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# **Nevada System of Higher Education Financial Statements**



## **June 30, 2008 and 2007**

University of Nevada, Reno  
College of Southern Nevada  
Western Nevada College

University of Nevada, Las Vegas  
Great Basin College  
Desert Research Institute

Nevada State College  
Truckee Meadows Community College  
System Administration

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**Nevada System of Higher Education**  
**Financial Statements and Report of Independent Auditors**  
**As of and for the Years Ended June 30, 2008 and 2007**

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**INDEPENDENT AUDITOR'S REPORT****The Board of Regents of the Nevada System  
of Higher Education**

We have audited the accompanying financial statements of the Nevada System of Higher Education (the "System") as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Nevada System of Higher Education's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the University of Nevada, Reno Foundation, University of Nevada, Las Vegas Foundation, Nevada State College Foundation, College of Southern Nevada Foundation, Truckee Meadows Community College Foundation, Western Nevada College Foundation, Great Basin College Foundation, DRI Research Parks, Ltd., and the DRI Research Foundation, which represent 94 percent, 95 percent, and 47 percent at June 30, 2008 and for the year then ended, of the assets, net assets and operating revenues of the aggregate discretely presented component units, as described in Note 19 "System Related Organizations" in the accompanying financial statements. We also did not audit the financial statements of the University of Nevada, Reno Foundation, University of Nevada, Las Vegas Foundation, Nevada State College Foundation, College of Southern Nevada Foundation, Truckee Meadows Community College Foundation, Western Nevada College Foundation, Great Basin College Foundation, DRI Research Parks, Ltd., and the DRI Research Foundation, which represent 92 percent, 94 percent, and 48 percent at June 30, 2007 and for the year then ended, of the assets, net assets and operating revenues of the aggregate discretely presented component units, as described in Note 19 "System Related Organizations" in the accompanying financial statements. Those financial statements were audited or reviewed by other auditors whose reports have been furnished to us, and our opinion, insofar as they relate to the amounts included for those component units, is based solely on the reports of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Nevada System of Higher Education and its discretely presented component units as of June 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The supplemental Combining Schedules of Net Assets and Schedules of Revenues, Expenses and Changes in Net Assets are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplemental combining schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Eugene, Oregon  
December 2, 2008

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Nevada System of Higher Education's (the "System") annual financial information presents management's discussion and analysis of the financial standing as of June 30, 2008. This section provides a brief overview of noteworthy financial activity, identifies changes in financial position, and assists the reader in focusing on significant financial issues that occurred during the year ended June 30, 2008, with comparative information as of June 30, 2007 and June 30, 2006.

Since this discussion provides summary level financial information, it should be read in conjunction with the System's financial statements and accompanying footnotes that follow this section. Responsibility for the financial statements, footnotes and this discussion rests with System management. All amounts included in this discussion are presented in thousands of dollars.

## **SYSTEM AND SYSTEM RELATED ORGANIZATIONS**

The System is a consolidation of the following 8 institutions of public higher education in Nevada and the Nevada System of Higher Education Administration entity:

- University of Nevada, Reno
- University of Nevada, Las Vegas
- Nevada State College
- College of Southern Nevada
- Truckee Meadows Community College
- Western Nevada College
- Great Basin College
- Desert Research Institute

This annual financial report and statements include the above institutions of the System as well as certain other organizations, also called component units, that have a significant relationship with the institutions. These component units are related tax exempt organizations primarily founded to foster and promote the growth, progress, and general welfare of the institutions. They exist to solicit, receive and administer gifts and donations for the institutions or, in the case of the University of Nevada School of Medicine Practice Plans, to facilitate patient care activities. The System component units are as follows:



University of Nevada, Reno Foundation  
University of Nevada, Las Vegas Foundation  
Nevada State College Foundation  
Community College of Southern Nevada Foundation  
Truckee Meadows Community College Foundation  
Western Nevada Community College Foundation  
Great Basin College Foundation  
Desert Research Institute Foundation  
Desert Research Institute Research Parks LTD  
University of Nevada School of Medicine Practice Plans

Component units issue separate audited financial statements from the System.

### SYSTEM FINANCIAL HIGHLIGHTS

- Total net assets increased 11% from \$1,891,921 to \$2,103,799;
- Capital Assets increased 13% from \$1,581,649 to \$1,790,276;
- Operating revenues increased 4% from \$685,127 to \$710,968;
- Non-operating revenues decreased 7% from \$690,005 to 644,461 ; and
- Operating expenses increased 6% from \$1,303,322 to \$1,376,170.

### USING THIS REPORT

This report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board in Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. These statements focus on the financial condition of the System, the results of operations, and the cash flows of the System as a whole.

One of the most important questions asked about System finances is whether the System as a whole is better off or worse off as a result of the year's activities. There are three key components to answering this question. They are the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. The System's net assets (the difference between assets and liabilities) is an important gauge of the System's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities.

The Statement of Net Assets includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when a third party provides the services, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-



operating. All things being equal, a public higher education system's dependency on state appropriations will usually result in operating deficits. This is because the financial reporting model classifies State appropriations as non-operating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the System's ability to meet financial obligations as they mature and come due. The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, capital financing, non-capital financing, and investing activities.

## **CONDENSED FINANCIAL INFORMATION**

### **ASSETS AND LIABILITIES**

The Statement of Net Assets is a point-in-time financial statement presenting the financial position of the System as of June 30, 2008, with a comparison made to June 30, 2007 and June 30, 2006. This Statement presents end-of-year data for Assets (current and non-current), Liabilities (current and non-current), and Net Assets (assets minus liabilities).



## System net assets (in \$1,000's)

NSHE Net Assets							
	2008	2007	Increase/ Decrease	Percent of Prior Yr	2006	Increase/ Decrease	Percent of Prior Yr
<b>Assets</b>							
Current Assets	\$521,497	\$570,507	(\$49,010)	91%	\$521,551	\$48,956	109%
Capital Assets	\$1,790,276	\$1,581,649	\$208,627	113%	\$1,336,860	\$244,789	118%
Other Assets	\$469,935	\$446,180	\$23,755	105%	\$601,597	(\$155,417)	74%
<b>Total Assets</b>	<b>\$2,781,708</b>	<b>\$2,598,336</b>	<b>\$183,372</b>	<b>107%</b>	<b>\$2,460,008</b>	<b>\$138,328</b>	<b>106%</b>
<b>Liabilities</b>							
Current Liabilities	\$192,566	\$205,607	(\$13,041)	94%	\$177,204	\$28,403	116%
Noncurrent Liabilities	\$485,343	\$500,808	(\$15,465)	97%	\$507,341	(\$6,533)	99%
<b>Total Liabilities</b>	<b>\$677,909</b>	<b>\$706,415</b>	<b>(\$28,506)</b>	<b>96%</b>	<b>\$684,545</b>	<b>\$21,870</b>	<b>103%</b>
<b>Net Assets</b>							
Invested in Capital Assets Net of Debt	\$1,314,351	\$1,132,657	\$181,694	116%	\$1,027,461	\$105,196	110%
Restricted, nonexpendable	\$81,554	\$62,076	\$19,478	131%	\$56,812	\$5,264	109%
Restricted, expendable	\$393,533	\$356,386	\$37,147	110%	\$403,269	(\$46,883)	88%
Unrestricted	\$314,361	\$340,802	(\$26,441)	92%	\$287,921	\$52,881	118%
<b>Total Net Assets</b>	<b>\$2,103,799</b>	<b>\$1,891,921</b>	<b>\$211,878</b>	<b>111%</b>	<b>\$1,775,463</b>	<b>\$116,458</b>	<b>107%</b>

**Assets**

Total assets of the System increased by \$183.4 million, or approximately 7%. This increase occurred primarily in capital assets, but offset by a significant reduction in current assets. The increase in capital assets and assets restricted for capital construction is reflective of System's ongoing priority of improving and expanding facilities to meet increases in enrollment driven student demand, and is reflective of the 2005 and 2007 Legislature's unprecedented capital appropriation to the System. The reduction of current assets is part cyclical and part due to a 4.5% operating budget recession from the state of Nevada, causing campuses to use some short-term assets for operating expenses.



### **Liabilities**

Total liabilities for the year decreased \$28.5 million; \$13.0 million in current liabilities \$15.5 million in non-current liabilities. The decrease in current liabilities was primarily driven by a \$24.9 million decrease in accounts payable moderate increases in accrued payroll and deferred revenue, and small changes in other categories. The decrease in non-current liabilities was due primarily to a decrease of \$18.8 million in long term debt with slight offsetting increases in compensated absences and other non-current liabilities.

### **Net Assets**

Net assets are divided into three major categories. The first category, invested in capital assets - net of debt, provides the System's equity in property, plant, and equipment owned by the System. The net asset category is restricted net assets, which is presented as two subcategories: nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the System, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets that are net assets available to the System for any lawful purpose.

#### **Invested in Capital Assets**

Net assets invested in capital assets - net of related debt, represent the System's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The \$181.7 million or 16% increase reflects the System's expenditures for development and renewal of its capital assets in accordance with its long-range plan, offset by depreciation expense on capital assets and a net increase in long-term debt. The increase indicates a continued System and Legislature priority to provide new facilities to accommodate enrollment growth.

#### **Restricted, Nonexpendable/Expendable**

The System's endowment funds consist of both permanent endowments and funds functioning as endowments or quasi-endowments.

Permanent endowments are those funds received from donors with the stipulation that the principal remain inviolate and be invested in perpetuity to produce income that is to be expended for the purposes stipulated by the donor.

Funds functioning as an endowment consist of amounts (restricted gifts or unrestricted funds) that have been allocated by the System for long-term investment purposes, although amounts are not subject to donor restrictions requiring the System to preserve the principal in perpetuity. Programs supported by the endowment include scholarships, fellowships, professorships, research efforts and other important programs and activities.



### Unrestricted Net Assets

Unrestricted Net Assets decreased by \$26.4 million in 2008. Although unrestricted net assets are not subject to externally imposed stipulations, substantially all of the System's unrestricted net assets have been designated for various academic and research programs and initiatives, as well as capital projects.

### **System Related Organizations**

### **Component Entity Net Assets (in \$1,000's)**

<b>NSHE Component Net Assets</b>							
	<b>2008</b>	<b>2007</b>	<b>Increase/ Decrease</b>	<b>Percent of Prior Yr</b>	<b>2006</b>	<b>Increase/ Decrease</b>	<b>Percent of Prior Yr</b>
<b>Assets</b>							
Current Assets	\$104,275	\$96,660	\$7,615	108%	\$92,962	\$3,698	104%
Capital Assets	\$5,714	\$5,246	\$468	109%	\$4,922	\$324	107%
Other Assets	\$249,552	\$238,581	\$10,971	105%	\$205,192	\$33,389	116%
<b>Total Assets</b>	<b>\$359,541</b>	<b>\$340,487</b>	<b>\$19,054</b>	<b>106%</b>	<b>\$303,076</b>	<b>\$37,411</b>	<b>112%</b>
<b>Liabilities</b>							
Current Liabilities	\$9,692	\$9,591	\$101	101%	\$9,177	\$414	105%
Noncurrent Liabilities	\$9,835	\$1,926	\$7,909	511%	\$2,993	(\$1,067)	64%
<b>Total Liabilities</b>	<b>\$19,527</b>	<b>\$11,517</b>	<b>\$8,010</b>	<b>170%</b>	<b>\$12,170</b>	<b>(\$653)</b>	<b>95%</b>
<b>Net Assets</b>							
Invested in Capital Assets Net of Debt	\$2,878	\$2,814	\$64	102%	\$2,454	\$360	115%
Restricted, nonexpendable	\$175,514	\$171,477	\$4,037	102%	\$138,173	\$33,304	124%
Restricted, expendable	\$112,690	\$113,480	(\$790)	99%	\$117,018	(\$3,538)	97%
Unrestricted	\$48,932	\$41,199	\$7,733	119%	\$33,261	\$7,938	124%
<b>Total Net Assets</b>	<b>\$340,014</b>	<b>\$328,970</b>	<b>\$11,044</b>	<b>103%</b>	<b>\$290,906</b>	<b>\$38,064</b>	<b>113%</b>

One of the critical factors in continuing the quality of the System's programs is the development and renewal of its capital assets. The eight foundations, as System Related Organizations, continue to support the campuses in their long-range plans and provide support for construction of facilities. Changes in the above schedule primarily reflect the foundations success in increasing System support. The remaining changes can be attributed to School of Medicine Practice Plans' patient care activities.

**REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues received by the System, both operating and non-operating, and the expenses paid by the System, operating and non-operating, as well as any other revenues, expenses, gains and losses received or spent by the System.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the System. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the System. Non-operating revenues are revenues received for which goods and services are not provided. For example state appropriations are considered non-operating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

**System Revenues, Expenses and Changes in Net Assets (in \$1,000's)**

The Statement of Revenues, Expenses, and Changes in Net Assets reflect a positive year with an increase in the net assets at the end of the year.



NSHE Statement of Revenues, Expenses and Changes in Net Assets							
	2008	2007	Increase/ Decrease	Percent of Prior Yr	2008	Increase/ Decrease	Percent of Prior Yr
<b>Operating Revenues</b>							
Student tuition and fees, net	\$256,803	\$236,451	\$20,352	109%	\$219,833	\$16,618	108%
Grants and contracts, Federal	\$214,430	\$204,495	\$9,935	105%	\$210,569	(\$6,074)	97%
Grants and contracts, other	\$78,969	\$93,741	(\$14,772)	84%	\$87,404	\$6,337	107%
Sales and Services	\$145,953	\$140,795	\$5,158	104%	\$136,285	\$4,510	103%
Other	\$14,813	\$9,645	\$5,168	154%	\$6,422	\$3,223	150%
<b>Total Operating Revenues</b>	<b>\$710,968</b>	<b>\$685,127</b>	<b>\$25,841</b>	<b>104%</b>	<b>\$660,513</b>	<b>\$24,614</b>	<b>104%</b>
<b>Operating Expenses</b>							
Employee Comp / Benefits	(\$933,740)	(\$865,755)	(\$67,985)	108%	(\$792,046)	(\$73,709)	109%
Utilities	(\$37,328)	(\$35,174)	(\$2,154)	106%	(\$32,803)	(\$2,371)	107%
Supplies and Services	(\$288,419)	(\$287,506)	(\$913)	100%	(\$278,141)	(\$9,365)	103%
Scholarships and Fellowships	(\$41,176)	(\$43,296)	\$2,120	95%	(\$42,088)	(\$1,208)	103%
Depreciation	(\$75,507)	(\$71,591)	(\$3,916)	105%	(\$68,607)	(\$2,984)	104%
<b>Total Operating Expenses</b>	<b>(\$1,376,170)</b>	<b>(\$1,303,322)</b>	<b>(\$72,848)</b>	<b>106%</b>	<b>(\$1,213,685)</b>	<b>(\$89,637)</b>	<b>107%</b>
<b>Nonoperating Revenues and Expenses</b>							
State Appropriations	\$623,798	\$592,476	\$31,322	105%	\$557,341	\$35,135	106%
Gifts	\$35,516	\$28,248	\$7,268	126%	\$30,116	(\$1,868)	94%
Investment Income (net)	\$5,498	\$89,545	(\$84,047)	6%	\$54,805	\$34,740	163%
Disposal of Capital Assets	(\$2,795)	(\$1,709)	(\$1,086)	164%	(\$6,206)	\$4,497	28%
Interest expense	(\$17,048)	(\$18,409)	\$1,361	93%	(\$20,319)	\$1,910	91%
Other non-operating revenues	(\$508)	(\$146)	(\$362)	348%	\$4,754	(\$4,900)	-3%
<b>Total Nonoperating Revenues and Expenses</b>	<b>\$644,461</b>	<b>\$690,005</b>	<b>(\$45,544)</b>	<b>93%</b>	<b>\$620,491</b>	<b>\$69,514</b>	<b>111%</b>
<b>Other Revenues</b>							
Other Revenues	\$232,619	\$44,648	\$187,971	521%	\$185,028	(\$140,380)	24%
<b>Total Other Revenues</b>	<b>\$232,619</b>	<b>\$44,648</b>	<b>\$187,971</b>	<b>521%</b>	<b>\$185,028</b>	<b>(\$140,380)</b>	<b>24%</b>
<b>Net Assets</b>							
Increase in Net Assets	\$211,878	\$116,458	\$95,420	182%	\$252,347	(\$135,889)	46%
Net Assets, Beginning of Year	\$1,891,921	\$1,775,463	\$116,458	107%	\$1,523,116	\$252,347	117%
<b>Total Net Assets, End of Year</b>	<b>\$2,103,799</b>	<b>\$1,891,921</b>	<b>\$211,878</b>	<b>111%</b>	<b>\$1,775,463</b>	<b>\$116,458</b>	<b>107%</b>

Operating revenues increased by \$25.8 million (4%) and operating expenses increased by \$72.8 million (6%), resulting in an increase in the operating loss of \$47 million (8%).





Operating Revenue - Student Tuition and Fees increased 9% to \$256.8 million as a result of Board of Regents approved tuition and fee increases and, to a lesser extent, enrollment growth. Federal grants and contracts experienced an increase of 5% to \$214 million while State, local, and other grants and contracts decreased 16% to \$79.0 million.

The increase in operating expenses was due in large part to increases in Employee Compensation and Benefits, which rose by 8% to \$933.7 million. This was driven by increases in Faculty FTE, benefit costs, and a statewide 2% cost of living adjustment for eligible employees that was approved by the 2007 Legislature. Utilities increases were much less dramatic than expected at 6%, due in major part to a mild winter. Supplies and services remained constant.

Non-operating net revenues decreased by \$45.5 million. This was led by a significant decrease in investment income-net (\$84.0 million) offset by increases in state appropriations (\$31.3 million) and gifts (\$7.3 million).

Total other revenues increased significantly, as is common during the first year of the State's biennial budget cycle. The increase is primarily due to fact that there are new capital appropriations available to draw in the first year.

Component entities remained relative stable from 2007 to 2008, as shown in the following schedule.



## System Related Organizations

## Revenues, Expenses and Changes in Net Assets (in \$1,000's)

NSHE Component Revenues, Expenses and Changes in Net Assets							
	2008	2007	Increase/ Decrease	Percent of Prior Yr	2006	Increase/ Decrease	Percent of Prior Yr
Operating Revenues							
Patient Revenue	\$63,408	\$48,761	\$14,647	130%	\$45,203	\$3,558	108%
Contract Revenue	\$2,613	\$8,050	(\$5,437)	32%	\$6,963	\$1,087	116%
Contributions	\$58,739	\$53,428	\$5,311	110%	\$54,787	(\$1,359)	98%
Campus Support	\$2,539	\$2,284	\$255	111%	\$2,214	\$70	103%
Other	\$10,613	\$8,191	\$2,422	130%	\$5,756	\$2,435	142%
<b>Total Operating Revenues</b>	<b>\$137,912</b>	<b>\$120,714</b>	<b>\$17,198</b>	<b>114%</b>	<b>\$114,923</b>	<b>\$5,791</b>	<b>105%</b>
Operating Expenses							
Program Expenses	(\$55,178)	(\$41,272)	(\$13,906)	134%	(\$32,339)	(\$8,933)	128%
Other Operating Expenses	(\$29,252)	(\$29,358)	\$106	100%	(\$25,090)	(\$4,268)	117%
Depreciation	(\$948)	(\$985)	\$37	96%	(\$720)	(\$265)	137%
<b>Total Operating Expenses</b>	<b>(\$85,378)</b>	<b>(\$71,615)</b>	<b>(\$13,763)</b>	<b>119%</b>	<b>(\$58,149)</b>	<b>(\$13,466)</b>	<b>123%</b>
Nonoperating Revenues and Expenses							
Investment Income	(\$2,386)	\$17,113	(\$19,499)	-14%	\$518	\$16,595	3304%
Payments to NSHE System	(\$53,610)	(\$56,053)	\$2,443	96%	(\$33,664)	(\$22,389)	167%
Other Non-Operating Revenues	(\$784)	\$13,731	(\$14,515)	-6%	\$15,861	(\$2,130)	87%
<b>Total Nonoperating Revenues and Expenses</b>	<b>(\$56,780)</b>	<b>(\$25,209)</b>	<b>(\$31,571)</b>	<b>225%</b>	<b>(\$17,285)</b>	<b>(\$7,924)</b>	<b>146%</b>
Other Revenues							
Other Revenues	\$15,290	\$14,174	\$1,116	108%	\$10,141	\$4,033	140%
<b>Total Other Revenues</b>	<b>\$15,290</b>	<b>\$14,174</b>	<b>\$1,116</b>	<b>108%</b>	<b>\$10,141</b>	<b>\$4,033</b>	<b>140%</b>
Net Assets							
Increase in Net Assets	\$11,044	\$38,064	(\$27,020)	29%	\$48,113	(\$10,049)	79%
Net Assets, June 30	\$328,970	\$290,906	\$38,064	113%	\$242,793	\$48,113	120%
<b>Total Net Assets</b>	<b>\$340,014</b>	<b>\$328,970</b>	<b>\$11,044</b>	<b>103%</b>	<b>\$290,906</b>	<b>\$38,064</b>	<b>113%</b>

## CASH FLOWS (in \$1,000's)

Net cash flows decreased - primarily due to an operating budget recission from the State of Nevada and a significant decrease in investment income. Cash used in operating activities increased, reflecting the previously mentioned increases in payments for employee compensation and benefits and other operating expenses. Net operating cash flows (amount of cash used in operating activities) increased 9%.



Cash flows from capital financing activities indicated an increase of \$51.9 million, reflecting the expenditure of cash on capital assets. Cash generated through investing activities decreased by \$119.7 million. This category generally reflects the System's liquidation of investment instruments to finance capital acquisitions, which occurred on a much smaller scale than in 2007.

NSHE Statement of Cash Flows							
	2008	2007	Increase/ Decrease	Percent of Prior Yr	2006	Increase/ Decrease	Percent of Prior Yr
Operating activities	(\$580,597)	(\$530,563)	(\$50,034)	109%	(\$484,758)	(\$45,805)	109%
Non-capital financing	\$675,332	\$593,707	\$81,625	114%	\$575,833	\$17,874	103%
Capital and related financing activities	(\$139,304)	(\$191,251)	\$51,947	73%	\$72,639	(\$263,890)	-263%
Investing activities	\$22,967	\$142,665	(\$119,698)	16%	(\$118,148)	\$260,813	-121%
Net Increase/ (decrease) in cash	(\$21,602)	\$14,558			\$45,566		
Cash - Beginning of the year	\$269,038	\$254,480			\$208,914		
Cash - End of the year	\$247,436	\$269,038			\$254,480		

### CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2008, the System invested \$1.790 billion in a broad range of capital assets, including equipment, buildings, machinery and equipment, library books and media, art and other valuable collections and land. This represents a net increase (including additions and deletions) of \$208.6 million over the June 30, 2007, total of \$1.582 billion.

During fiscal year 2008, no bonds were issued by NSHE. As of June 30, 2008, the coverage on the University Revenue Bonds (pledged revenues to maximum annual debt service) was 4.35 times. For statutory purposes, the coverage was 1.95 times, above the minimum coverage of 1.10. The System issued \$6.0 million in notes during fiscal year 2008.

These coverages do not include the issuance of the 2008A bonds for UNR. Additionally, the noted figure does not include the taxable draw-down LOC for UNR.

### FUTURE FINANCIAL EFFECTS

The increasing population of the State of Nevada generally indicates a stable demand for higher education services, although FY 08 totals indicate that overall the record growth in enrollment seen by the System in prior years has returned to or is below normal historical levels. From FY 07 to FY 08, the System realized a growth of 3.3% student full time equivalent (SFTE) enrollments that are recognized by the State for funding purposes. SFTE is only one indicator of System growth, but is representative of trends seen throughout the System and account for the majority of State appropriated non-capital funding.

Funding appropriations for both FY 08 and FY 09 were made by the 2007 Legislature. Enrollment based funding levels and were calculated for projected enrollments using a 3-year weighted average. The appropriated FY 08 operating budget for State Appropriations and Authorized Expenditures (State-Supported Operating Budget) increased by 6.4% from \$779.3 million to \$829.2 million. In FY 08, direct State appropriations were \$641.5 million, an increase of 7.3% over the FY 07 amount of \$597.9 million. Other revenue sources in the state budget,



including registration fees and non-resident tuition, increased in FY 08 from \$181.4 million to \$187.8 million.

Early in FY 08, the Governor announced operating budget recissions in an amount equal to 4.5% of the appropriated operating budget for both FY 08 and 09. The initial FY 08 and 09 reduction for NSHE was \$57.6 million, although a substantial amount was able to be covered through the recission of one-time appropriations. The most significant of these was \$10.0 million appropriated for a new student services computer system. A second operating budget cut totaling \$1.2 million was made through a rate reduction in the Retired Employee Group Insurance Assessment late in FY 08. Recissions of capital appropriations also occurred.

Indications are that the budget shortfall will continue through FY 09. Additional operating budget cuts of 3.42% for FY 09 were made in a special session of the Nevada Legislature in June, 2008 and further cuts may be required as the year progresses. Ultimate impacts of these cuts is unknown at this time, however the Board of Regents has indicated its priority is to protect the instructional function.

Additionally, in 2008, there has been significant volatility in the domestic and international investment markets, primarily as a result of liquidity issues in credit markets. Consequently, the fair value of the System's investments is exposed to non-typical price volatility which could result in a substantial reduction in the fair value of certain investments from the amounts reported as of June 30, 2008. The System has already undertaken a number of steps to monitor the fair market value of its investments. The System regularly monitors its risk profile, working in concert with Cambridge Associates to rebalance the operating and endowment pools, within the strategic ranges recommended by Cambridge and approved by the Board, as market conditions warrant. At the September 26, 2008 meeting of the Investment Committee a rebalancing of the endowment pool to cash and selected equities was approved. In addition, at a specially called meeting of the Investment Committee, held on October 10, 2008 the Board of Regents Investment Committee suspended regularly scheduled disbursements to the campuses from the NSHE operating pool income until conditions warrant a resumption of such payments.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain information provided by the System, including statements written in this discussion and analysis or made orally by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Other than statements of historical facts, all statements that address activities, events or developments that the System expects or anticipates will or may occur in the future contain forward-looking information.

In reviewing such information it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The System does not update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions, or changes in other factors affecting such forward-looking information.

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**STATEMENTS OF NET ASSETS (in \$1,000's)**  
**AS OF JUNE 30, 2008 AND 2007**

	<u>System</u>		<u>System Related Organizations</u>	
<u>ASSETS</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<i><b>Current Assets</b></i>				
Cash and cash equivalents	\$ 76,128	\$ 108,036	\$ 52,093	\$ 50,485
Restricted cash and cash equivalents	2,466	162	1,704	1,660
Short-term investments	343,459	341,955	30,783	22,955
Accounts receivable, net	30,950	28,493	666	1
Receivable from U.S. Government	38,238	37,511	-	-
Receivable from State of Nevada	16,121	36,665	-	-
Current portion of pledges receivable, net	-	-	6,571	4,292
Patient accounts receivable, net	-	-	8,852	8,477
Current portion of loans receivable, net	2,305	2,515	97	-
Inventories	6,471	6,281	3	13
Deposits and deferred expenditures	4,475	7,023	327	7
Other	884	1,866	3,179	8,770
<b>Total Current Assets</b>	<u>521,497</u>	<u>570,507</u>	<u>104,275</u>	<u>96,660</u>
<i><b>Noncurrent Assets</b></i>				
Cash held by State Treasurer	149,922	129,231	-	-
Restricted cash and cash equivalents	18,922	31,609	569	-
Receivable from State of Nevada	62,214	45,473	-	-
Restricted investments	-	13,758	-	-
Endowment investments	206,690	211,825	188,904	197,932
Deposits and deferred expenditures	4,597	4,999	-	-
Pledges receivable, net	-	-	36,941	6,329
Loans receivable, net	8,933	8,917	-	-
Capital assets, net	1,790,276	1,581,649	5,714	5,246
Other noncurrent asset	357	368	23,138	34,320
Other assets	18,300	-	-	-
<b>Total Noncurrent Assets</b>	<u>2,260,211</u>	<u>2,027,829</u>	<u>255,266</u>	<u>243,827</u>
<b>TOTAL ASSETS</b>	<u>2,781,708</u>	<u>2,598,336</u>	<u>359,541</u>	<u>340,487</u>
<u><b>LIABILITIES</b></u>				
<i><b>Current Liabilities</b></i>				
Accounts payable	46,649	71,503	2,143	2,546
Accrued payroll and related liabilities	30,625	26,725	1,851	1,779
Unemployment insurance and workers' compensation liability	5,934	4,422	-	-
Current portion of compensated absences	30,948	28,906	12	-
Current portion of long-term debt	17,150	16,215	-	170
Current portion of obligations under capital leases	3,036	2,666	332	262
Accrued interest payable	9,921	9,769	-	-
Deferred revenue	37,384	35,936	447	60
Funds held in trust for others	8,400	6,919	-	-
Due to affiliates	-	-	3,648	1,816
Other	2,519	2,546	1,259	2,958
<b>Total Current Liabilities</b>	<u>192,566</u>	<u>205,607</u>	<u>9,692</u>	<u>9,591</u>
<i><b>Noncurrent Liabilities</b></i>				
Refundable advances under federal loan programs	7,442	7,654	-	-
Compensated absences	14,392	12,666	-	-
Deferred revenue	543	758	2,804	-
Long-term debt	449,227	467,990	-	1,292
Obligations under capital leases	7,564	9,817	717	-
Due to State	6,175	-	-	-
Other noncurrent liabilities	-	1,923	6,314	634
<b>Total Noncurrent Liabilities</b>	<u>485,343</u>	<u>500,808</u>	<u>9,835</u>	<u>1,926</u>
<b>TOTAL LIABILITIES</b>	<u>677,909</u>	<u>706,415</u>	<u>19,527</u>	<u>11,517</u>
<u><b>NET ASSETS</b></u>				
Invested in capital assets, net of related debt	1,314,351	1,132,657	2,878	2,814
Restricted:				
Nonexpendable	81,554	62,076	175,514	171,477
Expendable:				
Scholarships, research and instruction	162,817	165,783	111,967	113,480
Loans	6,211	5,914	-	-
Capital projects	213,819	180,781	723	-
Debt service	10,686	3,908	-	-
Unrestricted	314,361	340,802	48,932	41,199
<b>TOTAL NET ASSETS</b>	<u>\$2,103,799</u>	<u>\$1,891,921</u>	<u>\$340,014</u>	<u>\$328,970</u>

The accompanying notes are an integral part of these financial statements.

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000's)**  
**FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>System</u>		<u>System Related Organizations</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Operating Revenues</b>				
Student tuition and fees (net of scholarship allowances of \$53,502 and \$48,892)	\$ 256,803	\$ 236,451	\$ -	\$ -
Federal grants and contracts	214,430	204,495	-	-
State grants and contracts	37,699	55,247	-	-
Local grants and contracts	24,826	19,666	-	-
Other grants and contracts	16,444	18,828	-	-
Campus support	-	-	2,539	2,284
Sales and services of educational departments (including \$2,627 and \$2,127 from System related organizations)	69,945	61,838	-	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,183 and \$3,089)	76,008	78,957	-	-
Contributions	-	-	58,739	53,428
Patient revenue	-	-	63,408	48,761
Contract revenue	-	-	2,613	8,050
Special events and fundraising	-	-	-	1,519
Interest earned on loans receivable	151	141	-	-
Other operating revenues	<u>14,662</u>	<u>9,504</u>	<u>10,613</u>	<u>6,672</u>
<b>Total operating revenues</b>	<u>710,968</u>	<u>685,127</u>	<u>137,912</u>	<u>120,714</u>
<b>Operating Expenses</b>				
Employee compensation and benefits	933,740	865,755	26,020	22,745
Utilities	37,328	35,174	-	-
Supplies and services	288,419	287,506	2,030	1,059
Scholarships and fellowships	41,176	43,296	-	-
Program expenses, System related organizations	-	-	55,178	41,272
Depreciation	75,507	71,591	948	985
Other operating	-	-	1,202	5,554
<b>Total operating expenses</b>	<u>1,376,170</u>	<u>1,303,322</u>	<u>85,378</u>	<u>71,615</u>
<b>Operating (loss) income</b>	<u>(665,202)</u>	<u>(618,195)</u>	<u>52,534</u>	<u>49,099</u>
<b>Nonoperating Revenues (Expenses)</b>				
State appropriations	621,765	592,476	-	-
Refund to State	(82)	-	-	-
Gifts (including \$26,695 and \$24,347 from System related organizations)	37,631	28,248	-	-
Investment income (loss), net	5,498	89,545	(2,386)	17,113
Disposal of capital assets	(2,795)	(1,709)	(10)	-
Interest expense	(17,048)	(18,409)	(252)	55
Payments to System campuses and divisions	-	-	(53,610)	(56,053)
Other nonoperating revenues (expenses)	<u>(508)</u>	<u>(146)</u>	<u>(522)</u>	<u>13,676</u>
<b>Net nonoperating revenues (expenses)</b>	<u>644,461</u>	<u>690,005</u>	<u>(56,780)</u>	<u>(25,209)</u>
<b>Income (loss) before other revenue, expenses, gains or losses</b>	<u>(20,741)</u>	<u>71,810</u>	<u>(4,246)</u>	<u>23,890</u>
State appropriations restricted for capital purposes	185,987	2,478	-	-
Capital grants and gifts (including \$25,590 and \$6,090 from System related organizations)	26,439	38,409	-	-
Additions to permanent endowments (including \$188 and \$321 from System related organizations)	20,543	3,761	15,290	14,174
Other expenses	<u>(350)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other revenues</b>	<u>232,619</u>	<u>44,648</u>	<u>15,290</u>	<u>14,174</u>
<b>Increase in net assets</b>	<u>211,878</u>	<u>116,458</u>	<u>11,044</u>	<u>38,064</u>
<b>Net Assets</b>				
Net assets – beginning of year	<u>1,891,921</u>	<u>1,775,463</u>	<u>328,970</u>	<u>290,906</u>
Net assets – end of year	<u>\$2,103,799</u>	<u>\$1,891,921</u>	<u>\$340,014</u>	<u>\$328,970</u>

The accompanying notes are an integral part of these financial statements.

**NEVADA SYSTEM OF HIGHER EDUCATION  
STATEMENTS OF CASH FLOWS (in \$1,000's)  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<b>System</b>	
	<b>2008</b>	<b>2007</b>
<b><i>Cash Flows from Operating Activities</i></b>		
Student tuition and fees	\$258,773	\$237,505
Grants and contracts	317,030	313,668
Payments for supplies and services	(313,117)	(293,840)
Payments for utilities	(37,338)	(34,508)
Payments for employee compensation and benefits	(926,481)	(856,897)
Payments for scholarships and fellowships	(41,443)	(43,233)
Loans issued to students and employees	(2,041)	(3,790)
Collection of loans to students and employees	2,160	2,945
Sales and services of educational departments	75,861	76,519
Sales and services of auxiliary enterprises	71,343	61,335
Other receipts	<u>14,656</u>	<u>9,733</u>
Net cash used by operating activities	<u>(580,597)</u>	<u>(530,563)</u>
<b><i>Cash Flows from Noncapital Financing Activities</i></b>		
State appropriations	637,965	565,265
State appropriations refunded	(82)	(24)
Gifts and grants for other than capital purposes	34,107	26,712
Gifts for endowment purposes	2,243	3,761
Receipts under federal student loan programs	98,203	87,004
Disbursements under federal student loan programs	(98,202)	(87,095)
Other	(387)	(208)
Agency transactions	<u>1,485</u>	<u>(1,708)</u>
Net cash provided by noncapital financing activities	<u>675,332</u>	<u>593,707</u>
<b><i>Cash Flows from Capital Financing Activities</i></b>		
Proceeds from capital debt	12,400	46,863
Other	361	492
Payments for debt issuance costs	252	(625)
Capital appropriations	168,311	100,497
Capital grants and gifts received	25,391	39,047
Purchases of capital assets	(298,324)	(298,405)
Proceeds from sale of property and equipment	48	47
Principal paid on capital debt and leases	(24,790)	(49,725)
Net proceeds on sale of land	-	-
Interest paid on capital debt and leases	(21,786)	(25,236)
Deposits for the acquisition of property and equipment	<u>(1,169)</u>	<u>(4,206)</u>
Net cash used by capital financing activities	<u>(139,302)</u>	<u>(191,251)</u>
<b><i>Cash Flows from Investing Activities</i></b>		
Proceeds from sales and maturities of investments	56,965	211,495
Purchase of investments	(74,473)	(88,041)
Interest and dividends on investments	23,103	33,081
Net decrease in cash equivalents, noncurrent investments	<u>17,372</u>	<u>(13,870)</u>
Net cash provided by investing activities	<u>22,967</u>	<u>142,665</u>
<b>Net increase in cash and cash equivalents</b>	<b>(21,600)</b>	<b>14,558</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>269,038</b>	<b>254,480</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$247,438</u></b>	<b><u>\$269,038</u></b>

The accompanying notes are an integral part of these financial statements.

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**STATEMENTS OF CASH FLOWS (in \$1,000's) (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2008 and 2007**

	<u>System</u>	
	<u>2008</u>	<u>2007</u>
<i>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</i>		
Operating loss	\$(665,202)	\$(618,195)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Supplies expense related to noncash gifts	776	157
Depreciation expense	75,506	71,591
Changes in assets and liabilities:		
Accounts receivable, net	4,183	1,316
Loans receivable, net	138	(799)
Inventories	2	(113)
Deposits and deferred expenditures	(349)	(1,044)
Accounts payable	(5,801)	7,002
Accrued payroll and related liabilities	4,217	3,611
Unemployment insurance and workers' compensation liability	1,390	673
Deferred revenue	1,240	3,051
Refundable advances under federal loan program	(241)	(20)
Compensated absences	3,544	2,207
Net cash used by operating activities	<u>\$(580,597)</u>	<u>\$(530,563)</u>
<i>Supplemental Noncash Activities Information</i>		
Capital assets acquired by incurring capital lease obligations and accounts payable	<u>\$8,177</u>	<u>\$25,581</u>
Loss on disposal of capital assets	<u>\$2,477</u>	<u>\$2,178</u>
Capital assets acquired by gifts	<u>\$1,165</u>	<u>\$789</u>

The accompanying notes are an integral part of these financial statements.



# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 1 – Organization:

The financial statements represent the combined financial statements of the various divisions and campuses of the Nevada System of Higher Education (the “System”), formerly known as the University and Community College System of Nevada, which include:

- University of Nevada, Reno (“UNR”)
- University of Nevada, Las Vegas (“UNLV”)
- Nevada State College (“NSC”)
- College of Southern Nevada (“CSN”)
- Truckee Meadows Community College (“TMCC”)
- Western Nevada College (“WNC”)
- Great Basin College (“GBC”)
- Desert Research Institute (“DRI”)
- Nevada System of Higher Education Administration

The System is an agency of the State of Nevada (the “State”) and receives significant support from, and has significant assets held by, the State, as set forth in the accompanying financial statements. The System is a component unit of the State of Nevada in accordance with the provisions of the Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. The System Related Organizations’ columns in these financial statements are comprised of data from the System’s discretely presented campus foundations and medical school practice plans (see Note 19). These System Related Organizations are included as part of the System’s financial statements because of the nature and the significance of their financial relationship with the System.

The System Related Organizations include campus foundations which are related tax exempt organizations founded to foster and promote the growth, progress, and general welfare of the System, and are reported in separate columns to emphasize that they are Nevada not-for-profit organizations legally separate from the System. During the years ended June 30, 2008 and 2007 the foundations distributed \$53,610 and \$54,669 respectively, to the System for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained from Mike Reed, Vice Chancellor for Finance at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

The System Related Organizations also include three legally separate non-profit organizations, together known as the medical school practice plans. The practice plans include the University of Nevada School of Medicine Multispecialty Group Practice North, Inc., University of Nevada School of Medicine Group Practice South, Inc., and Nevada Family Practice Residency Program, Inc. The practice plans were established for the benefit of the University of Nevada School of Medicine and its faculty physicians who are engaged in patient care activities. During the years ended June 30, 2008 and 2007 the practice plans distributed \$817 and \$1,241, respectively, to the System for restricted purposes. Complete financial statements for the practice plans can be obtained from Mike Reed, Vice Chancellor for Finance at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

### NOTE 2 – Summary of Significant Accounting Policies:

The significant accounting policies followed by the System are described below to enhance the usefulness of the financial statements to the reader.

### BASIS OF PRESENTATION

For financial statement reporting purposes, the System is considered a special purpose government engaged only in business-type activities. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis of Public Colleges and Universities*.

The financial statements required by Statement No. 35 are the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets and the Statements of Cash Flows. Financial reporting requirements also include Management’s Discussion and Analysis of the System’s financial position and results of operations.

### BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred. All significant transactions between various divisions and campuses of the System have been

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 2 – Summary of Significant Accounting Policies (continued):

eliminated. The System has the option to apply all Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The System has elected not to apply FASB pronouncements issued after the applicable date. The financial statements are presented using the economic resources measurement focus.

### CASH EQUIVALENTS

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

### INVESTMENTS

Investments are primarily stated at fair value. Fair value of investments is determined from quoted market prices, quotes obtained from brokers or reference to other publicly available market information. Interests in private equity partnerships are based upon valuations provided by the general partners of the respective partnerships as of March 31, adjusted for cash receipts, cash disbursements and securities distributions through June 30. The System believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because the private equity partnerships are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for such investments existed. Investment transactions are recorded on the date the securities are purchased or sold (trade-date). Realized gains or losses are recorded as the difference between the proceeds from the sale and the average cost of the investment sold. Dividend income is recorded on the ex-dividend date and interest income is accrued as earned.

### INVENTORIES

Inventories consist primarily of bookstore and agricultural inventories, and other items held for sale and are stated at either cost or lower of estimated cost or market. Cost is calculated primarily on the first-in, first-out method.

### PLEDGES

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-Exchange Transactions*, private donations are recognized when all eligibility requirements are met, provided that the pledge is verifiable, the resources are measurable and collection is probable. Pledges receivable are recorded at net present value using the appropriate discount rate. An allowance for uncollectible pledges is estimated based on collection history and is netted against the gross pledges receivable.

### CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of \$5 or more during the year ended June 30, 2008 and \$2 or more in the year ended June 30, 2007 and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair market value at date of donation in the case of gifts. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are capitalized and depreciated. Accumulated depreciation is computed on a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	6 to 40
Land improvements	10 to 15
Machinery and equipment	3 to 18
Library books	5

Collections are capitalized at cost or fair value at the date of donation. The System's collections are protected, preserved and held for public exhibition, education or research and include art and rare book collections which are considered inexhaustible and are therefore not depreciated.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 2 – Summary of Significant Accounting Policies (continued):

#### DEFERRED REVENUE

Deferred revenue primarily includes amounts received from grant and contract sponsors that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees and fees for housing and dining services, and advanced ticket sales for athletic and other events.

#### COMPENSATED ABSENCES

The System accrues annual leave for employees at rates based upon length of service and job classification and compensatory time based upon job classification and hours worked. Such accrued expenses have been classified as a component of employee compensation and benefits in the accompanying Statements of Revenues, Expenses and Changes in Net Assets.

#### FEDERAL REFUNDABLE LOANS

Certain loans to students are administered by the System campuses, with funding primarily supported by the federal government. The System's Statements of Net Assets include both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

#### NET ASSETS

Net Assets are classified as follows:

*Invested in capital assets, net of related debt:* This represents the total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

*Restricted net assets – nonexpendable:* Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purposes of producing present and future income, which may either be expended or added to principal.

*Restricted net assets – expendable:* Restricted expendable net assets include resources which must be expended in accordance with restrictions imposed by external third parties.

*Unrestricted net assets:* Unrestricted net assets represent resources that are not subject to externally imposed restrictions. These resources are used for transactions relating to educational and general operations and may be used to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, restricted resources are applied first.

#### OPERATING AND NONOPERATING REVENUES AND EXPENSES

##### SYSTEM

Revenues and expenses are classified as operating if they result from providing services and producing and delivering goods. They also include other events that are not defined as capital and related financing, noncapital financing, or investing activities. Grants and contracts representing an exchange transaction are considered operating revenues.

Revenues and expenses are classified as nonoperating if they result from capital and related financing, noncapital financing, or investing activities. Appropriations received to finance operating deficits are classified as noncapital financing activities, therefore, they are reported as nonoperating revenues. Grants and contracts representing nonexchange receipts are treated as nonoperating revenues.

##### FOUNDATIONS

Donations, gifts and pledges are recognized as income when all eligibility requirements are met, provided that the promise is verifiable, the resources are measurable and collection is probable.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 2 – Summary of Significant Accounting Policies (continued):

#### SCHOLARSHIP ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the institutions, and the amount that is paid by students and/or third parties making payments on the students' behalf. Payments of financial aid made directly to students are classified as scholarships and fellowships expenses.

#### GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to scholarships and fellowships and grants-in-aid for faculty and staff benefits charged to the appropriate expenditure programs to which the applicable personnel relate. Grants-in-aid for fiscal years 2008 and 2007 were \$7,176 and \$6,787, respectively.

#### TAX EXEMPTION

The System and its discretely presented System related organizations are qualified tax-exempt organizations under the provisions of Section 501(c) (3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

#### COMPARATIVE INFORMATION

Certain reclassifications have been made to the 2007 financial information in order to conform to the 2008 presentation.

#### NEW ACCOUNTING PRONOUNCEMENTS

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which provides guidance for recording and disclosing activities related to pollution remediation which becomes effective for years beginning after December 15, 2007. The anticipated impact of this pronouncement is uncertain at this time.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which requires most identifiable intangibles be classified as capital assets and gives guidance on amortization, when appropriate. The Statement is effective for years beginning after June 15, 2009. The anticipated impact of this pronouncement is uncertain at this time.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purposes of generating income. The Statement is effective for years beginning after June 15, 2008. The anticipated impact of this pronouncement is uncertain at this time.

### NOTE 3 – System Cash and Cash Equivalents:

Cash and cash equivalents of the System are stated at cost, which approximates market, and consists of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2008 and 2007 the System's deposits in money market funds totaled \$73,313 and \$87,733, respectively, and cash in bank was \$10,609 and \$16,521, respectively. Of these balances, \$100 and \$200 at June 30, 2008 and 2007, respectively, are covered by the Federal Depository Insurance Corporation ("FDIC"), the remaining deposits are uncollateralized and uninsured. Restricted cash represents the unexpended bond proceeds held for construction of major assets. Cash held by State Treasurer represents the funds from certain state appropriations, which were enacted to provide the System with the funds necessary for the construction of major assets. Such amounts are controlled by the Nevada Public Works Board. All of the above are included in cash and cash equivalents in the Statements of Cash Flows.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 4 – System Investments:

Board of Regents policies include the Statement of Investment Objectives and Policies for the Endowment and Operating funds of the System. This policy governs the investment management of both funds. The Board of Regents are responsible for establishing the investment policies; accordingly, the Board of Regents have promulgated these guidelines in which they have established permitted asset classes and ranges.

Investments are stated at fair value. The historical cost and market value (fair value) of System investments at June 30, 2008 and 2007 is as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual funds	\$353,456	\$386,691	\$319,747	\$378,920
Guaranteed investment contracts	-	-	13,758	13,758
Other partnerships	40,000	93,634	40,000	90,462
Private equity partnerships	32,701	55,113	27,832	48,101
Stocks	9,399	10,715	9,818	12,403
Endowment cash and cash equivalents	1,970	1,970	21,409	21,409
Other investments (including corporate and U.S. government bonds)	<u>2,047</u>	<u>2,026</u>	<u>2,495</u>	<u>2,485</u>
	<u>\$439,573</u>	<u>\$550,149</u>	<u>\$435,059</u>	<u>\$567,538</u>

Mutual funds consist of investments in shares of mutual funds with six separate fund managers. Investments held by the various mutual funds, in the approximate proportions of the System's ownership of such mutual funds, are summarized as follows:

	<u>2008</u>	<u>2007</u>
Stocks	34%	36%
U.S. government bonds	14%	16%
International securities	26%	29%
Cash and cash equivalents	9%	7%
Corporate bonds	17%	12%

As of June 30, 2008, the System had entered into various investment agreements with private equity partnerships. Under the terms of certain of these investment agreements, the System is obligated to make additional investments in these private equity partnerships of \$7,146.

In 2008, there has been significant volatility in the domestic and international investment markets, primarily as a result of liquidity issues in credit markets. Consequently, the fair value of the System's investments is exposed to non-typical price volatility which has resulted in a substantial reduction in the fair value of certain investments from the amounts reported as of June 30, 2008. An estimate of the fair value loss cannot be made at this time. The System has already undertaken a number of steps to monitor the fair value of its investments. The System regularly monitors its risk profile, working in concert with Cambridge Associates to rebalance the operating and endowment pools, within the strategic ranges recommended by Cambridge and approved by the Board, as market conditions warrant. At the September 26, 2008 meeting of the Investment Committee a rebalancing of the endowment pool to cash and selected equities was approved. In addition, at a specially called meeting of the Investment Committee, held on October 10, 2008 the Board of Regents Investment Committee suspended regularly scheduled disbursements to the campuses from the NSHE operating pool income until conditions warrant a resumption of such payments.

For purposes of applying GASB Statement No. 40, certain of the System's operating and endowment investments are subject to risks as follows:

#### *Credit risk and interest rate risk*

Certain securities with fixed income are subject to credit risk which is the risk that an issuer of an investment will not fulfill its obligations. Other securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. Credit quality is an assessment of the issuer's ability to pay interest on the investment, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent rating agencies, for example Moody's Investors Service or Standard and Poor's. The System'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

## NEVADA SYSTEM OF HIGHER EDUCATION

### NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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#### NOTE 4 – System Investments (continued):

with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, the System 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 the System's operating and endowment investments at June 30, 2008 is as follows:

U.S. Government - Guaranteed	\$ 808
Corporate Bonds:	
AAA	\$ 51
AA	\$ 733
A	\$ 344
Not Rated	\$ 78
Commingled Funds:	
U.S. Bond Funds – Not Rated	\$55,324
Non U.S. Bond Funds – Not Rated	\$63,825
Money Market Funds – Not Rated	\$ 1,970

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a shorter duration to maturity tend to be more sensitive to changes in interest rates, and, therefore, more volatile than those with longer investment lives. The System's 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, the System is not the trustee of these investments and, therefore, it currently has no policies with regard to interest rate risk for these investments.

Investments included in the above table have been identified as having interest rate risk and are principally invested in mutual funds. The segmented time distribution for these investments at June 30, 2008 is as follows:

Less than 1 year	\$14,162
1 to 5 years	\$45,168
6 to 10 years	\$44,508
More than 10 years	\$19,327

#### *Custodial credit risk*

Custodial credit risk is the risk that in the event of a failure of the custodian, the System may not be able to recover the value of the investments held by the custodian as these investments are uninsured. Currently, the System does not have a formal policy for custodial credit risk. At June 30, 2008 the System's operating and endowment investments that were held by custodial banks, Wells Fargo, Bank of America, and the State of Nevada and are represented by the following types of investments:

Mutual Funds	\$ 2,198
Stocks	\$ 10,715
International	\$ 11
US Government Bonds	\$ 808
Corporate Bonds	\$ 1,206
Cash held by State Treasurer	\$149,922

#### *Concentration of credit risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investments within any one issuer. The System's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the System's total operating and endowment investments. At June 30, 2008 there were no investments within any one issuer in an amount that would constitute a concentration of credit risk to the System.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 4 – System Investments (continued):

#### *Foreign currency risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. At June 30, 2008 the System had \$85,950 of investments in international mutual funds subject to foreign currency risk in both the operating and endowment investment pools. The U.S. dollar balances of international mutual funds organized by the respective foreign currencies are as follows:

Euro	\$26,564
British Pound	\$15,653
Japanese Yen	\$13,978
Swiss Franc	\$ 4,585
South Korean Won	\$ 2,654
Canadian Dollar	\$ 4,348
Taiwan New Dollar	\$ 2,419
Brazilian Reai	\$ 1,792
Chinese Renminbi	\$ 1,831
Denmark Dollar	\$ 1,107
Australian Dollar	\$ 1,159
Other	\$23,463

### NOTE 5 – System Endowment Pool:

Approximately \$198,725 and \$203,028 of endowment fund investments at June 30, 2008 and 2007, respectively, are pooled on a unit market value basis. As of June 30, 2008, the endowment pool is comprised of investments in mutual funds (68%), stocks (4%), private equity partnerships (27%), and cash and cash equivalents (1%). As of June 30, 2007, the endowment pool is comprised of investments in mutual funds (65%), stocks (4%), private equity partnerships (22%) and other investments (9%). Each individual endowment fund acquires or disposes of units on the basis of the market value per unit on the preceding quarterly valuation date. The unit market value at June 30, 2008 and 2007 was \$515.56 and \$530.31, respectively.

The System utilizes a spending rule for its pooled endowments, which determines the endowment income to be distributed currently for spending. For the years ended June 30, 2008 and 2007, the endowment spending policy, as approved by the Board of Regents, authorized a distribution of 4.5% of the average unit market value for the previous twenty (20) calendar quarters. Under the provisions of this spending rule, during 2008, \$18.28 was distributed to each time-weighted unit for a total spending rule distribution of \$11,948 and, during 2007, \$17.32 was distributed to each time-weighted unit for a total spending rule distribution of \$7,569. The 2008 and 2007 distributions were made from investment income of \$3,599 and \$7,569, respectively, and \$8,349 and \$0, respectively from cumulative gains of pooled investments.

The System's policy is to retain the endowment's realized and unrealized appreciation with the endowment after the annual income distribution has been made. Such realized and unrealized appreciation retained in endowment investments was \$132,768 and \$124,488 at June 30, 2008 and 2007, respectively, and is available to meet future spending needs subject to the approval of the Board of Regents.

Nevada State law provides that a portion of total estate tax revenues collected by the State are appropriated to the System. During the years ended June 30, 2008 and 2007 the System received \$0 and \$379, respectively, from such appropriations.

### NOTE 6 – System Accounts Receivable:

System accounts receivable consist primarily of amounts due from students for tuition and fees and from local and private sources for grant and contract agreements. System accounts receivable are presented on the accompanying Statements of Net Assets net of allowances for uncollectible amounts of \$5,539 and \$8,948, respectively, as of June 30, 2008 and 2007.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 7 – System Loans Receivable:

Loans receivable from students bear interest primarily between 3% and 15% per annum and are generally repayable in installments to the various campuses over a five to ten year period commencing nine months from the date of separation from the institution. Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans receivable at June 30, 2008 and 2007. A provision for possible uncollectible amounts is recorded on the basis of the various institutions' estimated future losses for such items. The loans receivable and corresponding allowance for uncollectible loan balances as of June 30, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Loans receivable	\$11,778	\$11,923
Less: Allowance for doubtful loans	<u>(540)</u>	<u>(491)</u>
Net loans receivable	11,238	11,432
Less current portion	<u>(2,305)</u>	<u>(2,515)</u>
Noncurrent loans receivable	<u>\$ 8,933</u>	<u>\$ 8,917</u>

### NOTE 8 – System Capital Assets:

System capital asset activity for the year ended June 30, 2008 and 2007 is as follows:

	<u>Beginning Balance</u>	<u>2008 Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 345,647	\$234,298	\$(196,342)	\$ 383,603
Land	64,601	806	-	65,407
Collections	<u>8,796</u>	<u>982</u>	<u>-</u>	<u>9,778</u>
Total capital assets not being depreciated	<u>419,044</u>	<u>236,086</u>	<u>(196,342)</u>	<u>458,788</u>
Capital assets being depreciated:				
Buildings	1,432,501	214,746	(8,618)	1,638,629
Land improvements	82,171	6,986	(146)	89,011
Machinery and equipment	281,320	27,083	(14,763)	293,640
Library books and media	<u>102,605</u>	<u>6,447</u>	<u>(903)</u>	<u>108,149</u>
Total cost	<u>1,898,597</u>	<u>255,262</u>	<u>(24,430)</u>	<u>2,129,429</u>
Less accumulated depreciation for:				
Buildings	(414,809)	(38,460)	577	(452,692)
Land improvements	(63,325)	(4,054)	80	(67,299)
Machinery and equipment	(170,247)	(26,963)	12,500	(184,710)
Library books and media	<u>(87,611)</u>	<u>(6,530)</u>	<u>901</u>	<u>(93,240)</u>
Total accumulated depreciation	<u>(735,992)</u>	<u>(76,007)</u>	<u>14,058</u>	<u>(797,941)</u>
Total capital assets being depreciated, net	<u>1,162,605</u>	<u>179,255</u>	<u>(10,372)</u>	<u>1,331,488</u>
Capital assets, net	<u>\$1,581,649</u>	<u>\$415,341</u>	<u>\$(206,714)</u>	<u>\$1,790,276</u>



# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 8 – System Capital Assets (continued):

	Beginning Balance	<u>2007</u> Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 136,581	\$261,164	\$(52,098)	\$ 345,647
Land	60,221	4,380	-	64,601
Collections	<u>8,723</u>	<u>115</u>	<u>(42)</u>	<u>8,796</u>
Total capital assets not being depreciated	<u>205,525</u>	<u>265,659</u>	<u>(52,140)</u>	<u>419,044</u>
Capital assets being depreciated:				
Buildings	1,370,791	66,764	(5,054)	1,432,501
Land improvements	80,187	1,984	-	82,171
Machinery and equipment	264,228	29,753	(12,661)	281,320
Library books and media	<u>96,801</u>	<u>6,803</u>	<u>(999)</u>	<u>102,605</u>
Total cost	<u>1,812,007</u>	<u>105,304</u>	<u>(18,714)</u>	<u>1,898,597</u>
Less accumulated depreciation for:				
Buildings	(384,371)	(35,208)	4,770	(414,809)
Land improvements	(59,384)	(3,941)	-	(63,325)
Machinery and equipment	(155,088)	(25,854)	10,695	(170,247)
Library books and media	<u>(81,829)</u>	<u>(6,775)</u>	<u>993</u>	<u>(87,611)</u>
Total accumulated depreciation	<u>(680,672)</u>	<u>(71,778)</u>	<u>16,458</u>	<u>(735,992)</u>
Total capital assets being depreciated, net	<u>1,131,335</u>	<u>33,526</u>	<u>(2,256)</u>	<u>1,162,605</u>
Capital assets, net	<u>\$1,336,860</u>	<u>\$299,185</u>	<u>\$(54,396)</u>	<u>\$1,581,649</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 9 – System Long-Term Debt:

System long-term debt activity for the year ended June 30, 2008 and 2007 is as follows:

	Annual Interest Rate	Fiscal Year Final Payment Due	2008 Beginning Balance	Additions	Reductions	Ending Balance	Current
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	315	-	(315)	-	-
Certificates of Participation, Series 2006B	4.81% to 4.98%	2010	1,925	-	(450)	1,475	470
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	475	-	(110)	365	115
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	5,200	-	(640)	4,560	675
Universities Revenue Bonds, Series 2003A	2.00% to 5.00%	2017	17,825	-	(3,795)	14,030	1,620
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2021	2,040	-	(645)	1,395	680
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	4,900	-	(1,140)	3,760	1,195
Taxable University Revenue Bonds, Series 2002C	4.00% to 5.50%	2022	7,225	-	(220)	7,005	375
SNSC Phase II Lease Revenue Bonds	7.58%	2023	7,690	-	(265)	7,425	285
Certificates of Participation, Series 2006A	4.00% to 5.00%	2025	11,015	-	-	11,015	-
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	1,315	-	(305)	1,010	320
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	2,065	-	(380)	1,685	395
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	27,110	-	-	27,110	715
Universities Revenue Bonds, Series 2002B	4.75% to 5.00%	2032	10,905	-	-	10,905	-
Universities Revenue Bonds, Series 2003B	2.00% to 5.00%	2034	50,030	-	(865)	49,165	1,080
Universities Revenue Bonds, Series 2004A	2.00% to 4.50%	2034	29,860	-	(1,330)	28,530	1,355
Universities Revenue Bonds, Series 2004B	3.00% to 4.75%	2035	10,000	-	-	10,000	215
Universities Revenue Bonds, Series 2005A	3.00% to 5.00%	2035	31,010	-	-	31,010	-
Universities Revenue Bonds, Series 2005B	3.25% to 5.00%	2035	170,360	-	(725)	169,635	1,620
Prepaid Interest in Advance of Refunding Premiums			(2,066)	-	253	(1,813)	(253)
Total Bonds Payable			12,057	-	(471)	11,586	471
Notes Payable			401,256	-	(11,403)	389,853	11,333
Total			82,949	11,200	(17,625)	76,524	5,817
			<u>\$484,205</u>	<u>\$11,200</u>	<u>\$(29,028)</u>	<u>\$466,377</u>	<u>\$17,150</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 9 – System Long-Term Debt (continued):

	Annual Interest Rate	Fiscal Year Final Payment Due	2007 Beginning Balance	Additions	Reductions	Ending Balance	Current
University Superior Lien Refunding Revenue Bonds, Series 1997	4.50% to 6.00%	2007	1,125	-	(1,125)	-	-
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	610	-	(295)	315	315
Certificates of Participation, Series 2006B	4.81% to 4.98%	2010	1,925	-	-	1,925	450
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	580	-	(105)	475	110
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	5,810	-	(610)	5,200	640
Community College Revenue Bonds, Series 1996	3.80% to 5.70%	2017	795	-	(795)	-	-
Universities Revenue Bonds, Series 2003A	2.00% to 5.00%	2017	20,305	-	(2,480)	17,825	3,795
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2021	2,650	-	(610)	2,040	645
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	23,475	-	(18,575)	4,900	1,140
Taxable University Revenue Bonds, Series 2002C	4.00% to 5.50%	2022	7,485	-	(260)	7,225	220
SNSC Phase II Lease Revenue Bonds	7.58%	2023	7,935	-	(245)	7,690	265
Certificates of Participation, Series 2006A	4.00% to 5.00%	2025	11,015	-	-	11,015	-
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	1,605	-	(290)	1,315	305
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	18,160	-	(16,095)	2,065	380
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	27,110	-	-	27,110	-
Universities Revenue Bonds, Series 2002B	4.75% to 5.00%	2032	10,905	-	-	10,905	-
Universities Revenue Bonds, Series 2003B	2.00% to 5.00%	2034	50,890	-	(860)	50,030	865
Universities Revenue Bonds, Series 2004A	2.00% to 4.50%	2034	31,170	-	(1,310)	29,860	1,330
Universities Revenue Bonds, Series 2004B	3.00% to 4.75%	2035	10,000	-	-	10,000	-
Universities Revenue Bonds, Series 2005A	3.00% to 5.00%	2035	31,010	-	-	31,010	-
Universities Revenue Bonds, Series 2005B	3.25% to 5.00%	2035	170,360	-	-	170,360	725
Prepaid Interest in Advance of Refunding Premiums			(603)	(1,716)	253	(2,066)	(253)
Total Bonds Payable			12,527	-	(470)	12,057	470
Notes Payable			446,844	(1,716)	(43,872)	401,256	11,402
Total			40,726	47,556	(5,333)	82,949	4,813
			\$487,570	\$45,840	\$ (49,205)	\$484,205	\$16,215

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 9 – System Long-Term Debt (continued):

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

There are a number of limitations and restrictions contained in the various bond indentures.

The most restrictive covenants of the various bond indentures require the various divisions and campuses of the System to maintain minimum levels of revenues, as defined in the indentures.

Scheduled maturities of long-term debt for the years ending June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>
2009	\$ 17,150	\$ 20,689
2010	17,828	20,009
2011	18,820	19,264
2012	18,045	18,544
2013	18,465	17,783
2014-2018	93,663	76,576
2019-2023	84,725	56,023
2024-2028	77,863	36,891
2029-2033	81,537	18,100
2034-2038	<u>38,281</u>	<u>2,167</u>
Total	<u>\$466,377</u>	<u>\$286,046</u>

### NOTE 10 – System Obligations Under Capital Leases:

The System has entered into various non-cancellable lease agreements of land, buildings and improvements, and machinery and equipment expiring at various dates from fiscal year 2008 to 2019.

System obligations under capital leases were as follows for the year ending June 30, 2008 and 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>2008 Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$12,483</u>	<u>\$1,027</u>	<u>(\$2,910)</u>	<u>\$10,600</u>	<u>\$3,036</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>2007 Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$15,475</u>	<u>\$ 193</u>	<u>(\$3,185)</u>	<u>\$12,483</u>	<u>\$2,666</u>

The following System property included in the accompanying financial statements was leased under capital leases as of June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Buildings and improvements	\$55,836	\$10,421
Construction in progress	489	-
Machinery and equipment	<u>15,170</u>	<u>12,178</u>
Total	71,495	22,599
Less accumulated depreciation	<u>(3,655)</u>	<u>(7,530)</u>
Total	<u>\$67,840</u>	<u>\$15,069</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 10 – System Obligations Under Capital Leases (continued):

Future net minimum rental payments, which are required under the System leases for the year ending June 30, are as follows:

2009	\$ 3,463
2010	2,384
2011	2,111
2012	976
2013	981
2014-2017	<u>1,928</u>
Total minimum lease payments	11,843
Less amount representing interest	<u>(1,243)</u>
Obligations under capital leases	<u>\$10,600</u>

Total interest expense under the System capital leases and included in the accompanying financial statements was \$596 and \$663, respectively, during the years ended June 30, 2008 and 2007.

### NOTE 11 – System Other Noncurrent Liability Activity:

The activity with respect to System other noncurrent liabilities for the years ended June 30, 2008 and 2007 was as follows:

	2008				
	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loans program	\$ 7,654	\$ 518	\$ (730)	\$ 7,442	\$ -
Compensated absences	41,572	32,015	(28,247)	45,340	30,948
Retentions payable	1,923	375	(2,005)	293	293
Deferred revenue	<u>36,694</u>	<u>36,765</u>	<u>(35,532)</u>	<u>37,927</u>	<u>37,384</u>
Total	<u>\$87,843</u>	<u>\$69,673</u>	<u>\$(66,514)</u>	<u>\$91,002</u>	<u>\$68,625</u>

  

	2007				
	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loans program	\$ 7,692	\$ 727	\$ (765)	\$ 7,654	\$ -
Compensated absences	39,247	29,254	(26,929)	41,572	28,906
Retentions payable	515	2,763	(1,355)	1,923	-
Deferred revenue	<u>33,648</u>	<u>35,750</u>	<u>(32,704)</u>	<u>36,694</u>	<u>35,936</u>
Total	<u>\$81,102</u>	<u>\$68,494</u>	<u>\$(61,753)</u>	<u>\$87,843</u>	<u>\$64,842</u>

### NOTE 12 – Extinguishment of Debt:

At June 30, 2008, debt in the amount of \$56,230 is considered to be extinguished through refunding of prior issues by a portion of the current issues. Sufficient proceeds were invested in state and local government securities and placed in escrow to assure the timely payment of the maturities of prior issues. Neither the debt nor the escrowed assets are reflected on the financial statements.

### NOTE 13 – Irrevocable Letter of Credit:

In connection with its workers compensation liability coverage, the System is required to maintain a \$679 standby letter of credit. An additional letter of credit was established in April 2004 in connection with the System's self-insured workers' compensation liability coverage in the amount of \$2,290; however, effective April 10, 2008, this has been reduced to \$1,373. A letter of credit was established in July 2003 in connection with the DRI Lease Revenue Bond in the amount of \$2,100. No advances were made under the letters of credit during the years ended June 30, 2008 and 2007.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 14 – System Pension Plans:

Substantially all permanent employees of the System are covered by retirement plans. Classified employees are covered by the State of Nevada Public Employees Retirement System ("PERS"), a cost-sharing multiple-employer public employee retirement system. Professional employees are covered under PERS or up to three Alternative Retirement Plans.

All permanent System classified employees are mandated by State law to participate in PERS. PERS is a defined benefit plan. Employees who retire with 5 or more years of service at age 65, 10 or more years of service at age 60 or with 30 years or more of service at any age are entitled to a retirement benefit, payable monthly for life, equal to 2.67% percent of the employee's average compensation for each year of service up to 30 years, with a maximum of 75 percent. An employee's average compensation is the average of the employee's highest compensation for 36 consecutive months. A diminished benefit is provided to all eligible employees upon early retirement, if such employees have achieved the years of service required for regular retirement. PERS also provides death and disability benefits. Benefits are established by State statute.

The authority for establishing and amending the obligation to make contributions is provided by statute. Contribution rates are also established by statute. Active employees contribute to PERS at a rate of either 10.5% or 0% of annual covered wages depending on the contribution option selected. The System is required to contribute to PERS at a rate of either 10.5% or 19.75% of annual covered wages, depending on the option selected by the employee. The System is not liable for any unfunded liabilities of PERS.

PERS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS at 693 W. Nye Lane, Carson City, NV 89703-1599

In addition to PERS, certain exempt employees have the option of participating in various retirement plans provided through the Teachers Insurance and Annuity Association and the College Retirement Equities Fund, the American Century Family of Funds, VALIC, and Fidelity Investments. Under these defined contribution plans, the System and participants make annual contributions to purchase individual, fixed or variable annuities equivalent to retirement benefits earned or to participate in a variety of mutual funds.

The System's contribution to all retirement plans for the years ended June 30, 2008, 2007 and 2006 was approximately (in thousands) \$73,589, \$68,358 and \$60,369, respectively, equal to the required contribution for each year.

### NOTE 15 – System Postemployment Benefits Other than Pensions:

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The provisions of GASB Statement No. 45 for governments that were phase 1 governments, such as the Nevada System of Higher Education, for the purpose of implementation of Statement 34—those with annual revenues of \$100 million or more—are effective for fiscal years beginning after December 15, 2006.

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

The Public Employees' Benefits Program administers these benefits as a multiple employer cost sharing plan. The State Retirees' Health and Welfare Benefits Trust Fund has been created to provide benefits to retirees and their beneficiaries. The State has contributed \$19.7 million to the irrevocable trust as a multiple employer cost sharing plan. The unfunded liability for the trust is estimated at \$4.0 billion, which is recorded as a liability of the trust and not of the State or the System.

Complete financial statements for the State Retirees' Health and Welfare Benefits Fund can be obtained from the Accounting Department at the Public Employees Benefit Program, 901 S. Stewart St., Carson City, NV 89701.

### NOTE 16 – System Commitments and Contingent Liabilities:

The System is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, System 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 the System.

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 16 – System Commitments and Contingent Liabilities (continued):

The System has an actuarial study of its workers' compensation losses completed annually. The study addresses the reserves necessary to pay open claims from prior years and projects the rates needed for the coming year. Based on this year's study, the System's reserves exceed the actuary's most pessimistic projections. The System uses a third party administrator to adjust its workers' compensation claims.

The System is self insured for its unemployment liability. The System is billed by the State each quarter based the actual unemployment benefits paid by the State. Each year the System 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, 2008.

The estimated cost to complete property authorized or under construction at June 30, 2008 is \$317,298. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

### NOTE 17 – Risk Management:

The System is an entity created by the Constitution of the State of Nevada. The System transfers its tort liabilities (other than Medical Malpractice) to the Tort Claims Fund of the State of Nevada (State). The State retains the first \$2,000 of loss and purchases excess liability in the amount of \$10,000 excess of a \$2,000 self insured retention (SIR).

The System purchases the following commercial insurance:

- Coverage for Direct Physical loss or damage to the System's property with limits of \$500,000 per occurrence and a \$500 SIR.
- Workers Compensation (foreign and domestic) with statutory limits excess of a \$750 SIR.
- Employee dishonesty with limits of \$1,250 and a deductible of \$50.
- Medical malpractice with limits of \$1,000 per occurrence and \$3,000 aggregate.
- Allied health malpractice with limits of \$1,000 per occurrence and \$3,000 aggregate.

The System purchases other commercial insurance for incidental exposures where prudent. The amount of claim settlements did not exceed the insurance coverage for any of the past three years.

The System is charged an assessment to cover its portion of the State's cost of the Tort Claims fund and excess liability insurance.

### NOTE 18 – Functional Classification of System Expenses:

The following is the functional classifications of expenses as reported on the Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Instruction	\$ 497,967	\$ 459,757
Research	122,972	133,667
Public service	58,871	58,490
Academic support	125,145	115,820
Institutional support	145,919	137,140
Student services	117,560	107,366
Operation and maintenance of plant	118,435	104,897
Scholarships and fellowships	41,176	43,296
Auxiliary enterprises	72,618	71,298
Depreciation	<u>75,507</u>	<u>71,591</u>
Total	<u>\$1,376,170</u>	<u>\$1,303,322</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 19 - System Related Organizations:

As described in Note 1, the System Related Organizations columns in the financial statements includes the financial data of the System's discretely presented campus foundations and medical school practice plans. Condensed combining financial data of the System related organizations is as follows:

### NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS NET ASSETS AS OF JUNE 30, 2008 (in \$1,000)

	UNR Foundation	Practice Plans	DRI Foundation	DRI Research Park	TMCC Foundation
<b><u>ASSETS</u></b>					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 20,870	\$ 6,027	\$ 696	\$ 10	\$ 1,015
Short-term investments	22,395	2,669	-	-	-
Other current assets	3,407	10,849	8	-	79
<b>Total Current Assets</b>	<u>46,672</u>	<u>19,545</u>	<u>704</u>	<u>10</u>	<u>1,094</u>
<i>Noncurrent Assets</i>					
Capital assets, net	21	3,788	16	12	-
Endowment investments	92,419	-	-	-	319
Other noncurrent assets	9,445	-	-	-	-
<b>Total Noncurrent Assets</b>	<u>101,885</u>	<u>3,788</u>	<u>16</u>	<u>12</u>	<u>319</u>
<b>TOTAL ASSETS</b>	<u>148,557</u>	<u>23,333</u>	<u>720</u>	<u>22</u>	<u>1,413</u>
<b><u>LIABILITIES</u></b>					
<i>Current Liabilities</i>					
Due to affiliates	3,015	537	11	-	-
Current portion of long-term debt	-	-	-	-	-
Other current liabilities	25	4,430	646	3	463
<b>Total Current Liabilities</b>	<u>3,040</u>	<u>4,967</u>	<u>657</u>	<u>3</u>	<u>463</u>
<i>Noncurrent Liabilities</i>					
Long-term debt	-	717	-	-	-
Other noncurrent liabilities	2,669	-	-	135	-
<b>Total Noncurrent Liabilities</b>	<u>2,669</u>	<u>717</u>	<u>-</u>	<u>135</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>5,709</u>	<u>5,684</u>	<u>657</u>	<u>138</u>	<u>463</u>
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	21	2,740	16	12	-
Restricted:					
Nonexpendable	99,623	-	-	-	324
Expendable:	35,606	-	52	-	-
Unrestricted	7,598	14,909	(5)	(128)	626
<b>TOTAL NET ASSETS</b>	<u>\$142,848</u>	<u>\$ 17,649</u>	<u>\$ 63</u>	<u>(\$116)</u>	<u>\$ 930</u>



# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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WNC Foundation	GBC Foundation	UNLV Foundation	CSN Foundation	NSC Foundation	Total System Related Organizations
\$1,003	\$ 3,198	\$ 18,030	\$2,629	\$ 575	\$ 54,053
-	903	4,559	-	-	30,526
<u>129</u>	<u>266</u>	<u>4,620</u>	<u>206</u>	<u>132</u>	<u>19,696</u>
<u>1,132</u>	<u>4,367</u>	<u>27,209</u>	<u>2,835</u>	<u>707</u>	<u>104,275</u>
-	4	1,884	10	-	5,735
1,412	2,990	91,764	-	-	188,904
<u>216</u>	<u>50</u>	<u>44,281</u>	<u>61</u>	<u>6,574</u>	<u>60,627</u>
<u>1,628</u>	<u>3,044</u>	<u>137,929</u>	<u>71</u>	<u>6,574</u>	<u>255,266</u>
<u>2,760</u>	<u>7,411</u>	<u>165,138</u>	<u>2,906</u>	<u>7,281</u>	<u>359,541</u>
-	11	-	85	-	3,659
-	-	-	-	-	-
<u>-</u>	<u>20</u>	<u>401</u>	<u>45</u>	<u>-</u>	<u>6,033</u>
<u>-</u>	<u>31</u>	<u>401</u>	<u>130</u>	<u>-</u>	<u>9,692</u>
-	-	-	-	-	717
<u>-</u>	<u>-</u>	<u>6,314</u>	<u>-</u>	<u>-</u>	<u>9,118</u>
<u>-</u>	<u>-</u>	<u>6,314</u>	<u>-</u>	<u>-</u>	<u>9,835</u>
<u>-</u>	<u>31</u>	<u>6,715</u>	<u>130</u>	<u>-</u>	<u>19,527</u>
-	4	75	10	-	2,878
611	2,795	71,592	-	569	175,514
2,070	1,521	65,884	1,099	6,458	112,690
<u>79</u>	<u>3,060</u>	<u>20,872</u>	<u>1,667</u>	<u>254</u>	<u>48,932</u>
<u>\$2,760</u>	<u>\$7,380</u>	<u>\$158,423</u>	<u>\$2,776</u>	<u>\$7,281</u>	<u>\$340,014</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 19 - System Related Organizations (continued):

#### NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS NET ASSETS AS OF JUNE 30, 2007 (in \$1,000)

	UNR Foundation	Practice Plans	DRI Foundation	DRI Research Park	TMCC Foundation
<b><u>ASSETS</u></b>					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 22,944	\$ 8,454	\$ 954	\$ 17	\$ 687
Short-term investments	14,134	3,592	-	-	-
Other current assets	<u>4,502</u>	<u>10,878</u>	<u>9</u>	<u>-</u>	<u>88</u>
<b>Total Current Assets</b>	<b><u>41,580</u></b>	<b><u>22,924</u></b>	<b><u>963</u></b>	<b><u>17</u></b>	<b><u>775</u></b>
<i>Noncurrent Assets</i>					
Capital assets, net	12	3,259	16	22	-
Endowment investments	96,903	-	-	-	407
Other noncurrent assets	<u>9,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	<b><u>106,287</u></b>	<b><u>3,259</u></b>	<b><u>16</u></b>	<b><u>22</u></b>	<b><u>407</u></b>
<b>TOTAL ASSETS</b>	<b><u>147,867</u></b>	<b><u>26,183</u></b>	<b><u>979</u></b>	<b><u>39</u></b>	<b><u>1,182</u></b>
<b><u>LIABILITIES</u></b>					
<i>Current Liabilities</i>					
Due to affiliates	1,799	-	17	-	-
Current portion of long-term debt	-	-	-	-	-
Other current liabilities	<u>1,642</u>	<u>4,632</u>	<u>872</u>	<u>3</u>	<u>263</u>
<b>Total Current Liabilities</b>	<b><u>3,441</u></b>	<b><u>4,632</u></b>	<b><u>889</u></b>	<b><u>3</u></b>	<b><u>263</u></b>
<i>Noncurrent Liabilities</i>					
Long-term debt	-	342	-	-	-
Other noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>139</u>	<u>-</u>
<b>Total Noncurrent Liabilities</b>	<b><u>-</u></b>	<b><u>342</u></b>	<b><u>-</u></b>	<b><u>139</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>3,441</u></b>	<b><u>4,974</u></b>	<b><u>889</u></b>	<b><u>142</u></b>	<b><u>263</u></b>
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	12	2,655	16	22	-
Restricted:					
Nonexpendable	102,614	-	-	-	410
Expendable:	34,086	-	(460)	-	-
Unrestricted	<u>7,714</u>	<u>18,554</u>	<u>534</u>	<u>(125)</u>	<u>509</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$144,426</u></b>	<b><u>\$ 21,209</u></b>	<b><u>\$ 90</u></b>	<b><u>(\$103)</u></b>	<b><u>\$ 919</u></b>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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WNC Foundation	GBC Foundation	UNLV Foundation	CSN Foundation	NSC Foundation	Total System Related Organizations
\$ 412	\$ 3,915	\$ 11,903	\$2,365	\$ 494	\$ 52,145
-	-	5,121	-	108	22,955
<u>1,518</u>	<u>283</u>	<u>3,773</u>	<u>410</u>	<u>99</u>	<u>21,560</u>
<u>1,930</u>	<u>4,198</u>	<u>20,797</u>	<u>2,775</u>	<u>701</u>	<u>96,660</u>
-	7	1,914	16	-	5,246
2,127	3,307	94,611	-	577	197,932
<u>247</u>	<u>214</u>	<u>23,845</u>	<u>741</u>	<u>6,230</u>	<u>40,649</u>
<u>2,374</u>	<u>3,528</u>	<u>120,370</u>	<u>757</u>	<u>6,807</u>	<u>243,827</u>
<u>4,304</u>	<u>7,726</u>	<u>141,167</u>	<u>3,532</u>	<u>7,508</u>	<u>340,487</u>
-	-	-	-	-	1,816
-	-	170	-	-	170
<u>-</u>	<u>36</u>	<u>157</u>	<u>-</u>	<u>-</u>	<u>7,605</u>
<u>-</u>	<u>36</u>	<u>327</u>	<u>-</u>	<u>-</u>	<u>9,591</u>
-	-	950	-	-	1,292
<u>-</u>	<u>-</u>	<u>495</u>	<u>-</u>	<u>-</u>	<u>634</u>
<u>-</u>	<u>-</u>	<u>1,445</u>	<u>-</u>	<u>-</u>	<u>1,926</u>
<u>-</u>	<u>36</u>	<u>1,772</u>	<u>-</u>	<u>-</u>	<u>11,517</u>
-	7	86	16	-	2,814
646	2,755	64,475	-	577	171,477
2,388	1,828	67,551	1,404	6,683	113,480
<u>1,270</u>	<u>3,100</u>	<u>7,283</u>	<u>2,112</u>	<u>248</u>	<u>41,199</u>
<u>\$ 4,304</u>	<u>\$7,690</u>	<u>\$139,395</u>	<u>\$3,532</u>	<u>\$7,508</u>	<u>\$328,970</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 19– System Related Organizations (continued):

#### NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000) FOR THE YEAR ENDED JUNE 30, 2008

	<u>UNR Foundation</u>	<u>Practice Plans</u>	<u>DRI Foundation</u>	<u>DRI ResearchPark</u>	<u>TMCC Foundation</u>
<i>Operating Revenues</i>					
Patient revenue	\$ -	\$63,408	\$ -	\$ -	\$ -
Contract revenue	-	2,613	-	-	-
Contributions	31,966	-	670	-	562
Campus support	2,037	-	233	59	143
Other operating revenue	<u>1,058</u>	<u>7,167</u>	<u>156</u>	<u>3</u>	<u>26</u>
Total operating revenues	<u>35,061</u>	<u>73,188</u>	<u>1,059</u>	<u>62</u>	<u>731</u>
<i>Operating Expenses</i>					
Program expenses	374	54,069	-	-	369
Depreciation	10	866	-	10	-
Other operating expenses	<u>3,233</u>	<u>20,787</u>	<u>534</u>	<u>65</u>	<u>258</u>
Total operating expenses	<u>3,617</u>	<u>75,722</u>	<u>534</u>	<u>75</u>	<u>627</u>
Operating income	<u>31,444</u>	<u>(2,534)</u>	<u>525</u>	<u>(13)</u>	<u>104</u>
<i>Nonoperating Revenues (Expenses)</i>					
Payments to System campuses and divisions	(35,463)	(817)	(509)	-	-
Other nonoperating revenues (expenses)	<u>358</u>	<u>(209)</u>	<u>(43)</u>	<u>-</u>	<u>-</u>
Total nonoperating expenses	<u>(35,105)</u>	<u>(1,026)</u>	<u>(552)</u>	<u>-</u>	<u>-</u>
Income (loss) before other revenue, expenses gains or losses	<u>(3,661)</u>	<u>(3,560)</u>	<u>(27)</u>	<u>(13)</u>	<u>104</u>
Additions to permanent endowments	2,083	-	-	-	1
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74)</u>
Total other revenues	<u>2,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73)</u>
Increase (decrease) in net assets	(1,578)	(3,560)	(27)	(13)	31
Net assets - beginning of year	<u>144,426</u>	<u>21,209</u>	<u>90</u>	<u>(103)</u>	<u>919</u>
Net assets - end of year	<u>\$142,848</u>	<u>\$17,649</u>	<u>\$ 63</u>	<u>(\$116)</u>	<u>\$950</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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<u>WNC Foundation</u>	<u>GBC Foundation</u>	<u>UNLV Foundation</u>	<u>CSN Foundation</u>	<u>NSC Foundation</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,408
-	-	-	-	-	2,613
739	191	23,425	1,011	175	58,739
-	67	-	-	-	2,539
<u>117</u>	<u>148</u>	<u>1,500</u>	<u>401</u>	<u>37</u>	<u>10,613</u>
<u>856</u>	<u>406</u>	<u>24,925</u>	<u>1,412</u>	<u>212</u>	<u>137,912</u>
-	113	63	-	190	55,178
-	3	53	6	-	948
<u>510</u>	<u>266</u>	<u>2,975</u>	<u>624</u>	<u>-</u>	<u>29,252</u>
<u>510</u>	<u>382</u>	<u>3,091</u>	<u>630</u>	<u>190</u>	<u>85,378</u>
<u>346</u>	<u>24</u>	<u>21,834</u>	<u>782</u>	<u>22</u>	<u>52,534</u>
(1,763)	(535)	(13,158)	(1,114)	(251)	(53,610)
<u>(127)</u>	<u>168</u>	<u>(2,893)</u>	<u>(424)</u>	<u>-</u>	<u>(3,170)</u>
<u>(1,890)</u>	<u>(367)</u>	<u>(16,051)</u>	<u>(1,538)</u>	<u>(251)</u>	<u>(56,780)</u>
<u>(1,544)</u>	<u>(343)</u>	<u>5,783</u>	<u>(756)</u>	<u>(229)</u>	<u>(4,246)</u>
-	-	13,245	-	2	15,331
<u>-</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41)</u>
<u>-</u>	<u>33</u>	<u>13,245</u>	<u>-</u>	<u>2</u>	<u>15,290</u>
(1,544)	(310)	19,028	(756)	(227)	11,044
<u>4,304</u>	<u>7,690</u>	<u>139,395</u>	<u>3,532</u>	<u>7,508</u>	<u>328,970</u>
<u>\$ 2,760</u>	<u>\$7,380</u>	<u>\$158,423</u>	<u>\$2,776</u>	<u>\$7,281</u>	<u>\$340,014</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 19 - System Related Organizations (continued):

#### NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000) FOR THE YEAR ENDED JUNE 30, 2007

	UNR Foundation	Practice Plans	DRI Foundation	DRI ResearchPark	TMCC Foundation
<i>Operating Revenues</i>					
Patient revenue	\$ -	\$ 48,761	\$ -	\$ -	\$ -
Contract revenue	-	8,050	-	-	-
Contributions	11,070	-	871	-	721
Campus support	1,828	-	197	69	127
Other operating revenue	<u>1,333</u>	<u>5,669</u>	<u>186</u>	<u>3</u>	<u>254</u>
Total operating revenues	<u>14,231</u>	<u>62,480</u>	<u>1,254</u>	<u>72</u>	<u>1,102</u>
<i>Operating Expenses</i>					
Program expenses	349	40,737	-	-	-
Depreciation	27	868	-	10	-
Other operating expenses	<u>2,495</u>	<u>20,506</u>	<u>565</u>	<u>70</u>	<u>244</u>
Total operating expenses	<u>2,871</u>	<u>62,111</u>	<u>565</u>	<u>80</u>	<u>244</u>
Operating income	<u>11,360</u>	<u>369</u>	<u>689</u>	<u>(8)</u>	<u>858</u>
<i>Nonoperating Revenues (Expenses)</i>					
Payments to System campuses and divisions	(10,779)	(1,241)	(1,090)	-	(478)
Other nonoperating revenues (expenses)	<u>16,674</u>	<u>447</u>	<u>(17)</u>	<u>(95)</u>	<u>149</u>
Total nonoperating expenses	<u>5,895</u>	<u>(794)</u>	<u>(1,107)</u>	<u>(95)</u>	<u>(329)</u>
Income (loss) before other revenue, expenses gains or losses	<u>17,255</u>	<u>(425)</u>	<u>(418)</u>	<u>(103)</u>	<u>529</u>
Additions to permanent endowments	-	-	-	-	49
Other revenues	<u>10,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other revenues	<u>10,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>
Increase (decrease) in net assets	28,085	(425)	(418)	(103)	578
Net assets - beginning of year	<u>116,341</u>	<u>21,634</u>	<u>508</u>	<u>-</u>	<u>341</u>
Net assets - end of year	<u>\$144,426</u>	<u>\$21,209</u>	<u>\$ 90</u>	<u>(\$103)</u>	<u>\$919</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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<u>WNC Foundation</u>	<u>GBC Foundation</u>	<u>UNLV Foundation</u>	<u>CSN Foundation</u>	<u>NSC Foundation</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,761
-	-	-	-	-	8,050
1,464	3,290	33,580	1,497	935	53,428
-	63	-	-	-	2,284
-	127	104	515	-	8,191
<u>1,464</u>	<u>3,480</u>	<u>33,684</u>	<u>2,012</u>	<u>935</u>	<u>120,714</u>
-	92	94	-	-	41,272
-	2	75	3	-	985
<u>408</u>	<u>266</u>	<u>3,031</u>	<u>550</u>	<u>1,223</u>	<u>29,358</u>
<u>408</u>	<u>360</u>	<u>3,200</u>	<u>553</u>	<u>1,223</u>	<u>71,615</u>
<u>1,056</u>	<u>3,120</u>	<u>30,484</u>	<u>1,459</u>	<u>(288)</u>	<u>49,099</u>
(755)	(573)	(40,079)	(951)	(107)	(56,053)
<u>238</u>	<u>546</u>	<u>12,705</u>	<u>125</u>	<u>72</u>	<u>30,844</u>
<u>(517)</u>	<u>(27)</u>	<u>(27,374)</u>	<u>(826)</u>	<u>(35)</u>	<u>(25,209)</u>
<u>539</u>	<u>3,093</u>	<u>3,110</u>	<u>633</u>	<u>(323)</u>	<u>23,890</u>
-	60	3,233	-	2	3,344
-	-	-	-	-	10,830
-	60	3,233	-	2	14,174
539	3,153	6,343	633	(321)	38,064
<u>3,765</u>	<u>4,537</u>	<u>133,052</u>	<u>2,899</u>	<u>7,829</u>	<u>290,906</u>
<u>\$ 4,304</u>	<u>\$7,690</u>	<u>\$139,395</u>	<u>\$3,532</u>	<u>\$7,508</u>	<u>\$328,970</u>

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 19– System Related Organizations (continued):

#### UNR Foundation:

The UNR Foundation cash deposits are primarily on deposit with two financial institutions and several investment companies and are carried at fair value at \$20,870 and \$22,944, respectively, at June 30, 2008 and 2007, of which \$643 and \$922, respectively, is insured by the FDIC. The remaining balance is uncollateralized and is a category 3 level of risk, based on risk categories established by GASB.

Investments consist primarily of open-ended mutual funds through a single custodian. Debt and equity securities other than open-ended mutual funds are uncollateralized and are a category 3 level of risk, based on risk categories established by GASB.

Cash and cash equivalents at June 30, 2008 and 2007, consists of:

	2008	2007
Cash	\$ 1,449	\$ 197
Money Funds	-	608
Common Fund Short-term Investments	18,362	21,854
Certificates of Deposit	130	285
Treasury Bills and Notes	929	-
	<u>\$20,870</u>	<u>\$22,944</u>

The fair value of investments at June 30, 2008 and 2007, are as follows:

	2008	2007
Equity Investments	\$ 503	\$ 698
Commonfund Bond	24,947	25,395
Commonfund Equity	62,624	70,997
Commonfund Capital Partners	2,036	1,249
Commonfund Realty Investors	5,303	2,393
Commonfund Global Distress	1,491	822
Commonfund international commodities	6,921	2,976
Commonfund intermediate	3,623	-
Certificates of Deposit	2,450	944
U.S. Government Securities	4,916	6,121
	<u>\$114,814</u>	<u>\$111,595</u>

At June 30, 2008, the Foundation investments had the following maturities:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 – 5	6 – 10
Equity investments	\$ 503	\$ 503	\$ -	\$ -
Open ended mutual funds	106,945	106,945	-	-
Certificates of deposit	2,450	1,979	377	94
U.S. Government securities	4,916	4,916	-	-
	<u>\$114,814</u>	<u>\$114,343</u>	<u>\$377</u>	<u>\$94</u>

The Foundation's investment policy allows for investments of money market funds, certificates of deposit, commercial paper (rated P-1 and/or A-1 or better up to 10% maximum of the total cash balance), United States treasury bills or notes, mortgage backed securities, or internal loans to the University of Nevada, Reno (secured by a promissory note, with appropriate interest). Investments outside of the Commonfund are staggered in 30, 60 and 90 day investments. All investments in excess of the 90 day limit are approved individually. Justification for the time period of the investment would be that our liquid cash needs didn't exceed \$10 million and the rate of return justifies the investment.

The cumulative net appreciation of investments at June 30, 2008 and 2007 was \$10,129 and \$27,729, respectively.



# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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### NOTE 19 - System Related Organizations (continued):

#### *Investment Risk Factors*

There are many factors that can affect the value of investments. Some, such as custodial credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates.

#### *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Foundation restricts investment of cash and cash equivalents and investments to financial institutions with high credit standing and The Commonfund, a nonprofit membership corporation operated by and for its member colleges, universities and independent schools. The Foundation currently purchases certificates of deposit of less than one hundred thousand dollars per bank or institution. Commercial paper is limited to a maximum of 10% of the total cash available. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents and investments.

#### *Credit Risk*

Fixed income securities are subject to credit risk, which is the chance an issuer or other counterparty to an investment will not fulfill its obligations. It is the policy of the Foundation to manage its credit risk by limiting its fixed income securities to obligations of the U.S. Government, which are not considered to have credit risk, and to pooled fixed income funds with the Commonfund. The Commonfund is unrated by recognized statistical rating organizations.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation's current policy limits U.S. Treasury instruments and certificates of deposit to no more than 90 days out unless the rate justifies the return and the current cash needs permit.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Foreign investments are managed by the Commonfund who has policies in place to address foreign currency risk.

#### *Custodial Credit Risk – Investments*

For an investment, this is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments consist primarily of open-end mutual funds through a single custodian. Debt and equity securities other than open-end mutual funds are uncollateralized.

#### *Practice Plans:*

Net patient service revenue is reported when services are provided to patients at the estimated net realizable amounts from patients, third-party payors including Medicare and Medicaid, and others for services rendered, including estimated retroactive audit adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Contractual allowances are recorded as deductions from professional fee revenue to arrive at net professional revenues. Contractual allowances include differences between established billing rates and amounts reimbursable under various contractual agreements. Normal differences between final reimbursements and estimated amounts accrued in previous years are recorded as adjustments of the current year's contractual allowances.

Substantially all of the operating expenses are directly or indirectly related to patient care.

#### *UNLV Foundation:*

The UNLV Foundation discloses its deposits with financial institutions, investments, and reverse repurchase agreements in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3.

#### *Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the UNLV Foundation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The UNLV Foundation does not have a deposit policy for custodial credit risk. Of the cash balances held by custodians at June 30, 2008 and 2007, \$200 and \$204, respectively was covered by the FDIC and \$1,447 and \$2,991, respectively, was uninsured. Of the cash equivalent balance, \$200 was covered by Securities Investor Protection Corporation ("SIPC") and \$5,271 and \$2,053, respectively, was covered by the Customer Asset

# NEVADA SYSTEM OF HIGHER EDUCATION

## NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

### NOTE 19 - System Related Organizations (continued):

Protection Company ("CAPCO"), excess protection provided by two brokerages. In addition, \$616 and \$736, respectively, was held in a bank and was uninsured, however, the cash and cash equivalents are invested in a money market account that is backed by the full faith and credit of the U.S. Government.

Investments in the custody of two brokerages are covered by CAPCO. Investments in the custody of the bank are in the nominee name of the bank and held by the Depository Trust Company.

Investments include the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Mutual funds	\$ 2,355	\$ 2,309
Equities	49,328	45,968
U.S. government obligations	13,123	11,761
Corporate obligations	21,482	12,420
Mortgage-backed securities	15,896	19,934
Alternative investments	<u>705</u>	<u>-</u>
Total marketable securities at cost	102,889	92,392
Net unrealized gain (loss) on noncurrent investments	<u>2,039</u>	<u>11,368</u>
Total fair value of noncurrent investments	<u>\$104,928</u>	<u>\$103,760</u>

Included in U.S. Government obligations are cash and cash equivalents of \$10.1 million and \$5.4 million as of June 30, 2008 and 2007, respectively.

#### Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. The UNLV Foundation reduces its exposure to credit risk with policy guidelines that instruct money managers to purchase securities rated investment grade or better. However, up to 25% (+/-5%) of the fixed-income portfolios may be allocated to below-investment-grade securities.

Corporate Bonds	Total	AAA	AA	A	BBB	Below Investment Grade
Restricted fund –						
Schater Cullen	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 20
Payden & Rygel	8,062	457	1,248	2,860	3,450	47
Endowment fund:						
Wachovia	1,635	-	921	614	100	-
Loomis Sayles	10,650	1,670	749	1,723	3,817	2,691
Tradewinds-NWQ	394	-	-	-	-	394

Note: U.S. Government obligations, mortgage-backed securities, and mutual funds are not included.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The UNLV Foundation's policy guidelines on maturity parameters state that the fixed-income portfolio's average weighted duration is to remain within 20% of the benchmark duration.

For the endowment fund, the Lehman Aggregate Index average maturity as of June 30, 2008, was 7.17 years. The fixed-income portfolio's average maturity was 9.60 years. Interest rates range from 2.625% to 8.875%.

Maturity Under 1 Year	Maturity 1-5 Years	Maturity 5-10 Years	Maturity Over 10 Years	Total
\$995	\$5,918	\$8,795	\$4,178	\$19,886

## NEVADA SYSTEM OF HIGHER EDUCATION

### NOTES TO FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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#### NOTE 19 - System Related Organizations (continued):

For the restricted fund, the Lehman Aggregate Bond Index average maturity as of June 30, 2008, was 7.81 years. The fixed-income portfolio's average maturity was 7.93 years. Interest rates range from 3.25% to 9.875%.

Maturity Under 1 Year	Maturity 1-5 Years	Maturity 5-10 Years	Maturity Over 10 Years	Total
\$1,614	\$5,992	\$4,540	\$11,774	\$23,920

#### *Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The UNLV Foundation's policy guidelines instruct managers to purchase sovereign debt rated "A" or better and may not invest in excess of 20% of the total fixed-income portfolio, of which no more than 5% of the total fixed-income portfolio may be invested in the debt of any one foreign country.

At June 30, 2008 and 2007, the UNLV Foundation had \$1,417 and \$808, respectively in foreign bonds.

During the year ended June 30, 2008 and 2007, the UNLV Foundation recognized \$(2,838) and \$12,377, respectively, in investment (loss) income. Earnings included \$3,853 and \$3,758, respectively, from interest and dividends, \$3,259 and \$4,546, respectively, from net realized gains on the sale of investments, and \$(9,329) and \$4,678, respectively, from the change in investment fair value. Investment expenses of \$609 and \$589, respectively, and amortization of bond discounts of \$12 and \$16, respectively, were netted against earnings.

#### NOTE 20 - Subsequent Events:

On July 22, 2008, the System delivered \$60,135 of Universities Revenues Bonds (the "2008 Bonds") to finance certain costs associated with the Center for Molecular Medicine on the UNR campus. The 2008 Bonds are secured by a pledge of certain revenues generated at UNLV and UNR and are on parity with existing Universities Revenues Bonds.

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## SUPPLEMENTAL INFORMATION

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**COMBINING SCHEDULES OF NET ASSETS (in \$1,000's)**  
**AS OF JUNE 30, 2008**

<u>ASSETS</u>	<u>UNR</u>	<u>System</u>	<u>DRI</u>	<u>TMCC</u>	<u>WNC</u>
<b>Current Assets</b>					
Cash and cash equivalents	\$ 19,277	\$ 2,383	\$ 3,686	\$ 3,531	\$ 1,303
Restricted cash and cash equivalents	2,299	-	167	-	-
Short-term investments	91,268	41,939	12,718	14,181	5,326
Accounts receivable, net	20,348	209	3,417	692	172
Receivable from U.S. Government	19,744	946	3,443	142	94
Receivable from State of Nevada	6,456	579	582	1,060	355
Current portion of loans receivable, net	1,739	-	-	11	-
Inventories	3,105	157	-	214	-
Deposits and deferred expenditures	3,447	401	-	-	4
Other	-	-	827	57	-
<b>Total Current Assets</b>	<u>167,683</u>	<u>46,614</u>	<u>24,840</u>	<u>19,888</u>	<u>7,254</u>
<b>Noncurrent Assets</b>					
Cash held by State Treasurer	61,652	-	7,744	4,318	3,349
Restricted cash and cash equivalents	-	-	-	-	-
Receivable from State of Nevada	20,313	-	-	-	-
Endowment investments	124,881	7,181	7,661	8,940	234
Deposits and deferred expenditures	2,221	622	-	-	-
Loans receivable, net	5,711	-	-	302	-
Capital assets, net	558,953	9,418	66,899	64,882	36,476
Other assets	-	-	18,300	-	-
Other noncurrent assets	-	353	-	-	-
<b>Total Noncurrent Assets</b>	<u>773,731</u>	<u>17,574</u>	<u>100,604</u>	<u>78,442</u>	<u>40,059</u>
<b>TOTAL ASSETS</b>	<u>941,414</u>	<u>64,188</u>	<u>125,444</u>	<u>98,330</u>	<u>47,313</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	22,278	3,155	734	1,179	225
Accrued payroll and related liabilities	9,710	570	778	1,764	1,016
Unemployment insurance and workers' compensation liability	1,675	66	112	354	127
Current portion of compensated absences	11,336	1,436	3,231	1,585	610
Current portion of long-term debt	6,514	-	611	328	137
Current portion of obligations under capital leases	446	813	60	-	-
Accrued interest payable	4,878	41	99	99	-
Deferred revenue	12,280	1,545	2,085	781	182
Funds held in trust for others	1,684	-	700	101	42
Other	1,493	-	580	446	-
<b>Total Current Liabilities</b>	<u>72,294</u>	<u>7,626</u>	<u>8,990</u>	<u>6,637</u>	<u>2,339</u>
<b>Noncurrent Liabilities</b>					
Refundable advances under federal loan programs	4,716	-	-	249	-
Compensated absences	7,432	306	393	117	183
Deferred revenue	307	-	-	-	-
Long-term debt	199,179	-	10,429	1,783	1,360
Obligations under capital leases	3,419	-	104	-	-
Due to State	-	-	-	6,175	-
<b>Total Noncurrent Liabilities</b>	<u>215,053</u>	<u>306</u>	<u>10,926</u>	<u>8,324</u>	<u>1,543</u>
<b>TOTAL LIABILITIES</b>	<u>287,347</u>	<u>7,932</u>	<u>19,916</u>	<u>14,961</u>	<u>3,882</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	347,481	8,564	55,862	56,210	34,978
Restricted:					
Nonexpendable	38,005	3,979	20,688	4,819	147
Expendable:					
Scholarships, research and instruction	81,804	21,959	6,124	4,655	235
Loans	5,005	-	-	76	(1)
Capital projects	62,513	-	7,970	7,872	4,773
Debt service	4,259	-	-	(72)	137
Unrestricted	<u>115,000</u>	<u>21,754</u>	<u>14,884</u>	<u>9,809</u>	<u>3,162</u>
<b>TOTAL NET ASSETS</b>	<u>\$654,067</u>	<u>\$ 56,256</u>	<u>\$105,528</u>	<u>\$83,369</u>	<u>\$43,431</u>

<u>GBC</u>	<u>UNLV</u>	<u>CSN</u>	<u>NSC</u>	<u>Total</u>
\$ 948	\$ 37,335	\$ 6,913	\$ 752	\$ 76,128
-	-	-	-	2,466
1,790	147,107	25,224	3,906	343,459
407	2,853	2,551	301	30,950
162	12,637	387	683	38,238
266	4,700	1,790	333	16,121
5	465	85	-	2,305
-	1,869	751	375	6,471
47	395	23	158	4,475
-	-	-	-	884
<u>3,625</u>	<u>207,361</u>	<u>37,724</u>	<u>6,508</u>	<u>521,497</u>
5,592	52,282	10,858	4,127	149,922
-	18,922	-	-	18,922
-	41,655	246	-	62,214
220	52,513	5,060	-	206,690
-	1,754	-	-	4,597
-	2,895	25	-	8,933
42,302	771,745	214,675	24,926	1,790,276
-	-	-	-	18,300
-	-	-	4	357
<u>48,114</u>	<u>941,766</u>	<u>230,864</u>	<u>29,057</u>	<u>2,260,211</u>
<u>51,739</u>	<u>1,149,127</u>	<u>268,588</u>	<u>35,565</u>	<u>2,781,708</u>
153	14,954	2,203	1,768	46,649
392	14,490	1,826	79	30,625
136	2,836	628	-	5,934
438	9,600	2,465	247	30,948
112	9,448	-	-	17,150
-	1,305	412	-	3,036
15	4,789	-	-	9,921
95	17,432	2,812	172	37,384
54	5,507	304	8	8,400
-	-	-	-	2,519
<u>1,395</u>	<u>80,361</u>	<u>10,650</u>	<u>2,274</u>	<u>192,566</u>
-	2,470	7	-	7,442
193	4,253	1,173	342	14,392
-	236	-	-	543
1,830	234,646	-	-	449,227
-	3,819	222	-	7,564
-	-	-	-	6,175
<u>2,023</u>	<u>245,424</u>	<u>1,402</u>	<u>342</u>	<u>485,343</u>
<u>3,418</u>	<u>325,785</u>	<u>12,052</u>	<u>2,616</u>	<u>677,909</u>
40,360	531,929	214,041	24,926	1,314,351
48	11,631	2,237	-	81,554
311	43,511	4,218	-	162,817
12	1,115	-	4	6,211
5,675	109,785	11,104	4,127	213,819
-	6,362	-	-	10,686
<u>1,915</u>	<u>119,009</u>	<u>24,936</u>	<u>3,892</u>	<u>314,361</u>
<u>\$48,321</u>	<u>\$ 823,342</u>	<u>\$256,536</u>	<u>\$32,949</u>	<u>\$2,103,799</u>

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**COMBINING SCHEDULES OF NET ASSETS (in \$1,000's)**  
**AS OF JUNE 30, 2007**

<u>ASSETS</u>	<u>UNR</u>	<u>System</u>	<u>DRI</u>	<u>TMCC</u>	<u>WNC</u>
<b>Current Assets</b>					
Cash and cash equivalents	\$ 43,352	\$21,551	\$ 5,104	\$ 1,894	\$ 21
Restricted cash and cash equivalents	-	-	162	-	-
Short-term investments	74,726	68,861	20,170	13,486	4,014
Accounts receivable, net	15,372	629	3,878	605	175
Receivable from U.S. Government	20,861	586	4,670	170	184
Receivable from State of Nevada	11,826	497	498	1,810	1,281
Current portion of loans receivable, net	1,911	-	-	31	2
Inventories	3,106	187	-	22	-
Deposits and deferred expenditures	5,914	336	89	-	81
Other	-	-	1,813	53	-
<b>Total Current Assets</b>	<u>177,068</u>	<u>92,647</u>	<u>36,384</u>	<u>18,071</u>	<u>5,758</u>
<b>Noncurrent Assets</b>					
Cash held by State Treasurer	13,639	-	804	1,389	303
Restricted cash and cash equivalents	246	-	-	-	-
Receivable from State of Nevada	26,166	-	-	-	-
Restricted investments	13,758	-	-	-	-
Endowment investments	128,395	7,082	7,604	9,054	230
Deposits and deferred expenditures	2,496	658	-	-	-
Loans receivable, net	5,584	-	-	308	2
Capital assets, net	483,724	9,525	54,205	65,316	35,760
Other noncurrent assets	-	368	-	-	-
<b>Total Noncurrent Assets</b>	<u>674,008</u>	<u>17,633</u>	<u>62,613</u>	<u>76,067</u>	<u>36,295</u>
<b>TOTAL ASSETS</b>	<u>851,076</u>	<u>110,280</u>	<u>98,997</u>	<u>94,138</u>	<u>42,053</u>
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Accounts payable	28,706	2,525	1,279	855	471
Accrued payroll and related liabilities	9,420	513	888	1,310	578
Unemployment insurance and workers' compensation liability	1,175	40	71	260	100
Current portion of compensated absences	10,707	1,260	3,032	1,620	577
Current portion of long-term debt	5,139	-	580	683	175
Current portion of obligations under capital leases	410	775	82	-	-
Accrued interest payable	4,885	79	103	107	-
Deferred revenue	12,844	1,588	1,124	835	136
Funds held in trust for others	2,038	-	959	81	71
Other	-	-	2,258	288	-
<b>Total Current Liabilities</b>	<u>75,324</u>	<u>6,780</u>	<u>10,376</u>	<u>6,039</u>	<u>2,108</u>
<b>Noncurrent Liabilities</b>					
Refundable advances under federal loan programs	4,718	-	-	261	-
Compensated absences	6,141	368	369	120	223
Deferred revenue	351	-	-	-	-
Long-term debt	203,346	-	11,040	8,671	1,497
Obligations under capital leases	3,865	813	164	-	-
Other noncurrent liabilities	1,923	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<u>220,344</u>	<u>1,181</u>	<u>11,573</u>	<u>9,052</u>	<u>1,720</u>
<b>TOTAL LIABILITIES</b>	<u>295,668</u>	<u>7,961</u>	<u>21,949</u>	<u>15,091</u>	<u>3,828</u>
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	281,323	7,937	42,501	55,961	34,087
Restricted:					
Nonexpendable	37,498	3,642	2,125	5,001	137
Expendable:					
Scholarships, research and instruction	83,592	22,142	6,063	4,653	248
Loans	5,036	-	-	86	9
Capital projects	30,000	-	14,909	4,521	1,194
Debt service	3,265	-	-	(80)	175
Unrestricted	114,694	68,598	11,450	8,905	2,375
<b>TOTAL NET ASSETS</b>	<u>\$555,408</u>	<u>\$102,319</u>	<u>\$77,048</u>	<u>\$79,047</u>	<u>\$38,225</u>



<u>GBC</u>	<u>UNLV</u>	<u>CSN</u>	<u>NSC</u>	<u>Total</u>
\$ (61)	\$ 31,864	\$ 4,419	\$ (108)	\$ 108,036
-	-	-	-	162
2,290	130,300	26,692	1,416	341,955
371	4,915	2,275	273	28,493
185	10,158	667	30	37,511
707	16,294	3,526	226	36,665
5	478	88	-	2,515
-	1,844	745	377	6,281
39	369	62	133	7,023
-	-	-	-	1,866
<u>3,536</u>	<u>196,222</u>	<u>38,474</u>	<u>2,347</u>	<u>570,507</u>
13,571	64,382	25,697	9,446	129,231
-	31,363	-	-	31,609
-	19,307	-	-	45,473
-	-	-	-	13,758
226	54,285	4,949	-	211,825
-	1,845	-	-	4,999
-	2,991	28	4	8,917
30,032	692,799	201,042	9,246	1,581,649
-	-	-	-	368
<u>43,829</u>	<u>866,972</u>	<u>231,716</u>	<u>18,696</u>	<u>2,027,829</u>
<u>47,365</u>	<u>1,063,194</u>	<u>270,190</u>	<u>21,043</u>	<u>2,598,336</u>
261	33,581	3,576	249	71,503
469	11,514	2,033	-	26,725
83	2,208	485	-	4,422
413	8,746	2,321	230	28,906
108	9,530	-	-	16,215
-	1,026	373	-	2,666
16	4,579	-	-	9,769
155	16,813	2,145	296	35,936
28	3,483	251	8	6,919
-	-	-	-	2,546
<u>1,533</u>	<u>91,480</u>	<u>11,184</u>	<u>783</u>	<u>205,607</u>
-	2,661	14	-	7,654
178	4,001	1,069	197	12,666
-	407	-	-	758
1,942	241,494	-	-	467,990
-	4,342	633	-	9,817
-	-	-	-	1,923
<u>2,120</u>	<u>252,905</u>	<u>1,716</u>	<u>197</u>	<u>500,808</u>
<u>3,653</u>	<u>344,385</u>	<u>12,900</u>	<u>980</u>	<u>706,415</u>
27,982	473,584	200,036	9,246	1,132,657
48	11,632	1,993	-	62,076
266	42,858	5,961	-	165,783
12	767	-	4	5,914
13,853	81,161	25,697	9,446	180,781
-	548	-	-	3,908
<u>1,551</u>	<u>108,259</u>	<u>23,603</u>	<u>1,367</u>	<u>340,802</u>
<u>\$43,712</u>	<u>\$ 718,809</u>	<u>\$257,290</u>	<u>\$20,063</u>	<u>\$1,891,921</u>

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**COMBINING SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in**  
**\$1,000's)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>UNR</u>	<u>System</u>	<u>DRI</u>	<u>TMCC</u>	<u>WNC</u>
<b>Operating Revenues</b>					
Student tuition and fees (net of scholarship allowances of \$53,502)	\$ 71,977	\$ -	\$ -	\$12,644	\$ 3,725
Federal grants and contracts	101,606	1,906	30,370	6,164	1,801
State grants and contracts	14,712	-	144	1,417	1,412
Local grants and contracts	22,620	-	819	-	-
Other grants and contracts	11,134	623	2,749	249	104
Sales and services of educational departments (including \$27,243 from System related organizations)	36,518	4,282	-	839	397
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,143)	27,674	-	-	1,411	656
Interest earned on loans receivable	107	-	-	2	-
Other operating revenues	2,890	534	5,965	285	-
<b>Total operating revenues</b>	<u>289,238</u>	<u>7,345</u>	<u>40,047</u>	<u>23,011</u>	<u>8,095</u>
<b>Operating Expenses</b>					
Employee compensation and benefits	331,109	19,899	30,917	47,203	22,668
Utilities	12,260	2,005	1,289	1,601	696
Supplies and services	130,968	12,655	10,161	9,107	4,264
Scholarships and fellowships	12,360	145	-	3,817	1,258
Depreciation	24,071	1,354	4,214	3,089	1,310
<b>Total operating expenses</b>	<u>510,768</u>	<u>36,058</u>	<u>46,581</u>	<u>64,817</u>	<u>30,196</u>
<b>Operating (loss) income</b>	<u>(221,530)</u>	<u>(28,713)</u>	<u>(6,534)</u>	<u>(41,806)</u>	<u>(22,101)</u>
<b>Nonoperating Revenues (Expenses)</b>					
State appropriations	203,758	28,900	10,021	39,277	20,545
Refund to the State	-	-	(82)	-	-
Transfers to/from System Administration	12,462	(48,259)	1,398	1,356	630
Gifts (including \$26,695 from System related organizations)	18,106	776	433	198	330
Investment income, net	268	1,332	32	547	(9)
Disposal of capital assets	(481)	(364)	(346)	(48)	(3)
Interest expense	(6,412)	(41)	(700)	(403)	(80)
Other nonoperating revenues	(972)	(6)	-	-	120
<b>Net nonoperating revenues (expenses)</b>	<u>226,729</u>	<u>(17,662)</u>	<u>10,756</u>	<u>40,927</u>	<u>21,533</u>
<b>Income before other revenue, expenses, gains or losses</b>	<u>5,199</u>	<u>(46,375)</u>	<u>4,222</u>	<u>(879)</u>	<u>(568)</u>
State appropriations restricted for capital purposes	68,885	-	5,694	5,167	4,691
Capital grants and gifts (including \$25,590 from System related organizations)	23,235	-	-	-	1,433
Additions to permanent endowments (including \$188 from System related organizations)	1,340	312	18,564	34	-
Gain on sale of land	-	-	-	-	-
Other expenses	-	-	-	-	(350)
<b>Total other revenues</b>	<u>93,460</u>	<u>312</u>	<u>24,258</u>	<u>5,201</u>	<u>5,774</u>
<b>Increase (decrease) in net assets</b>	<u>98,659</u>	<u>(46,063)</u>	<u>28,480</u>	<u>4,322</u>	<u>5,206</u>
<b>Net Assets</b>					
Net assets – beginning of year	<u>555,408</u>	<u>102,319</u>	<u>77,048</u>	<u>79,047</u>	<u>38,225</u>
Net assets – end of year	<u>\$654,067</u>	<u>\$ 56,256</u>	<u>\$105,528</u>	<u>\$83,369</u>	<u>\$43,431</u>

<u>GBC</u>	<u>UNLV</u>	<u>CSN</u>	<u>NSC</u>	<u>Eliminations</u>	<u>Total</u>
\$ 2,730	\$122,063	\$ 39,767	\$ 3,897	\$ -	\$ 256,803
2,011	81,293	10,275	1,119	(22,115)	214,430
273	13,254	5,985	502	-	37,699
-	1,318	51	18	-	24,826
-	1,584	1	-	-	16,444
544	24,616	2,735	14	-	69,945
674	43,174	1,393	1,026	-	76,008
-	42	-	-	-	151
-	4,489	451	48	-	14,662
<u>6,232</u>	<u>291,833</u>	<u>60,658</u>	<u>6,624</u>	<u>(22,115)</u>	<u>710,968</u>
18,135	344,234	106,316	13,259	-	933,740
816	13,896	4,483	282	-	37,328
3,457	94,157	39,083	6,682	(22,115)	288,419
859	14,494	7,207	1,036	-	41,176
1,558	29,074	10,478	359	-	75,507
<u>24,825</u>	<u>495,855</u>	<u>167,567</u>	<u>21,618</u>	<u>(22,115)</u>	<u>1,376,170</u>
<u>(18,593)</u>	<u>(204,022)</u>	<u>(106,909)</u>	<u>(14,994)</u>	<u>-</u>	<u>(665,202)</u>
16,089	195,667	92,671	14,837	-	621,765
-	-	-	-	-	(82)
249	14,210	8,630	9,324	-	-
1,287	13,547	839	2,115	-	37,631
45	2,781	500	2	-	5,498
(419)	(983)	(151)	-	-	(2,795)
(96)	(9,232)	(84)	-	-	(17,048)
3,830	386	(3,830)	(36)	-	(508)
<u>20,985</u>	<u>216,376</u>	<u>98,575</u>	<u>26,242</u>	<u>-</u>	<u>644,461</u>
<u>2,392</u>	<u>12,354</u>	<u>(8,334)</u>	<u>11,248</u>	<u>-</u>	<u>(20,741)</u>
2,017	90,625	7,270	1,638	-	185,987
200	1,519	52	-	-	26,439
-	35	258	-	-	20,543
-	-	-	-	-	-
-	-	-	-	-	(350)
<u>2,217</u>	<u>92,179</u>	<u>7,580</u>	<u>1,638</u>	<u>-</u>	<u>232,619</u>
<u>4,609</u>	<u>104,533</u>	<u>(754)</u>	<u>12,886</u>	<u>-</u>	<u>211,878</u>
<u>43,712</u>	<u>718,809</u>	<u>257,290</u>	<u>20,063</u>	<u>-</u>	<u>1,891,921</u>
<u>\$48,321</u>	<u>\$823,342</u>	<u>\$256,536</u>	<u>\$32,949</u>	<u>\$ -</u>	<u>\$2,103,799</u>

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**COMBINING SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in**  
**\$1,000's)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>UNR</u>	<u>System</u>	<u>DRI</u>	<u>TMCC</u>	<u>WNC</u>
<b>Operating Revenues</b>					
Student tuition and fees (net of scholarship allowances of \$49,209)	\$ 65,235	\$ -	\$ -	\$11,750	\$ 3,623
Federal grants and contracts	97,340	2,148	28,481	5,372	1,688
State grants and contracts	13,954	-	35	1,295	1,305
Local grants and contracts	16,784	-	776	-	-
Other grants and contracts	9,310	782	3,939	122	22
Sales and services of educational departments (including \$1,485 from System related organizations)	28,331	4,130	-	814	480
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,212)	29,162	-	-	1,368	584
Interest earned on loans receivable	91	-	-	5	-
Other operating revenues	2,310	422	4,564	307	-
<b>Total operating revenues</b>	<u>262,517</u>	<u>7,482</u>	<u>37,795</u>	<u>21,033</u>	<u>7,702</u>
<b>Operating Expenses</b>					
Employee compensation and benefits	310,624	17,968	30,351	43,056	21,456
Utilities	11,757	1,859	1,208	1,620	729
Supplies and services	115,237	14,406	9,435	8,845	4,568
Scholarships and fellowships	14,336	177	-	3,083	1,370
Depreciation	23,027	1,679	3,885	3,115	1,290
<b>Total operating expenses</b>	<u>474,981</u>	<u>36,089</u>	<u>44,879</u>	<u>59,719</u>	<u>29,413</u>
<b>Operating (loss) income</b>	<u>(212,464)</u>	<u>(28,607)</u>	<u>(7,084)</u>	<u>(38,686)</u>	<u>(21,711)</u>
<b>Nonoperating Revenues (Expenses)</b>					
State appropriations	196,852	27,240	8,707	38,087	19,660
Transfers to/from System Administration	(11,868)	14,452	11,948	(1,211)	(518)
Gifts (including \$21,404 from System related organizations)	14,219	22	1,041	732	740
Investment income, net	37,031	7,631	2,507	3,000	834
Disposal of capital assets	( 498)	-	(55)	(113)	(19)
Interest expense	( 7,043)	(624)	(720)	(439)	(95)
Other nonoperating revenues	(111)	(79)	-	-	106
<b>Net nonoperating revenues (expenses)</b>	<u>228,582</u>	<u>48,642</u>	<u>23,428</u>	<u>40,056</u>	<u>20,708</u>
<b>Income before other revenue, expenses, gains or losses</b>	<u>16,118</u>	<u>20,035</u>	<u>16,344</u>	<u>1,370</u>	<u>(1,003)</u>
State appropriations restricted for capital purposes	1,293	-	44	-	-
Capital grants and gifts (including \$31,109 from System related organizations)	1,383	-	-	-	-
Additions to permanent endowments (including \$264 from System related organizations)	510	2,863	63	177	-
<b>Total other revenues</b>	<u>3,186</u>	<u>2,863</u>	<u>107</u>	<u>177</u>	<u>-</u>
<b>Increase (decrease) in net assets</b>	<u>19,304</u>	<u>22,898</u>	<u>16,451</u>	<u>1,547</u>	<u>(1,003)</u>
<b>Net Assets</b>					
Net assets – beginning of year	536,104	79,421	60,597	77,500	39,228
Net assets – end of year	<u>\$555,408</u>	<u>\$102,319</u>	<u>\$77,048</u>	<u>\$79,047</u>	<u>\$38,225</u>

<u>GBC</u>	<u>UNLV</u>	<u>CSN</u>	<u>NSC</u>	<u>Eliminations</u>	<u>Total</u>
\$ 2,541	\$112,984	\$ 36,821	\$ 3,497	\$ -	\$ 236,451
2,296	65,050	10,125	804	(8,809)	204,495
119	31,503	6,245	791	-	55,247
-	1,987	119	-	-	19,666
-	4,651	2	-	-	18,828
1,366	23,969	2,734	14	-	61,838
674	44,930	1,364	875	-	78,957
-	44	1	-	-	141
-	1,499	258	144	-	9,504
<u>6,996</u>	<u>286,617</u>	<u>57,669</u>	<u>6,125</u>	<u>(8,809)</u>	<u>685,127</u>
16,748	316,323	98,533	10,696	-	865,755
801	12,559	4,498	143	-	35,174
3,826	100,668	34,042	5,288	(8,809)	287,506
774	15,391	7,273	892	-	43,296
1,531	26,787	9,884	393	-	71,591
<u>23,680</u>	<u>471,728</u>	<u>154,230</u>	<u>17,412</u>	<u>(8,809)</u>	<u>1,303,322</u>
<u>(16,684)</u>	<u>(185,111)</u>	<u>(96,561)</u>	<u>(11,287)</u>	<u>-</u>	<u>(618,195)</u>
14,734	185,026	92,415	9,755	-	592,476
(227)	(14,257)	1,924	(243)	-	-
902	9,233	1,058	301	-	28,248
358	32,685	5,201	298	-	89,545
7	(969)	(62)	-	-	(1,709)
(96)	(9,273)	(119)	-	-	(18,409)
-	(39)	-	(23)	-	(146)
<u>15,678</u>	<u>202,406</u>	<u>100,417</u>	<u>10,088</u>	<u>-</u>	<u>690,005</u>
<u>(1,006)</u>	<u>17,295</u>	<u>3,856</u>	<u>(1,199)</u>	<u>-</u>	<u>71,810</u>
-	61	-	1,080	-	2,478
411	32,408	1,050	3,157	-	38,409
-	44	104	-	-	3,761
411	32,513	1,154	4,237	-	44,648
(595)	49,808	5,010	3,038	-	116,458
<u>44,307</u>	<u>669,001</u>	<u>252,280</u>	<u>17,025</u>	<u>-</u>	<u>1,775,463</u>
<u>\$43,712</u>	<u>\$718,809</u>	<u>\$257,290</u>	<u>\$20,063</u>	<u>\$ -</u>	<u>\$1,891,921</u>

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