,486
Office of Military			
Military	17,913,199	14,620,177	3,293,022
Military Emergency Operations Center	428,277	338,213	90,064
Adjutant General Construction	3,282	373	2,909
National Guard Benefits	67,438	50,594	16,844
Patriot Relief Account	480,456	108,675	371,781
Civil Air Patrol	71,042	43,085	27,957
	<u>41,678,311</u>	<u>33,336,589</u>	<u>8,341,722</u>
Legislative Fund	29,056,695	29,056,695	-
Attorney General Fund - Consumer Advocate	1,118,477	1,118,477	-
Highway Fund	15,306	15,306	-
Healthy Nevada Fund	43,603	43,603	-
	<u>30,234,081</u>	<u>30,234,081</u>	<u>-</u>
Reversion to Highway Fund	-	239,905	(239,905)
Reversion to Workers' Comp and Safety Fund	-	651,957	(651,957)
Reversion to Consolidated Bond Interest and Redemption Fund	-	28,500	(28,500)
Reversion to Tourism Promotion Fund	-	105,089	(105,089)
	<u>-</u>	<u>1,025,451</u>	<u>(1,025,451)</u>
Projected Reversions	<u>(37,500,000)</u>	<u>-</u>	<u>(37,500,000)</u>
Total General Fund	<u>\$ 7,494,368,387</u>	<u>\$ 6,634,713,075</u>	<u>\$ 859,655,312</u>

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

All Special Revenue Fund Budgets



For the Fiscal Year Ended June 30, 2012

Page 1 of 3

	Final Budget	Actual	Variance
Finance and Administration			
Unbudgeted Activity	\$ -	\$ 599,935	\$ (599,935)
Appropriations to Other Funds	4,516,800	4,516,800	-
Infrastructure			
Transportation Administration	862,500,984	825,524,511	36,976,473
Aviation Trust Fund	106,096	58,605	47,491
AB 595 Revenue Rental Car Tax	10,616,306	10,522,549	93,757
AB 595 Revenue Clark Co.	103,220,735	84,379,761	18,840,974
AB 595 Revenue Washoe Co.	3,736,484	3,547,319	189,165
NDOT - SB 5 RTC Public Road Project	11,192,436	148,948	11,043,488
System of Providing Information to the Traveling Public	300,107	174,083	126,024
Public Safety			
Director's Office - Public Safety	2,717,698	2,657,494	60,204
Internal Affairs	573,438	562,517	10,921
Records Search	6,856,615	6,726,045	130,570
Highway Patrol	71,209,000	66,655,979	4,553,021
DMV Motor Vehicle Information Technology	9,652,134	8,215,137	1,436,997
Motor Carrier	4,259,136	3,820,146	438,990
PS Highway Safety Grants Account	2,068,097	1,735,998	332,099
Emergency Response Commission	2,702,969	1,076,601	1,626,368
Verification of Insurance	3,698,803	2,865,504	833,299
Hearings - DMV and PS	1,208,068	1,164,945	43,123
Special Plates Trust Account	1,615,447	231,973	1,383,474
Salvage Titles Trust Account	280,763	181,024	99,739
Public Safety Technology Division	6,330,524	5,813,952	516,572
DMV Field Services	43,013,646	38,249,906	4,763,740
Forfeitures	300,753	2,154	298,599
Compliance Enforcement	4,673,269	4,144,011	529,258
Central Services	12,179,311	11,401,401	777,910
Evidence Vault	566,207	519,516	46,691
Management Services	1,348,589	1,296,365	52,224
Director's Office - DMV	5,606,234	4,810,776	795,458
DMV Real ID	2,351,450	1,159,144	1,192,306
Administrative Services	13,227,787	11,320,939	1,906,848
Debt Service Transfers			
Debt Service	80,499,712	80,499,712	-
Total	1,273,129,598	1,184,583,750	88,545,848
Elected Officials			
Municipal Bond Bank Revenue	28,889,531	16,204,180	12,685,351
Total	28,889,531	16,204,180	12,685,351
Human Services			
Employment Security	137,660,635	116,010,577	21,650,058
Employment Security Special Fund	18,094,522	8,186,315	9,908,207
Total	155,755,157	124,196,892	31,558,265
Commerce and Industry			
Manufactured Housing	1,469,953	834,385	635,568
Real Estate Education and Research	1,712,595	556,023	1,156,572
Real Estate Recovery	1,169,500	787,182	382,318
Mobile Home Parks	336,814	135,385	201,429
Mfg Housing-Education/Recovery	247,292	42,794	204,498
Regulatory Fund	12,922,283	10,278,985	2,643,298
Administrative Fines	114,507	114,506	1
Taxicab Authority	9,116,707	5,534,966	3,581,741
Dairy Commission	1,955,726	1,235,922	719,804
Total	29,045,377	19,520,148	9,525,229

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

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2012

Page 2 of 3

	Final Budget	Actual	Variance
Finance and Administration			
Higher Education Capital Construction	\$ 5,000,000	\$ 5,000,000	\$ -
Higher Education Special Construction	9,192,450	9,192,450	-
Total	14,192,450	14,192,450	-
Infrastructure			
Petroleum Clean-Up Trust Fund	21,887,884	13,199,860	8,688,024
Total	21,887,884	13,199,860	8,688,024
Finance and Administration			
Supplemental Fund - Indigents	21,031,212	19,250,596	1,780,616
Total	21,031,212	19,250,596	1,780,616
Commerce and Industry			
Tourism Development	118,004	-	118,004
Commission on Tourism	20,801,899	15,586,833	5,215,066
Total	20,919,903	15,586,833	5,333,070
Public Safety			
Offenders' Store Fund	17,724,445	13,603,007	4,121,438
Inmate Welfare Account	4,632,770	4,320,708	312,062
Total	22,357,215	17,923,715	4,433,500
Elected Officials			
Millennium Scholarship Fund	33,860,693	23,184,899	10,675,794
Millennium Scholarship Administration	404,892	370,134	34,758
Guinn Memorial Millennium Scholarship Fund	377,494	4,500	372,994
Trust Fund for Healthy Nevada	38,368,764	9,436,848	28,931,916
Attorney General MSA Admin	720,467	664,074	56,393
Human Services			
Healthy Nevada Fund	4,383,932	4,383,932	-
Senior RX and Disability RX	5,357,711	2,656,456	2,701,255
Healthy Nevada Fund Administration	2,826,588	2,755,784	70,804
Total	86,300,541	43,456,627	42,843,914
Public Safety			
National Settlement Administration	57,425,798	-	57,425,798
Total	57,425,798	-	57,425,798
Education			
Education Gift Fund	27,322	-	27,322
Library and Archives Gift Fund	463,513	471	463,042
Human Services			
RRC Gift Fund	47,553	-	47,553
SNAMHS Gift Fund	29,018	325	28,693
Health Division Gifts	21,025	1,876	19,149
Transition from Foster Care	2,106,960	1,103,487	1,003,473
Aging Services Gift	43,587	-	43,587
Disability Services Gift	1,243	-	1,243
CBS Washoe Gift Fund	34,455	-	34,455
Indian Commission Gift Acct	28,905	4,368	24,537
Hospital Gift Fund	271,523	24,742	246,781
NNMRS Gift Fund	9,650	-	9,650
NV Equal Rights Commission Gift Fund	20,159	4,683	15,476
Blind Gift Fund	151,281	293	150,988
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	26,314	769	25,545



NEVADA

Page 3 of 9

	Final Budget Final Budget	Actual Actual	Variance Variance
Henry Woods Christmas Fund	\$ 1,859,482	\$ 1,538,161	\$ 321,322
Consumer Health Protection	52,497	50,841	1,656
Nevada Children's Gift Account	1,788,068	1,280,864	507,204
Office of Children's Health	3,925	3,358	567
CYC Gift Fund	25,320,985	24,349,891	971,094
Early Intervention Services	6,025,995	5,290,757	735,238
Youth Training Center Gift Fund	1,809,389	911,820	897,569
DRG Gift Fund	70,741,206	64,302,880	6,438,326
Marijuana Health Registry	18,551,869	15,794,343	2,757,526
Infrastructure	13,754,085	8,103,848	5,650,237
WIC Food Supplement	5,085,692	1,843,887	3,241,805
Wildlife Trust Account	15,499,287	14,069,850	1,429,437
Sexually Transmitted Disease Control	5,304,988	4,331,948	973,040
Park Gift and Grants	6,694,831	5,500,704	1,194,127
Health Facilities Hospital Licensing	8,100,539	6,122,808	1,977,731
Total Health Facilities-Admin Penalty	9,602,663	5,906,482	3,696,181
Health Facilities-Admin Project	15,499,287	14,069,850	1,429,437
Health Facilities-Admin Control	5,304,988	4,331,948	973,040
Health Facilities-Admin Disease Control	6,694,831	5,500,704	1,194,127
Health Facilities-Admin Child Health Services	8,100,539	6,122,808	1,977,731
Health Facilities-Admin Administration	9,602,663	5,906,482	3,696,181
Health Facilities-Admin Community Health Services	15,499,287	14,069,850	1,429,437
Health Facilities-Admin Emergency Medical Services	1,473,040	1,186,527	286,513
Health Facilities-Admin Support Services	31,677,734	29,060,120	2,617,614
Elected Officials	49,152,834	46,623,442	2,529,392
Welfare Administration	6,846,231	3,950,148	2,896,083
Racketeering Prosecution Account	7,982,442	7,982,000	442
Temporary Assistance for Needy Families	864,126	514,126	350,000
Assistance to Aged and Blind	75,521,508	70,842,700	4,678,808
Unfair Trade Practices	16,596,556	12,267,102	4,329,454
Welfare Field Services	36,425,398	23,972,521	12,452,877
Commerce and Industry	44,569,122	41,881,151	2,687,971
Child Support Federal Reimbursement	18,441,897	14,391,696	4,049,681
Lottery and History Board Trust	10,790	8,468	2,322
Education	86,710,562	81,063,308	5,647,254
Child Assistance and Development	31,569,491	27,968,374	3,601,117
Museum and History Board Trust	1,809,548	1,575,973	233,575
Museum Administrator Trust	2,638,570	2,511,784	126,786
Mental Health and Developmental Services	14,935,675	14,027,245	908,430
Nevada Historical Society Trust	7,666,592	7,075,803	590,789
So NV Adult Mental Health Services	87,473,862	82,397,073	5,076,789
Nevada State Museum Trust	35,029,626	32,341,709	2,687,917
Nevada Adult Mental Health Services	12,444,779	8,843,905	3,600,874
Mental Health Information System	8,849,328	8,847,034	2,294
Facility for the Mental Offender	23,220,805	13,892,042	9,328,763
Total	12,648,270	10,740,133	1,908,137
Child and Family Services	5,107,250	3,988,040	1,119,210
Nevada Community Juvenile Justice Programs	29,058,001	28,428,005	629,996
Washoe County Juvenile Justice	78,635,080	78,444,742	190,338
Clark County Juvenile Justice	5,975,555	5,358,534	617,021
UNITY/SACWIS	21,075,103	18,495,368	2,579,735
Total	1,829,347,038	1,525,682,004	303,665,034
Children, Youth and Family Administration	1,472,661	1,464,282	8,379
Total Special Revenue Funds	1,557,623	1,328,528	229,095
Juvenile Correctional Facility	8,012,198	7,678,682	333,516
Child Care Services	4,150,734	2,923,761	1,226,973
Caliente Youth Center	792,409	492,163	300,246
Victims of Domestic Violence	16,936,114	15,065,998	1,870,116
Childrens Trust Account	309,465	65,810	243,655
Rural Child Welfare	9,073,568	7,316,456	1,757,112
Review of Death of Children	5,490,652	4,576,390	914,262
Nevada Youth Training Center	11,650	-	11,650
Youth Parole Services	7,747,703	7,231,284	516,419
Farm Account - Youth Training Center	24,407,088	21,061,542	3,345,546
No NV Child and Adolescent Services	5,873,541	2,031,658	3,841,883
So NV Child and Adolescent Services	4,795,726	4,363,220	432,506
Employment, Training and Rehabilitation	197,295	178,286	19,009
Blind Business Enterprise Program	20,824,126	16,974,671	3,849,455
Services to the Blind			
Client Assistance Program			
Vocational Rehabilitation			

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

All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Fund balances, July 1	\$ 11,658,893	\$ 11,658,893	\$ -	\$ 7,554,448	\$ 7,554,448	\$ -
Revenues:						
Federal	107,306,378	90,538,511	(16,767,867)	687,697	644,355	(43,342)
Other taxes	-	-	-	10,847,830	10,668,051	(179,779)
Sales and charges for services	881,104	994,307	113,203	5,438,711	5,440,340	1,629
Licenses, fees and permits	360,000	326,632	(33,368)	3,071,116	2,872,294	(198,822)
Interest	94,050	21,148	(72,902)	45,076	11,265	(33,811)
Other	11,613,170	12,985,563	1,372,393	524,467	383,615	(140,852)
Other financing sources:						
Transfer from other funds	23,841,562	22,554,088	(1,287,474)	876,032	914,216	38,184
Total sources	<u>\$ 155,755,157</u>	<u>\$139,079,142</u>	<u>\$(16,676,015)</u>	<u>\$ 29,045,377</u>	<u>\$ 28,488,584</u>	<u>\$ (556,793)</u>
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 7,537,884	\$ 7,537,884	\$ -
Revenues:						
Gaming taxes, fees, licenses	14,323,967	14,323,967	-	-	-	-
Other taxes	-	-	-	13,500,000	12,718,764	(781,236)
Licenses, fees and permits	-	-	-	550,000	418,808	(131,192)
Interest	-	-	-	200,000	29,000	(171,000)
Other	-	-	-	100,000	-	(100,000)
Total sources	<u>\$ 14,323,967</u>	<u>\$ 14,323,967</u>	<u>\$ -</u>	<u>\$ 21,887,884</u>	<u>\$ 20,704,456</u>	<u>\$ (1,183,428)</u>
Fund balances, July 1	\$ -	\$ -	\$ -	\$ 3,045,598	\$ 3,045,598	\$ -
Revenues:						
Other taxes	20,869,058	20,869,058	-	17,754,895	17,318,898	(435,997)
Licenses, fees and permits	-	-	-	9,750	8,233	(1,517)
Interest	31,592	31,592	-	716	-	(716)
Other	130,562	130,562	-	8,944	7,298	(1,646)
Other financing sources:						
Transfer from other funds	-	-	-	100,000	-	(100,000)
Total sources	<u>\$ 21,031,212</u>	<u>\$ 21,031,212</u>	<u>\$ -</u>	<u>\$ 20,919,903</u>	<u>\$ 20,380,027</u>	<u>\$ (539,876)</u>
Fund balances, July 1	\$ 2,762,906	\$ 2,762,906	\$ -	\$ 25,177,149	\$ 25,177,149	\$ -
Revenues:						
Sales, charges for services	15,041,870	13,692,379	(1,349,491)	-	-	-
Interest	85,539	9,802	(75,737)	68,114	6,680	(61,434)
Other	396,706	406,869	10,163	40,482,155	40,354,576	(127,579)
Other financing sources:						
Transfer from other funds	4,070,194	3,771,400	(298,794)	20,573,123	17,766,307	(2,806,816)
Total sources	<u>\$ 22,357,215</u>	<u>\$ 20,643,356</u>	<u>\$ (1,713,859)</u>	<u>\$ 86,300,541</u>	<u>\$ 83,304,712</u>	<u>\$ (2,995,829)</u>



	Final Budget	Actual	Final Budget	Final Budget	Actual	Variance	Variance
Consumer Health Protection							
Office of Minority Health			1,788,066		1,280,664		507,402
Early Intervention Services	\$ -	\$ -	\$ 25,320,905	\$ 2,976,249	\$ 2,976,189	\$ 971,014	
Immunization Program			6,025,932		5,290,757		735,175
Marriage Health Registry			1,809,340		911,820		897,520
Licenses, fees and permits	-	-	70,741,206	1,086,614	927,952	(158,662)	
WIC Food Supplement			18,551,867	64,302,880	6,799	6,438,326	
Interest	57,368	-	(57,368)	55,534	6,799	2,849,235	
Sexually Transmitted Disease Control	57,368,430	-	(57,368,430)	970,655	787,119	5,680,436	
Health Facilities Hospital Licensing			13,754,088		8,103,648		436,711
Health Facilities Admittance Penalty			511,667		74,956		436,711
Transfer from other funds	-	-	15,499,287	200	93	1,429,497	
Public Health Preparedness Program				14,069,850			
Total Sources	\$ 57,425,798	\$ -	\$(57,425,798)	\$ 5,089,142	\$ 4,698,152	\$ (391,040)	
Communicable Disease Control			6,609,083		5,508,705		1,100,378
Maternal Child Health Services							
Office of Health Administration			9,301,316		5,500,513		3,800,803
Fund balances, July 1	27,466,324	27,466,324	4,420,041	4,610,957	4,610,957	712,082	
Community Health Services			1,473,049		1,186,527		286,522
Revenues							
Medical Services			(973,125)		4,427,844		4,427,844
Welfare and Supportive Services	1,192,197	219,072	31,677,734	2,846,380	2,405,951	2,410,410	
Welfare Administration	-	-	49,152,854	591,456	458,072	(133,478)	
Temporary Assistance for Needy Families	-	-	7,952,442	5,895,889	5,568,130	(327,453)	
Assistance, Food and Medical	-	-	75,921,528	26,303,427	13,430	4,672,803	
Welfare Field Services	159,000	61,816	16,596,556	3,759,122	3,896,858	4,329,034	
Child Support Enforcement Program	-	-	36,425,396		23,972,521		12,452,875
Child Support Federal Reimbursement			44,589,023		1,131,418		2,687,865
Child Support Federal Development	258,992	-	(18,441,391)	1,131,418	1,129,450	2,687,865	
Child Support Federal Development			29,076,513		22,657,161		6,419,352
Energy Assistance Program			\$(1,329,301)				\$(632,884)
Total Sources	\$ 29,076,513	\$ 27,747,212	\$(1,329,301)	\$ 23,290,045	\$ 22,657,161	\$ (632,884)	
Mental Health and Developmental Services							
So NV Adult Mental Health Services			86,710,502		81,063,208		5,647,294
No NV Adult Mental Health Services			81,063,208		27,330,814		53,732,394
Mental Health Information System	-	-	1,809,546	92,790,345	92,790,348	236,773	
Family Preservation Program			2,638,570		2,511,784		126,786
Revenues							
Rural Regional Center			14,955,675		14,027,245		928,430
Gaming taxes, fees, licenses	-	-	7,666,592	14,323,967	14,323,967	590,789	
MHDS Administration	-	-	87,473,862	113,614,116	95,976,251	(17,637,865)	
Desert Regional Center	-	-	35,029,626	65,818,374	63,980,722	(1,837,652)	
Sierra Regional Center			(374)	22,631,535	21,262,824	(1,368,711)	
Sales, charges for services	678,100	677,726	8,849,328	8,849,328	10,122,049	(851,214)	
Licenses, fees and permits	-	-	1,452,338	10,973,363	889,104	9,084,259	
Alcohol Tax Program	-	-	12,648,270	823,302	191,532	1,001,770	
Rural Child Welfare			(170,667)	115,948,690	59,375,570	(56,573,120)	
Child and Family Services	593,777	423,110	5,107,652		3,938,829		1,168,823
Other financing sources							
Community Juvenile Justice Programs	436,278	29,491,772	29,055,494	51,287,494	75,627,326	24,339,832	
Wasatch County Integration			28,887,143		28,887,143		730,276
Total Sources	\$ 1,708,155	\$ 30,592,608	\$ 28,887,143	\$ 488,210,254	\$ 473,365,589	\$(54,884,665)	
UNITY/SACWIS			5,975,155		5,359,534		615,621
Children, Youth and Family Administration			21,045,103		18,495,368		2,549,735
Youth Alternative Placement			3,532,099		3,532,099		-
Juvenile Correctional Facility			1,472,661		1,464,282		8,379
Child Care Services			1,557,623		1,328,528		229,095
Caliente Youth Center			8,012,198		7,678,682		333,516
Victims of Domestic Violence			4,150,734		2,923,761		1,226,973
Childrens Trust Account			792,409		492,163		300,246
Rural Child Welfare			16,936,114		15,065,998		1,870,116
Review of Death of Children			309,465		65,810		243,655
Nevada Youth Training Center			9,073,568		7,316,456		1,757,112
Youth Parole Services			5,490,652		4,576,390		914,262
Farm Account - Youth Training Center			11,650		-		11,650
No NV Child and Adolescent Services			7,747,703		7,231,284		516,419
So NV Child and Adolescent Services			24,407,088		21,061,542		3,345,546
Employment, Training and Rehabilitation							
Blind Business Enterprise Program			5,873,541		2,031,658		3,841,883
Services to the Blind			4,795,726		4,363,220		432,506
Client Assistance Program			197,295		178,286		19,009
Vocational Rehabilitation			20,824,126		16,974,671		3,849,455

Wallin Elementary School

opened in August 2010 as an "Empowerment School" with top educators partnering with the community to educate your children. Empowerment Schools are delegated greater autonomy, engagement, and accountability for the best deployment of their resources to increase student achievement.

Abstract Flowers

Makenna Villamor
5th Grade



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).

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, 2012

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Current assets:				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 31,783,377	\$ 835,585	\$ 12,922,785	\$ 122,590
Cash in custody of other officials	256	-	118,620	100
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	2,740,103	56,476	103,410	11,535
Intergovernmental receivables	235,157	-	-	5,723
Contracts receivable	-	-	-	-
Accrued interest and dividends	-	-	-	-
Trades pending settlement	-	-	-	-
Due from other funds	833,297	-	916	44,633
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	194,564
Prepaid expenses	-	-	31,245	-
Total current assets	35,592,190	892,061	13,176,976	379,145
Noncurrent assets:				
<i>Receivables:</i>				
Contracts receivable	-	-	-	-
Deferred charges	-	-	-	-
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,453,972	22,035	163,726	78,561
Construction in progress	-	-	-	-
Less accumulated depreciation	(2,019,960)	(11,007)	(151,244)	(78,561)
Total noncurrent assets	434,012	11,028	12,482	-
Total assets	36,026,202	903,089	13,189,458	379,145
Current liabilities:				
<i>Accounts payable and accruals:</i>				
Accounts payable	659,527	134,036	185,410	1,039
Accrued payroll and related liabilities	717,482	4,791	-	8,017
Interest payable	-	-	-	-
Intergovernmental payables	43,076	-	80	-
Trades pending settlement	-	-	-	-
Due to other funds	107,350	293,955	1,579,545	41,469
Due to fiduciary funds	78	-	-	670
Due to component units	-	-	-	-
Deferred revenues	-	-	11,159,937	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	659,395	11,902	-	4,590
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Total current liabilities	2,186,908	444,684	12,924,972	55,785
Noncurrent liabilities:				
Advances from general fund	-	-	-	289,380
Compensated absences	374,719	4,871	-	1,017
Benefits payable	-	-	-	-
Bonds payable	-	-	-	-
Arbitrage rebate liability	-	-	-	-
Total noncurrent liabilities	374,719	4,871	-	290,397
Total liabilities	2,561,627	449,555	12,924,972	346,182
Invested in capital assets, net of related debt	434,012	11,028	12,482	-
Restricted for workers' compensation	33,030,563	-	-	-
Restricted for tuition contract benefits	-	-	-	-
Restricted for regulation of business	-	-	2,000	-
Unrestricted (deficit)	-	442,506	250,004	32,963
Total net assets	\$ 33,464,575	\$ 453,534	\$ 264,486	\$ 32,963



Prison Industry	Nevada Magazine	Higher Education Tuition Trust	Marlette Lake Water Final Budget System	Actual Total	Variance	
Consumer Health Protection		\$	1,859,467	\$	1,538,161	\$ 321,306
Office of Minority Health			1,788,066		1,280,664	507,402
Early Intervention Services			25,320,905		24,349,891	971,014
Immunization Program	180,750	\$ 696,349	\$ 6,025,932	\$ 2,937,934	\$ 50,729,327	735,175
Marijuana Health Registry	-	12,904,530	-	-	5,290,757	971,014
WIC Food Supplement	-	143,244,996	-	-	13,023,606	897,520
Sexually Transmitted Disease Control	64,090	-	18,551,867	-	14,124,896	6,438,326
Health Facilities Hospital Licensing	-	-	13,754,085	44,820	15,706,842	2,847,025
Health Facilities-Admin Penalty	-	5,440,426	511,667	-	8,105,489	5,650,437
Public Health Preparedness Program	-	411,874	15,499,287	-	574,056	436,711
Family Planning Project	-	6,800,546	5,304,988	-	14,069,850	1,429,437
Communicable Disease Control	739	137,295	6,609,083	1,055	4,390,546	973,040
Maternal Child Health Services	-	-	8,189,579	-	5,508,705	1,100,378
Office of Health Administration	4,996	-	9,301,316	-	6,188,830	2,000,749
Community Health Services	9,034	-	4,420,041	-	5,500,519	3,800,803
Emergency Medical Services	259,609	169,636,016	1,473,049	2,983,809	226,630,995	712,082
Welfare and Supportive Services						
Welfare Administration	-	19,081,086	31,677,734	-	29,060,120	2,617,614
Temp Assistance for Needy Families	-	-	49,152,854	107,331	19,081,086	2,529,412
Assistance to Aged and Blind	-	-	7,952,442	-	46,623,442	442
Welfare Field Services	-	-	75,521,508	-	7,952,000	4678,808
Child Support Enforcement Program	-	-	16,596,556	414,672	70,842,700	4,329,454
Child Support Federal Reimbursement	-	-	36,425,396	498,613	12,267,022	12,452,875
Child Assistance and Development	-	-	44,569,122	630,647	23,928,210	2,687,971
Energy Assistance Program	-	161,874	18,441,391	1,513,146	41,881,157	4,049,688
Mental Health and Developmental Services						
So NV Adult Mental Health Services	-	(25,041)	86,710,502	(2,460,495)	7,901,944	5,647,194
No NV Adult Mental Health Services	-	19,217,919	31,503,419	9,310,922	81,063,308	3,506,600
Mental Health Information System	259,609	188,853,935	1,809,516	42,294,731	29,924,657	236,773
Family Preservation Program	-	-	2,638,570	-	2,511,784	126,786
Rural Regional Center	-	-	14,955,675	-	14,027,245	928,430
MHDS Administration	43,224	422,747	7,666,592	47,393	7,075,803	590,789
Desert Regional Center	25,027	7,971	87,473,862	8,191	1,586,402	5,076,789
Sierra Regional Center	-	-	35,029,626	36,462	82,397,078	2,687,917
Facility for the Mental Offender	-	-	8,849,328	2,683	339,398	202,294
Alcohol Tax Program	-	21,855,645	1,452,338	-	8,647,636	563,234
Rural Clinics	806	47,505	12,648,270	11,707	288,504	1,908,137
Child and Family Services						
Community Juvenile Justice Programs	-	33,220	5,107,652	-	240,133	1,168,823
Washoe County Integration	169,714	-	29,058,336	-	3,938,829	730,276
Clark County Integration	-	-	78,671,092	2,050	1,584,820	226,875
UNITY/SACWIS	24,493	12,299	5,975,155	5,368	5,359,534	615,621
Children, Youth and Family Administration	-	13,337,173	21,045,103	-	18,495,269	2,549,735
Youth Alternative Placement	-	-	3,532,099	150,776	15,337,493	-
Juvenile Correctional Facility	263,264	35,716,560	1,472,661	264,630	1,464,283	8,379
Child Care Services	-	-	1,557,623	-	1,328,528	229,095
Caliente Youth Center	-	5,000,000	8,012,198	-	7,728,820	333,516
Victims of Domestic Violence	16,762	4,786	4,150,734	4,009	2,929,707	1,226,973
Childrens Trust Account	-	145,759,183	792,409	-	145,759,183	300,246
Rural Child Welfare	-	-	16,936,114	8,927,539	15,065,998	1,870,116
Review of Death of Children	-	-	309,465	-	65,810	243,655
Nevada Youth Training Center	16,762	150,763,969	9,073,568	8,931,548	169,167,469	1,757,112
Youth Parole Services	280,026	186,480,529	5,490,652	196,178	212,755,290	914,262
Farm Account - Youth Training Center	-	-	11,650	-	-	11,650
No NV Child and Adolescent Services	-	136,833	7,747,703	8,558,591	7,337,840	516,419
So NV Child and Adolescent Services	-	-	24,407,088	-	21,300,423	3,345,546
Employment, Training and Rehabilitation						
Blind Business Enterprise Program	-	2,236,573	-	-	2,236,573	-
Services to the Blind	(20,417)	-	5,873,541	-	2,031,680	3,841,883
Client Assistance Program	(20,417)	\$ 2,373,406	\$ 4,795,726	1,539,962	4,363,220	432,506
Vocational Rehabilitation	-	-	197,298	998,553	48,286	19,009
	-	-	20,824,126	-	16,974,671	3,849,455

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

For the Fiscal Year Ended June 30, 2012

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Sales	\$ -	\$ -	\$ -	\$ 596,256
Charges for services	157	-	16,608,352	-
Rental income	-	-	-	-
Licenses, fees and permits	34,165,334	2,479,082	-	-
Fines	2,766,448	-	-	-
Other	1,009,041	-	-	215
Total operating revenues	37,940,980	2,479,082	16,608,352	596,471
Operating Expenses				
Salaries and benefits	13,783,103	151,396	13,287,049	71,039
Operating	4,604,764	2,755,414	1,746,435	99,032
Claims and benefits expense	9,151,192	-	-	-
Materials or supplies used	-	-	-	434,686
Depreciation	180,027	5,520	13,234	-
Total operating expenses	27,719,086	2,912,330	15,046,718	604,757
Operating income (loss)	10,221,894	(433,248)	1,561,634	(8,286)
Nonoperating Revenues (Expenses)				
Interest and investment income	(122,531)	-	-	-
Interest expense	(54)	-	-	-
Bond issuance costs amortization	-	-	-	-
Federal grants	2,613,621	-	-	47,589
Gain (loss) on disposal/sale of assets	5,101	-	-	-
Total nonoperating revenues (expenses)	2,496,137	-	-	47,589
Income (loss) before transfers	12,718,031	(433,248)	1,561,634	39,303
Transfers in	2,323	-	-	-
Transfers out	(10,260,591)	-	(1,574,865)	-
Change in net assets	2,459,763	(433,248)	(13,231)	39,303
Net assets, July 1	31,004,812	886,782	277,717	(6,340)
Net assets, June 30	\$ 33,464,575	\$ 453,534	\$ 264,486	\$ 32,963



			Higher	Final Budget	Actual	Variance
			Education \$			
Consumer Health Protection	Nevada			Marlette Lake		
Office of Minority Health	Magazine			Water System	Total	
Early Intervention Services				25,320,905	24,340,091	971,014
Immunization Program				6,025,932	5,290,757	735,175
Marijuana Health Registry	\$ 1,113,729	\$ 13,963,361	\$ 1,809,340	\$ 357,433	\$ 19,851,203	\$ 971,820
WIC Food Supplement	-	101,650	70,741,206	-	17,205,895	6,438,326
Sexually Transmitted Disease Control	-	-	18,551,867	-	15,904,842	2,847,025
Health Facilities Hospital Licensing	-	-	13,754,085	-	36,614,081	5,650,437
Health Facilities-Admin-Penalty	-	-	511,667	-	2,766,744	436,711
Public Health Prevention Program	8,506	-	15,499,287	-	1,368,045	1,429,437
Family Planning Project	-	-	5,304,988	-	4,331,948	973,040
Communicable Disease Control	1,122,235	14,065,011	6,609,083	502,621	77,862,408	1,100,378
Maternal Child Health Services			8,189,579		6,188,830	2,000,749
Office of Health Administration			9,301,316		5,500,513	3,800,803
Community Health Services	508,321	159,606	4,420,546	29,372,965	29,372,965	712,082
Emergency Medical Services	191,792	1,015,156	1,473,093	12,819,810	12,819,810	286,522
Welfare and Supportive Services		24,880,654	-		34,031,846	
Welfare Administration	336,736	-	31,677,734	-	29,800,320	2,617,614
Temp Assistance for Needy Families	-	10,112	49,152,854	-	46,623,442	2,529,412
Assistance to Aged and Blind	-	-	7,952,442	-	7,952,000	442
Welfare Field Services	1,036,849	26,065,528	75,521,508	79,559,712	79,559,712	4,678,808
Child Support Enforcement Program	85,386	(12,000,517)	16,596,455	(1,637,040)	(1,637,040)	4,329,454
Child Support Federal Reimbursement			36,425,396		23,972,521	12,452,875
Child Assistance and Development			44,569,122		41,881,151	2,687,971
Energy Assistance Program		8,978,524	18,441,391	-	14,391,703	4,049,688
Mental Health and Developmental Services					8,849,764	
So NV Adult Mental Health Services	-	-	86,710,302	(441,172)	87,063,508	5,647,194
No NV Adult Mental Health Services	-	-	31,503,414	(4,406)	27,998,814	3,506,600
Mental Health Information System	-	-	1,809,546	-	4,065,747	236,773
Family Preservation Program	-	-	2,638,570	-	2,510,784	126,786
Rural Regional Center			14,955,675		14,027,245	928,430
MHDS Administration	-	8,978,524	7,666,593	(445,378)	12,478,580	590,789
Desert Regional Center	85,386	(3,021,993)	87,473,862	(29,829)	87,444,033	5,076,789
Sierra Regional Center			35,029,626		32,341,709	2,687,917
Facility for the Mental Offender			8,849,328		8,647,034	202,294
Alcohol Tax Program	-	2,094,299	1,452,338	-	2,098,822	563,234
Rural Clinics	-	-	12,648,270	-	10,740,133	1,908,137
Child and Family Services					(11,867,623)	
Community Juvenile Justice Programs	85,386	(927,694)	5,102,952	(29,829)	1,006,389	1,168,823
Washoe County Integration	(105,803)	3,301,100	29,058,336	5,338,182	28,328,060	730,276
Clark County Integration	-	-	78,671,092	-	78,444,217	226,875
UNITY/SACWIS	\$ (20,417)	\$ 2,373,406	\$ 5,975,155	\$ 3,098,553	\$ 43,497,250	\$ 615,621
Children, Youth and Family Administration			21,045,103		18,495,368	2,549,735
Youth Alternative Placement			3,532,099		3,532,099	-
Juvenile Correctional Facility			1,472,661		1,464,282	8,379
Child Care Services			1,557,623		1,328,528	229,095
Caliente Youth Center			8,012,198		7,678,682	333,516
Victims of Domestic Violence			4,150,734		2,923,761	1,226,973
Childrens Trust Account			792,409		492,163	300,246
Rural Child Welfare			16,936,114		15,065,998	1,870,116
Review of Death of Children			309,465		65,810	243,655
Nevada Youth Training Center			9,073,568		7,316,456	1,757,112
Youth Parole Services			5,490,652		4,576,390	914,262
Farm Account - Youth Training Center			11,650		-	11,650
No NV Child and Adolescent Services			7,747,703		7,231,284	516,419
So NV Child and Adolescent Services			24,407,088		21,061,542	3,345,546
Employment, Training and Rehabilitation						
Blind Business Enterprise Program			5,873,541		2,031,658	3,841,883
Services to the Blind			4,795,726		4,363,220	432,506
Client Assistance Program			197,295		178,286	19,009
Vocational Rehabilitation			20,824,126		16,974,671	3,849,455

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2012

	Workers' Compensation and Safety	Insurance Examination	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	\$ 37,126,004	\$ 2,594,879	\$ 17,769,444	\$ 193,438
Receipts for interfund services provided	1,099,730	7,695	-	381,949
Payments to suppliers, other governments and beneficiaries	(10,172,230)	(1,653,687)	(1,771,008)	(331,507)
Payments to employees	(13,846,218)	(149,339)	(14,453,569)	(71,342)
Payments for interfund services used	(3,039,125)	(834,792)	(44,160)	(181,160)
Payments to component units	(191,167)	-	-	-
Net cash provided by (used for) operating activities	10,976,994	(35,244)	1,500,707	(8,622)
Cash flows from noncapital financing activities				
Grant receipts	2,378,464	-	-	44,852
Transfers and advances from other funds	2,323	-	79	-
Transfers and advances to other funds	(9,793,294)	-	(1,095,128)	-
Net cash provided by (used for) noncapital financing activities	(7,412,507)	-	(1,095,049)	44,852
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	5,100	-	-	-
Purchase of capital assets	(92,579)	-	-	-
Principal paid on capital debt	-	-	-	(20,670)
Interest paid on capital debt	-	-	-	-
Payments on construction projects	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(87,479)	-	-	(20,670)
Cash flows from investing activities				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest, dividends and gains (losses)	(161,851)	-	-	-
Net cash provided by (used for) investing activities	(161,851)	-	-	-
Net increase (decrease) in cash	3,315,157	(35,244)	405,658	15,560
Cash and cash equivalents, July 1	28,468,476	870,829	12,635,747	107,130
Cash and cash equivalents, June 30	\$ 31,783,633	\$ 835,585	\$ 13,041,405	\$ 122,690
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 10,221,894	\$ (433,248)	\$ 1,561,634	\$ (8,286)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	180,027	5,520	13,234	-
Decrease (increase) in accrued interest and receivables	284,754	123,492	(1,891)	(21,084)
Decrease (increase) in inventory, deferred charges, other assets	-	-	2,180	24,167
Increase (decrease) in accounts payable, accruals, other liabilities	290,319	268,992	(74,450)	(3,419)
Total adjustments	755,100	398,004	(60,927)	(336)
Net cash provided by (used for) operating activities	\$ 10,976,994	\$ (35,244)	\$ 1,500,707	\$ (8,622)
Noncash investing, capital and financing activities				
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ -	\$ -

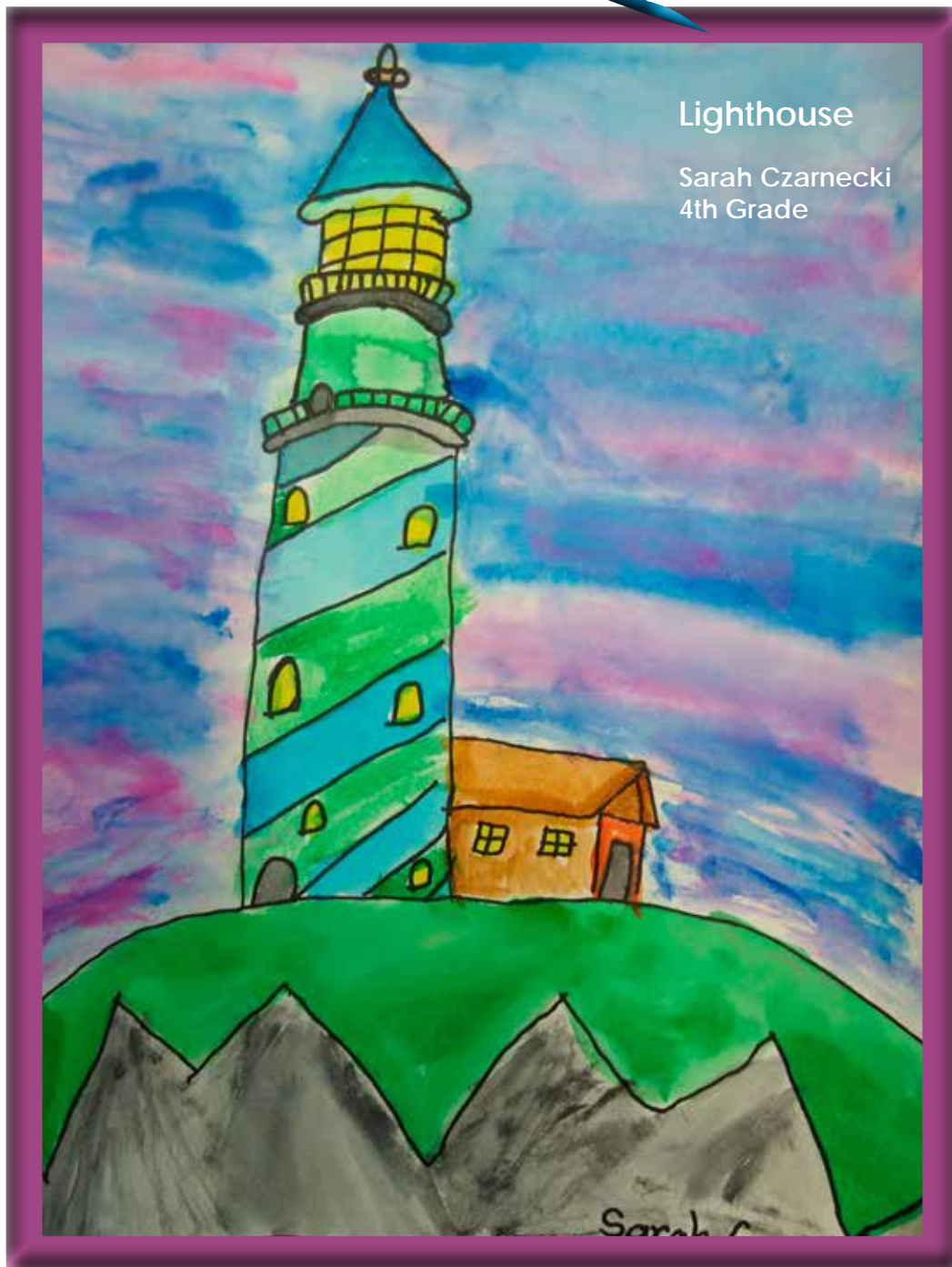


NEVADA

Page 4 of 9

Prison Industry	Nevada Magazine	Higher Education Tuition Trust	Final Budget Water System	Actual Total	Variance
Consumer Health Protection			\$ 1,538,161	\$ 1,538,161	\$ 321,306
Office of Minority Health			1,788,066	1,280,664	507,402
Early Intervention Services	771,696	\$ 9,820,178	\$ 25,620,796	\$ 71,473,479	\$ 971,014
Immunization Program	333,394	-	6,025,932	3,735,555	735,175
Marijuana Health Registry	(493,194)	(4,055,088)	1,609,340	(21,270,882)	897,520
WIC Food Supplement	(508,829)	(158,539)	70,741,785	(30,846,934)	6,438,326
Sexually Transmitted Disease Control	(37,138)	(186,103)	18,531,867	(6,094,381)	2,847,025
Health Facilities Hospital Licensing	-	(4,402,031)	13,754,088	(4,597,155)	5,650,437
Health Facilities Malin Penalty	65,929	1,018,417	3,621,667	12,405,394	436,711
Public Health Preparedness Program			15,499,287	14,069,850	1,429,437
Family Planning Project	-	-	5,304,988	4,331,948	973,040
Communicable Disease Control	-	2,094,299	6,609,083	2,098,798	1,100,378
Maternal Child Health Services	-	-	8,189,579	(10,920,589)	2,000,749
Office of Health Administration	-	2,094,299	9,301,316	5,500,513	3,800,803
Community Health Services	-	-	4,420,044	(4,996,041)	712,082
Emergency Medical Services	-	-	1,473,049	1,186,527	286,522
Welfare and Supportive Services	-	-	-	5,100	-
Welfare Administration	-	(146,579)	31,677,734	(229,056)	2,617,614
Temp Assistance for Needy Families	-	-	40,152,084	(176,893)	2,529,412
Assistance to Aged and Blind	-	-	1,932,442	(447,942)	442
Welfare Field Services	-	-	75,621,548	(81,629)	4,678,808
Child Support Enforcement Program	-	-	16,596,556	12,267,102	4,329,454
Child Support Federal Reimbursement	-	(146,579)	3,672,508	(923,720)	12,452,875
Child Assistance and Development	-	-	44,569,122	41,881,151	2,687,971
Energy Assistance Program	-	192,988,060	18,441,391	14,391,703	4,049,688
Mental Health and Developmental Services	-	(192,914,677)	-	(192,914,677)	-
So NV Adult Mental Health Services	-	3,081,640	86,710,502	2,944,893	5,647,194
No NV Adult Mental Health Services	-	-	31,503,414	27,996,814	3,506,600
Mental Health Information System	-	3,155,023	1,809,546	2,987,569	236,773
Family Prevention Program	65,929	6,121,160	2,338,870	9,464,587	126,786
Rural Regional Center	114,821	7,479,719	14,955,675	14,927,245	928,430
MHDS Administration	-	-	7,666,592	7,075,803	590,789
Desert Regional Center	180,750	\$ 13,600,879	\$ 2,937,934	\$ 63,752,933	\$ 5,076,789
Sierra Regional Center			35,029,626	32,341,709	2,687,917
Facility for the Mental Offender			8,849,328	8,647,034	202,294
Alcohol Tax Program			1,452,338	889,104	563,234
Rural Clinics	\$ 85,386	\$ (12,000,517)	\$ 12,148,220	\$ (1,697,201)	\$ 1,908,137
Child and Family Services					
Community Juvenile Justice Programs			5,107,652	3,938,829	1,168,823
Washoe County Integration	-	10,112	29,058,436	389,082	730,276
Clark County Integration	(2,793)	(4,244,833)	78,601,092	(3,762,047)	226,875
UNITY/SACIS	1,574	-	5,975,155	(123,319)	615,621
Children, Youth and Family Admin	(18,286)	17,253,655	21,045,853	17,628,436	2,549,735
Youth Alternative Placement	(19,457)	13,018,934	3,532,099	3,532,099	-
Juvenile Correctional Facility			1,472,661	1,404,282	8,379
Child Care Services	65,929	\$ 1,018,417	\$ 13,927,823	\$ 12,405,398	\$ 229,095
Caliente Youth Center			8,012,198	7,678,682	333,516
Victims of Domestic Violence	-	\$ 5,971,232	\$ 4,150,734	\$ 2,923,761	\$ 1,226,973
Childrens Trust Account			792,409	492,163	300,246
Rural Child Welfare			16,936,114	15,065,998	1,870,116
Review of Death of Children			309,465	65,810	243,655
Nevada Youth Training Center			9,073,568	7,316,456	1,757,112
Youth Parole Services			5,490,652	4,576,390	914,262
Farm Account - Youth Training Center			11,650	-	11,650
No NV Child and Adolescent Services			7,747,703	7,231,284	516,419
So NV Child and Adolescent Services			24,407,088	21,061,542	3,345,546
Employment, Training and Rehabilitation					
Blind Business Enterprise Program			5,873,541	2,031,658	3,841,883
Services to the Blind			4,795,726	4,363,220	432,506
Client Assistance Program			197,295	178,286	19,009
Vocational Rehabilitation			20,824,126	16,974,671	3,849,455

The vision of Wallin Elementary School is to "Empower" teachers to provide instruction commensurate with each student's ability level. According to Wallin Elementary, "We realizes that to be a successful student in all subject areas, one must first be a successful reader. Therefore, we have proposed to lengthen our school day to six and half hours, adding more time to literacy instruction."



Lighthouse

Sarah Czarnecki
4th Grade

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

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

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

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 378.143).

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

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

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

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

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

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

Combining Statement of Net Assets Internal Service Funds

June 30, 2012

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Current assets:				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 125,987,872	\$ 4,789,593	\$ 1,607,688	\$ 425,462
Cash in custody of other officials	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	1,193,827	4,345	16,730	-
Intergovernmental receivables	3,148,590	24	796	1,412
Notes receivable	-	-	-	-
Due from other funds	649,049	253,823	303,975	637,852
Due from fiduciary funds	2,402,664	-	-	-
Due from component units	42,583	-	9,188	109
Inventory	-	-	-	-
Prepaid expenses	-	-	-	2,037
Total current assets	133,424,585	5,047,785	1,938,377	1,066,872
Noncurrent assets:				
Notes receivable	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	-	-
Buildings	-	2,268,068	873,792	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	327,909	605,865	13,548,675	1,105,635
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(252,696)	(1,945,682)	(12,242,170)	(1,076,389)
Total noncurrent assets	75,213	1,239,867	2,180,297	451,697
Total assets	133,499,798	6,287,652	4,118,674	1,518,569
Current liabilities:				
<i>Accounts payable and accruals:</i>				
Accounts payable	1,287,359	1,932,094	118,346	15,810
Accrued payroll and related liabilities	101,942	338,151	37,281	45,738
Intergovernmental payables	-	92,474	1,231	-
Bank overdraft	5,545,826	-	-	-
Due to other funds	11,383	81,037	49,438	83,572
Due to fiduciary funds	-	5,766	948	-
Due to component units	-	-	-	-
Deferred revenues	75,658	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	42,988,038	-	-	-
Compensated absences	117,694	291,068	47,415	59,524
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	50,127,900	2,740,590	254,659	204,644
Noncurrent liabilities:				
<i>Advances:</i>				
Advances from general fund	-	-	-	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Compensated absences	78,289	135,631	56,143	46,137
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	78,289	135,631	56,143	46,137
Total liabilities	50,206,189	2,876,221	310,802	250,781
Invested in capital assets, net of related debt	75,213	1,239,867	2,180,297	451,697
Unrestricted (deficit)	83,218,396	2,171,564	1,627,575	816,091
Total net assets	\$ 83,293,609	\$ 3,411,431	\$ 3,807,872	\$ 1,267,788



NEVADA

Page 4 of 9

Insurance		Administrative		Final Budget		Information Actual		Variance	
Premiums	Services	Personnel	Purchasing	Services	Printing	\$	Total		
Consumer Health Protection			1,558,467		1,558,467		321,306		
Office of Minority Health			1,788,066		1,280,664		507,402		
Early Intervention Services			25,320,905		24,349,891		971,014		
Immunization Program			6,025,932		5,290,757		735,175		
Marijuana Health Registry	588,519	\$ 1,484,189	\$ 617,068	3,702,422	\$ 911,823	\$ 698	\$ 155,889		
WIC Food Supplement	-	-	70,741,206	100	64,302,880	-	6,438,026		
Sexually Transmitted Disease Control			18,551,867		15,704,842		2,847,025		
Health Facilities Hospital Licensing	-	3,174	13,754,085	42,657	8,103,647	736	1,385,797		
Health Facilities-Admin Penalty	-	-	511,667	77,073	74,956	-	3,273,871		
Public Health Preparedness Program	-	-	15,499,287	-	14,069,850	-	1,429,037		
Family Planning Project	2,260	213,269	2,613,988	2,102,092	4,331,946	884	5,067,520		
Communicable Disease Control	-	-	6,609,083	-	5,508,705	-	2,110,697		
Maternal Child Health Services	-	-	8,189,579	1,275	6,188,830	-	2,501,749		
Office of Health Administration	-	-	9,301,316	-	5,500,507	181	3,800,803		
Community Health Services	-	4,500	4,420,041	-	3,707,952	520	752,082		
Emergency Medical Services	590,779	1,705,132	620,351	5,925,619	1,186,527		168,211		
Welfare and Supportive Services									
Welfare Administration	-	-	31,677,734	-	29,060,120	-	2,617,614		
Temp Assistance for Needy Families	-	-	49,152,854	-	46,623,442	-	2,529,412		
Assistance to Aged and Blind	-	-	95,552,442	15,000	7,952,000	-	130,942		
Welfare Field Services	-	-	140,602,150	14,762,838	70,842,700	4,617	18,463,868		
Child Support Enforcement Program	-	-	16,596,556	-	12,267,102	-	4,329,454		
Child Support Federal Reimbursement	300,988		182,975,396	25,402,860	23,972,521	955	45,485,447		
Child Assistance and Development	-	15,323,810	44,569,122	-	41,881,151	-	15,323,810		
Energy Assistance Program	(56,226)	(15,343,485)	(315,880)	(27,147,314)	14,391,703	797	(62,814,144)		
Mental Health and Developmental Services									
No NV Adult Mental Health Services	281,313		102,653	13,033,384	3,381,729		20,851,028		
No NV Adult Mental Health Services	1,986,445		723,003	18,959,003	27,996,899	748	189,050,230		
Mental Health Information System			1,809,546		1,572,773		236,773		
Family Preservation Program			2,638,570		2,511,784		126,786		
Rural Regional Center			14,955,675		14,027,245		928,430		
MHDS Administration	2,070	98,158	14,826,592	630,853	7,075,805	041	5,129,229		
Desert Regional Center	102,849	224,944	89,737,862	509,686	82,397,079	611	15,078,769		
Sierra Regional Center	-	-	35,029,626	2,495	32,341,709	-	2,687,917		
Facility for the Mental Offender	-	-	8,849,328	-	8,647,034	-	5,529,264		
Alcohol Task Program	6,313	500,454	117,225,338	278,130	889,104	236	1,256,374		
Rural Clinics	-	-	12,648,270	-	10,740,133	386	1,908,107		
Child and Family Services									
Community Juvenile Justice Programs	-	-	5,107,652	9,522	3,938,829	-	1,168,823		
Washoe County Integration	-	-	29,058,336	-	28,328,060	-	730,276		
Clark County Integration	-	-	78,671,092	-	78,444,217	-	63,128,875		
UNITY/SACVOS	125,144	296,897	119,597,155	617,671	5,359,532	334	1,764,261		
Children, Youth and Family Administration	-	-	21,045,103	513,323	18,495,368	-	2,549,735		
Youth Alternative Placement	-	-	3,532,099	128,278	3,532,099	-	128,278		
Juvenile Correctional Facility	236,376	1,120,453	340,878	2,689,958	1,464,282		79,206,003		
Child Care Services	-	-	1,557,623	-	1,328,528	-	229,095		
Caliente Youth Center	-	-	8,012,198	-	7,678,682	-	333,516		
Victims of Domestic Violence	-	405,975	4,150,734	703,680	2,923,761	-	1,109,655		
Childrens Trust Account	-	-	792,409	1,205,093	492,163	-	1,205,093		
Rural Child Welfare	-	-	16,936,114	-	15,065,998	-	1,870,116		
Review of Death of Children	67,349	192,908	94,830,465	415,443	65,810	86,022	1,179,075		
Nevada Youth Training Center	-	-	9,073,568	6,276,218	7,316,456	-	1,757,112		
Youth Parole Services	-	-	5,490,652	247,920	4,576,390	-	914,262		
Farm Account - Youth Training Center	-	-	11,650	-	-	-	11,650		
No NV Child and Adolescent Services	598,883		94,834,703	8,848,354	7,231,286	022	53,633,879		
No NV Child and Adolescent Services	1,719,336		435,707,088	11,538,312	21,061,540	630	132,339,666		
Employment, Training and Rehabilitation									
Blind Business Enterprise Program	281,313		102,652	6,036,229	2,031,688	729	13,754,823		
Services to the Blind	287,054	(14,204)	184,649,726	1,384,462	4,363,227	389	42,463,306		
Client Assistance Program	290,527	\$ 267,109	\$ 287,296	7,420,691	\$ 178,286		\$ 56,222		
Vocational Rehabilitation			20,824,126		16,974,671		3,849,455		

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

For the Fiscal Year Ended June 30, 2012

	Self-Insurance	Buildings and Grounds	Motor Pool	Communications
Net premium income	\$ 312,173,658	\$ -	\$ -	\$ -
Sales	-	-	-	-
Charges for services	-	1,121,962	60,474	6,434,452
Rental income	-	14,896,987	3,180,087	-
Other	(223,789)	31,459	54,692	940
Total operating revenues	311,949,869	16,050,408	3,295,253	6,435,392
Operating Expenses				
Salaries and benefits	2,033,462	5,566,395	793,723	1,017,516
Operating	2,562,661	10,190,867	2,062,311	5,330,454
Claims expense	185,271,038	-	-	-
Materials or supplies used	-	-	534,514	-
Depreciation	35,124	105,525	1,406,531	77,943
Amortization	-	-	-	-
Insurance premiums	114,837,228	-	-	-
Total operating expenses	304,739,513	15,862,787	4,797,079	6,425,913
Operating income (loss)	7,210,356	187,621	(1,501,826)	9,479
Nonoperating Revenues (Expenses)				
Interest and investment income	(560,884)	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	1,634	173,673	-
Total nonoperating revenues (expenses)	(560,884)	1,634	173,673	-
Income (loss) before transfers	6,649,472	189,255	(1,328,153)	9,479
Transfers in	-	15,780	-	-
Transfers out	-	(186,289)	(720)	-
Change in net assets	6,649,472	18,746	(1,328,873)	9,479
Net assets, July 1	76,644,137	3,392,685	5,136,745	1,258,309
Net assets, June 30	\$ 83,293,609	\$ 3,411,431	\$ 3,807,872	\$ 1,267,788



		Final Budget		Actual		Variance	
Insurance	Administrative	Personnel	Purchasing	Information Services	Printings	Total	Total
Consumer Health Protection	Services		\$ 1,788,066	\$ 1,280,664		\$ 507,402	
Office of Minority Health							
Early Intervention Services	-	\$ -	\$ 25,320,905	\$ -24,349,891	-	\$ 33,923,047	
Immunization Program	-	-	6,025,932	- 5,290,727	731,306	735,306	
Marijuana Health Registry	2,081,215	7,523,937	2,271,809,340	23,048,542	911,820	43,942,203	
WIC Food Supplement	-	-	70,741,206	206,536	4,302,880	681,283,060	
Sexually Transmitted Disease Control	-	33,867	18,056,867	20,215,704	842,33,115	2,847,0260	
Health Facilities Hospital Licensing	19,224,387	7,557,804	2,274,597	23,255,280	8,103,648	394,470,626	
Health Facilities Admin Penalty	-	-	511,667	-	74,956	436,711	
Public Health Preparedness Program			15,499,287	14,069,850		1,429,437	
Family Planning Project	1,883,077	4,630,795	5,304,988	4,331,948	1,459,395	973,040	
Communicable Disease Control	296,118	2,534,853	466,999,083	9,456,884	5,508,705	36,894,679	
Maternal Child Health Services	-	-	8,189,579	6,188,830	-	2,000,749	
Office of Health Administration	-	-	9,301,316	5,500,513	511,950	3,800,803	
Community Health Services	1,324	32,929	6,429,041	1,937,990	3,707,959	7,870,975	
Emergency Medical Services	-	214,246	1,473,049	-	1,186,527	286,522	
Welfare and Supportive Services							
Welfare Administration	-	-	31,677,734	29,060,120	-	120,058,292	
Temp Assistance for Needy Families	2,180,519	7,412,823	2,296,631	21,858,648	46,623,447	395,938,513	
Assistance for Aged and Blind	(99,304)	144,981	(27,082,442)	1,396,632	7,952,004	(1,447,487)	
Welfare Field Services			75,521,508	70,842,700		4,678,808	
Child Support Enforcement Program	-	-	16,596,556	-12,267,102	-	4,329,454	
Child Support Federal Reimbursement	-	(11)	36,425,396	(33,602,397)	521	12,423,053	
Child Assistance and Development	-	-	44,569,122	11,541,881	1,151	2,687,972	
Energy Assistance Program			18,441,391	14,391,703		4,049,688	
Mental Health and Developmental Services		(11)	-	(33,487)	-	(418,526)	
So NV Adult Mental Health Services	(99,304)	144,970	(86,710,502)	1,363,145	81,063,308	5,647,192	
No NV Adult Mental Health Services			31,503,414	27,996,814		3,506,600	
Mental Health Information System			1,809,546	1,572,773		236,773	
Family Preservation Program	-	-	2,638,570	98,732	2,511,784	126,786	
Rural Regional Center	-	-	14,955,675	14,027,245	-	928,430	
MHDS Adult Information	(99,304)	144,970	(22,086,592)	1,461,877	7,075,806	(5,007,909)	
Desert Regional Center	389,831	122,139	38,473,862	5,958,814	82,397,073	58,053,982	
Sierra Regional Center			35,029,626	32,341,709		2,687,917	
Facility for Adult Mental Offender	290,527	\$ 267,109	\$ 288,249,328	\$ 7,420,691	\$ 8,647,034	\$ 502,220,043	
Alcohol Tax Program			1,452,338	889,104		563,234	
Rural Clinics			12,648,270	10,740,133		1,908,137	
Child and Family Services							
Community Juvenile Justice Programs			5,107,652	3,938,829		1,168,823	
Washoe County Integration			29,058,336	28,328,060		730,276	
Clark County Integration			78,671,092	78,444,217		226,875	
UNITY/SACWIS			5,975,155	5,359,534		615,621	
Children, Youth and Family Administration			21,045,103	18,495,368		2,549,735	
Youth Alternative Placement			3,532,099	3,532,099		-	
Juvenile Correctional Facility			1,472,661	1,464,282		8,379	
Child Care Services			1,557,623	1,328,528		229,095	
Caliente Youth Center			8,012,198	7,678,682		333,516	
Victims of Domestic Violence			4,150,734	2,923,761		1,226,973	
Childrens Trust Account			792,409	492,163		300,246	
Rural Child Welfare			16,936,114	15,065,998		1,870,116	
Review of Death of Children			309,465	65,810		243,655	
Nevada Youth Training Center			9,073,568	7,316,456		1,757,112	
Youth Parole Services			5,490,652	4,576,390		914,262	
Farm Account - Youth Training Center			11,650	-		11,650	
No NV Child and Adolescent Services			7,747,703	7,231,284		516,419	
So NV Child and Adolescent Services			24,407,088	21,061,542		3,345,546	
Employment, Training and Rehabilitation							
Blind Business Enterprise Program			5,873,541	2,031,658		3,841,883	
Services to the Blind			4,795,726	4,363,220		432,506	
Client Assistance Program			197,295	178,286		19,009	
Vocational Rehabilitation			20,824,126	16,974,671		3,849,455	

Combining Statement of Cash Flows Internal Service Funds

For the Fiscal Year Ended June 30, 2012

	Self- Insurance	Buildings and Grounds	Motor Pool	Communications
Cash flows from operating activities				
Receipts from customers and users	\$ 66,179,488	\$ 38,524	\$ 35,586	\$ 12,680
Receipts for interfund services provided	175,613,356	18,152,830	3,258,707	6,507,486
Receipts from component units	72,382,243	-	84,448	9,436
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(295,863,804)	(8,243,695)	(1,724,202)	(5,120,511)
Payments to employees	(2,028,783)	(5,612,579)	(790,571)	(1,013,811)
Payments for interfund services used	(1,019,736)	(1,101,694)	(899,544)	(202,664)
Payments to component units	-	(120)	-	-
Net cash provided by (used for) operating activities	15,262,764	3,233,266	(35,576)	192,616
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	42,116	-	-
Transfers and advances to other funds	-	(186,289)	-	-
Net cash provided by (used for) noncapital financing activities	-	(144,173)	-	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	1,634	173,673	-
Purchase of capital assets	(14,259)	(142,294)	(722,830)	(31,991)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(14,259)	(140,660)	(549,157)	(31,991)
Cash flows from investing activities				
Interest, dividends and gains (losses)	(816,845)	-	-	-
Net cash provided by (used for) investing activities	(816,845)	-	-	-
Net increase (decrease) in cash	14,431,660	2,948,433	(584,733)	160,625
Cash and cash equivalents, July 1	111,556,212	1,841,160	2,192,421	264,837
Cash and cash equivalents, June 30	<u>\$ 125,987,872</u>	<u>\$ 4,789,593</u>	<u>\$ 1,607,688</u>	<u>\$ 425,462</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 7,210,356	\$ 187,621	\$ (1,501,826)	\$ 9,479
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	35,124	105,525	1,406,531	77,943
Amortization	-	-	-	-
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	2,246,786	2,140,826	83,488	14,186
Decrease (increase) in inventory, deferred charges, other assets	-	-	-	(2,037)
Increase (decrease) in accounts payable, accruals, other liabilities	5,770,498	799,294	(23,769)	93,045
Other adjustments	-	-	-	-
Total adjustments	8,052,408	3,045,645	1,466,250	183,137
Net cash provided by (used for) operating activities	<u>\$ 15,262,764</u>	<u>\$ 3,233,266</u>	<u>\$ (35,576)</u>	<u>\$ 192,616</u>



NEVADA

Page 4 of 9

Insurance	Administrative	Final Budget		Actual	Variance	
Premiums	Services	Personnel	Purchasing	Services	Printing	Total
Consumer Health Protection			\$ 1,859,487	\$ 1,358,181	\$	321,306
Office of Minority Health			1,788,066	1,280,664		507,402
Early Intervention Services	-	\$ -	\$ 1,929,320	459,011	\$ 24,340,804	\$ 67,184,897
Immunization Program	2,081,215	7,245,649	2,369,305	6,025,932	22,189,847	258,591,575
Marijuana Registry	-	187,110	-	1,809,340	-	72,895,987
WIC Food Supplement	5,000	-	70,741,206	-	64,302,880	5,000
Sexually Transmitted Disease Control	(9,867,348)	(834,415)	(62,671)	(8,444,893)	15,774,342	(331,004,889)
Health Facilities Hospital Licensing	(623,727)	(4,765,875)	(1,818,969)	(3,754,085)	(1,462,596)	(30,200,104)
Health Facilities Admin Penalty	(13,488,571)	(1,738,895)	(393,866)	(643,406)	8,103,648	(19,940,104)
Public Health Preparedness Program	(120,816)	(33,745)	-	(86,599)	74,956	(241,296)
Family Health Project	61,558	59,829	95,728	3,098,014	4,139,585	17,291,028
Communicable Disease Control			6,609,083	5,508,705		1,100,378
Maternal Child Health Services	-	-	8,189,579	98,732	6,188,832	298,700,749
Office of Health Administration	-	-	9,301,316	-	5,500,513	(336,200,803)
Community Health Services	-	-	4,420,041	98,732	3,707,959	712,082
Emergency Medical Services	-	-	1,473,040	-	1,186,527	286,522
Welfare and Supportive Services						
Welfare Administration	-	-	31,677,734	115	29,060,120	175,202,614
Temp Assistance for Needy Families	(6,402)	(11,589)	49,152,854	(829,747)	46,623,442	(1,759,152)
Assistance to Aged and Blind	-	(236,082)	-	(7,952,442)	7,952,000	(1,887,949)
Welfare Field Services	-	-	75,521,508	(33,602)	70,842,700	(33,602)
Child Support Enforcement Program			16,596,556	12,267,102		4,329,454
Child Support Federal Reimbursement		(247,671)	36,425,396	(2,515,101)	23,972,521	(3,505,245)
Child Assistance and Development			44,569,122	41,881,151		2,687,971
Energy Assistance Program	-	-	18,441,391	-	14,391,703	4,049,688
Mental Health and Developmental Services						
So NV Adult Mental Health Services	-	-	86,710,502	-	81,063,308	(816,206)
No NV Adult Mental Health Services	(4,427,349)	(187,842)	95,728	1,503,414	27,996,814	12,931,979
Mental Health Information System	6,295,312	1,672,031	521,940	1,809,546	1,572,773	236,773
Family Preservation Program	588,519		2,638,570	3,020,877	2,511,784	142,913,203
Rural Regional Center		\$ 1,484,189	\$ 617,668	\$ 3,702,522	\$ 14,073,248	\$ 155,845,128
MHDS Administration			7,666,592	7,075,803		590,789
Desert Regional Center			87,473,862	82,397,073		5,076,789
Sierra Regional Center			35,029,626	32,341,709		2,687,917
Facility of Child Mental Offender	(89,304)	\$ 144,981	(22,034)	8,849,328	1,396,632	(1,447,827)
Alcohol Tax Program			1,452,338	889,104		563,234
Rural Clinics			12,648,270	10,740,133		1,908,137
Child and Family Services						
Community Juvenile Justice Programs	1,324	32,929	6,427	1,937,990	267,204	3,872,175
Washoe County Integration	-	214,246	-	-	3,938,829	214,246
Clark County Integration	(2,260)	(203,989)	316,871	(602,637)	28,328,060	5,000,276
UNITY/SACSIS	-	(4,500)	-	-	5,359,567	140,601,562
Children, Youth and Family Administration	(123,827)	(123,827)	111,012	1,045,103	18,495,068	10,537,209
Youth Alternative Placement	-	(11)	-	-	3,532,099	(11)
Juvenile Correctional Facility	160,862	(85,152)	117,762	1,472,661	1,464,941	18,738,915
Child Care Services			1,557,623	-	1,328,528	229,095
Caliente Youth Center	61,558	\$ 59,829	\$ 95,728	3,098,014	\$ 7,478,882	\$ 17,291,028
Victims of Domestic Violence			4,150,734	2,923,761		1,226,973
Childrens Trust Account			792,409	492,163		300,246
Rural Child Welfare			16,936,114	15,065,998		1,870,116
Review of Death of Children			309,465	65,810		243,655
Nevada Youth Training Center			9,073,568	7,316,456		1,757,112
Youth Parole Services			5,490,652	4,576,390		914,262
Farm Account - Youth Training Center			11,650	-		11,650
No NV Child and Adolescent Services			7,747,703	7,231,284		516,419
So NV Child and Adolescent Services			24,407,088	21,061,542		3,345,546
Employment, Training and Rehabilitation						
Blind Business Enterprise Program			5,873,541	2,031,658		3,841,883
Services to the Blind			4,795,726	4,363,220		432,506
Client Assistance Program			197,295	178,286		19,009
Vocational Rehabilitation			20,824,126	16,974,671		3,849,455

Typography Self Portrait

Samantha Schumacher
5th Grade

Provided by Wallin Elementary School

Teachers will also work in teams of three to provide instruction utilizing various grouping strategies and resources to meet the individual needs of each child. We will also motivate and engage students in learning by integrating science instruction and the use of technology into the core subject areas of reading, writing and math. To round out this exemplary education package, students will be exposed to, and participate in, visual and performing arts on a weekly basis.

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST

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

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

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

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

INVESTMENT TRUST

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

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

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

PRIVATE PURPOSE TRUST

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

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

AGENCY

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

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

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

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

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

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

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

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

Combining Statement of Fiduciary Net Assets

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

June 30, 2012

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
Cash and pooled investments:					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 1,528,963	\$ 1,528,963
Cash in custody of other officials	593,183,878	22,878	317,822	-	593,524,578
Investments:					
Investments	-	-	-	940,236	940,236
Fixed income securities	7,124,834,495	1,306,164	20,405,462	-	7,146,546,121
Marketable equity securities	10,150,693,754	2,469,886	37,975,027	-	10,191,138,667
International securities	5,994,185,142	279,420	4,180,713	-	5,998,645,275
Real estate	1,274,776,786	-	-	-	1,274,776,786
Alternative investments	823,381,966	-	-	-	823,381,966
Collateral on loaned securities	4,282,354,105	-	-	-	4,282,354,105
Receivables:					
Accounts receivable	-	-	-	-	-
Accrued interest and dividends	98,588,329	4,864	71,199	-	98,664,392
Trades pending settlement	100,598,488	-	-	-	100,598,488
Intergovernmental receivables	105,640,551	-	682,511	15,025	106,338,087
Contributions receivable	-	-	-	-	-
Due from other funds	-	-	-	106,963	106,963
Due from fiduciary funds	17,540,862	-	-	-	17,540,862
Due from component units	-	-	-	1,089,169	1,089,169
Other assets	1,943,229	-	-	-	1,943,229
Furniture and equipment	38,012,927	-	-	-	38,012,927
Accumulated depreciation	(34,477,355)	-	-	-	(34,477,355)
Total assets	30,571,257,157	4,083,212	63,632,734	3,680,356	30,642,653,459
Accounts payable and accruals:					
Accounts payable	12,446,986	1,072	2,897	-	12,450,955
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	334,629,454	1,373	22,651	-	334,653,478
Bank overdraft	-	-	-	-	-
Obligations under securities lending	4,324,339,085	-	-	-	4,324,339,085
Due to other funds	-	-	-	2,402,664	2,402,664
Due to fiduciary funds	-	-	-	-	-
Total liabilities	4,671,415,525	2,445	25,548	2,402,664	4,673,846,182
Held in trust for:					
Employees' pension benefits	25,899,841,632	4,080,767	63,607,186	-	25,967,529,585
OPEB benefits	-	-	-	1,277,692	1,277,692
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net assets	\$ 25,899,841,632	\$ 4,080,767	\$ 63,607,186	\$ 1,277,692	\$ 25,968,807,277



NEVADA

Page 4 of 9

Investment Trust Funds		Final Budget		Actual Purpose Trust Funds		Variance
Consumer Health Protection		\$ 1,859,467		\$ 1,538,161		\$ 321,306
Office of Minority Health		1,788,066		1,280,664		507,402
Early Intervention Services		25,320,905		24,349,891		971,014
Immunization Program		6,025,932		5,290,757		735,175
Maternal and Child Health Registry		1,809,340		1,809,340		897,520
WIC Food Supplement		70,741,206		64,331,948		6,409,258
Sexually Transmitted Disease Control		18,551,867		15,704,842		2,847,025
Health Facilities Hospital Licensing		13,754,085		8,103,648		5,650,437
Health Facilities Adm. Penalties		9,335,116		74,956		5,436,368
Public Health Preparedness Program	10,725,936	10,725,936		14,069,850		6,429,677
Family Planning Project		5,304,988		4,331,948		973,040
Communicable Disease Control		6,609,083		5,508,705		1,100,378
Maternal Child Health Services	144,810,796	1,064,442,003		6,188,830		2,000,749
Office of Health Administration		9,301,316		5,500,513		3,800,803
Community Health Services		4,420,041		3,707,959		712,082
Emergency Medical Services		1,473,049		1,186,527		286,522
Welfare and Supportive Services						
Welfare Administration		31,677,734		29,060,120		2,617,614
Temp Assistance for Needy Families		49,152,854		46,623,442		2,529,412
Assistance to Aged and Blind		7,952,442		7,952,000		442
Welfare Field Services		75,521,508	130,361	70,842,700		4,678,808
Child Support Enforcement	749,458	2,142,103		12,267,108		4,329,155
Child Support Federal Reimbursement		151,382,725		23,972,527		12,742,875
Child Assistance and Development		44,569,122	6,508	41,881,151		2,687,971
Energy Assistance Program		18,441,391		14,391,708		4,049,683
Mental Health and Developmental Services						
So NV Adult Mental Health Services		86,710,502	182,150	81,063,308		5,647,194
No NV Adult Mental Health Services		31,503,414		27,996,814		3,506,600
Mental Health Information System		1,809,546		1,572,773		236,773
Family Preservation Program		2,638,570		2,511,784		126,786
Rural Regional Center		14,955,675		14,027,245		928,430
MIHS Administration		7,666,592		7,075,803		590,789
Desert Regional Center	414,729,321	156,286,190	1,077,470,759	82,397,073	9,198,665,682	9,204,118,967
Sierra Regional Center		35,029,626		32,341,709		2,687,917
Facility for the Mental Offender		8,849,328		8,647,034		202,294
Alcohol Tax Program		1,452,338		889,104		563,234
Rural Clinics	117,098	22,648	139,748	10,740,133		1,968,594
Child and Family Services						
Community Juvenile Justice Programs		5,107,652		3,938,825		1,168,827
Washoe County Integration	7,944,288	11,353,058		28,328,607		2,956,278
Clark County Integration		78,671,092		78,444,214		226,878
UNITY/SACWIS		5,975,155		5,359,534		615,621
Children, Youth and Family Administration		37,210,451	634,884	18,495,368		2,549,835
Youth Alternative Placement		3,532,099	33,477	3,532,099		33,477
Juvenile Correctional Facility		1,472,661		1,464,282		8,379
Child Care Services	3,561,325	7,966,936	11,535,545	1,328,520		229,095
Caliente Youth Center		8,012,198		7,678,682		333,516
Victims of Domestic Violence		4,150,734		2,923,761		1,226,973
Childrens Trust Account		792,409		492,163		300,246
Rural Child Welfare		16,936,114		15,065,998		1,870,116
Review of Death of Children		3,309,465		65,810		243,655
Nevada Youth Training Center	148,319,254	1,065,935,214	2,143,568	7,316,456		4,757,412
Youth Pardon Services		5,490,652	4,664,497	9,192,252		9,196,976
Family Account - Youth Training Center	\$ 148,319,254	\$ 1,065,935,214	\$ 4,664,497	\$ 9,192,252,502		\$ 9,196,976,999
No NV Child and Adolescent Services		7,747,703		7,231,284		516,419
So NV Child and Adolescent Services		24,407,088		21,061,542		3,345,546
Employment, Training and Rehabilitation						
Blind Business Enterprise Program		5,873,541		2,031,658		3,841,883
Services to the Blind		4,795,726		4,363,220		432,506
Client Assistance Program		197,295		178,286		19,009
Vocational Rehabilitation		20,824,126		16,974,671		3,849,455

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

For the Fiscal Year Ended June 30, 2012

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
Contributions:					
Employer	\$ 1,332,320,660	\$ 182,093	\$ 7,781,805	\$ 27,881,834	\$ 1,368,166,392
Plan members	98,183,663	25,674	-	-	98,209,337
Participants	-	-	-	-	-
Repayment and purchase of service	37,993,705	-	-	-	37,993,705
Total contributions	1,468,498,028	207,767	7,781,805	27,881,834	1,504,369,434
Investment income:					
Net increase (decrease)					
in fair value of investments	33,738,094	46,891	911,304	29,092	34,725,381
Interest, dividends	673,133,171	46,446	661,265	16,156	673,857,038
Net securities lending income	(3,406,661)	-	-	-	(3,406,661)
Other	91,642,326	-	-	-	91,642,326
	795,106,930	93,337	1,572,569	45,248	796,818,084
Less investment expense:					
Other	(29,006,337)	(1,041)	(14,359)	(404)	(29,022,141)
Net investment income	766,100,593	92,296	1,558,210	44,844	767,795,943
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,096,330	42,322	-	-	2,138,652
Total other	2,096,330	42,322	-	-	2,138,652
Total additions	2,236,694,951	342,385	9,340,015	27,926,678	2,274,304,029
Principal redeemed	-	-	-	-	-
Benefit payments	1,552,682,559	527,664	3,616,601	31,768,571	1,588,595,395
Refunds	27,775,442	8,025	-	-	27,783,467
Contribution distributions	1,660,482	-	-	-	1,660,482
Dividends to investors	-	-	-	-	-
Administrative expense	10,002,855	41,560	67,531	-	10,111,946
Total deductions	1,592,121,338	577,249	3,684,132	31,768,571	1,628,151,290
Change in net assets	644,573,613	(234,864)	5,655,883	(3,841,893)	646,152,739
Net assets, July 1	25,255,268,019	4,315,631	57,951,303	5,119,585	25,322,654,538
Net assets, June 30	\$ 25,899,841,632	\$ 4,080,767	\$ 63,607,186	\$ 1,277,692	\$ 25,968,807,277



NEVADA

Page 4 of 9

			Final Budget		Actual	Variance
Consumer Health Protection			\$ 1,859,467	\$	1,538,161	\$ 321,306
Office of Minority Health			1,788,066		1,280,664	507,402
Early Intervention Services			25,320,905		24,349,891	971,014
Immunization Program			6,025,932		5,290,757	735,175
Marijuana Health Registry			1,809,340		911,820	897,520
WIC Food Supplement			70,741,206		64,302,880	6,438,326
Sexually Transmitted Disease Control			18,551,867		15,704,842	2,847,025
Health Facilities Hospital Licensing			13,754,085		8,163,648	5,650,437
Health Facilities-Admin Penalty			511,667		74,956	436,711
Public Health Preparedness Program			15,499,287		14,069,850	1,429,437
Family Planning Project			-5,304,988		4,331,948	\$ 973,040
Communicable-Disease Control			-6,609,083		5,508,705	1,100,378
Maternal Child Health Services			-8,189,579	7,816,873	26,186,237	2,328,240
Office of Health Administration			-9,301,316		5,500,513	3,800,803
Community Health Services			4,420,041	7,816,873	3,707,959	712,082
Emergency Medical Services			1,473,049		1,186,527	286,522
Welfare and Supportive Services						
Welfare Administration			31,677,734		29,060,120	2,617,614
Temp Assistance for Needy Families		(119,082)	(2,548,439)		46,813,496	(81,232,992)
Assistance for Aged and Blind		3,797,983	12,979,485		7,982,006	212,318,540
Welfare Field Services		-	75,521,508		70,842,700	4,678,808
Child Support Enforcement Program		-	16,596,556		12,267,102	4,329,454
Child Support Federal Reimbursement		3,678,901	10,431,043		23,972,531	131,035,090
Child Assistance and Development			44,569,122		41,881,151	2,687,971
Energy Assistance Program		(30,761)	(30,761)		14,391,703	4,049,688
Mental Health and Developmental Services						
So NV Adult Mental Health Services			10,400,286		131,035,090	131,035,090
No NV Adult Mental Health Services			31,503,414		27,996,814	3,506,600
Mental Health Information		21,437,080	781,043,373		1,572,773	236,773
Family Preservation Program		-	685,478		2,511,784	126,786
Rural Regional-Center		312	312		14,027,245	928,430
MHS Administration		4,800,000	781,729,163		7,075,803	590,789
Desert Regional Center		10,783,341	792,129,448		82,337,073	5,076,799
Sierra Regional Center			35,029,626	7,816,873	3,421,156	2,459,988
Facility for the Mental Offender			8,849,328		8,647,034	202,294
Alcohol Tax Program			1,452,338		889,104	563,234
Rural Clinics			12,648,270		10,740,133	1,908,137
Child and Family Services						
Community Juvenile Justice Programs			5,107,652		3,938,829	1,168,823
Washoe County Integration			29,058,336		28,328,060	730,276
Clark County Integration			735,093		78,444,217	226,875
UNITY/SACWIS		580,440	644,129		5,359,534	21,685,787
Child Welfare and Family Administration		33,518	841,468,242		18,205,185	1,438,256
Youth Alternative Placement			3,532,099		3,532,099	-
Juvenile Correctional Facility			1,472,661	216,393	1,021,673	1,021,890
Child Care Services			1,115,274,012	4,448,104	8,179,578	8,175,026
Calaveras County Center		411,167,996	\$ 1,065,935,214	\$ 1,198,664,497	\$ 97,928,252	\$ 9,196,936
Victims of Domestic Violence			4,150,734		2,923,781	1,226,953
Childrens Trust Account			792,409		492,163	300,246
Rural Child Welfare			16,936,114		15,065,998	1,870,116
Review of Death of Children			309,465		65,810	243,655
Nevada Youth Training Center			9,073,568		7,316,456	1,757,112
Youth Parole Services			5,490,652		4,576,390	914,262
Farm Account - Youth Training Center			11,650		-	11,650
No NV Child and Adolescent Services			7,747,703		7,231,284	516,419
So NV Child and Adolescent Services			24,407,088		21,061,542	3,345,546
Employment, Training and Rehabilitation						
Blind Business Enterprise Program			5,873,541		2,031,658	3,841,883
Services to the Blind			4,795,726		4,363,220	432,506
Client Assistance Program			197,295		178,286	19,009
Vocational Rehabilitation			20,824,126		16,974,671	3,849,455

Combining Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2012

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Cash and pooled investments:				
Cash with treasurer	\$ 12,578,437	\$ 23,002,370	\$ 22,652,989	\$ -
Cash in custody of other officials	-	28,304,737	5,955,705	4,554,539
Investments	-	189,224,684	-	-
Receivables:				
Taxes receivable	9,278,578	-	36,662,473	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	109,395	-
Due from other funds	423,636,210	33,112,013	1,063,383	-
Due from fiduciary funds	10,352,621	-	1,576	-
Total assets	<u>\$ 455,845,846</u>	<u>\$ 273,643,804</u>	<u>\$ 66,445,521</u>	<u>\$ 4,554,539</u>
Accounts payable and accruals:				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	455,845,846	-	48,466,259	-
Due to fiduciary funds	-	-	10,352,621	-
Other liabilities:				
Deposits	-	273,623,382	7,507,721	-
Other liabilities	-	20,422	118,920	4,554,539
Total liabilities	<u>\$ 455,845,846</u>	<u>\$ 273,643,804</u>	<u>\$ 66,445,521</u>	<u>\$ 4,554,539</u>



			Final Budget		Actual		Variance
Consumer Health Protection		Veterans' \$	1,859,467	\$	1,538,161	\$	321,306
Child Welfare Trust		Custodial	1,786,546	State Payroll	1,280,704	Total	507,402
Early Intervention Services			25,320,905		24,349,891		971,014
Immunization Program			6,025,932		5,290,757		735,175
Marijuana Health Registry			1,809,340		911,820		897,520
WIC Food Supplement	\$ 1,622,852	\$ 29,676	7,741,208	1,339,665	\$ 64,302,880	247,513	6,438,326
Sexually Transmitted Disease Control	-	-	18,551,867	-	15,704,842	38,814,981	2,847,025
Health Facilities Hospital Licensing	-	-	13,754,085	-	8,103,648		5,650,437
Health Facilities-Admin Penalty	-	-	511,667	-	74,956	224,684	436,711
Public Health Preparedness Program	-	-	15,499,287	-	14,069,850		1,429,437
Family Planning Project	-	-	5,304,988	-	4,331,948		973,040
Communicable Disease Control	-	-	6,609,083	-	5,508,705	941,051	1,100,378
Maternal Child Health Services	-	-	8,189,579	100,713	6,188,830	100,713	2,000,749
Office of Health Administration	-	-	9,301,316	-	5,500,513		3,800,803
Community Health Services	-	-	4,420,041	-	3,707,959	109,395	712,082
Emergency Medical Services	4,042	-	1,473,049	702,762	1,186,527		286,522
Welfare and Supportive Services					458,521,181		
Welfare Administration	31,901	-	31,677,734	-	29,060,120	386,098	2,617,614
Temp Assistance for Low Income Families	1,658,795	\$ 29,676	49,152,852	2,143,140	\$ 46,623,822	345,616	2,529,412
Assistance to Aged and Blind			7,952,442		7,952,000		442
Welfare Field Services			75,521,508		70,842,700		4,678,808
Child Support Enforcement Program			16,596,556		12,267,102		4,329,454
Child Support Federal Reimbursement			36,425,396		23,972,521		12,452,875
Child Assistance and Development			44,569,122		41,881,151		2,687,971
Energy Assistance Program			18,441,391		14,391,703		4,049,688
Mental Health and Developmental Services		\$ -	\$ -	3,770	\$ -	3,770	
So NV Adult Mental Health Services	-	-	86,710,502	-	81,063,508	331,783	5,647,194
No NV Adult Mental Health Services	-	-	31,503,414	-	27,996,814		3,506,600
Mental Health Information System	-	-	1,809,548	17,540,862	1,572,773	27,893,483	236,773
Family Preservation Program			2,638,570		2,511,784		126,786
Rural Regional Center	-	-	14,955,675	4,598,508	14,027,245	288,729,611	928,430
MHDS Administration			7,666,592		7,075,803		590,789
Desert Regional Center	1,658,795	29,676	87,473,862	-	82,397,073	6,386,969	5,076,789
Sierra Regional Center	\$ 1,658,795	\$ 29,676	35,029,628	2,143,140	\$ 32,341,789	345,616	2,687,917
Facility for the Mental Offender			8,849,328		8,647,034		202,294
Alcohol Tax Program			1,452,338		889,104		563,234
Rural Clinics			12,648,270		10,740,133		1,908,137
Child and Family Services							
Community Juvenile Justice Programs			5,107,652		3,938,829		1,168,823
Washoe County Integration			29,058,336		28,328,060		730,276
Clark County Integration			78,671,092		78,444,217		226,875
UNITY/SACWIS			5,975,155		5,359,534		615,621
Children, Youth and Family Administration			21,045,103		18,495,368		2,549,735
Youth Alternative Placement			3,532,099		3,532,099		-
Juvenile Correctional Facility			1,472,661		1,464,282		8,379
Child Care Services			1,557,623		1,328,528		229,095
Caliente Youth Center			8,012,198		7,678,682		333,516
Victims of Domestic Violence			4,150,734		2,923,761		1,226,973
Childrens Trust Account			792,409		492,163		300,246
Rural Child Welfare			16,936,114		15,065,998		1,870,116
Review of Death of Children			309,465		65,810		243,655
Nevada Youth Training Center			9,073,568		7,316,456		1,757,112
Youth Parole Services			5,490,652		4,576,390		914,262
Farm Account - Youth Training Center			11,650		-		11,650
No NV Child and Adolescent Services			7,747,703		7,231,284		516,419
So NV Child and Adolescent Services			24,407,088		21,061,542		3,345,546
Employment, Training and Rehabilitation							
Blind Business Enterprise Program			5,873,541		2,031,658		3,841,883
Services to the Blind			4,795,726		4,363,220		432,506
Client Assistance Program			197,295		178,286		19,009
Vocational Rehabilitation			20,824,126		16,974,671		3,849,455

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets				
Cash with treasurer	\$ 13,605,679	\$ 2,733,286,169	\$ 2,734,313,411	\$ 12,578,437
Taxes receivable	9,457,685	33,777,930	33,957,037	9,278,578
Due from other funds	392,643,505	423,633,760	392,641,055	423,636,210
Due from fiduciary funds	10,195,245	10,352,621	10,195,245	10,352,621
Total assets	\$ 425,902,114	\$ 3,201,050,480	\$ 3,171,106,748	\$ 455,845,846
Liabilities				
Intergovernmental payables	\$ 425,902,114	\$ 3,200,511,864	\$ 3,170,568,132	\$ 455,845,846
Total liabilities	\$ 425,902,114	\$ 3,200,511,864	\$ 3,170,568,132	\$ 455,845,846
Assets				
Cash with treasurer	\$ 22,874,313	\$ 8,592,798	\$ 8,464,741	\$ 23,002,370
Cash in custody of other officials	31,608,243	2,442,424	5,745,930	28,304,737
Investments	174,852,822	57,095,967	42,724,105	189,224,684
Due from other funds	32,119,522	1,334,401	341,910	33,112,013
Total assets	\$ 261,454,900	\$ 69,465,590	\$ 57,276,686	\$ 273,643,804
Liabilities				
Deposits	\$ 261,414,368	\$ 67,671,919	\$ 55,462,905	\$ 273,623,382
Other liabilities	40,532	221	20,331	20,422
Total liabilities	\$ 261,454,900	\$ 67,672,140	\$ 55,483,236	\$ 273,643,804
Assets				
Cash with treasurer	\$ 22,973,976	\$ 1,089,998,912	\$ 1,090,319,899	\$ 22,652,989
Cash in custody of other officials	5,695,489	273,216	13,000	5,955,705
Taxes receivable	36,864,305	36,145,854	36,347,686	36,662,473
Other receivables	96,690	12,705	-	109,395
Due from other funds	465,796	1,063,383	465,796	1,063,383
Due from fiduciary funds	250	1,576	250	1,576
Total assets	\$ 66,096,506	\$ 1,127,495,646	\$ 1,127,146,631	\$ 66,445,521
Liabilities				
Intergovernmental payables	\$ 46,866,532	\$ 1,116,719,223	\$ 1,115,119,495	\$ 48,466,260
Due to fiduciary funds	10,195,245	10,352,621	10,195,245	10,352,621
Deposits	7,182,084	386,929	61,292	7,507,721
Other liabilities	1,852,645	-	1,733,726	118,919
Total liabilities	\$ 66,096,506	\$ 1,127,458,773	\$ 1,127,109,758	\$ 66,445,521
Assets				
Cash in custody of other officials	\$ 3,897,651	\$ 206,477,347	\$ 205,820,459	\$ 4,554,539
Total assets	\$ 3,897,651	\$ 206,477,347	\$ 205,820,459	\$ 4,554,539
Liabilities				
Other liabilities	\$ 3,897,651	\$ 205,847,210	\$ 205,190,322	\$ 4,554,539
Total liabilities	\$ 3,897,651	\$ 205,847,210	\$ 205,190,322	\$ 4,554,539
Assets				
Cash with treasurer	\$ 21,039	\$ 250,814	\$ 250,329	\$ 21,524
Intergovernmental receivables	3,907	-	3,907	-
Due from other funds	968	2,771	968	2,771
Total assets	\$ 25,914	\$ 253,585	\$ 255,204	\$ 24,295
Liabilities				
Intergovernmental payables	\$ 5,017	\$ 19,678	\$ 5,017	\$ 19,678
Other liabilities	20,897	244,780	261,060	4,617
Total liabilities	\$ 25,914	\$ 264,458	\$ 266,077	\$ 24,295



NEVADA

Page 4 of 9

	Balance July 1, 2011	Final Budget Additions	Actual Deletions	Variance Balance June 30, 2012
Consumer Health Protection		\$ 1,859,467	\$ 1,538,161	\$ 321,306
Restitution Trust		1,788,066	1,280,664	507,402
Early Intervention Services		25,320,905	24,349,891	971,014
Immunization Program	\$ 1,652,630	\$ 6,025,997,935	\$ 5,299,757	\$ 1,782,185
Minor Health Registry	980	1,809,340,042	911,980	897,452,062
WIC Food Supplement	33,998	70,741,286,901	64,382,988	6,438,301
Sexually Transmitted Disease Control	\$ 1,687,608	\$ 18,553,883,878	\$ 15,752,632	\$ 2,805,256
Health Facilities		13,754,085	8,103,648	5,650,437
Health Facilities Hospital Licensing				
Health Facilities Admin Penalty	\$ 1,687,608	\$ 513,082,924	\$ 3,174,256	\$ 1,180,719
Public Health Preparedness Program	\$ 1,687,608	\$ 15,499,287,362,924	\$ 14,069,859	\$ 1,429,427
Health Facilities		5,304,988	4,331,948	973,040
Communicable Disease Control		6,609,083	5,508,705	1,100,378
Maternal Child Health Services		8,189,579	6,188,830	2,000,749
Cash with Treasurer	\$ 29,872	\$ 611	\$ 807	\$ 29,676
Office of Health Administration	\$ 29,872	\$ 9,301,316	\$ 5,500,513	\$ 3,800,803
Total assets		4,420,041	2,707,960	747,882
Community Health Services				
Emergency Medical Services	\$ 29,872	\$ 1,473,049	\$ 1,186,527	\$ 286,522
Other liabilities		611	807	29,676
Welfare and Supportive Services				
Total liabilities	\$ 29,872	\$ 31,677,734,611	\$ 29,060,897	\$ 2,617,614
State Payroll		49,152,854	46,623,442	2,529,412
Assistance to Aged and Blind		7,952,442	7,952,000	442
Welfare Services	\$ 16,955,729	\$ 75,621,408,121	\$ 67,092,180	\$ 21,633,668
Child Support Enforcement Program	-	16,596,506,713	12,267,102	4,329,411
Child Support Federal Reimbursement	247,408	36,425,506,762	23,277,409	12,448,100
Total assets	\$ 17,203,137	\$ 44,682,272,596	\$ 67,337,593	\$ 22,617,914
Liabilities		18,441,391	14,391,703	4,049,688
Emergency Assistance Program				
Mental Health and Developmental Services	\$ 1,903	\$ 250,975,660	\$ 250,973,793	\$ 3,770
Due to fiduciary funds	17,201,234	86,740,502,414	230,633,586	17,640,862
So NV Adult Mental Health Services	-	31,193,466,604	194,868,996	4,588,508
Deposits				
No NV Adult Mental Health Services	\$ 17,203,137	\$ 1,006,415,678	\$ 676,475,973	\$ 22,163,740
Mental Health Information System				
Totals - All Agency Funds		2,638,570	2,511,784	126,786
Assets		14,955,675	14,027,245	928,430
Regional Center				
Mental Health Services	\$ 78,113,238	\$ 4,513,675,003	\$ 4,513,675,003	\$ 815,007,813
Cash in custody of other officials	41,201,383	87,473,862,987	212,359,399	38,914,981
Desert Regional Center	174,852,822	35,056,956,967	42,644,106	189,662,684
Signa Regional Center	46,321,990	8,849,328,784	70,304,723	45,941,051
Taxes receivable	3,907	1,007,713	889,104	100,213
Facility for the Mental Offender	96,690	1,452,327,705	889,104	563,395
Intergovernmental receivables	425,478,179	12,648,270	393,698,117	438,521,181
Other receivables	10,229,493	10,386,098	10,229,493	10,386,098
Rural Clinics				
Due from other funds				
Child and Family Services	\$ 776,297,702	\$ 5,290,144,733	\$ 5,242,998,819	\$ 824,145,616
Total assets		29,058,336	20,328,060	7,362,776
Liabilities		78,671,092	250,973,793	226,875
Clark County Integration	\$ 1,903	\$ 250,975,660	\$ 250,973,793	\$ 3,770
Accrued payroll and related liabilities	472,773,663	4,317,250,765	4,285,692,644	50,558,121
Intergovernmental payables	27,396,479	21,245,328,035	246,425,098	27,093,763
Child and Family Administration	268,596,452	3,262,525,452	250,332,099	285,729,611
Youth and Family Services	7,529,205	1,207,683,746	210,467,282	6,386,998
Total liabilities	\$ 776,297,702	\$ 5,267,223,658	\$ 5,238,225,728	\$ 824,245,096
Child and Family Services		8,012,198	7,678,682	333,516
Caliente Youth Center		4,150,734	2,923,761	1,226,973
Victims of Domestic Violence		792,409	492,163	300,246
Childrens Trust Account		16,936,114	15,065,998	1,870,116
Rural Child Welfare		309,465	65,810	243,655
Review of Death of Children		9,073,568	7,316,456	1,757,112
Nevada Youth Training Center		5,490,652	4,576,390	914,262
Youth Parole Services		11,650	-	11,650
Farm Account - Youth Training Center		7,747,703	7,231,284	516,419
No NV Child and Adolescent Services		24,407,088	21,061,542	3,345,546
So NV Child and Adolescent Services				
Employment, Training and Rehabilitation		5,873,541	2,031,658	3,841,883
Blind Business Enterprise Program		4,795,726	4,363,220	432,506
Services to the Blind		197,295	178,286	19,009
Client Assistance Program		20,824,126	16,974,671	3,849,455
Vocational Rehabilitation				

History of VSA Nevada

In 1986, with a dedicated board of directors, a part time executive director, a borrowed desk, filing cabinet and typewriter (yes, typewriter), Very Special Arts Nevada (VSAN) was founded as the 49th member to become a state affiliate of Very Special Arts, an affiliate of the John F. Kennedy Center for the Performing Arts. At that time, VSAN shared a corner space of Sierra Arts Foundation's offices in Reno. Originally, VSAN festivals were the major focus with special education students participating in day-long arts activities at the Pioneer Center for Performing Arts in Reno.

In 1989, the part time VSAN executive director position became full time with the International Winter Special Olympics being held in Reno/Lake Tahoe. VSAN played an integral part in the festivities providing extensive hands-on arts activities and several performances for the athletes and the public. In 1996, outgrowing office space and wanting to expand programming, VSAN offices moved to the historic Lake Mansion in Reno. In 2004, the Lake Mansion was moved three miles from the Reno-Sparks Convention Center grounds to the corner of Court Street and Arlington Avenue in Reno's Arts District.

VSAN became the official owner and operator of the Lake Mansion in 2007. The Lake Mansion, built in 1877 and once owned by the founder of Reno, Myron Lake, is listed on both the State and National Registers of Historic Places and is one of the only residences open for the public to enjoy year-round. The public is also able to rent the mansion for public and private events.

VSAN now conducts over three thousand workshops each year including open-to-the-public workshops and camps for children and adults for ALL individuals, provides arts and disability advocacy, and cultural access activities.

To learn more about VSA Nevada, stop by the Lake Mansion at 250 Court St. and Arlington Ave. in Reno's Art District, visit www.vsanevada.org, e-mail info@vsanevada.org or call 775-826-6100, ext. 3#.





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.

<u>TABLES</u>	<u>PAGES</u>
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.	152
REVENUE CAPACITY	
These tables contain information to help the reader assess the government’s most significant revenue source, taxable sales.	156
DEBT CAPACITY	
These tables present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	157
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	161
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.	164

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

Statistical Tables



NEVADA

Table 1 - Net Assets by Component

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in capital assets, net of related debt	\$ 3,222,052	\$ 3,493,458	\$ 3,257,469	\$ 3,445,629	\$ 3,486,155	\$ 3,522,177	\$ 3,492,205	\$ 3,622,787	\$ 3,875,141	\$ 4,017,147
Restricted	432,125	484,164	663,901	675,966	613,375	697,168	702,743	683,526	749,818	700,341
Unrestricted (deficit) (a)	(161,833)	(153,370)	303,704	504,541	623,787	289,123	(236,912)	(224,799)	(276,924)	(59,069)
Total governmental activities net assets	\$ 3,492,344	\$ 3,824,252	\$ 4,225,074	\$ 4,626,136	\$ 4,723,317	\$ 4,508,468	\$ 3,958,036	\$ 4,081,514	\$ 4,348,035	\$ 4,658,419
Business-type Activities										
Invested in capital assets, net of related debt	\$ 3,059	\$ 3,047	\$ 2,906	\$ 2,824	\$ 2,783	\$ 3,393	\$ 3,286	\$ 3,615	\$ 3,120	\$ 3,076
Restricted	801,846	821,829	956,895	1,143,248	1,293,737	1,297,613	819,348	464,346	503,090	538,143
Unrestricted (deficit)	8,029	8,475	8,470	6,428	9,441	10,206	(5,466)	(303,705)	(558,265)	(544,418)
Total business-type activities net assets	\$ 812,934	\$ 833,351	\$ 968,271	\$ 1,152,500	\$ 1,305,961	\$ 1,311,212	\$ 817,168	\$ 164,256	\$ (52,055)	\$ (3,199)
Primary Government										
Invested in capital assets, net of related debt	\$ 3,225,111	\$ 3,496,505	\$ 3,260,375	\$ 3,448,453	\$ 3,488,938	\$ 3,525,570	\$ 3,495,491	\$ 3,626,402	\$ 3,878,261	\$ 4,020,223
Restricted	1,233,971	1,305,993	1,620,796	1,819,214	1,907,112	1,994,781	1,522,091	1,147,872	1,252,908	1,238,484
Unrestricted (deficit) (a)	(153,804)	(144,895)	312,174	510,969	633,228	299,329	(242,378)	(528,504)	(835,189)	(603,487)
Total primary government net assets	\$ 4,305,278	\$ 4,657,603	\$ 5,193,345	\$ 5,778,636	\$ 6,029,278	\$ 5,819,680	\$ 4,775,204	\$ 4,245,770	\$ 4,295,980	\$ 4,655,220

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 226,761	\$ 226,585	\$ 304,926	\$ 349,224	\$ 421,291	\$ 439,682	\$ 389,943	\$ 375,219	\$ 334,616	\$ 240,417
Health and social services	1,817,001	1,888,806	2,082,562	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013	3,209,237	3,250,926
Education and support services	1,439,255	1,663,862	1,717,479	1,830,236	2,254,626	2,381,731	2,475,416	2,430,923	2,393,536	2,280,899
Law, justice and public safety	444,774	485,480	535,371	578,049	624,149	650,657	687,410	690,104	667,598	646,701
Regulation of business	81,674	86,318	92,240	101,857	104,385	114,786	118,086	100,380	122,679	101,687
Transportation	394,489	474,416	665,315	508,569	680,281	576,815	762,610	644,976	630,657	801,797
Recreation and resource development	124,426	132,106	157,881	156,933	173,037	167,627	165,741	161,048	153,404	138,599
Interest on long-term debt	112,096	130,902	141,154	132,969	150,486	146,312	138,304	132,238	128,606	122,080
Unallocated depreciation	1,152	1,315	1,441	1,513	720	992	976	1,448	1,402	1,755
Total governmental activities expenses	4,641,828	5,089,790	5,698,369	5,857,901	6,749,859	6,933,445	7,405,905	7,553,349	7,641,735	7,584,861
Business-type activities:										
Unemployment insurance	377,395	334,065	238,386	239,232	296,784	439,632	1,336,043	2,233,382	1,767,632	1,286,839
Housing	71,927	60,250	53,011	45,397	46,152	43,953	44,382	57,342	83,467	50,979
Water loans	4,715	5,856	7,710	8,226	7,885	6,836	6,218	14,697	16,476	8,249
Workers' compensation and safety	19,274	20,685	21,004	23,991	25,381	26,258	26,801	26,084	29,642	27,706
Higher education (a)	-	-	11,496	18,940	10,504	26,518	13,103	14,051	18,959	26,067
Other	13,134	13,021	14,706	15,601	16,424	20,496	16,967	23,175	28,905	26,187
Total business-type activities expenses	486,445	433,877	346,313	351,387	403,130	545,284	1,443,514	2,388,731	1,945,081	1,426,027
Total primary government expenses	\$ 5,128,073	\$ 5,523,667	\$ 6,044,682	\$ 6,209,288	\$ 7,152,989	\$ 7,478,729	\$ 8,849,419	\$ 9,922,080	\$ 9,586,816	\$ 9,010,888

Program Revenues																		
Governmental activities:																		
Charges for services:																		
General government	\$	153,108	\$	181,530	\$	200,390	\$	226,191	\$	254,947	\$	281,997	\$	285,927	\$	301,856	\$	183,278
Health and social services		134,847		127,743		133,651		138,675		125,915		141,473		131,408		156,698		212,730
Law, justice and public safety		195,259		214,363		261,254		242,262		256,015		252,755		236,004		234,385		253,431
Other		81,480		114,516		142,430		162,028		148,959		118,668		143,689		177,342		145,116
Operating grants and contributions		1,499,849		1,638,073		1,829,252		1,848,091		2,025,361		2,544,032		3,141,986		3,050,092		3,091,556
Capital grants and contributions		8,535		9,320		7,795		27,080		16,010		19,608		56,719		164,711		73,749
Total governmental activities program revenues		<u>2,073,078</u>		<u>2,285,545</u>		<u>2,574,772</u>		<u>2,644,327</u>		<u>2,827,207</u>		<u>3,358,533</u>		<u>3,995,733</u>		<u>4,085,084</u>		<u>3,959,860</u>
Business-type activities:																		
Charges for services:																		
Unemployment insurance		-		-		-		-		-		1,460		1,669		1,587		1,544
Housing		54,854		41,183		34,931		33,589		32,372		26,604		23,693		21,385		20,105
Workers' compensation and safety		20,703		32,385		33,892		25,593		36,037		38,955		30,144		35,071		37,946
Other		21,659		26,239		27,534		30,611		34,635		38,225		31,850		34,329		34,329
Operating grants and contributions		131,771		98,469		83,672		111,598		99,546		525,550		1,335,177		1,251,949		862,548
Total business-type activities program revenues		<u>228,987</u>		<u>198,276</u>		<u>180,029</u>		<u>201,391</u>		<u>202,590</u>		<u>630,794</u>		<u>1,422,533</u>		<u>1,349,305</u>		<u>956,472</u>
Total primary government program revenues		<u>\$ 2,302,065</u>		<u>\$ 2,483,821</u>		<u>\$ 2,754,801</u>		<u>\$ 2,845,718</u>		<u>\$ 3,029,797</u>		<u>\$ 3,989,327</u>		<u>\$ 5,418,266</u>		<u>\$ 5,434,389</u>		<u>\$ 4,916,332</u>
Net (Expense)/Revenue																		
Governmental activities	\$	(2,568,550)	\$	(2,804,245)	\$	(3,123,597)	\$	(3,213,574)	\$	(3,922,652)	\$	(4,047,372)	\$	(3,557,616)	\$	(3,556,651)	\$	(3,625,001)
Business-type activities		(257,458)		(235,601)		(166,284)		(149,996)		(200,540)		(812,720)		(946,198)		(595,776)		(469,555)
Total primary government net expense	\$	<u>(2,826,008)</u>		<u>(3,039,846)</u>		<u>(3,289,881)</u>		<u>(3,363,570)</u>		<u>(4,123,192)</u>		<u>(4,860,092)</u>		<u>(4,503,814)</u>		<u>(4,152,427)</u>		<u>(4,094,556)</u>
General Revenues and Other Changes in Net Assets																		
Governmental activities:																		
Sales and use taxes	\$	760,891	\$	855,687	\$	999,623	\$	1,097,939	\$	1,149,456	\$	1,101,741	\$	870,474	\$	931,911	\$	967,374
Gaming taxes		735,652		834,791		900,261		1,003,111		1,029,044		1,011,506		844,470		850,021		884,928
Modified business taxes (b)		-		161,650		226,924		255,252		282,729		281,605		381,300		378,971		373,156
Insurance premium taxes		173,993		194,218		215,353		238,297		261,378		241,252		233,280		233,334		238,083
Property and transfer taxes (b)		95,808		204,866		287,410		318,941		296,498		280,896		266,878		231,758		215,649
Motor and special fuel taxes		253,951		269,131		281,726		297,383		300,182		297,087		268,554		267,649		267,181
Other taxes		271,169		350,185		362,797		398,460		427,109		425,250		642,979		688,752		696,431
Investment earnings		26,712		10,996		25,238		87,729		143,013		9,026		(1,246)		(4,182)		(11,543)
Other		181,267		205,597		162,869		86,371		99,476		148,321		146,879		214,277		300,430
Contributions to permanent fund		15,952		31,693		44,598		76,553		12,208		7,019		8,165		6,637		6,705
Special item		8,485		-		-		(276,773)		-		-		-		-		-
Transfers		16,791		17,339		17,620		31,373		18,740		23,912		19,361		24,044		(3,009)
Total governmental activities		<u>2,540,671</u>		<u>3,136,153</u>		<u>3,524,419</u>		<u>3,614,636</u>		<u>4,019,833</u>		<u>3,496,940</u>		<u>3,681,094</u>		<u>3,823,172</u>		<u>3,935,385</u>
Business-type activities:																		
Other taxes		250,325		273,357		320,622		365,598		372,741		342,588		314,657		403,509		515,402
Other		-		-		-		-		-		-		-		-		-
Transfers		(16,791)		(17,339)		(17,620)		(31,373)		(18,740)		(23,912)		(19,361)		(24,044)		3,009
Total business-type activities		<u>233,534</u>		<u>256,018</u>		<u>303,002</u>		<u>334,225</u>		<u>354,001</u>		<u>318,676</u>		<u>295,296</u>		<u>379,465</u>		<u>518,411</u>
Total primary government	\$	<u>2,774,205</u>		<u>\$ 3,392,171</u>		<u>\$ 3,827,421</u>		<u>\$ 3,948,861</u>		<u>\$ 4,373,834</u>		<u>\$ 3,815,616</u>		<u>\$ 3,976,390</u>		<u>\$ 4,202,637</u>		<u>\$ 4,453,796</u>
Change in Net Assets																		
Governmental activities	\$	(27,879)	\$	331,908	\$	400,822	\$	401,062	\$	97,181	\$	(214,849)	\$	123,478	\$	266,521	\$	310,384
Business-type activities		(23,924)		20,417		136,718		184,229		153,461		5,251		(650,902)		(216,311)		48,866
Total primary government	\$	<u>(51,803)</u>	\$	<u>352,325</u>	\$	<u>537,540</u>	\$	<u>585,291</u>	\$	<u>250,642</u>	\$	<u>(209,598)</u>	\$	<u>(527,424)</u>	\$	<u>50,210</u>	\$	<u>\$ 359,240</u>

Notes:

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

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



Table 3 - Fund Balances of Governmental Funds

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 68,540	\$ 66,523	\$ 65,656	\$ 35,336	\$ 17,585	\$ 15,088	\$ 13,512	\$ 12,463	\$ -	\$ -
Unreserved	40,981	275,586	474,342	486,160	427,506	384,663	179,310	222,095	-	-
Nonspendable	-	-	-	-	-	-	-	-	18,456	23,801
Restricted	-	-	-	-	-	-	-	-	73,687	61,049
Committed	-	-	-	-	-	-	-	-	270,568	281,751
Unassigned	-	-	-	-	-	-	-	-	(115,965)	(96,272)
Total General fund	\$ 109,521	\$ 342,109	\$ 539,998	\$ 521,496	\$ 445,091	\$ 399,751	\$ 192,822	\$ 234,558	\$ 246,746	\$ 270,329
All Other Governmental Funds										
Reserved	\$ 1,384,530	\$ 651,738	\$ 798,715	\$ 1,004,407	\$ 1,244,430	\$ 1,311,024	\$ 947,719	\$ 1,078,045	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	260,297	1,156,797	1,225,603	1,038,753	771,887	403,715	396,520	203,466	-	-
Capital projects funds	71,137	41,871	46,316	39,365	87,057	17,402	73,892	59,944	-	-
Permanent funds	22	22	21	21	22	22	20	20	-	-
Nonspendable	-	-	-	-	-	-	-	-	607,134	614,697
Restricted	-	-	-	-	-	-	-	-	414,040	276,666
Committed	-	-	-	-	-	-	-	-	188,796	212,311
Unassigned	-	-	-	-	-	-	-	-	(191)	-
Total all other governmental funds	\$ 1,715,986	\$ 1,850,428	\$ 2,070,655	\$ 2,082,546	\$ 2,103,396	\$ 1,732,163	\$ 1,418,151	\$ 1,341,475	\$ 1,209,779	\$ 1,103,674

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

Table 4 - Changes in Fund Balances of Governmental Funds

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Gaming taxes, fees, licenses	\$ 735,652	\$ 834,791	\$ 900,261	\$ 1,003,111	\$ 1,028,663	\$ 1,008,516	\$ 880,573	\$ 842,359	\$ 849,733	\$ 884,331
Sales taxes	756,962	858,866	993,324	1,099,483	1,132,418	1,088,024	953,112	870,539	925,899	965,060
Modified business taxes (a)	-	161,649	226,923	255,252	278,953	284,600	277,516	385,110	381,901	369,661
Insurance premium taxes	173,993	194,218	215,353	238,297	259,275	256,693	238,524	233,906	234,831	236,787
Property and transfer taxes (a)	95,808	204,866	287,410	318,941	296,498	280,895	278,881	266,878	231,758	215,649
Motor and special fuel taxes	253,951	269,132	281,726	297,383	300,182	297,088	272,614	268,554	267,649	267,181
Other taxes	269,762	348,238	352,321	343,292	373,436	372,652	387,449	620,543	664,427	657,138
Intergovernmental	1,662,820	1,825,723	1,943,630	1,972,799	2,108,916	2,058,071	2,672,751	3,273,266	3,372,565	3,335,558
Licenses, fees and permits	280,851	344,238	377,419	422,934	429,501	432,729	419,514	452,838	497,847	490,240
Sales and charges for services	58,585	76,173	81,561	80,134	97,408	95,407	85,401	84,422	81,923	85,211
Interest and investment income	110,011	74,003	120,901	152,801	239,651	185,006	44,831	37,855	31,853	22,599
Settlement income	44,753	38,300	39,114	35,685	37,351	45,976	50,062	41,963	39,517	40,291
Fines	4,202	4,235	-	-	-	-	-	-	-	-
Land sales	11,654	27,413	39,770	71,231	5,756	2,503	663	965	560	397
Other	54,232	48,153	71,372	88,006	91,086	105,475	141,808	112,728	143,461	160,921
Total revenues	4,513,236	5,309,998	5,931,085	6,379,349	6,679,094	6,513,635	6,703,699	7,491,926	7,723,924	7,731,024

Expenditures													
General government	99,406	121,169	163,100	183,194	230,011	212,659	166,909	137,994	141,366	134,889			
Health and social services	1,737,677	1,822,074	2,021,152	2,060,371	2,220,212	2,298,239	2,510,530	2,833,205	3,009,386	3,096,457			
Education and support services	47,976	15,616	27,692	39,021	39,257	45,240	57,815	57,196	53,796	53,959			
Law, justice and public safety	428,549	450,956	480,922	530,247	583,601	617,151	628,500	633,890	609,230	604,364			
Regulation of business	78,247	86,396	88,995	95,467	100,119	104,844	105,631	107,145	109,928	91,792			
Transportation	499,450	674,837	691,328	706,543	776,852	612,493	747,425	691,931	751,647	846,335			
Recreation and resource development	99,085	113,081	121,385	134,841	144,245	166,347	135,272	130,800	129,770	125,809			
Intergovernmental	1,534,952	1,814,582	1,917,752	2,104,075	2,502,222	2,634,976	2,706,025	2,704,690	2,716,157	2,569,693			
Capital outlay	22,294	43,473	88,882	114,226	71,999	167,959	176,599	59,520	41,105	34,222			
Debt service:													
Principal	90,145	115,468	136,263	296,771	348,072	424,971	183,976	176,982	194,920	171,004			
Interest, fiscal charges	119,860	127,740	137,058	120,683	137,972	143,181	145,169	140,495	135,842	125,978			
Debt issuance costs	872	3,815	3,844	1,116	3,167	2,440	2,080	1,734	1,300	1,795			
Arbitrage payment	200	562	-	74	-	-	-	-	-	22			
Advance escrow payment	-	762	-	-	-	-	-	-	-	-			
Total expenditures	4,758,713	5,390,531	5,878,373	6,386,629	7,157,729	7,430,500	7,565,931	7,675,582	7,894,447	7,856,319			
Excess (deficiency) of revenues over (under) expenditures	(245,477)	(80,533)	52,712	(7,280)	(478,635)	(916,865)	(862,232)	(183,656)	(170,523)	(125,295)			
Other Financing Sources (Uses)													
Capital leases	3,538	1,073	1,113	4,143	8,487	2,926	20	18,209	408	-			
Sale of general obligation bonds	68,890	375,702	293,921	231,623	387,155	448,379	300,384	109,244	22,655	42,020			
Sale of general obligation refunding bonds	13,135	80,791	677,231	-	118,346	-	-	33,746	117,415	243,080			
Premium on general obligation bonds	1,631	35,228	51,003	9,703	17,635	17,861	18,494	3,928	13,172	40,530			
Payment to refunded bond agent	(13,135)	(84,237)	(718,919)	-	(122,039)	-	-	(35,677)	(128,529)	(279,916)			
Sale of certificates of participation	-	21,550	22,435	-	5,760	-	-	-	-	-			
Sale of refunding certificates of participation	-	-	-	-	-	-	-	7,900	-	-			
Premium (discount) on certificates of participation	-	555	(37)	-	(78)	-	-	743	-	-			
Payment to refunded certificates of participation agent	-	-	-	-	-	-	-	(8,466)	-	-			
Sale of capital assets	17,881	731	23,350	166	646	11,489	684	92	89	103			
Transfers in	398,068	341,819	436,899	380,858	587,137	763,988	476,147	358,113	221,167	156,037			
Transfers out	(379,105)	(325,650)	(421,592)	(349,050)	(579,970)	(744,350)	(454,439)	(339,116)	(195,362)	(159,081)			
Total other financing sources (uses)	110,903	447,562	365,404	277,443	423,079	500,293	341,290	148,716	51,015	42,773			
Special Item													
One-time tax rebate	-	-	-	(276,773)	-	-	-	-	-	-			
Net change in fund balances	<u>\$ (134,574)</u>	<u>\$ 367,029</u>	<u>\$ 418,116</u>	<u>\$ (6,610)</u>	<u>\$ (55,556)</u>	<u>\$ (416,572)</u>	<u>\$ (520,942)</u>	<u>\$ (34,940)</u>	<u>\$ (119,508)</u>	<u>\$ (82,522)</u>			
Total expenditures	\$ 4,758,713	\$ 5,390,531	\$ 5,878,373	\$ 6,386,629	\$ 7,157,729	\$ 7,430,500	\$ 7,565,931	\$ 7,675,582	\$ 7,894,447	\$ 7,856,319			
Less: Capitalized assets included in the functional categories	146,293	273,824	177,863	387,287	245,032	295,926	227,812	209,123	245,790	221,991			
Total noncapital expenditures	<u>\$ 4,612,420</u>	<u>\$ 5,116,707</u>	<u>\$ 5,700,510</u>	<u>\$ 5,999,342</u>	<u>\$ 6,912,697</u>	<u>\$ 7,134,574</u>	<u>\$ 7,338,119</u>	<u>\$ 7,466,459</u>	<u>\$ 7,648,657</u>	<u>\$ 7,634,328</u>			
Debt service (principal and interest) as a percentage of noncapital expenditures (b)		4.55%	4.75%	4.79%	6.96%	7.03%	7.96%	4.49%	4.25%	4.32%			3.89%
(a) The 2003 legislative session enacted changes in the State's tax structure which went into effect in October 2003. The first full fiscal year results of these changes can be seen beginning with fiscal year 2005.													
(b) The percentages have been revised for fiscal years 2003 through 2010 to only include debt service principal and interest in the calculation.													



Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Taxable Sales by County:										
Carson City	\$ 861,278	\$ 913,495	\$ 979,049	\$1,021,210	\$ 991,893	\$ 919,266	\$ 761,379	\$ 678,626	\$ 735,161	\$ 756,079
Churchill	226,398	240,352	280,304	331,338	306,426	294,411	321,713	251,257	249,112	320,188
Clark	24,535,344	28,075,636	32,430,309	35,604,392	36,262,388	35,930,374	31,378,242	27,969,288	29,046,720	31,080,881
Douglas	646,960	750,928	805,334	815,590	765,218	691,609	584,679	537,187	532,984	557,660
Elko	700,491	757,714	857,707	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158	1,477,347	1,545,691
Esmeralda	5,472	7,575	8,707	8,598	16,523	12,645	9,226	6,551	11,832	20,399
Eureka	153,837	162,155	194,943	315,450	501,077	328,505	285,942	266,356	304,276	367,340
Humboldt	306,695	332,605	386,364	483,366	474,811	508,713	498,791	533,667	748,153	740,656
Lander	48,072	55,421	157,114	170,539	280,378	228,213	264,109	220,348	249,321	443,458
Lincoln	35,946	24,131	30,023	31,529	15,398	26,967	25,257	25,871	33,116	50,417
Lyon	274,983	323,078	390,743	441,896	375,523	385,591	340,284	290,241	300,843	346,511
Mineral	30,867	36,424	31,532	33,445	35,679	38,843	37,247	36,280	42,181	57,696
Nye	309,420	366,330	477,921	522,296	540,377	473,291	427,505	397,570	466,836	498,130
Pershing	54,274	54,925	56,847	62,992	68,332	67,279	62,892	65,681	78,096	106,443
Storey	38,504	54,571	85,416	109,411	204,717	121,244	59,578	48,299	61,863	70,859
Washoe	5,475,602	6,003,368	6,660,263	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982	5,282,935	5,522,605
White Pine	70,754	80,819	127,928	175,147	192,877	197,818	220,815	174,705	314,235	469,737
Total	\$ 33,774,897	\$ 38,239,527	\$ 43,960,504	\$ 48,402,487	\$ 49,427,707	\$ 48,196,849	\$ 42,086,614	\$ 37,772,067	\$ 39,935,011	\$ 42,954,750
Direct Sales Tax Rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Source: Department of Taxation

Table 6 - Principal Sales Tax Payers by Business Type

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

	Fiscal Year 2003			Fiscal Year 2012		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
Business Type:						
Food services and drinking places	\$ 6,292,773	18.6%	\$ 125,856	\$ 9,821,512	22.9%	\$ 196,430
Motor vehicle and parts dealers	5,112,008	15.1%	102,240	4,357,998	10.1%	87,160
General merchandise stores	3,138,066	9.3%	62,761	4,205,441	9.8%	84,109
Clothing and clothing accessories stores	1,384,762	4.1%	27,695	3,560,278	8.3%	71,206
Merchant wholesalers, durable goods	1,889,974	5.6%	37,800	2,904,370	6.8%	58,087
Food and beverage stores	1,365,797	4.0%	27,316	1,554,765	3.6%	31,095
Building material, garden equipment, supplies	2,132,959	6.3%	42,659	1,542,993	3.6%	30,860
Rental and leasing services	-	0.0%	-	1,394,164	3.2%	27,883
Electronics and appliance stores	-	0.0%	-	1,327,797	3.1%	26,556
Utilities	-	0.0%	-	908,427	2.1%	18,169
Miscellaneous retail	3,555,816	10.5%	71,116	-	-	-
Furniture and home furnishings stores	1,925,290	5.7%	38,506	-	-	-
Business services	1,197,796	3.5%	23,956	-	-	-
Total	\$ 27,995,241	82.7%	\$ 559,905	\$ 31,577,745	73.5%	\$ 631,555

Source: Department of Taxation

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

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

Table 7 - Ratios of Outstanding Debt by Type

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General obligation bonds	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455
Highway revenue bonds	83,505	238,265	380,945	541,680	693,285	774,300	722,880	668,840	612,045	557,735
Obligations under capital leases	7,152	8,236	7,712	9,866	15,955	19,891	17,916	33,846	30,970	28,395
Certificates of participation	13,765	34,655	56,400	55,680	60,455	59,320	58,030	56,770	56,066	54,307
Total governmental activities	2,282,640	2,567,705	2,738,850	2,682,984	2,734,311	2,763,236	2,878,631	2,827,071	2,651,966	2,510,892
Business-type Activities										
General obligation bonds	54,410	120,530	120,455	118,540	117,310	115,805	113,055	105,060	108,975	101,680
Special obligation bonds	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783	994,044	920,508	810,892
Total business-type activities	1,238,573	1,090,617	983,421	864,320	899,617	1,002,000	1,024,838	1,099,104	1,029,483	912,572
Total primary government	\$ 2,337,050	\$ 3,658,322	\$ 3,722,271	\$ 3,547,304	\$ 3,633,928	\$ 3,765,236	\$ 3,903,469	\$ 3,926,175	\$ 3,681,449	\$ 3,423,464
Debt as a Percentage of Personal Income	5.28%	5.11%	4.72%	4.09%	3.93%	3.63%	3.72%	3.94%	3.68%	3.29%
Amount of Debt per Capita	\$ 1,624	\$ 1,632	\$ 1,595	\$ 1,469	\$ 1,456	\$ 1,468	\$ 1,501	\$ 1,485	\$ 1,363	\$ 1,257

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

See table 11 for personal income and population data.

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

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



Table 8 - Ratios of General Bonded Debt Outstanding

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Bonded Debt Outstanding										
General obligation bonds	\$ 2,178,218	\$ 2,286,549	\$ 2,293,793	\$ 2,075,758	\$ 1,964,616	\$ 1,909,725	\$ 2,079,805	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455
Certificates of participation	13,765	13,105	12,415	11,695	10,940	10,155	9,335	24,280	15,800	13,870
Water projects bonds	54,410	120,530	120,455	120,782	117,355	110,286	107,534	99,511	102,089	97,472
Housing bonds (b)	1,184,163	970,087	862,966	745,780	782,307	886,195	911,783	994,044	920,508	810,892
Total	3,430,556	3,390,271	3,289,629	2,954,015	2,875,218	2,916,361	3,108,457	3,185,450	2,991,282	2,792,689
Less: amounts restricted to repaying principal	107,448	110,906	110,467	125,884	129,087	136,309	142,539	145,793	149,715	103,361
Net general bonded debt	\$ 3,323,108	\$ 3,279,365	\$ 3,179,162	\$ 2,828,131	\$ 2,746,131	\$ 2,780,052	\$ 2,965,918	\$ 3,039,657	\$ 2,841,567	\$ 2,689,328

Actual Taxable Property

Value	\$ 165,053,522	\$ 179,822,444	\$ 198,569,862	\$ 245,075,283	\$ 327,140,473	\$ 383,571,013	\$ 410,130,698	\$ 341,886,423	\$ 264,840,276	\$ 246,391,220
Percentage of Actual Taxable Value of Property	2.01%	1.82%	1.60%	1.15%	0.84%	0.72%	0.72%	0.89%	1.07%	1.09%
Debt Per Capita (a) (c)	\$ 1,482	\$ 1,406	\$ 1,316	\$ 1,133	\$ 1,071	\$ 1,047	\$ 1,105	\$ 1,124	\$ 1,044	N/A

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

(a) See Table 11 for population data.

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

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

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 1,276,838	\$ 1,408,688	\$ 1,743,736	\$ 2,339,593	\$ 2,756,849	\$ 2,963,124	\$ 2,482,138	\$ 1,900,366	\$ 1,756,111	\$ 1,671,513
Total debt applicable to limit	825,082	925,183	944,732	920,737	1,015,375	1,214,991	1,405,781	1,410,211	1,342,660	1,293,386
Legal debt margin	\$ 451,756	\$ 483,505	\$ 799,004	\$ 1,418,856	\$ 1,741,474	\$ 1,748,133	\$ 1,076,357	\$ 490,155	\$ 413,451	\$ 378,127
Legal debt margin as a percentage of the debt limit	35.38%	34.32%	45.82%	60.65%	63.17%	59.00%	43.36%	25.79%	23.54%	22.62%

Computation of Legal Debt Margin at June 30, 2012:

Assessed value of taxable property at June 30, 2012 (a)	\$ 83,575,629
Debt limitation (2% of assessed value)	\$ 1,671,513
General Obligation Bonds subject to limit	\$
Leases	1,258,055
Certificates of participation	28,396
<i>Less obligations exempt from debt margin:</i>	53,815
Lease revenue certificates of participation	(46,880)
Debt subject to debt limitation	(1,293,386)
Legal debt margin at June 30, 2012	\$ 378,127

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	\$ 250,740	\$ 265,964	\$ 278,641	\$ 294,348	\$ 297,142	\$ 293,941	\$ 269,479	\$ 265,487	\$ 264,699	\$ 264,369
Debt service										
Principal	\$ 8,430	\$ 21,675	\$ 30,665	\$ 30,710	\$ 41,125	\$ 48,955	\$ 51,420	\$ 54,040	\$ 56,795	\$ 120,800
Interest	4,394	11,712	18,719	23,739	30,106	32,727	37,157	33,876	31,136	28,450
Total	\$ 12,824	\$ 33,387	\$ 49,384	\$ 54,449	\$ 71,231	\$ 81,682	\$ 88,577	\$ 87,916	\$ 87,931	\$ 149,250
Coverage (c)	19.55	7.97	5.64	5.41	4.17	3.60	3.04	3.02	3.01	1.77
Mortgage Revenue Bonds										
Revenue (a)	\$ 312,431	\$ 335,062	\$ 251,806	\$ 435,332	\$ 355,328	\$ 129,286	\$ 70,051	\$ 42,123	\$ 126,957	\$ 109,194
Expenses (b)	8,770	10,335	9,512	6,720	4,595	4,368	5,277	6,548	7,610	15,751
Net available revenues	\$ 303,661	\$ 324,727	\$ 242,294	\$ 428,612	\$ 350,733	\$ 124,918	\$ 64,774	\$ 35,575	\$ 119,347	\$ 93,443
Debt service										
Principal (d)	\$ 257,702	\$ 297,681	\$ 155,791	\$ 136,186	\$ 51,003	\$ 37,897	\$ 33,592	\$ 67,079	\$ 132,536	\$ 157,962
Interest	63,235	50,034	42,298	38,644	37,002	38,051	36,354	33,236	29,111	26,444
Total	\$ 320,937	\$ 347,715	\$ 198,089	\$ 174,830	\$ 88,005	\$ 75,948	\$ 69,946	\$ 100,315	\$ 161,647	\$ 184,406
Coverage (c)	0.95	0.93	1.22	2.45	3.99	1.64	0.93	0.36	0.74	0.51

Notes: Details regarding the State's outstanding debt can be found in the notes to the financial statements.**(a)** Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.**(b)** Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.**(c)** Coverage equals net available revenues divided by total debt service.**(d)** Principal paid on mortgage revenue bonds is updated for years 2010 and 2011. There is no change to coverage ratio.

Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Population										
Nevada (a)	2,167,867	2,241,700	2,332,898	2,414,807	2,495,529	2,565,382	2,653,630	2,684,665	2,704,283	2,723,322
Percentage change	3.5%	3.4%	4.1%	3.5%	3.3%	2.8%	3.4%	1.2%	0.7%	0.7%
United States (a)	287,994,799	290,850,005	293,656,842	296,410,404	299,398,484	301,621,157	304,093,966	306,771,529	309,330,219	311,591,917
Percentage change	1.0%	1.0%	1.0%	0.9%	1.0%	0.7%	0.8%	0.9%	0.8%	0.7%
Total Personal Income										
Nevada (in millions) (a)	66,632	71,606	78,822	86,650	92,557	103,847	105,824	98,080	99,892	103,957
Percentage change	3.5%	7.5%	10.1%	9.9%	6.8%	12.2%	1.9%	-7.3%	1.8%	4.1%
United States (in millions) (a)	8,872,871	9,157,257	9,705,504	10,251,639	10,860,917	11,645,882	12,451,660	11,916,773	12,353,577	12,981,741
Percentage change	1.8%	3.2%	6.0%	5.6%	5.9%	7.2%	6.9%	-4.3%	3.7%	5.1%
Per Capita Personal Income										
Nevada (a)	30,736	31,943	33,787	35,883	37,089	40,480	39,879	36,533	36,938	38,173
Percentage change	0.0%	3.9%	5.8%	6.2%	3.4%	9.1%	-1.5%	-8.4%	1.1%	3.3%
United States (a)	30,810	31,484	33,050	34,586	36,276	38,611	40,947	38,846	39,937	41,663
Percentage change	0.8%	2.2%	5.0%	4.6%	4.9%	6.4%	6.1%	-5.1%	2.8%	4.3%
Labor Force and Employment										
Nevada Labor Force	1,124,629	1,148,519	1,177,558	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891	1,350,309	1,385,872
Unemployed	62,729	58,810	51,212	49,002	54,217	64,380	91,450	161,270	200,772	187,732
Unemployment Rate	5.6%	5.1%	4.3%	4.0%	4.2%	4.8%	6.7%	11.8%	14.9%	13.5%
United States Labor Force	144,863,000	146,510,000	147,401,000	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000	153,617,000
Unemployed	8,378,000	8,774,000	8,149,000	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000	13,747,000
Unemployment Rate	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%

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

Note: Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.
(a) Revised estimates for 2008 through 2010



Table 12 - Principal Employers

Current Year and Nine Years Ago

	Calendar Year 2002			Calendar Year 2011		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Employer:						
Clark County School District	20,000 - 29,999	1	2.22%	30,000 - 39,999	1	2.53%
State of Nevada	20,000 - 29,999	2	2.22%	30,000 - 39,999	2	2.53%
Washoe County School District	7,500 - 7,999	5	0.69%	8,000 - 8,499	3	0.60%
Clark County	8,500 - 8,999	3	0.78%	7,500 - 7,999	4	0.56%
Wynn Las Vegas	-	-	-	7,500 - 7,999	5	0.56%
Bellagio, LLC	8,500 - 8,999	4	0.78%	7,500 - 7,999	6	0.56%
MGM Grand Hotel/Casino	7,500 - 7,999	6	0.69%	7,000 - 7,499	7	0.52%
Aria Resort & Casino, LLC	-	-	-	7,000 - 7,499	8	0.52%
Mandalay Bay Resort & Casino	5,000 - 5,499	8	0.47%	6,000 - 6,499	9	0.45%
Las Vegas Metropolitan Police	4,000 - 4,999	9	0.40%	5,500 - 5,999	10	0.41%
Mirage Casino-Hotel	5,500 - 5,999	7	0.51%	-	-	-
Caesar's Palace	4,000 - 4,999	10	0.40%	-	-	-
Total	90,500 - 115,490		9.16%	116,000 - 139,990		9.24%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public School Enrollment										
Primary (K - 6)	217,488	223,973	229,419	201,465	239,418	240,453	235,295	239,723	240,774	243,668
Secondary (7 - 12)	167,926	177,245	183,833	189,501	193,822	196,325	196,014	196,921	198,092	200,335
Total	385,414	401,218	413,252	390,966	433,240	436,778	431,309	436,644	438,866	444,003
Public Higher Education Enrollment										
University of Nevada, Reno	11,965	12,451	12,660	12,444	12,429	12,709	12,889	13,601	14,025	14,330
University of Nevada, Las Vegas	18,639	20,077	20,569	20,180	20,007	20,297	20,670	20,160	19,217	19,142
Nevada State College	330	856	1,017	1,310	1,418	1,340	1,622	1,867	1,963	2,045
College of Southern Nevada	17,716	17,676	18,234	18,320	19,501	20,906	21,751	22,286	20,231	19,536
Great Basin College	1,436	1,356	1,353	1,584	1,613	1,781	2,002	1,996	1,826	1,743
Truckee Meadows Community College	5,559	5,953	6,213	6,210	6,454	6,800	7,312	7,143	6,262	6,499
Western Nevada College	2,180	2,288	2,410	2,463	2,427	2,438	2,908	2,960	2,380	2,283
Total	57,825	60,657	62,456	62,511	63,849	66,271	69,154	70,013	65,904	65,578

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

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

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

Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	1,421	1,470	1,513	1,536	1,558	1,570	1,539	1,487	1,443	1,445
Health and social services	4,562	5,044	4,992	5,364	5,773	6,145	5,823	6,151	6,061	5,937
Education and support services	7,240	7,092	7,762	8,118	8,670	9,030	8,930	8,670	8,383	8,015
Law, justice and public safety	4,995	5,244	5,449	5,654	5,946	5,924	5,815	5,812	5,707	5,760
Regulation of business	1,217	1,298	1,315	1,331	1,412	1,390	1,363	1,374	1,309	1,284
Transportation	1,757	1,798	1,783	1,771	1,792	1,829	1,810	1,776	1,769	1,797
Recreation and resource development	1,417	1,425	1,455	1,479	1,403	1,186	1,172	1,172	1,142	1,134
Total	22,609	23,371	24,269	25,253	26,554	27,074	26,452	26,442	25,814	25,372

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

Statistical Tables



NEVADA

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
<i>Department of Taxation</i>										
Number of sales and use tax audits	1,825	1,377	1,643	1,668	1,994	1,346	1,397	1,254	1,066	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	31,328	31,042	33,395	35,049	38,936	42,049	44,232	43,943	42,830	40,615
Generic drug utilization (b)	52%	52%	59%	59%	65%	65%	72%	72%	N/A	N/A
<i>Department of Administration</i>										
Square feet of non-state owned space leased (b)	1,376,534	1,376,534	1,377,525	1,377,525	1,547,467	1,547,467	1,393,872	1,393,872	N/A	N/A
Job applications processed	39,635	48,089	36,317	54,378	92,353	66,041	68,552	76,129	77,428	88,394
Health and Social Services										
<i>Department of Education, Training & Rehabilitation</i>										
Vocational Rehabilitation clients entering full-time employment with insurance (b)	65%	65%	48%	48%	58%	58%	48%	48%	N/A	N/A
Career Enhancement Program clients entering employment (b)	91%	91%	84%	84%	90%	90%	72%	72%	N/A	N/A
<i>Health Care Financing & Policy</i>										
Nevada Medicaid - average monthly eligibles	163,784	172,779	176,418	172,685	168,197	180,369	197,313	240,528	279,840	303,214
NV Check-Up Program - average monthly enrollment (b)	25,025	25,025	27,492	27,492	29,075	29,075	21,713	21,713	N/A	N/A
<i>Health Division</i>										
Women, Infants and Children Program participants (FFY)	520,463	538,857	567,076	602,100	602,784	711,018	793,166	870,398	887,796	896,465
<i>Welfare Division</i>										
Average monthly number of TANF recipients	31,034	24,956	21,748	19,880	17,706	21,022	22,556	29,084	30,854	29,331
Average monthly number of Mental Health clients	16,390	16,616	14,981	14,655	13,249	14,582	15,575	15,160	15,138	14,058
Average monthly number of Mental Health inpatients	142	153	182	198	246	265	253	225	211	209
Average monthly number of SNAP (Food Stamp) recipients	106,966	119,750	122,042	118,474	119,596	137,589	179,790	260,417	323,290	352,156
Average monthly number of Developmental Services clients	3,225	3,522	3,888	4,057	4,387	4,672	4,876	5,086	5,346	5,550
Percent of current child support owed that is collected (FFY)	47%	47%	46%	46%	46%	46%	48%	48%	49%	N/A
TANF recipient children receiving child care (f)	15,843	15,843	17,977	17,977	16,797	24,705	19,119	17,407	20,269	19,883
Non-TANF children receiving child care (f)	44,998	44,998	104,463	104,463	112,452	113,426	84,517	69,541	83,399	67,955
Applications for energy assistance received	19,081	19,081	24,846	24,846	27,515	27,515	38,674	38,674	42,611	38,643
Households served with energy assistance	15,986	15,986	14,552	14,552	16,846	16,846	25,458	25,458	32,544	20,484
Education and Support Services										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma (f)	89%	89%	88%	88%	N/A	93%	95%	88%	85%	75%
Percent of public schools participating in the Nat'l School Lunch Program (b)	93%	93%	94%	94%	94%	94%	95%	95%	N/A	N/A
Percent of K-12 students participating in the Nat'l School Lunch Program (b)	34%	34%	41%	41%	43%	43%	42%	42%	N/A	N/A
Number of meals served in the Children & Adult Food Care Program (b)	4,297,850	4,297,850	4,256,701	4,256,701	3,093,889	3,093,889	4,330,289	4,330,289	N/A	N/A
Number of special education students receiving a high school diploma (f)	675	675	503	503	458	437	703	560	747	725
Percent/number of elementary students identified as being at risk receiving supplemental instruction from Title I funds (b)	60%	60%	5,389	5,389	5,993	5,993	5,025	5,025	N/A	N/A
<i>Department of Cultural Affairs</i>										
Volumes (excludes documents and microfilm)	69,361	73,005	76,527	76,527	79,917	82,913	81,368	82,848	84,460	86,231
Government publications (U.S., Nevada and California)	741,573	771,258	779,194	798,013	813,142	827,697	833,705	849,112	851,855	854,727

Law, Justice and Public Safety										
The Supreme Court of Nevada										
Cases filed (c)	1,848	1,885	2,049	2,171	2,124	2,212	2,169	2,267	2,514	N/A
Cases disposed (c)	1,651	1,949	1,994	2,387	1,976	2,058	2,238	2,468	2,217	N/A
Number of opinions written (c)	68	105	90	121	61	103	63	57	87	N/A
Nevada Department of Corrections										
Total admissions (e)	5,337	5,574	5,741	6,292	6,016	N/A	5,781	5,801	5,971	5,818
Total releases (e)	4,873	4,708	5,455	5,162	5,308	N/A	6,120	6,056	6,098	5,678
In-house population at year-end (e)	10,550	11,427	11,740	12,816	12,967	12,853	12,742	12,591	12,458	12,564
Department of Public Safety, Highway Patrol Division										
Total number of DUI arrests	3,778	3,687	3,803	4,264	5,093	4,720	4,676	3,981	3,879	3,270
Total number of safety inspections	16,560	20,627	20,800	24,714	24,227	22,669	26,478	26,056	26,395	25,329
Department of Motor Vehicles										
Motor vehicle registrations	1,543,514	1,790,456	1,884,816	2,262,743	2,351,581	2,345,500	2,335,778	2,284,437	2,153,918	2,119,167
Regulation of Business										
Nevada Gaming Commission										
Licenses issued & active at fiscal year-end	2,829	2,913	2,905	2,924	2,961	2,933	2,882	2,827	2,875	2,859
Licensed devices at fiscal year-end:										
Games	5,998	6,040	6,188	6,232	6,133	6,135	6,019	5,985	5,948	5,887
Tables	473	540	760	1,098	1,102	1,001	1,063	1,132	1,070	1,016
Slots	209,976	205,041	204,213	207,569	202,362	198,080	194,180	190,135	190,217	184,150
Department of Business and Industry										
Units of affordable housing produced (b)	263	263	236	236	403	403	792	792	N/A	N/A
Taxicab Authority notices of violation issued (f) (g)	4,046	4,046	3,290	3,290	3,129	4,066	4,292	3,474	3,453	3,128
Taxicab Authority vehicle inspections made (f)	6,836	6,836	6,627	6,627	6,486	7,025	7,507	7,471	7,165	7,693
Number of worksite safety & health inspections	3,520	3,070	2,753	2,594	2,399	2,566	2,835	2,040	1,223	1,322
Number of boiler and elevator inspections	20,020	20,105	20,535	20,606	18,323	19,233	21,200	16,382	19,701	14,890
Insurance license and renewal applications processed (b)	30,621	30,621	41,646	41,646	44,765	44,765	39,065	39,065	N/A	N/A
Transportation										
Nevada Department of Transportation										
Miles of highways - rural (e)	4,900	4,900	4,694	4,741	4,757	4,736	4,802	4,782	4,782	4,750
Miles of highways - urban (e)	549	549	705	658	665	662	618	618	618	633
Recreation and Resource Development										
Commission on Tourism										
Inquiries from advertising campaign (d)	175,318	124,608	155,019	162,592	301,223	417,269	363,677	196,058	199,471	222,197
Tourism web site visitors (d)	1,327,170	1,341,046	1,423,359	1,405,972	1,951,193	3,459,745	1,685,237	2,056,349	2,424,567	2,422,893
Commission on Economic Development										
Number of projects requesting Community Development Block Grants (f)	43	43	57	57	42	37	21	46	28	42
Number of projects funded (f)	28	28	27	27	27	26	20	38	24	31
Department of Conservation and Natural Resources										
Percent of human caused wildland fires in NDF's jurisdiction investigated	100%	100%	97%	97%	100%	100%	100%	100%	100%	100%
Number of State Park users (f)	3,296,020	3,219,061	3,207,537	3,215,606	3,343,053	3,004,037	3,150,693	3,008,942	3,030,364	3,093,257
Number of State Park users per FTE employees (b) actual beginning 2012	26,054	26,054	24,391	24,391	22,915	22,915	27,586	27,586	28,490	28,804
Number of State Park users per arrest (b), actual beginning 2005	131,749	131,749	50,027	54,920	66,552	49,301	94,441	153,375	94,570	140,603
N/A = not available										

N/A = not available

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

Notes:

- See table 13 for public school enrollment.
- The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Therefore, base year figures have been used for odd numbered years in this table.
- Data based on calendar year.
- Revised figures provided by Commission on Tourism for 2003-2006 and 2009.
- Data prior to 2009 was based on calendar year.
- Data from Executive Budget prior to 2006.
- Revised figure for 2011
- 2003 through 2011 data based on calendar year. 2012 data is fiscal year



Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
State owned office space (square feet)	138,011	146,045	142,733	214,747	215,867	201,688	201,688	202,229	214,611	219,927
Vehicles (motor pool)	756	789	741	824	790	849	851	828	798	775
Health and Social Services										
State owned office space (square feet)	77,668	93,509	93,509	122,415	52,626	33,093	33,344	70,939	70,770	64,506
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	1	1	1	1	1	1	1	1	1	1
Youth correctional centers	2	3	3	3	3	3	3	2	2	2
Vehicles	267	249	251	241	240	225	232	219	193	183
Education and Support Services										
State owned office space (square feet)	19,767	19,767	19,767	28,200	28,200	28,200	27,949	28,031	28,200	28,200
Number of State museums	7	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
Law, Justice and Public Safety										
State owned office space (square feet)	400,108	459,331	478,724	550,648	540,125	596,564	596,564	646,446	646,223	645,775
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	20	20	21	21	19	20	20	20	19
Vehicles	1,049	1,020	1,065	1,091	1,067	1,172	1,217	1,199	1,161	1,191
Regulation of Business										
State owned office space (square feet)	77,954	72,259	71,811	107,547	107,547	107,547	107,547	106,027	102,038	102,478
Vehicles	238	250	283	279	285	292	293	323	263	253
Transportation										
State owned office space (square feet)	179,948	179,948	179,948	184,988	251,658	251,658	251,658	258,056	280,728	273,327
NDOT lane miles	13,196	13,199	13,199	13,087	13,131	13,137	13,055	13,055	13,055	13,368
NDOT bridges	1,005	997	1,015	1,025	1,045	1,092	1,092	1,092	1,109	1,116
NDOT vehicles	758	803	829	872	864	901	826	625	538	628
NDOT heavy equipment	1,814	1,802	1,826	1,875	1,900	1,913	1,886	2,033	2,058	1,943
NDOT maintenance stations (staffed)	45	45	45	41	51	48	45	45	42	42
Recreation and Resource Development										
State owned office space (square feet)	26,965	36,593	36,593	146,982	137,353	139,874	139,874	140,998	142,638	142,140
Number of State Parks	25	25	25	26	24	25	24	24	24	24
Acres of State Parks	132,590	132,800	132,800	132,800	132,800	132,117	145,750	145,750	145,750	145,745
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	117,959	117,959	117,959	116,888	118,993	118,993	120,254
Vehicles	940	927	1,007	998	803	811	854	919	805	797

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.



“Rich in Art” License Plate

In 1997, with the assistance of Nevada Assemblywoman Vonne Chowning, Nevada Arts Council (NAC) and VSA, (Very Special Arts), Nevada partnered to develop the “Rich in Art” license plate to raise funds for children’s art programming in Nevada and to raise awareness of the importance of arts in Nevada for ALL. Approximately 800 entrants were reviewed from 11 Nevada counties before the final entry from Beth Finta, a then 5th grader at Harvey Dondero Elementary School in Las Vegas was selected.

Many VSA Nevada and Nevada Arts Council (NAC) programs are funded by the “Rich in Art” (Children in the Arts) license plate. VSA programs supported by these funds include workshops in self-contained and general education classrooms and after-school programs for children. Arts Learning grants awarded by the NAC support dozens of visual arts, theater and music workshops in schools throughout the state, and artist residencies designed to enhance the curriculum for students and educators.

Nevada’s colorful arts license plate is available at DMV field offices statewide. The plate, designated by DMV as the “Children in the Arts” license plate, is available in a standard or personalized format.



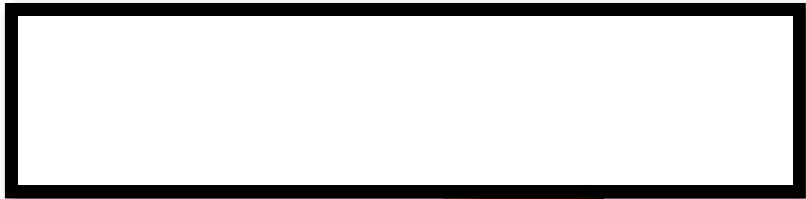
Art photos – Selection of art created by students participating in VSA arts of Nevada workshops in special education classes in Carson City and Washoe County School Districts. In addition to workshops in general education, after school and open-to-the-public workshops and camps for children, VSA arts of Nevada conducts approximately 1,000 creative movement, theater and visual art workshops each year in 60 special education classes. Each March, a selection of students' work is exhibited at the historic Lake Mansion located in Reno for the student artists, parents, friends, teachers and public to enjoy.



Lake Mansion



Lake Mansion Past



Ornaments

VSA, (Very Special Arts), of Nevada
Selected to Create Nevada's
Ornaments For The 2012 National
Christmas Tree Display.

For the last two years, the Governor's
Office selected VSA arts of Nevada to
create ornaments to represent Nevada
in Washington, DC for the National
Parks Foundation.



2011 Ornament



2011 Ornament



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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2012, which collectively comprise the State of Nevada's basic financial statements and have issued our report thereon dated December 14, 2012. Our report includes 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 and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund, and the Division of Museums and History Dedicated Trust Fund as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of the Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the State of Nevada is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the State of Nevada'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 of Nevada'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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over

financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and responses as items 12-1, 12-2 and 12-3 to be significant deficiencies. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

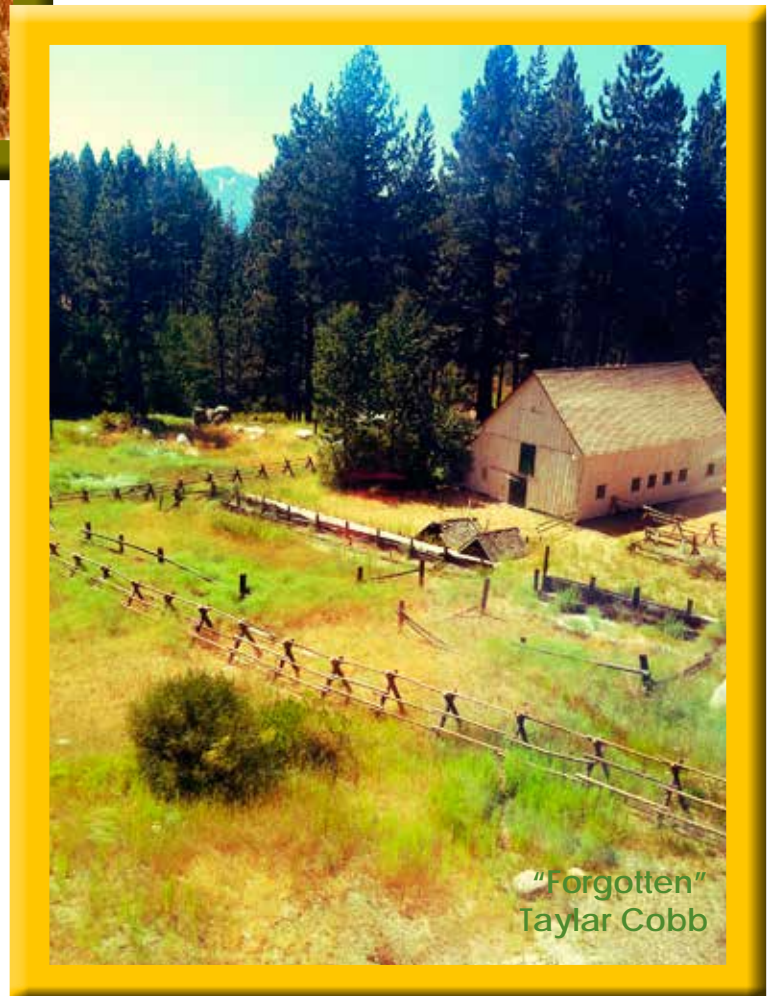
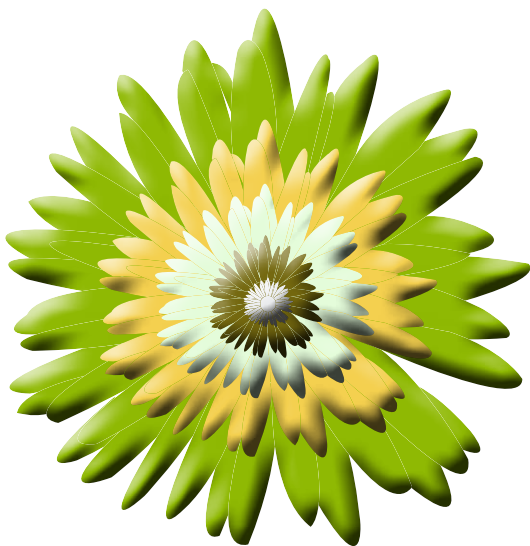
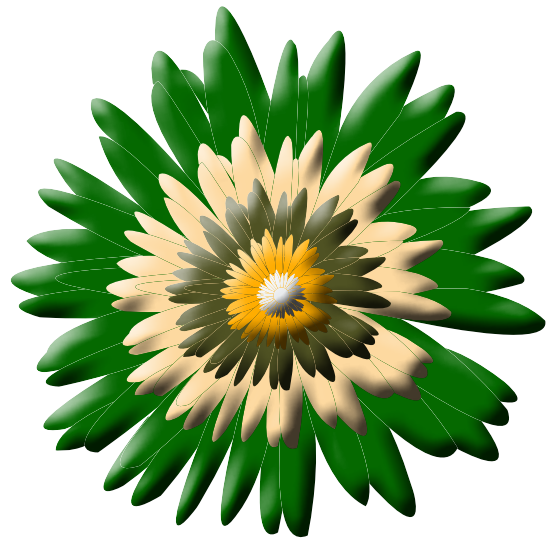
As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

The State of Nevada's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the State of Nevada's responses and, accordingly, we express no opinion on them.

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.

A handwritten signature in cursive script that reads "Kafoury, Armstrong & Co." is positioned above a thin horizontal line.

Reno, Nevada
December 14, 2012



**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Finding 12-1

Criteria and Condition: Generally accepted accounting principles require expenditures to be recorded in the period in which services are provided or goods are received.

During our search for unrecorded liabilities, we noted that a payment made out of the contractor payment system for services provided to the Department of Transportation, between June 18, 2012 and June 29, 2012, was not recorded in accounts payable or expenditures at June 30, 2012.

Effect: Liabilities and expenditures were understated by \$5,060,653 in the State Highway Fund.

Cause: The contractor payment system is a module in Advantage (the State's accounting system) that accumulates the daily construction activity on each contract. After the end of a two week period, a payment is issued for the accumulated activity. The system generates the payment using the current date and fiscal year regardless of when the services were provided. The Department of Transportation has in place, a manual process to change the date on the first contractor payment of the new fiscal year (back to the previous fiscal year). However, this contractor payment was inadvertently not recognized to be reported in fiscal year 2012.

Recommendation: We recommend the controls over contract payments be enhanced to include a secondary review of amounts near year end to ensure amounts have been recorded in the proper fiscal year.

Management's Response: The Department of Transportation accepts this recommendation and will implement a secondary review of amounts paid near year end.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Finding 12-2

Criteria and Condition: Generally accepted accounting principles require that when reporting on the modified accrual basis of accounting, financial resources should be considered available when they are due as of year end and are received soon enough after year end to pay liabilities of the current period.

The State defines "soon enough after year end" to be within 60 days of year end. During our testing over accounts receivable in the General Fund, we noted that prescription drug rebates were due as of June 30, 2012 and were received within 60 days of year end; however, they were reported as deferred revenue rather than as an offset to expenditures in the General Fund.

Effect: Expenses were overstated by \$19,060,807 in the General Fund and deferred revenue was overstated by that amount in the General Fund.

Cause: Each agency at the State is responsible for its own day to day accounting and for ensuring internal control procedures are in place and adhered to. The Division of Health Care Financing and Policy provided the Controller's Office the amount of prescription drug rebates that were due to the State as of June 30, 2012 and the amounts that were collected within 60 days after year end. The amounts collected were coded to fiscal year 2013 transaction by the Division of Health Care Financing and Policy.

Recommendation: We recommend the controls over the prescription drug rebates and other receivables at the agency level be enhanced to determine that the appropriate fiscal year is being assigned to revenue sources received near the end of the fiscal year.

Management's Response: The Division of Health Care Financing and Policy accepts this recommendation and will work with the Controller's Office to develop and implement a process to ensure we comply with the request.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Finding 12-3

<i>Criteria and Condition:</i>	<p>An effective system of internal control over claim payments should include the ability to access, among other things, the input data and underlying support for the payments directly from the system that generated the payments, in a timely manner.</p> <p>During our audit testing over Unemployment Insurance payments, we requested certain information relating to a subset of claim payments, but were informed that such information could not be generated in a timely manner from the system currently being used by the Program.</p>
<i>Effect:</i>	<p>Payments to recipients may have been made for incorrect amounts and may not be corrected in a timely manner.</p>
<i>Cause:</i>	<p>The General Unemployment Insurance Development Effort (GUIDE) System utilized by the Nevada Department of Employment, Training and Rehabilitation to process claim payments was not sufficiently functional to extract the data subset of claim payments we requested. We were informed that the data subset would need to be reconstructed manually.</p>
<i>Recommendation:</i>	<p>We recommend the State ensure the new claim payment system, that is being implemented, is able to query and extract data as needed to strengthen the internal controls over claim payments so that errors may be corrected in a timely manner.</p>
<i>Management's Response:</i>	<p>The Department of Employment, Training & Rehabilitation (DETR) recognizes this finding. DETR is implementing a new information system and updating its procedures to correct the finding in the future. Updates on the progress towards implementation of the new system and procedures will be provided as requested.</p>



Joseph Gossling, Architect No 9 Post St.
San Francisco

PHOTO. 7/24/35

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