
**UNIVERSITY AND COMMUNITY COLLEGE
SYSTEM OF NEVADA**

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2003



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

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

Nevada State College at Henderson
Truckee Meadows Community College
System Administration

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**FOR THE YEAR ENDED JUNE 30, 2003
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**UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF NEVADA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2003**

INTRODUCTION

BACKGROUND

The University and Community College System of Nevada (UCCSN) is a state-supported, land grant institution established by the Nevada State Constitution of 1864. It began instruction in 1874. UCCSN is fully accredited by the Northwest Association of Schools and Colleges. Eight separate institutions comprise the UCCSN and include:

- University of Nevada, Reno (UNR)
- University of Nevada, Las Vegas (UNLV)
- Nevada State College at Henderson (NSC)
- Desert Research Institute (DRI)
- Truckee Meadows Community College (TMCC)
- Community College of Southern Nevada (CCSN)
- Western Nevada Community College (WNCC)
- Great Basin College (GBC)
- University and Community College System of Nevada Administration

There are seven controllers' offices within the UCCSN located in Reno, Carson City, Elko and Las Vegas.

The controllers' offices are responsible for the financial management of research grants. The Office of Contracts and Grants within the respective controllers' offices are responsible for the maintenance of financial records and compliance with terms and conditions of the grants that are generally applicable. Compliance with terms and conditions applicable to certain grants and other agreements is the specific responsibility of the relevant principal investigator.

In addition to the controllers' offices, one business center (Business Center North (BCN) in Reno) and purchasing offices at UNLV and CCSN provide the purchasing and property management functions for the UCCSN institutions.

The major units of UNR include the College of Agriculture, College of Arts and Science, College of Business Administration, College of Education, College of Engineering, College of Human and Community Services, School of Journalism, School of Medicine, School of Mines, School of Nursing and the Graduate School. UNR offers major fields of study leading to baccalaureate and advanced degrees through the academic departments in the various schools and colleges.

UNLV offers major fields of study in different academic departments leading to baccalaureate and advanced degrees through academic departments in the following colleges and schools: Arts and Letters, Business and Economics, Education, Hotel Administration, Science, Mathematics and Engineering and the Graduate College.

Research activities are conducted primarily at UNR, UNLV and DRI. UCCSN has been awarded research grants by various Federal agencies. The primary agencies from which these funds were received during the year ended June 30, 2003 were:

- Department of Agriculture (USDA)
- Department of Commerce (Commerce)
- Department of Defense (Defense)
- Department of Education (Education)
- Department of Energy (Energy)
- Department of Health and Human Services (HHS)
- Department of Housing and Urban Development (HUD)
- Department of Interior (Interior)
- National Aeronautics and Space Administration (NASA)
- National Science Foundation (NSF)
- Department of Labor (DOL)

Department of Transportation (DOT)

Environmental Protection Agency (EPA)

In addition, student financial aid funds were received under the Federal campus-based and Pell programs.

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University and Community College System of Nevada Financial Statements



June 30, 2003 and 2002

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

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

Nevada State College at Henderson
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Stephen G. Wells, Ph.D. President
Desert Research Institute

The University and Community College System of Nevada does not discriminate on the basis of sex, race, color, religion, handicap, or national origin in the educational programs or activities which it operates.

University and Community College System of Nevada
Financial Statements and Report of Independent Auditors
As of and for the Years Ended June 30, 2003 and 2002

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The University and Community College System of Nevada's (the "System") Management Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial position and assists the reader in focusing on significant financial issues during the year ended June 30, 2003. This discussion provides summary level financial information; therefore it should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of management.

FINANCIAL HIGHLIGHTS

- Total net assets decreased \$10,287,000; a 0.8% decrease.
- Total long-term debt increased from \$172,928,000 to \$247,410,000.
- Operating revenues increased 13.4% to \$508,484,000.
- Operating expenses increased 8.8% to \$942,420,000.

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 financial statements differ significantly, in both the form and the accounting principles utilized, from prior financial statements presented. The financial statements presented in prior years focused on the accountability of funds, while these statements focus on the financial condition of the System, the results of operations and 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. The key to understanding this question is the Statement of Net Assets, 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 one indicator of the improvement or erosion of the System's financial health. Over time, increases or decreases in net assets is one indicator 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 others provide 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 nonoperating. All things being equal, a public university system's dependency on state appropriations will result in operating deficits. This is because the financial reporting model classifies State appropriations as nonoperating 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. The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, capital financing, noncapital financing and investing activities.

CONDENSED FINANCIAL INFORMATION

Statement of net assets (thousands of dollars)

	<u>2003</u>	<u>2002</u>
Assets		
Current assets	\$ 377,363	\$ 345,389
Capital assets, net	1,048,117	989,749
Other assets	<u>297,228</u>	<u>320,699</u>
Total assets	<u>1,722,708</u>	<u>1,655,837</u>
Liabilities		
Current Liabilities	110,978	109,086
Noncurrent Liabilities	<u>273,147</u>	<u>197,881</u>
Total Liabilities	<u>384,125</u>	<u>306,967</u>
Net assets		
Invested in capital assets, net of debt	842,722	825,002
Restricted, nonexpendable	129,461	109,070
Restricted, expendable	211,715	262,577
Unrestricted	<u>154,685</u>	<u>152,221</u>
Total net assets	<u>\$1,338,583</u>	<u>\$1,348,870</u>

Total assets of the System increased by \$66.9 million. A review of the Statement of Net Assets will reveal that the increase was due to several factors. Cash and cash equivalents has increased \$50.5 million primarily attributable to unspent bond proceeds. The increase in endowment investments of \$18.6 million was primarily a result positive market performance. The Cash held by State Treasurer decreased \$32.5 million due to continuing capital construction projects during 2003. Capital assets, net of accumulated depreciation increased \$58.4 million to \$1,048.1 million which reflects the System's continuing investment in its physical facilities.

The total liabilities increased by \$77.2 million. During fiscal 2003, the System issued \$70.0 of new bonds and \$15.0 of new notes, exclusive of refinanced bonds and notes.

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 next asset category is restricted net assets, which is divided into two categories, 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. Unrestricted assets are available to the System for any lawful purpose of the institution.

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 \$17.7 million 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.

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 which 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.

The decrease in restricted expendable net assets is primarily related to expenditures for capital projects during 2003 where revenues were appropriated during 2002.

Unrestricted Net Assets

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.

Statement of 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 nonoperating, and the expenses paid by the institution, operating and nonoperating, and 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. Nonoperating revenues are revenues received for which goods and services are not provided. For example state appropriations are nonoperating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

Statement of Revenues, Expenses and Changes in Net Assets (thousands of dollars)

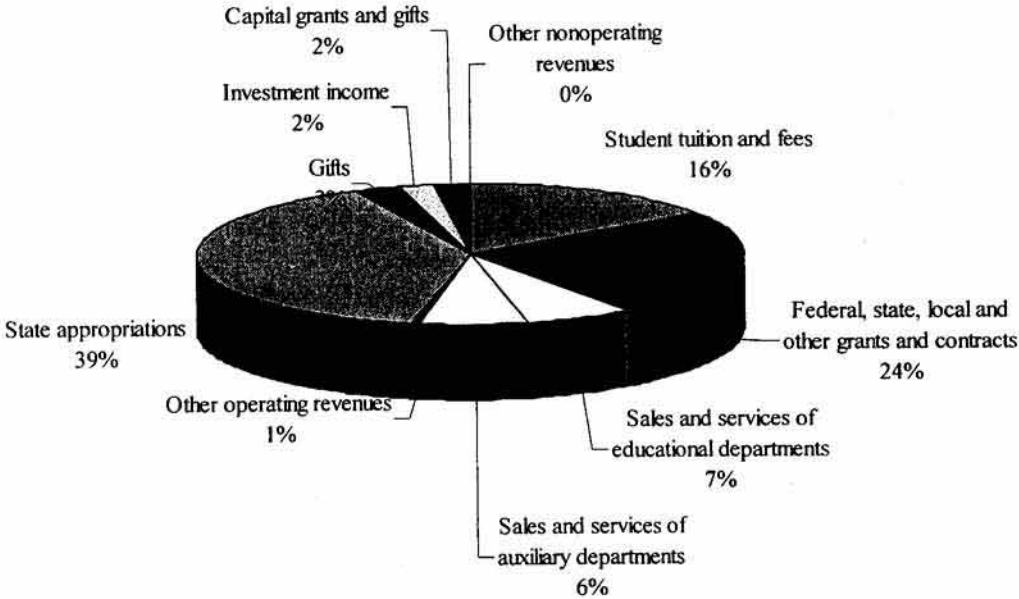
	<u>2003</u>	<u>2002</u>
Operating revenues		
Student tuition and fees, net	\$148,651	\$134,129
Grants and contracts, Federal	162,389	141,671
Grants and contracts, other	70,298	59,827
Sales and services	122,399	108,892
Other	<u>4,747</u>	<u>3,882</u>
Total operating revenues	<u>508,484</u>	<u>448,401</u>
Operating expenses		
Instruction	333,704	312,064
Research	100,897	85,425
Public Service	49,079	47,219
Academic support	75,141	64,366
Institutional support	101,007	94,247
Student services	66,477	58,111
Operation and maintenance of plant	67,841	67,946
Scholarships and fellowships	35,004	30,342
Auxiliary enterprises	57,190	51,587
Other expenditures	95	140
Depreciation	<u>55,985</u>	<u>54,587</u>
Total operating expenses	<u>942,420</u>	<u>866,034</u>
Operating loss	<u>(433,936)</u>	<u>(417,633)</u>
Nonoperating revenues and expenses		
State appropriations	376,102	362,320
Gifts	24,686	23,383
Investment income (loss)	19,476	(6,083)
Disposal of capital assets	(6,060)	(1,403)
Interest expense	(10,828)	(8,359)
Other nonoperating revenues	<u>1,229</u>	<u>(997)</u>
Net nonoperating revenues	<u>404,605</u>	<u>368,861</u>
Total other revenues	<u>19,044</u>	<u>141,070</u>
Increase in net assets	(10,287)	92,298
Net assets, beginning of year	<u>1,348,870</u>	<u>1,256,572</u>
Net assets, end of year	<u>\$1,338,583</u>	<u>\$1,348,870</u>

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

Operating revenues increased by 13.4% and operating expenses increased by 8.8%, resulting in an increase in the operating loss of 3.9%. Student tuition and fees increased 6.5% to \$134.1 million due to higher enrollments. Federal grants and contracts increased 10.8% to \$148.7 million and other grants and contracts increased 17.5% to \$70.3 million due primarily to grant activity at the University of Nevada, Reno and the University of Nevada, Las Vegas. In addition, sales and services increased 12.4% to \$122.4 million. Research expenses increased 18.1% to \$100.9 million which is consistent with the increase in grants and contracts revenues. Operating expenses scholarships and fellowships increased 15.4% to \$35.0 million. Academic support expenses increased 17.0%, student services expenses increased 14.2% and auxiliary enterprises expenses increased 10.9%.

Nonoperating net revenues increased by 9.7% to \$404.6 million primarily due increases in state appropriations and investment income. Total other revenues includes state appropriations for capital purposes. The \$130.2 million appropriation is a biennium appropriation (fiscals 2002 and 2003) and accordingly was recorded as revenue during fiscal 2002, as that was the year of the appropriation. Investment income (loss) went from loss of (\$6.1) million to income of \$19.5 million due to improved investment performance. Although the investment returns were lower than expected, System Administration has estimated that its returns were better than related benchmarks upon which performance comparisons have been made.

Revenues by Source



Statement of Cash Flows

	<u>2003</u>	<u>2002</u>
Cash Provided By (Used in)		
Operating activities	\$(381,317)	\$(356,666)
Non-capital financing activities	400,715	384,545
Capital and related financing activities	(34,406)	718
Investing activities	<u>23,583</u>	<u>20,748</u>
Net increase (decrease) in cash and cash equivalents	8,575	49,345
Cash and cash equivalents – Beginning of year	<u>162,021</u>	<u>112,676</u>
Cash and cash equivalents – End of year	<u>\$ 170,596</u>	<u>\$ 162,021</u>

Cash flows used in operating activities increased 6.3% primarily due to increases in expenses for payments for employee compensation and benefits, supplies and services and scholarships and fellowships offset by increases in receipts for student tuition and fees, grants and contracts and sales and services of educational and auxiliary departments. Cash flows from non-capital financing activities increased by 4.2% primarily due to an increase in state appropriations and agency transactions. Net cash flows used in capital financing activities increased \$35.1 million due to a decrease in capital appropriations offset by an increase in proceeds from bond issuances.

Cash from investing activities increased by \$2.8 million primarily due to more purchases of investments in 2003 as compared to 2002.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2003, the System had invested \$1,467.9 million in a broad range of capital assets, including equipment, buildings, machinery and equipment, library books and media, collections and land. This represents a net increase (including additions and deletions) of \$67.9 million, or 4.9%, over last year. As of June 30, 2003 estimated costs to complete current construction projects were approximately \$214.2 million. These costs will be funded by State appropriations, private donations, available resources and/or long-term borrowings.

During fiscal 2003, the System issued \$70.0 million of new bonds and \$15.0 of new notes, exclusive of refinanced bonds and notes. New bonds were issued for UNR Housing, Dining and Parking facilities, UNLV Dormitories and refunding of 1993 and 1994 bonds. As of June 30, 2003, the coverage on University Revenue Bonds (pledged revenues to maximum annual debt service) was 4.58 (5.30 as of June 30, 2002). For statutory purposes, the coverage was 1.61, above the required minimum of 1.10.

FUTURE FINANCIAL AFFECTS

Growth of System assets has been strong in recent years. We have seen an increase in enrollment with the funding of the Millennium Scholarship program by the State from tobacco settlement funds. We will face funding challenges in the next two years. State appropriations increased from 69.4% of our budget in fiscal year 2003 to 77.4% in fiscal year 2004. The System portion of the total state budget decreased from 30.6% in fiscal year 2003 to 22.6% in

fiscal year 2004. The difference was mainly due to Estate Tax receipts of \$45.8 million for fiscal year 2004 replaced with State general funds in exchange for the UCCSN transferring to the State, on a monthly basis, the estate tax revenues deposited to the estate tax endowment. The UCCSN proposed and the Legislature approved shifting the risk of declining estate tax receipts to the State.

The System's 2003-04 original operating budget for State appropriation and authorized expenditures (the "State Supported Operating Budget") totals \$622.7 million. This budget represents a 17.3% increase in the authorized funding level as compared to the originally approved \$530.8 million budget for fiscal year 2002-03. State appropriations for fiscal year 2003-04 total \$481.8 million, representing 77.4% of the State Supported Operating Budget. This compares to \$370.6 million budgeted for fiscal year 2002-03 and represents a 30.0% increase. The large percentage increase was mainly due to the State funding the replacement of estate tax receipts with general funds. Other budgeted revenue sources, including student fees, tuition, federal funds, indirect cost recovery, discretionary funds, training grants and estate tax proceeds, account for the remaining budgeted amount.

Pursuant to State law, the Governor has broad authority to reduce appropriations when necessary to maintain a balanced budget. Accordingly, should the State economy experience a significant downturn and cause State revenues to decrease below predicted levels, the Governor may rescind a portion of the State appropriation for the biennium. For the 2005-07 biennium, additional funding of \$122.2 million was Legislatively approved for growth in student enrollments based on the funding formulas. The UCCSN formulas were funded at 84.45% for fiscal year 2003-04 and 84.09% for fiscal year 2004-05 compared to 80.29% in fiscal year 2002-03.

The System supplemented the state-supported budget with available estate taxes prior to fiscal year 2002-03. Pursuant to State statute, one-half of the estate taxes collected in the State (less administrative costs and a 5% reserve allowance) are deposited in the System's endowment funds and are authorized for expenditure by the Legislature each biennium. For the 2005-07 biennium, the Legislature authorized funding estate tax related expenditures of \$89.2 million with general fund revenues due to Federal tax legislation enacted phasing out the State's estate tax over four years beginning in fiscal year 2001-02. In exchange for State general funds the UCCSN will transfer to the State the budgeted estate tax revenues deposited in the System's endowment in fiscal years 2003-04 and 2004-05.

The 72nd regular Legislative session and the 2nd special session authorized an \$838.55 million new tax package for the 2005-07 biennium funding public schools and state government, including higher education. The two main new taxes are the general business payroll tax and the financial institutions' payroll tax.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information provided by the System, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, which 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 undertake to 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.

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REPORT OF INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
3800 Howard Hughes Parkway
Suite 550
Las Vegas NV 89109
Telephone (702) 691 5400
Facsimile (702) 691 5444

To the Board of Regents of the
University and Community College System of Nevada:

In our opinion, the accompanying statements of net assets and the related statements of revenues, expenses, and changes in net assets and of cash flows present fairly, in all material respects, the financial position of the University and Community College System of Nevada (the "System") at June 30, 2003 and 2002, and its revenues, expenses and changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the System's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, which 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 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2003 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants for the year ended June 30, 2003. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

October 3, 2003

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

STATEMENTS OF NET ASSETS AS OF JUNE 30, 2003 AND 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 97,858,000	\$ 47,354,000
Restricted cash and cash equivalents	564,000	-
Short-term investments	163,491,000	182,516,000
Accounts receivable, net	24,270,000	23,719,000
Receivable from U.S. Government	27,619,000	26,884,000
Receivable from State of Nevada	54,783,000	57,650,000
Current portion of loans receivable, net	2,828,000	1,804,000
Inventories	5,382,000	4,803,000
Deposits and deferred expenditures, current	<u>568,000</u>	<u>659,000</u>
Total Current Assets	<u>377,363,000</u>	<u>345,389,000</u>
<i>Noncurrent Assets</i>		
Restricted cash and cash equivalents	-	9,977,000
Cash held by State Treasurer	72,174,000	104,690,000
Endowment investments	214,535,000	195,929,000
Deposits and deferred expenditures	2,674,000	1,893,000
Loans receivable, net	7,845,000	8,210,000
Capital assets, net	<u>1,048,117,000</u>	<u>989,749,000</u>
Total Noncurrent Assets	<u>1,345,345,000</u>	<u>1,310,448,000</u>
TOTAL ASSETS	<u>1,722,708,000</u>	<u>1,655,837,000</u>
 <u>LIABILITIES</u>		
<i>Current Liabilities</i>		
Accounts payable	24,581,000	26,493,000
Accrued payroll and related liabilities	19,337,000	18,780,000
Unemployment insurance and workers' compensation liability	3,734,000	4,018,000
Current portion of compensated absences	21,445,000	20,551,000
Current portion of long-term debt	7,735,000	7,022,000
Current portion of obligations under capital leases	1,555,000	1,478,000
Accrued interest payable	4,194,000	4,180,000
Deferred revenue	22,291,000	24,110,000
Funds held in trust for others	<u>6,106,000</u>	<u>2,454,000</u>
Total Current Liabilities	<u>110,978,000</u>	<u>109,086,000</u>
<i>Noncurrent Liabilities</i>		
Refundable advances under federal loan programs	7,378,000	7,294,000
Compensated absences	9,290,000	7,478,000
Deferred revenue	200,000	720,000
Long-term debt	247,410,000	172,928,000
Obligations under capital leases	<u>8,869,000</u>	<u>9,461,000</u>
Total Noncurrent Liabilities	<u>273,147,000</u>	<u>197,881,000</u>
TOTAL LIABILITIES	<u>384,125,000</u>	<u>306,967,000</u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	842,722,000	825,002,000
Restricted:		
Nonexpendable	129,461,000	109,070,000
Expendable:		
Scholarships, research and instruction	87,486,000	88,018,000
Loans	4,163,000	4,334,000
Capital projects	117,399,000	167,852,000
Debt service	2,667,000	2,373,000
Unrestricted	<u>154,685,000</u>	<u>152,221,000</u>
TOTAL NET ASSETS	<u>\$1,338,583,000</u>	<u>\$1,348,870,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<i>Operating Revenues</i>		
Student tuition and fees (net of scholarship allowances of \$39,418,000 and \$30,984,000)	\$ 148,651,000	\$ 134,129,000
Federal grants and contracts	162,389,000	141,671,000
State grants and contracts	37,266,000	30,141,000
Local grants and contracts	14,528,000	14,115,000
Other grants and contracts	18,504,000	15,571,000
Sales and services of educational departments	62,314,000	55,098,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,664,000 and \$3,521,000)	60,085,000	53,794,000
Other operating revenues	4,575,000	3,716,000
Interest earned on loans receivable	172,000	166,000
Total operating revenues	<u>508,484,000</u>	<u>448,401,000</u>
<i>Operating Expenses</i>		
Employee compensation and benefits	626,599,000	565,357,000
Utilities	24,408,000	22,222,000
Supplies and services	200,424,000	193,526,000
Scholarships and fellowships	35,004,000	30,342,000
Depreciation	55,985,000	54,587,000
Total operating expenses	<u>942,420,000</u>	<u>866,034,000</u>
Operating loss	<u>(433,936,000)</u>	<u>(417,633,000)</u>
<i>Nonoperating Revenues (Expenses)</i>		
State appropriations	376,102,000	362,320,000
Gifts	24,686,000	23,383,000
Investment income (loss), net	19,476,000	(6,083,000)
Disposal of capital assets	(6,060,000)	(1,403,000)
Interest expense	(10,828,000)	(8,359,000)
Other nonoperating revenues (expenses)	1,229,000	(997,000)
Net nonoperating revenues	<u>404,605,000</u>	<u>368,861,000</u>
Loss before other revenue, expenses, gains or losses	<u>(29,331,000)</u>	<u>(48,772,000)</u>
State appropriations restricted for capital purposes	-	130,213,000
Distribution of estate taxes	(376,000)	(374,000)
Capital grants and gifts	18,835,000	10,094,000
Additions to permanent endowments	585,000	1,137,000
Total other revenues	<u>19,044,000</u>	<u>141,070,000</u>
Increase (decrease) in net assets	<u>(10,287,000)</u>	<u>92,298,000</u>
<i>Net Assets</i>		
Net assets – beginning of year	1,348,870,000	1,256,572,000
Net assets – end of year	<u>\$ 1,338,583,000</u>	<u>\$ 1,348,870,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
<i>Cash Flows from Operating Activities</i>		
Student tuition and fees	\$ 150,067,000	\$ 135,307,000
Grants and contracts	232,219,000	199,842,000
Payments for supplies and services	(203,693,000)	(192,112,000)
Payments for utilities	(25,130,000)	(22,346,000)
Payments for employee compensation and benefits	(623,588,000)	(559,966,000)
Payments for scholarships and fellowships	(35,003,000)	(30,344,000)
Loans issued to students	(2,714,000)	(2,555,000)
Collection of loans to students	2,861,000	2,284,000
Sales and services of educational departments	58,654,000	55,597,000
Sales and services of auxiliary enterprises	60,635,000	54,276,000
Other receipts	4,375,000	3,351,000
Net cash used by operating activities	<u>(381,317,000)</u>	<u>(356,666,000)</u>
<i>Cash Flows from Noncapital Financing Activities</i>		
State appropriations	374,639,000	361,001,000
Gifts and grants for other than capital purposes	23,463,000	24,388,000
Gifts for endowment purposes	585,000	972,000
Receipts under federal student loan programs	68,532,000	57,536,000
Disbursements under federal student loan programs	(69,439,000)	(57,610,000)
Other	(679,000)	(347,000)
Agency transactions	3,614,000	(1,395,000)
Net cash provided by noncapital financing activities	<u>400,715,000</u>	<u>384,545,000</u>
<i>Cash Flows from Capital Financing Activities</i>		
Proceeds from capital debt	109,595,000	64,396,000
Payments for debt issuance costs	(528,000)	(860,000)
Capital appropriations	4,269,000	79,672,000
Capital grants and gifts received	6,857,000	5,733,000
Purchases of capital assets	(106,956,000)	(103,801,000)
Proceeds from sale of property and equipment	3,000	14,000
Principal paid on capital debt and leases	(36,237,000)	(34,212,000)
Interest paid on capital debt and leases	(10,813,000)	(10,224,000)
Other	(596,000)	-
Net cash provided (used) by capital financing activities	<u>(34,406,000)</u>	<u>718,000</u>
<i>Cash Flows from Investing Activities</i>		
Proceeds from sales and maturities of investments	60,279,000	104,300,000
Purchase of investments	(52,272,000)	(92,277,000)
Interest and dividends on investments	13,824,000	10,857,000
Net (increase) decrease in cash equivalents, noncurrent investments	1,752,000	(2,132,000)
Net cash provided by investing activities	<u>23,583,000</u>	<u>20,748,000</u>
Net increase in cash and cash equivalents	8,575,000	49,345,000
Cash and cash equivalents, beginning of year	162,021,000	112,676,000
Cash and cash equivalents, end of year	<u>\$ 170,596,000</u>	<u>\$ 162,021,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

**STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
<i>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</i>		
Operating loss	\$ (433,936,000)	\$ (417,633,000)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	55,985,000	54,587,000
Changes in assets and liabilities:		
Accounts receivable, net	(1,347,000)	(1,817,000)
Loans receivable, net	254,000	(71,000)
Inventories	(579,000)	(74,000)
Deposits and deferred expenditures	(355,000)	(358,000)
Accounts payable	(3,315,000)	996,000
Accrued payroll and related liabilities	907,000	2,444,000
Unemployment insurance and workers' compensation liability	(284,000)	(378,000)
Deferred revenue	(1,102,000)	2,596,000
Refundable advances under federal loan program	100,000	(75,000)
Compensated absences	2,355,000	3,117,000
Net cash used by operating activities	<u>\$ (381,317,000)</u>	<u>\$ (356,666,000)</u>
 <i>Supplemental Noncash Activities Information</i>		
Capital assets acquired through capital leases	<u>\$ 1,322,000</u>	<u>\$ 5,728,000</u>
Loss on disposal of capital assets	<u>\$ 6,060,000</u>	<u>\$ 1,403,000</u>
Capital assets acquired by gifts	<u>\$ 11,848,000</u>	<u>\$ 4,364,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 1 – Organization:

The financial statements present a consolidation of the financial statements of the various divisions and campuses of the University and Community College System of Nevada (the “System”), which include:

- University of Nevada, Reno
- University of Nevada, Las Vegas
- Nevada State College at Henderson
- Community College of Southern Nevada
- Truckee Meadows Community College
- Western Nevada Community College
- Great Basin College
- Desert Research Institute
- University and Community College System of Nevada 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. Not included in the financial statements of the System are organizations consisting of various alumni groups, fund raising foundations and athletic booster organizations. These organizations are nonprofit corporations controlled by separate Boards of Directors whose goals are to support various activities of the System. They receive funds primarily through donations and dues, and contribute funds to the various campuses for student scholarships, general academic support and program support to intercollegiate athletics. These organizations contributed a total of approximately \$31,636,000 and \$20,657,000 to the System during the years ended June 30, 2003 and 2002 respectively.

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

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (“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*.

Statement No. 35 established a fundamentally new financial reporting model for all public colleges and universities. The financial statements required by Statement No. 35 are the statement of net assets, the statement of revenues, expenses and changes in net assets and the statement of cash flows. Financial reporting requirements also include Management’s Discussion and Analysis of the System’s financial position and results of operations.

Statement No. 35 requires the accrual or deferral of revenue associated with certain grants and contracts, the recognition of summer session revenues and expenses when earned or incurred, accounting for certain scholarship allowances as a reduction of revenue, and classification of federal refundable loans as a liability. Previously, excess receipts under certain grants and contracts were included in net assets when received, summer session revenues and expenses were reported in the fiscal year in which the summer session was predominantly conducted, all scholarship allowances were classified as an operating expense and federal refundable loans were included in net assets.

The System has also adopted GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. Statement No. 37 clarifies guidance to be used in preparing Management’s Discussion and Analysis and Statement No. 38 modifies, adds and deletes various note disclosure requirements.

BASIS OF ACCOUNTING

The financial statements of the System have been prepared on the accrual basis 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 eliminated in the consolidation of the financial statements. 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.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

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

CASH EQUIVALENTS

The System considers all highly liquid investments with an original maturity of three months or less 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.

CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair market value at the 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	40
Land improvements	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.

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.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

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

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 for the System are classified as follows:

Invested in capital assets, net of related debt: This represents the System's 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 in which the System is obligated to spend the resources in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent resources derived from indirect cost recoveries, state appropriations, and sales and services of auxiliary departments. These resources are used for transactions relating to the educational and general operations of the System and may be used to meet current expenses for any purpose.

OPERATING AND NONOPERATING REVENUES AND EXPENSES

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.

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 2003 and 2002 totaled \$5,461,000 and \$5,042,000, respectively.

TAX EXEMPTION

The System is qualified as a tax-exempt organization under the provisions of Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

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

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures during the reporting period. Actual amounts could differ from those estimates.

NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, effective for years beginning July 1, 2003. Statement No. 39 will require the System's legally separate campus foundations and medical school practice plans to be presented discretely in the System's financial statements. At June 30, 2002 the date of the most recently available financial information, campus foundation and medical school practice plan net assets exceeded \$155 million.

The GASB has issued Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3. Statement No. 40 modified or eliminates certain disclosures required by GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*. The provisions of GASB Statement No. 40 are effective for financial statements for periods beginning after June 15, 2004.

NOTE 3 – Cash and Cash Equivalents:

Cash and cash equivalents are stated at cost, which approximates market, and consists primarily of deposits in money market funds, which are not federally insured. Restricted cash represents the unexpended proceeds of certain bond issuances which are accessible only through an independent trustee. These funds are periodically released by the trustee for use by the System to pay for certain assets under construction. 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 accompanying Statements of Cash Flows.

NOTE 4 – Investments:

Investments are stated at fair value. The historical cost and market value (fair value) of investments at June 30, 2003 and 2002 are as follows:

	<u>2003</u>		<u>2002</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$256,671,000	\$254,898,000	\$261,043,000	\$259,165,000
Stocks	23,269,000	26,377,000	27,584,000	29,946,000
U.S. Government bonds	450,000	488,000	761,000	801,000
Corporate bonds	1,158,000	1,285,000	1,131,000	1,191,000
Endowment cash and cash equivalents	1,977,000	1,977,000	3,739,000	3,739,000
Other investments (primarily private equity partnerships)	74,202,000	93,001,000	72,330,000	83,603,000
	<u>\$357,727,000</u>	<u>\$378,026,000</u>	<u>\$366,588,000</u>	<u>\$378,445,000</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, as of June 30, 2003 were stocks (34%), U.S. Government bonds (35%), corporate bonds (5%), international securities (17%), and cash and equivalents (9%), and as of June 30, 2002 were stocks (33%), U.S. Government bonds (30%), corporate bonds (8%), international securities (22%), and cash equivalents (7%).

As of June 30, 2003, 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 \$16,597,000.

For purposes of applying Statement No. 3 of the Governmental Accounting Standards Board, the majority of the System's investments (other than mutual fund investments, which are not categorized) are uninsured and unregistered, with the securities held by the System's agents.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 5 – Endowment Funds:

Approximately \$205,188,000 and \$186,362,000 of endowment fund investments at June 30, 2003 and 2002 respectively, are pooled on a unit market value basis. As of June 30, 2003, the endowment pool is comprised of investments in mutual funds (68%), stocks (10%), private equity partnerships (21%) and other investments (1%). As of June 30, 2002, the endowment pool is comprised of investments in mutual funds (71%), stocks (11%), private equity partnerships (17%) and other investments (1%). 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, 2003 and 2002 was \$351.68 and \$356.55, 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, 2003 and 2002, 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 calendar quarters. Under the provisions of this spending rule, during 2003, \$16.41 was distributed to each time-weighted unit for a total spending rule distribution of \$10,036,000 and during 2002, \$15.63 was distributed to each time-weighted unit for a total spending rule distribution of \$9,876,000. The 2003 and 2002 distributions were made from investment income of \$6,329,000 and \$4,819,000, respectively, and \$3,707,000 and \$5,057,000, 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 \$100,427,000 and \$77,575,000 at June 30, 2003 and 2002, 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 for the System's permanent endowment. During the years ended June 30, 2003 and 2002 the System received \$18,613,000 and \$15,076,000, respectively, from such appropriations. Subject to legislative approval, the System may obtain a release of the permanent endowment restriction from the State for these funds. During the year ended June 30, 2002 the Legislature approved the release of \$78,006,000 of estate tax endowment funds, of which \$37,829,000 and \$34,132,000 was distributed to the various campuses and divisions of the System for certain unrestricted expenditures for the years ended June 30, 2003 and 2002, respectively. The amount released was reflected as a deduction from endowment investments and an addition to short-term investments in the financial statements at June 30, 2002. As of June 30, 2003 and 2002 the estate tax endowment fund balance was \$75,495,000 and \$55,487,000, respectively.

Effective July 1, 2003, the Legislature approved an appropriation from the State's General Fund to the System in the amount of \$89,235,000 for expenditures for certain unrestricted purposes during the years ending June 30, 2004 and 2005. Also effective July 1, 2003 Nevada Revised Statute 375A.705 was amended whereby the System will reimburse the State for such amounts appropriated by making specified monthly payments using funds in the estate tax endowment until the estate tax endowment fund reaches \$0. Subsequently, any estate tax distributions received by the System from the State must be reverted to the State until the remaining unpaid balance of the total appropriation has been repaid.

NOTE 6 – Accounts and Loans Receivable:

Accounts receivable consist primarily of amounts due from students for tuition and fees and from local and private sources for grant and contract agreements. Accounts receivable are presented on the accompanying Statements of Net Assets net of allowances for uncollectible amounts of \$3,611,000 and \$2,814,000 as of June 30, 2003 and 2002, respectively.

Loans receivable from students bear interest primarily between 3% and 12% 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. 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, 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Loans receivable	\$ 11,208,000	\$ 10,633,000
Less: Allowance for doubtful loans	<u>(535,000)</u>	<u>(619,000)</u>
Net loans receivable	10,673,000	10,014,000
Less current portion	<u>(2,828,000)</u>	<u>(1,804,000)</u>
Noncurrent loans receivable	<u>\$ 7,845,000</u>	<u>\$ 8,210,000</u>

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 7 – Capital Assets:

Capital asset activity for the years ended June 30, 2003 and 2002 is as follows:

	<u>2003</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 35,130,000	\$ 54,385,000	\$ (26,890,000)	\$ 62,625,000
Land	46,082,000	3,117,000	-	49,199,000
Collections	4,284,000	551,000	-	4,835,000
Total capital assets, not being depreciated	<u>85,496,000</u>	<u>58,053,000</u>	<u>(26,890,000)</u>	<u>116,659,000</u>
Capital assets, being depreciated:				
Buildings	1,059,661,000	52,423,000	(6,080,000)	1,106,004,000
Land improvements	68,306,000	3,916,000	-	72,222,000
Machinery and equipment	195,075,000	25,800,000	(12,405,000)	208,470,000
Library books and media	76,922,000	7,111,000	(2,855,000)	81,178,000
Total cost	<u>1,399,964,000</u>	<u>89,250,000</u>	<u>(21,340,000)</u>	<u>1,467,874,000</u>
Less accumulated depreciation for:				
Buildings	(266,824,000)	(26,000,000)	2,156,000	(290,668,000)
Land improvements	(43,848,000)	(3,420,000)	-	(47,268,000)
Machinery and equipment	(125,185,000)	(18,550,000)	10,270,000	(133,465,000)
Library books and media	(59,854,000)	(8,015,000)	2,854,000	(65,015,000)
Total accumulated depreciation	<u>(495,711,000)</u>	<u>(55,985,000)</u>	<u>15,280,000</u>	<u>(536,416,000)</u>
Total capital assets being depreciated, net	<u>904,253,000</u>	<u>33,265,000</u>	<u>(6,060,000)</u>	<u>931,458,000</u>
Capital assets, net	<u>\$ 989,749,000</u>	<u>\$ 91,318,000</u>	<u>\$ (32,950,000)</u>	<u>\$ 1,048,117,000</u>
	<u>2002</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 48,795,000	\$ 31,036,000	\$ (44,701,000)	\$ 35,130,000
Land	36,773,000	9,334,000	(25,000)	46,082,000
Collections	3,884,000	400,000	-	4,284,000
Total capital assets, not being depreciated	<u>89,452,000</u>	<u>40,770,000</u>	<u>(44,726,000)</u>	<u>85,496,000</u>
Capital assets, being depreciated:				
Buildings	983,233,000	76,428,000	-	1,059,661,000
Land improvements	62,916,000	5,390,000	-	68,306,000
Machinery and equipment	181,363,000	27,599,000	(13,887,000)	195,075,000
Library books and media	71,759,000	7,402,000	(2,239,000)	76,922,000
Total cost	<u>1,299,271,000</u>	<u>116,819,000</u>	<u>(16,126,000)</u>	<u>1,399,964,000</u>
Less accumulated depreciation for:				
Buildings	(243,215,000)	(23,609,000)	-	(266,824,000)
Land improvements	(40,540,000)	(3,308,000)	-	(43,848,000)
Machinery and equipment	(118,314,000)	(19,354,000)	12,483,000	(125,185,000)
Library books and media	(53,778,000)	(8,316,000)	2,240,000	(59,854,000)
Total accumulated depreciation	<u>(455,847,000)</u>	<u>(54,587,000)</u>	<u>14,723,000</u>	<u>(495,711,000)</u>
Total capital assets being depreciated, net	<u>843,424,000</u>	<u>62,232,000</u>	<u>(1,403,000)</u>	<u>904,253,000</u>
Capital assets, net	<u>\$ 932,876,000</u>	<u>\$ 103,002,000</u>	<u>\$ (46,129,000)</u>	<u>\$ 989,749,000</u>

The estimated cost to complete property authorized or under construction at June 30, 2003 is \$214,189,000. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

NOTE 8 – Long-Term Debt:

Long-term debt activity for the years ended June 30, 2003 and 2002 is as follows:

	Annual Interest Rate	Fiscal Year Final Payment Due	2003		Additions	Reductions	Ending Balance	Current
			Beginning Balance					
Universities Refunding Revenue Bonds, Series 1994	4.00% to 5.60%	2004	\$20,120,000	-	\$(19,185,000)	\$ 935,000	\$ 935,000	
Universities Refunding Revenue Bonds, Series 1993	4.12% to 5.00%	2004	6,050,000	-	(5,695,000)	355,000	355,000	
University Superior Lien Refunding Revenue Bonds, Series 1997	4.50% to 6.00%	2007	8,615,000	-	(1,750,000)	6,865,000	1,825,000	
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	1,625,000	-	(230,000)	1,395,000	245,000	
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	950,000	-	(85,000)	865,000	90,000	
Universities Revenue Bonds, Series 1992	6.20% to 6.40%	2014	1,075,000	-	(335,000)	740,000	360,000	
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	6,870,000	-	(155,000)	6,715,000	160,000	
Community College Revenue Bonds, Series 1996	3.80% to 5.70%	2017	985,000	-	(45,000)	940,000	45,000	
Universities Revenue Bonds, Series 2003A	2.00% to 5.00%	2017	-	23,140,000	-	23,140,000	-	
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2021	14,500,000	-	(120,000)	14,380,000	145,000	
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	27,385,000	-	(915,000)	26,470,000	955,000	
Taxable University Revenue Bonds, Series 2002C	4.00% to 5.50%	2022	-	8,150,000	-	8,150,000	-	
SNSC Phase II Lease Revenue Bonds	7.58%	2023	8,460,000	-	-	8,460,000	90,000	
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	14,605,000	-	(175,000)	14,430,000	255,000	
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	19,200,000	-	-	19,200,000	340,000	
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	31,000,000	-	-	31,000,000	-	
Universities Revenue Bonds, Series 2002B	4.75% to 5.00%	2032	-	10,905,000	-	10,905,000	-	
Universities Revenue Bonds, Series 2003B	2.00% to 5.00%	2034	-	50,890,000	-	50,890,000	-	
Premiums			1,911,000	-	-	1,911,000	-	
Total Bonds Payable			161,440,000	-	(28,690,000)	227,746,000	5,800,000	
Notes Payable			18,510,000	-	(5,710,000)	27,399,000	1,935,000	
Total			\$179,950,000	-	\$(34,400,000)	\$255,145,000	\$7,735,000	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

NOTE 8 – Long-Term Debt (continued):

	Annual Interest Rate	Fiscal Year Final Payment Due	2002				Ending Balance	Current
			Beginning Balance	Additions	Reductions	Ending Balance		
University Revenue Bonds, Series 1991	5.70% to 8.25%	2002	\$ 355,000	\$ -	\$ (355,000)	\$ -	\$ -	
Community College Refunding Revenue Bonds, Series 1993	3.00% to 4.75%	2002	250,000	-	(250,000)	-	-	
University Superior Lien Refunding Revenue Bonds, Series 1997	4.50% to 6.00%	2007	10,275,000	-	(1,660,000)	8,615,000	1,750,000	
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	1,840,000	-	(215,000)	1,625,000	230,000	
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	1,030,000	-	(80,000)	950,000	85,000	
Universities Revenue Bonds, Series 1992	6.20% to 6.40%	2014	1,390,000	-	(315,000)	1,075,000	335,000	
Universities Refunding Revenue Bonds, Series 1994	4.00% to 5.60%	2014	20,620,000	-	(500,000)	20,120,000	905,000	
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	7,015,000	-	(145,000)	6,870,000	155,000	
Universities Refunding Revenue Bonds, Series 1993	4.12% to 5.00%	2015	6,375,000	-	(325,000)	6,050,000	340,000	
Community College Revenue Bonds, Series 1996	3.80% to 5.70%	2017	1,030,000	-	(45,000)	985,000	45,000	
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2021	14,500,000	-	-	14,500,000	120,000	
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	27,385,000	-	-	27,385,000	915,000	
SNSC Phase II Lease Revenue Bonds	7.58%	2023	-	8,460,000	-	8,460,000	-	
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	14,605,000	-	-	14,605,000	175,000	
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	-	19,200,000	-	19,200,000	-	
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	-	31,000,000	-	31,000,000	-	
Total Bonds Payable			<u>106,670,000</u>	<u>58,660,000</u>	<u>(3,890,000)</u>	<u>161,440,000</u>	<u>5,055,000</u>	
Notes Payable			<u>15,245,000</u>	<u>5,736,000</u>	<u>(2,471,000)</u>	<u>18,510,000</u>	<u>1,967,000</u>	
Total			<u>\$121,915,000</u>	<u>\$64,396,000</u>	<u>\$16,361,000</u>	<u>\$179,950,000</u>	<u>\$7,022,000</u>	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

NOTE 8 – 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 System is in compliance with the terms, covenants, provisions and conditions of the various bond indentures as they relate to the payment of bond interest and principal when due and maintenance of insurance coverage.

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>
2004	\$ 7,735,000	\$ 12,504,000
2005	11,660,000	12,423,000
2006	9,184,000	11,816,000
2007	10,414,000	11,451,000
2008	10,531,000	10,820,000
2009-2013	48,488,000	46,908,000
2014-2018	48,214,000	34,131,000
2019-2023	39,249,000	21,830,000
2024-2028	31,800,000	13,005,000
2029-2033	34,205,000	4,203,000
2034-2038	<u>3,665,000</u>	<u>40,000</u>
Total	<u>\$255,145,000</u>	<u>\$179,131,000</u>

NOTE 9 – 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 2003 to 2012. Annual lease payments under these capital lease agreements range from \$2,000 to \$486,000.

Obligations under capital leases were as follows for the years ending June 30, 2003 and 2002:

	<u>2003</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$10,939,000</u>	<u>\$1,322,000</u>	<u>\$(1,837,000)</u>	<u>\$10,424,000</u>	<u>\$1,555,000</u>
	<u>2002</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$33,062,000</u>	<u>\$5,728,000</u>	<u>\$(27,851,000)</u>	<u>\$10,939,000</u>	<u>\$1,478,000</u>

The following property included in the accompanying financial statements was leased under capital leases as of June 30, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Buildings and improvements	\$ 4,600,000	\$ 4,600,000
Machinery and equipment	<u>9,955,000</u>	<u>9,194,000</u>
Total	14,555,000	13,794,000
Less accumulated depreciation	<u>(2,574,000)</u>	<u>(1,606,000)</u>
Total	<u>\$11,981,000</u>	<u>\$12,188,000</u>

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 9 – Obligations Under Capital Leases (continued):

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

2004	\$ 2,220,000
2005	1,988,000
2006	1,781,000
2007	1,569,000
2008	1,194,000
2009-2113	3,885,000
2014-2018	<u>576,000</u>
Total minimum lease payments	13,213,000
Less amount representing interest	<u>(2,789,000)</u>
Obligations under capital leases	<u>\$10,424,000</u>

Total interest expense under the capital leases and included in the accompanying financial statements was \$745,000 and \$1,490,000 during the years ended June 30, 2003 and 2002, respectively.

NOTE 10 – Other Noncurrent Liability Activity:

The activity with respect to other noncurrent liabilities for the years ended June 30, 2003 and 2002 was as follows:

	<u>2003</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Refundable advances under federal loans program	\$ 7,294,000	\$ 666,000	\$ (582,000)	\$ 7,378,000	\$ -
Compensated absences	28,029,000	24,606,000	(21,900,000)	30,735,000	21,445,000
Deferred revenue	<u>24,830,000</u>	<u>22,913,000</u>	<u>(25,252,000)</u>	<u>22,491,000</u>	<u>22,291,000</u>
Total	<u>\$60,153,000</u>	<u>\$48,185,000</u>	<u>\$(47,734,000)</u>	<u>\$60,604,000</u>	<u>\$43,736,000</u>

	<u>2002</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Refundable advances under federal loans program	\$ 7,383,000	\$ 640,000	\$ (729,000)	\$ 7,294,000	\$ -
Compensated absences	24,665,000	23,865,000	(20,501,000)	28,029,000	20,551,000
Deferred revenue	<u>22,130,000</u>	<u>24,494,000</u>	<u>(21,794,000)</u>	<u>24,830,000</u>	<u>24,110,000</u>
Total	<u>\$54,178,000</u>	<u>\$48,999,000</u>	<u>\$(43,024,000)</u>	<u>\$60,153,000</u>	<u>\$44,661,000</u>

NOTE 11 – Extinguishment of Debt:

At June 30, 2003, debt in the amount of \$24,100,000 is considered to be extinguished through refunding of prior issues by a portion of the current issues. Sufficient proceeds were invested in state and local government securities and placed in escrow to assure the timely payment of the maturities of prior issues. Neither the debt nor the escrowed assets are reflected on the financial statements.

NOTE 12 – 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. 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 2-1/2 percent of the employee's average compensation for each year of service up to 36 years, with a maximum of 90 percent for employees hired prior to July 1, 1985. The maximum is 75 percent if hired after July 1, 1985. All service earned after July 1, 2001, will be earned at the rate of 2.67 percent of pay for each year of service credit. Employees' average compensation

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

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% 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% or 18.75% 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, 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, 2003, 2002 and 2001 was approximately \$45,434,000, \$41,357,000, and \$37,490,000, respectively, equal to the required contribution for each year.

NOTE 13 – 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.

NOTE 14 – Functional Classification of 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, 2003 and 2002:

<u>Expenses</u>	<u>2003</u>	<u>2002</u>
Instruction	\$333,704,000	\$312,064,000
Research	100,897,000	85,425,000
Public service	49,079,000	47,219,000
Academic support	75,141,000	64,366,000
Institutional support	101,007,000	94,247,000
Student services	66,477,000	58,111,000
Operation and maintenance of plant	67,841,000	67,946,000
Scholarships and fellowships	35,004,000	30,342,000
Auxiliary enterprises	57,190,000	51,587,000
Other expenditures	95,000	140,000
Depreciation	<u>55,985,000</u>	<u>54,587,000</u>
Total	<u>\$942,420,000</u>	<u>\$866,034,000</u>

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Regents of the
University and Community College System of Nevada:

We have audited the financial statements of University and Community College System of Nevada (the "System") as of and for the year ended June 30, 2003, and have issued our report thereon dated October 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the System in a separate letter dated October 3, 2003.

This report is intended solely for the information and use of the System's Board of Regents, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

October 3, 2003

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REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Regents of the
University and Community College System of Nevada

Compliance

We have audited the compliance of the University and Community College System of Nevada (the "System") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the System's management. Our responsibility is to express an opinion on the System's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the System's compliance with those requirements.

In our opinion, the System complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item UNR #1.

Internal Control Over Compliance

The management of the System is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the System's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the System's Board of Regents, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

October 3, 2003

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES						TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM		
MAJOR PROGRAMS											
Research and Development: U.S. Dept. of Agriculture Agriculture Research Service Ag. Research-Basic & Applied Res. Passed Through	10.001	\$104,575									\$104,575
Biotech Res Dev Corp Ag. Research University of Arizona	10.001	197,957									197,957
Ag. Research University of Illinois	10.001			\$25,469							25,469
Ag. Research	10.001			13,875							13,875
Total Agriculture Research Service		\$302,532	\$0	\$39,344	\$0	\$0	\$0	\$0	\$0	\$0	\$341,876
Cooperative State Education & Extension Svc. Agriculture Research Grants Hatch Funds	10.200 10.203 10.205	\$477,915 821,020 478,916	\$10,189								\$488,104 821,020 478,916
Payments to Land-Grant Colleges Grants for Ag Research	10.206 10.207	290,708 25,855	84,844								375,552 25,855
Animal Health and Disease Research Initiative for Future Ag and Food Systems	10.207 10.302	764,597 149,954									764,597 149,954
Integrated Programs Cooperative Extension Service Passed Through	10.303 10.500	30,526		\$21,478							52,004
University of California-Davis Bovine Abortion	10.206	10,482		12,903							23,385
Utah State University Cooperative Extension Service	10.500	16,962									16,962
University of Kentucky Cooperative Extension Service	10.500	37,308									37,308
Total Cooperative State Education & Extension Svc.		\$3,104,243	\$95,033	\$34,381	\$0	\$0	\$0	\$0	\$0	\$0	\$3,233,657
Food & Consumer Nutrition Passed Through											
NV Dept of Human Resources Nutrition Education and Training Program	10.564	\$319,457									\$319,457
Purdue University Nutrition Education and Training Program	10.564	80,192									80,192
Total Food & Consumer Nutrition		\$399,649	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$399,649
Forest Service Forestry Research Cooperative Forestry Assistance Passed Through	10.652 10.664	\$297,348 85,665	\$627,590	\$42,257							\$967,195 85,665
University of Arizona Forestry Research	10.652			25,352							25,352
Nevada Dept of Transportation Erosion Control	10.652			182,211							182,211
UNR											

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
Water Samples	10.652			2,069									2,069
Tahoe Regional Plan													
Urban Runoff BMP	10.652			92,065									92,065
NV Dept of Conservation/Natural Resources													
Forestry Research	10.652			48,838									48,838
Cooperative Forestry Assistance	10.664	45,228											45,228
Total Forest Service		\$428,241	\$627,590	\$392,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,448,623
Total U.S. Dept. of Agriculture		\$4,234,665	\$722,623	\$466,517	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,423,805
U.S. Dept. of Commerce													
National Institute Standards & Tech.													
Manufacturing Extension Partnership	11.611											\$1,408,789	\$1,408,789
Passed Through													
UCCSN													
Manufacturing Extension Partnership	11.611	\$99,625											99,625
Total National Institute Standards & Tech.		\$99,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,508,414
National Oceanic & Atmospheric Administration													
Climate & Atmospheric Research	11.431	\$918		\$173,817									\$174,735
CIASTA	11.432			2,370,554									2,370,554
Passed Through													
Info Manufacturing Corp													
NOAA Dataset	11.431			23,348									23,348
Univ of Corp Atmos Res													
UCAR Snowfall QPF	11.431			4,608									4,608
Univ. of California, San Diego													
Fire Weather	11.431			50,510									50,510
University of Arkansas													
NOAA Ecosystems	11.432			(48)									(48)
Total National Oceanic & Atmospheric Admin.		\$918	\$0	\$2,622,789	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,623,707
Total U.S. Dept. of Commerce		\$100,543	\$0	\$2,622,789	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,132,121
U.S. Dept. of Defense													
Dept. of the Army, Office of the Chief of Engineers													
Planning Assistance to States	12.110	\$110,346											\$110,346
Collaborative R&D	12.114	257,804	\$98,561	\$106,154									462,519
Passed Through													
Huffman & Carpenter													
Collaborative R&D	12.114			53									53
TRC Environmental Corp													
Collaborative R&D	12.114			56,575									56,575
Parsons													
Collaborative R&D	12.114		28,382										28,382
University of Redlands													
Collaborative Research and Development	12.114	6,060											6,060
Total Dept. of the Army, Office Chief of Engineers		\$374,210	\$126,943	\$162,782	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$663,935

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Office of the Chief of Naval Research Basic & Applied Scientific Research Passed Through Encapco Tech DOD/Navy UNR Basic & Applied Scientific Research	12.300 12.300 12.300	\$779,774	\$376,282	\$283,626								\$1,439,682
Total Office of the Chief of Naval Research		\$779,774	\$422,821	\$294,756	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,497,351
U.S. Army Material Command Basic Scientific Research Military Medical R&D Passed Through CHARIS Basic Scientific Research	12.431 12.420 12.431		\$102,453 22,303	\$1,273,784								\$1,376,237 22,303
Total U.S. Army Material Command		\$0	\$124,756	\$1,331,099	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,455,855
Office of Secretary of Defense Basic Applied & Advanced Research Passed Through University of Utah	12.630 12.630	\$227,684	\$37,190	\$732,375								\$997,249 130,262
Total Office of Secretary of Defense		\$227,684	\$37,190	\$862,637	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,127,511
Dept. of the Air Force, Material Command Defense Research Sciences Program Passed Through ST UT USAF/Utah Sierra Engineering Air Force Defense Research Sciences Program University of New Mexico Air Force Defense Research Sciences Program	12.800 12.800 12.800 12.800	\$292,947		\$592,463								\$885,410 131,643 (630) 47,730
Total Dept. of the Air Force, Material Command		\$340,047	\$0	\$724,106	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,064,153
Defense Advanced Research Projects Agency Research & Technology Development	12.910		\$67,420									\$67,420
Total Defense Advanced Research Projects Agency		\$0	\$67,420	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,420
Total U.S. Dept. of Defense		\$1,721,715	\$779,130	\$3,375,380	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,876,225
U.S. Dept. of Education Office of Vocational & Adult Education NV Department of Education Passed Through UCCSN	84.048			\$195								\$195

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES					TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM	
Science & Tech for Environmental Mgmt	81.104	213,132	1,787,006	5,382,849						7,382,987
Epidemiology & Other Health Studies Fin Asst Prog	81.108		2,897,818							2,897,818
Stewardship Science Grant Program	81.112	100,110	2,773,662							2,873,772
Defense Nuclear Nonproliferation Research	81.113	5,108								5,108
Energy Efficiency & Renewable Energy Info.	81.117	43,815								43,815
State Energy Program Special Projects	81.119	6,122								6,122
Atomic Testing Museum Passed Through	81.502			332,764						332,764
ADA										
Tech Phytoremediation	81.049			26,011						26,011
AEA Technology										
Tech Hydro Support	81.049			9,284						9,284
ATS										
Ohio River Valley	81.049			213,372						213,372
Batelle										
Lab Analysis	81.049			114,836						114,836
Bechtel Nevada										
Office of Science Financial Assistance Program	81.049		92,932							92,932
Nuclear Waste Disposal Siting	81.065	26,124	(1,256)							24,868
Cornell University										
Stewardship Science Grant Program	81.112	7,583		7,583						7,583
University Nuclear Science & Reactor Support	81.114	62,452		62,452						62,452
DRI										
State Energy Program	81.041	18,136								18,136
Office of Science Financial Assistance Program	81.049		5,888							5,888
Nuclear Waste Disposal Siting	81.065		3,248							3,248
Conservation Research & Development	81.086	776								776
Renewable Energy Research & Development	81.087	35,449	21,039							56,488
ERDA										
Vadose Zone	81.049			65,426						65,426
GE Energy & Environment Research Corp										
Fine Particle Emission	81.049			39,896						39,896
Idaho State University										
Office of Science Financial Assistance Program	81.049		2,781							2,781
Lawrence Berkeley National Lab										
Office of Science Financial Assistance Program	81.049		12,348							12,348
Lawrence Livermore National Lab										
Renewable Energy Research & Development	81.087		3,444							3,444
Office of Science Financial Assistance Program	81.049		229,075							229,075
Office of Science and Tech for Env. Mgt	81.104	46,919								46,919
State Energy Program Special Projects	81.119	138,967								138,967
Lincoln Co. Nevada										
Energy Task Force	81.081	2,369								2,369
Lockheed										
Forest Product	81.049			10,247						10,247
Los Alamos National Lab										
Office of Science Financial Assistance Program	81.049		14,365							14,365
Office of Scientific & Technical Info.	81.064	29,824								29,824
Renewable Energy Research & Development	81.087	42,796								42,796
Mactec										
Analog Study	81.049			56,563						56,563

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	LNR	UNLV	DRI	AMOUNT OF EXPENDITURES					TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM	
Midwest Research Institute	81.087	351,677								351,677
Renewable Energy Research & Development	81.065		268,606							268,606
National Energy Management Institute	81.087		427,800	889,789						1,317,589
Office of Science Financial Assistance Program	81.119							2,344		2,344
National Renewable Energy Lab	81.041	4,402								4,402
NV-Office of the Governor	81.065		323							323
State Energy Program Special Projects	81.049	15,880								15,880
State Energy Program	81.065		392							392
Nevada Agency of Nuclear Projects	81.065									
Nuclear Waste Disposal Siting	81.065									
Nevada Department of Business and Industry	81.049									
Office of Science Financial Assistance Program	81.065									
NTS Development	81.065									
Nuclear Waste Disposal Siting	81.065									
Nye County NV	81.065									
Nuclear Waste Disposal Siting	81.086	35,771								35,771
Conservation Research & Development	81.086	13,539								13,539
Pacific Northwest	81.049			65,747						65,747
Aerosol Absorption	81.049			(1,533)						(1,533)
Paragon	81.049			16,845						16,845
Analysis	81.049									
Pinnacle Lab	81.049									
Lab Analysis	81.041									
Sandia National Lab	81.041									
State Energy Program	81.049	24,495								24,495
Office of Science Financial Assistance Program	81.104		11,943							11,943
Sandia TTR	81.086			2,136						2,136
Conservation Research & Development	81.087	47,166								47,166
Renewable Energy Research & Development	81.104	51,140								51,140
Science & Engineering Association	81.104									
Science & Tech for Environmental Management	81.086		37,133							37,133
Smithsonian	81.086									
Conservation Research & Development	81.049	547								547
Southwest Research Institute	81.049			117,144						117,144
Natural Gas	81.049									
Stanford Res Institute	81.049			71,134						71,134
Vehicle Exhaust	81.065									
Technical Associates	81.065									
Nuclear Waste Disposal Siting	81.065		77,580							77,580
TRW Env Safety Systems Inc.	81.065	335								335
Nuclear Waste Disposal Siting	81.041	167,194								167,194
UCCSN	81.049	315,871								315,871
State Energy Program	81.089	139,018								139,018
Epscor	81.112		4,279							4,279
Fossil Energy Research & Development	81.049		291,796							291,796
Stewardship Science Grant Program	81.087		39,913							39,913
UNR	81.104		304,927	216,733						521,660
UNR	81.104		4,279							4,279
Basic Energy Sciences-Univ. & Sci. Ed.	81.049			64,902						64,902
Geothermal Systems	81.087			11,153						11,153
Tritium Analysis	81.104			121,678						121,678
UNLV										

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES						TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM		
Nuclear Waste Disposal Siting Univ. of California San Diego Accelerated Climate	81.065	3,842,019		591,001							4,433,020
UT-Battelle, LLC	81.049			7,052							7,052
Conservation Research & Development	81.086	15,779									15,779
Renewable Energy Research & Development	81.087	35,462									35,462
Vehicle Projects LLC	81.087	69,712									69,712
Renewable Energy Research & Development	81.089	6,448									6,448
Virginia Polytechnic Institute	81.049		11,763								11,763
Fossil Energy Research & Development	81.049										11,763
VITEX Inc	81.049										11,763
Office of Science Financial Assistance Program	81.049										11,763
West Area Power Administration	81.087	4,390									4,390
Renewable Energy Research & Development	81.117	1,703									1,703
Energy Efficiency & Renewable Energy Info.	81.117	1,703									1,703
West Virginia University	81.049			81,745							81,745
E-55/E-59	81.049			81,745							81,745
Total U.S. Dept. of Energy		\$11,279,977	\$23,405,330	\$8,531,002	\$0	\$0	\$0	\$0	\$1,563,573	\$0	\$44,779,882
Environmental Protection Agency	66.001			\$11,583							\$11,583
Office of Air & Radiation	66.001			16,101							16,101
Ambient Air Monitoring	66.001			140,287							140,287
Passed Through	66.001			10,673							10,673
Bolse State	66.001			78,400							78,400
DRI Sodars	66.001			2,496							2,496
Central Region Air Planning	66.001			4,857							4,857
Visibility Base	66.001			(294)							(294)
Environ	66.001			13,975							13,975
Mobile 6 Hwy	66.001			(7)							(7)
HUALAPAI Tribe	66.001			18,456							18,456
Air Quality	66.001			13,407							13,407
Palute Tribe	66.001			69,075							69,075
Air Dev Program	66.001			25,000							25,000
UNR	66.001			14,378							14,378
Lake Samples	66.001										
Terra Tech	66.001										
Nutrient Data	66.001										
Research Triangle Inst	66.001										
Organic Analysis	66.001										
Harvard University	66.001										
Ambient Sampling	66.001										
Texas Natural Resource CC	66.001										
Lab Analysis	66.001										
Western Gov Assoc	66.001										
Environ Dust	66.001										
State of Oklahoma	66.001										
PM 2.5 Training	66.001										
State of Oregon	66.001										
Columbia River	66.001										
State of Nevada	66.001										
Tahoe Watersheds	66.001										

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL		
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM					
State of Texas PM 2.5 Training	66.001			398,855										398,855
State of Washington Columbia River Gorge	66.001			7,780										7,780
Total Office of Air & Radiation		\$0	\$0	\$825,022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$825,022
Office of Water														
Water Quality Cooperative Agreements	66.463	\$8,575												\$8,575
Wetlands Grants Passed Through	66.461	21,917												21,917
DRI														
Wastewater Operator Training Grant Program	66.467	7,653												7,653
State Nv Dep														
Dep Oxygen Carson River	66.419			\$29,199										29,199
NV Department of Conservation & Nat Resources														
Wetlands Protection-Development	66.461	59,880												59,880
NV Department of Human Resources														
State Underground Water Source Protection	66.433	39,735												39,735
Pyramid Lake Paiute Tribe														
Water Pollution Control-State & Interstate Prog	66.419	5,000												5,000
Southern Nevada Water Authority														
Wetlands Grants	66.461		\$63,762											63,762
Total Office of Water		\$142,760	\$63,762	\$29,199	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$235,721
Office of Prevention Pest & Toxic Substances														
Passed Through														
Leland Stanford Jr. University														
Pollution Prevention	66.708	\$59,639												\$59,639
Total Office of Prev. Pest & Toxic Sub		\$59,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,639
Office of Solid Waste & Emergency Response														
Fresno-Phase II	66.807			\$312,547										\$312,547
Total Office of Solid Waste & Emer. Response		\$0	\$0	\$312,547	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$312,547
Office of Administration														
Environmental Protection Consolidated Grants	66.600		\$13,988											\$13,988
Surveys, Studies, Investigations & Special Purpose	66.606			\$1,282										1,282
Training & Fellowships for the EPA	66.607	\$643	33,920											34,563
Total Office of Administration		\$643	\$47,908	\$1,282	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,833
Office of Research & Development														
Environ Protection-Consol. Res.	66.500	\$117,774	\$34,474											\$152,248
Passed Through														
St Nv Dep														
Selenium Migration	66.460			\$4,207										4,207
McGee Database														
City of Las Vegas	66.500			63,446										63,446

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL		
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM					
Environmental Protection Consolidated Research	66.500		73,120											73,120
Health Effects Inst														
Diesel Emission	66.500			2,093										2,093
WESTAR														
Dust Depo Base	66.500			75,985										75,985
Miami University														
Environ Protection-Consol. Res.	66.500	8,520												8,520
Washington Univ														
St. Louis Supersite	66.500		139,757											139,757
UNR														
EPSCoR Perchlr Transp	66.500			2,001										2,001
UCCSN														
Environ Protection-Consol. Res.	66.500	(16)	3,578	2										3,564
Total Office of Research & Development		\$126,278	\$111,172	\$287,491	\$0	\$0	\$0	\$0	\$18,893	\$0	\$0	\$0	\$0	\$543,834
Total Environmental Protection Agency		\$329,320	\$222,842	\$1,455,541	\$0	\$0	\$0	\$0	\$18,893	\$0	\$0	\$0	\$0	\$2,026,596
U.S. Dept. of Health & Human Services														
Administration on Aging														
Passed Through														
NV Department of Human Resources	93.043	\$10,241												\$10,241
Special Programs for the Aging - F	93.044	136,639												136,639
Special Programs for the Aging - B	93.052	82,635												82,635
National Family Caregiver Support Program														
Total Administration on Aging		\$229,515	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$229,515
Center for Disease Control														
Health Promotion & Disease Prevention	93.135		\$26,072											\$26,072
Injury Prevention & Control Research	93.136	\$347,097												347,097
State Capacity Building	93.240		44,397											44,397
Occupational Safety & Health Research Grants	93.262		9,923											9,923
Assistance Programs for Chronic Disease	93.945	757,035												757,035
Passed Through														
Agency for Occupational Environmental Clinics														
Centers for Disease Control & Prev Invest & Tech Asst	93.283		87,835											87,835
Assoc. Teachers of Prev Medicine														
Investigations and Technical Assistance	93.283	149,623												149,623
NV Department of Human Resources														
Investigations & Technical Assistance	93.283	242,759												242,759
UNR														
Centers for Disease Control & Prev Invest	93.283		21,913											21,913
Total Center for Disease Control		\$1,496,514	\$190,140	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,686,654
Health Resources & Services Administration														
Rural Telemedicine Grants	93.211		\$2,626,877											\$2,626,877
Residencies in the Practice of Pediatric Dentistry	93.248	\$122,787												122,787
Health Care and Other Facilities	93.887	787,591	212,786											1,000,377
Passed Through														
Nevada Department of Human Resources														

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
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 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
Primary Care Services	93.130	2,809											2,809
HIV Care Formula	93.917	8,269											8,269
University of Louisville Genetics & Developmental Biology Research	93.862	140,047											140,047
Total Health Resources & Services Admin.		\$1,061,503	\$2,839,663	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,901,166
Substance Abuse and Mental Health Knowledge Dev and Application (kdx)a) Prog Passed Through	93.230	\$152,948											\$152,948
Nevada Department of Human Resources Prevention & Treatment of Substance Abuse	93.959	51,312											51,312
Total Substance Abuse and Mental Health		\$204,260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$204,260
Administration for Child and Families Passed Through													
Nevada Dept of Human Resources Promoting Safe & Stable Families Child Care and Development	93.556 93.575	\$12,335 (7)											\$12,335 (7)
Total Administration for Children and Families		\$12,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,328
Agency for Health Care Policy & Research Healthcare Costs, Quality & Outcomes Passed Through	93.226		\$36,676										\$36,676
University of Washington Research on Healthcare Costs	93.226	\$36,264											36,264
Total Agency for Health Care Policy & Research		\$36,264	\$36,676	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,940
National Institutes of Health Environmental Health Hazards Biometry & Risk Estimation	93.113 93.115	(\$126) 788,013											(\$126) 788,013
Mental Research Grants	93.242		\$77,150										77,150
Alcohol Research	93.271		21,629										21,629
Alcohol Research	93.273	6,751											6,751
Drug Abuse Research	93.279	281,599											423,208
Nursing Research	93.361	14,577											14,577
Biomedical Technology Research Infrastructure	93.371 93.389	375,093 2,330,876											375,093 4,689,996
Academic Research Enhancement Fund	93.390		18,654										18,654
Cancer Cause & Prevention	93.393	954,270											954,270
Cancer Detection & Diagnosis Research	93.394		3,000										3,000
Cancer Treatment Research	93.395	172,884											172,884
Cancer Biology Research	93.396	361,168											361,168
Cancer Research Manpower	93.398	201,791											201,791
Cell Biology & Biophysics Research	93.821	192,377											192,377
Heart & Vascular Diseases	93.837	1,449,265											1,449,265
Lung Diseases	93.838	366,817											366,817
Blood Diseases and Resources Research	93.839	161,666											161,666
Arthritis, Musculoskeletal & Skin Diseases Research	93.846	687,427											687,427

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 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES					TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM	
Diabetes, Endocrinology & Metabolism	93.847	422,190								422,190
Digestive Diseases	93.848	2,516,898								2,516,898
Neurosciences & Neurological Disorders	93.853	94,637								94,637
Microbiology & Infectious Diseases	93.856	1,570,560								1,570,560
Pharm., Physiology, Biological Research	93.859	239,043								239,043
Research for Mothers & Children	93.865	529,690								529,690
Aging Research	93.866	66,769								66,769
Vision Research	93.867	227,395								227,395
Minority Access to Research Careers	93.880		27,390							27,390
Fogarty International Research Collaboration Award	93.934	38,861								38,861
Passed Through										
Sleep Management Inc.										
National Center on Sleep Disorders Research	93.233	11,891								11,891
AECOM-Yeshiva University										
Clinical Research	93.333	4,507								4,507
UCCSN										
Research Infrastructure	93.389	1,191,290	700,092							1,891,382
Heart and Vascular Diseases Research	93.837	663,808								663,808
Cooper Institute										
Cancer Cause and Prevention Research	93.393	107,792								107,792
Cancer Centers Support Grants	93.397	3,892								3,892
Klein Buendel Inc										
Cancer Cause and Prevention Research	93.393	69,104								69,104
Cancer Control	93.399	10,526								10,526
Loma Linda University										
Heart and Vascular Diseases Research	93.837	15,085								15,085
University of Colorado										
Lung Diseases Research	93.838	465,675								465,675
Algenix Inc.										
Diabetes, Endocrinology and Metabolism Res	93.847	33,000								33,000
University of California-REI										
Allergy, Immunology & Transplantation Res	93.855	72,653								72,653
Microbiology & Infectious Diseases	93.856	184,741								184,741
Sierra Biomedical Research Corp										
Kidney Diseases, Urology & Hematology	93.849	92,499								92,499
University of Louisville										
Genetics & Developmental Biology	93.862	395,321								395,321
Wake Forest University										
Aging Research	93.866	14,506								14,506
Georgia Tech Univ										
Cancer Biology Research	93.396	46,243								46,243
Science Applications Intntd Corp										
Cancer Biology Research	93.396	20,409								20,409
Indiana University										
Biological Basis Research in Neurosciences	93.854	3,035								3,035
Total National Institutes of Health		\$17,456,468	\$989,524	\$0	\$0	\$0	\$0	\$0	\$0	\$2,359,120
Total U.S. Dept. of Health & Human Services		\$20,496,852	\$4,056,003	\$0	\$0	\$0	\$0	\$0	\$0	\$26,911,975

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL			
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM						
Community Development Block Grant	14.246		\$10,862												\$10,862
Total Community Planning & Development		\$0	\$10,862	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,862
Total U.S. Dept. of Housing & Urban Development		\$0	\$10,862	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,862
U.S. Dept. of the Interior															
Bureau of Indian Affairs	15.038	\$17,727													\$17,727
Minerals and Mining on Indian Lands		\$17,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,727
Total Bureau of Indian Affairs		\$17,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,727
Bureau of Land Management				\$397,239											\$397,239
Climate Monitoring	15.200	\$267,979	\$25,394												293,373
Cooperative Inspection Agreements	15.222	34,442	6,424												40,866
Cultural Resource Management	15.224	4,756													4,756
Recreation Resource Management	15.225	92,790													92,790
CEFA Infrastructure	15.228														
Passed Through															
Scripts															
Climate Monitoring	15.200			68,681											68,681
Charis															
Climate Monitoring	15.200			(12,829)											(12,829)
Dynamac															
Fish Slough	15.200			4,500											4,500
URS Greiner															
Wave Measurement	15.200			33,349											33,349
Total Bureau of Land Management		\$399,967	\$31,818	\$490,940	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$922,725
Bureau of Reclamation															
Walker River	15.500														
Reclamation & Water Reuse Program	15.504	\$22,785	\$10,678												(\$22,672)
Water Desalination Research & Development	15.506	41,957	157,151												33,463
Passed Through															199,108
Fernley															
GW Model YR2	15.500			49,904											49,904
Reclamation & Water Reuse Program	15.504														
Colorado State University															
Water Reclamation and Resue Program	15.504	1,997													1,997
Southern Nevada Water Authority															
Water Reclamation and Resue Program	15.504	1,636													1,636
URS Corp															
Water Desalination Research & Dev Program	15.506	3,970													3,970
Total Bureau of Reclamation		\$72,345	\$167,829	\$27,232	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$267,406
U.S. Fish & Wildlife Service															
Sport Fish Restoration	15.605	\$104,091													\$104,091
Wildlife Restoration	15.600														13,055
Fish and Wildlife Management Assistance	15.608	642,976													642,976
Wildlife Restoration	15.611	58,862													58,862
Coastal Wetlands Planning, Protection Act	15.614		\$25												25

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES						TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM		
Passed Through State of Nevada Management Assistance State of Alaska Fish & Game Sport Fish Restoration	15.608 15.605		2,254								2,254 32,003
Total U.S. Fish & Wildlife Service		\$837,932	\$2,279	\$13,055	\$0	\$0	\$0	\$0	\$0	\$0	\$853,266
Geological Survey Analysis & Sampling	15.800			\$127,974							\$127,974
State Water Resources Res. Inst.	15.805	\$1,209	\$16,066	92,593							109,868
Earthquake Hazards Reduction Prog.	15.807	603,033	1,398	2,320							606,751
Research & Data Acquisition	15.808	133,754	365,222	9,323							508,299
National Spatial Data Infrastructure	15.809		1,446								1,446
National Cooperative Geologic Mapping Passed Through	15.810	235,178	17,967								253,145
DRI											
Assistance to State Water Resources	15.805	12,496									12,496
US Geological Survey-Research	15.808	17,708									17,708
National Cooperative Geologic Mapping UCSD	15.810	10,415									10,415
Research & Data Acquisition Clark County Nevada	15.808			18,061							18,061
National Cooperative Geologic Mapping Program	15.810	37,057									37,057
Total Geological Survey		\$1,050,850	\$402,099	\$250,271	\$0	\$0	\$0	\$0	\$0	\$0	\$1,703,220
National Park Service Research & Analysis	15.900			\$696,077							\$696,077
Historic Pres. Fund Grants-In-Aid	15.904		\$17,021								17,021
National Natural Landmarks	15.910	\$41,657									41,657
Technical Preservation Sciences	15.915		653,172								653,172
Outdoor Recreation-Acquisition, Dev & Planning	15.916	3,164									3,164
Disposal of Federal Surplus	15.918	41,927									41,927
National Center for Preservation Tech & Training Passed Through	15.923		2,600								2,600
State of Nevada Historic Preservation Fund	15.904		29,329								29,329
Total National Park Service		\$86,748	\$702,122	\$696,077	\$0	\$0	\$0	\$0	\$0	\$0	\$1,484,947
Total U.S. Dept. of the Interior		\$2,465,569	\$1,306,147	\$1,477,575	\$0	\$0	\$0	\$0	\$0	\$0	\$5,249,291
U.S. Dept. of Justice Federal Bureau of Investigation Las Enforcement Assistance-FBI Crime Lab Support	16.301		\$14,107								\$14,107
Total Federal Bureau of Investigation		\$0	\$14,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,107
Bureau of Justice Statistics Passed Through AIDA											

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
Technology Transfer	43.002	6,462											6,462
Space Telescope Science Inst.													
Aerospace Education Services Program	43.001	24,429											24,429
Tufts University													
Aerospace Education Services Program	43.001	4,426											4,426
University of Arizona													
Technology Utilization	43.002			10,161									10,161
University of WA													
NASA/UW	43.002			5,320									5,320
UC Berkeley													
NASA/UC Berkeley	43.002			9,039									9,039
UNLV													
NASA/UNLV	43.002			7,820									7,820
Lockheed Martin													
Aerospace Education Services Program	43.001	588											588
Malin Space Science Systems													
Aerospace Education Services Program	43.001	2,818											2,818
Marist College													
Technology Utilization	43.002			47,632									47,632
Total National Aeronautics & Space Admin.		\$1,309,771	\$196,707	\$652,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$503,039	\$2,661,893
National Foundation on the Arts & Humanities	45.162	\$39,092											\$39,092
Total National Foundation on the Arts & Hum		\$39,092	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,092
National Science Foundation													
Engineering Grants	47.041	\$92,863	\$222,206										\$1,215,069
Mathematical & Physical Sciences	47.049	1,240,609	419,693	\$39,702								\$130,345	1,830,349
Geosciences	47.050	746,585	36,372	1,139,857									1,922,814
Computer & Info. Sci. & Engineering	47.070	159,457	8,909									1,059,359	1,227,725
Biological Sciences	47.074	1,145,629	524,708	1,147,782									2,818,119
Social, Behavioral, & Economic Sciences	47.075	142,269	91,551										233,820
Education & Human Resources	47.076	164,424		22,960								1,478,465	1,665,849
Polar Programs	47.078	395,531	40,183	990,188									1,425,902
Passed Through													
Research FDN-SUNY													
Engineering Grants	47.041	45,962											45,962
Tufts University													
Engineering Grants	47.041	30,636											30,636
Arizona State University													
Mathematical & Physical Science	47.049		2,648										2,648
Computer and Info Science and Engineering	47.070		22										22
IRIS													
Geosciences	47.050		1,083										1,083
University Corp. Atmosphere Research													

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
Geosciences	47.050	40,736		16,116									56,852
DRI													
Biological Sciences Montclair College	47.074	39,959											39,959
Geosciences	47.050			6,257									6,257
Flood Study	47.050			34,692									34,692
Biological Sciences	47.074												
EPSCoR Ring-True	47.076			3,738									3,738
UNLV													
Biological Sciences	47.074	7,300		903									8,203
UCCSN													
Mathematical & Physical Science	47.049	74,618											74,618
Computer and Information Science and Engineering	47.070	201,724	269,210										470,934
Biological Sciences	47.074	160,086											160,086
Education & Human Resources	47.076	883,328	341,731	210,208									1,435,267
University of Arizona													
Geosciences	47.050			79,628									79,628
University of Arkansas													
Irradiance	47.078			24,626									24,626
University of California-San Diego													
Geosciences	47.050			26,913									26,913
University of Florida													
Biological Sciences	47.074	64,211											64,211
University of Illinois													
NSF/Univ of Illinois	47.050			54,528									54,528
Biological Sciences	47.074	146,794											146,794
Vanderbilt University													
Geosciences	47.050	4,494											4,494
Catholic University of America													
Engineering Grants	47.041	2,501											2,501
University of Southern California													
Geosciences	47.050	80,898											80,898
University of Delaware													
Geosciences	47.050			39,890									39,890
University of Notre Dame													
Engineering Grants	41.041	15,400											15,400
University of Puerto Rico													
Biological Sciences	47.074		15,624										15,624
University of Wisconsin													
Deep Ice Core Drill	47.078			28,843									28,843
Total National Science Foundation		\$6,786,014	\$1,973,940	\$3,866,831	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,668,169	\$15,294,954
U.S. Department of State													
Bureau of Educational and Cultural Affairs													
Passed Through													
Council for International Exchange of Scholars													
Educational Exchange-Fulbright	19.418	\$109											\$109
Total Bureau of Educational and Cultural Affairs		\$109	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109
Total U.S. Department of State		\$109	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL			
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM						
U.S. Dept of Transportation Federal Aviation Administration Aviation Education Passed Through Embry-Riddle Aero University Aviation Research Grants	20.100	\$37,144													\$37,144
Univ Corp Atmos Res Hot Plate Mod AES Canada Frozen Rain	20.108	12,145		\$21,882											12,145
	20.108			27,914											21,882
	20.108			27,914											27,914
Total Federal Aviation Administration		\$49,289	\$0	\$49,796	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$99,085
Federal Highway Administration Highway Training and Education Passed Through Arcadis Highway Coop Pechan Highway Particle IC Research Foundation SUNY Highway Planning & Construction UNR	20.215		\$92,909												\$92,909
	20.205			\$66,321											66,321
	20.205			9,963											9,963
	20.205	\$221,895													221,895
Nevada Department of Transportation Highway Planning & Construction Highway Training & Education	20.205	172,875													172,875
	20.215	46,294													46,294
Total Federal Highway Administration		\$441,064	\$92,909	\$76,284	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$610,257
Federal Transit Administration Emission Research Passed Through State of Washington State Planning and Research	20.512			\$428,462											\$428,462
	20.515	\$30,388													30,388
Total Federal Transit Administration		\$0	\$30,388	\$428,462	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$458,850
National Highway Traffic Safety Administration State & Community Highway Safety Safety Incentive Grant for use of Seatbelts Passed Through Nevada Dept of Motor Vehicles State & Community Highway Safety Regional Transportation Commission State & Community Highway Safety Presseur Research Group, Inc Safety Incentive Grants for use of Seatbelts	20.600	\$47,858	\$1,398												\$47,858
	20.604		82,057												1,398
	20.600		52,982												82,057
	20.604		32,594												52,982
Total National Highway Traffic Safety Admin.		\$47,858	\$169,031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$216,889
Research & Special Programs Administration															

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
NON MAJOR PROGRAMS													
U.S. Dept. of Agriculture													
Cooperative State Research Service	10.206	\$12,395											\$12,395
Competitive Research Grants	10.500	1,643,844											1,643,844
Cooperative Extension Service Passed Through													
Utah State Univ													
Sustainable Agriculture Research & Education	10.215	18,886											18,886
Cooperative Extension Service	10.500	5,074											5,074
University of Arizona													
Integrated Programs	10.303	16,035											16,035
Kansas State University													
Cooperative Extension Service	10.500	11,341											11,341
Total Cooperative State Research Service		\$1,707,575	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,707,575
Food & Nutrition Service													
Passed Through													
Chickasaw Nation													
Nutrition Education & Training Program	10.564	\$2,009											\$2,009
NV-Dept of Human Resources	10.557	9,608											9,608
Special Supplemental Nutrition Program	10.558	30,485											30,485
Child and Adult Care Food Program	10.559	6,954											6,954
Summer Food Service Program for Children	10.564	60,267											60,267
Nutrition Education and Training Program													
Nevada Dept. of Education													
Special Milk Program for Children	10.556		\$1,659						\$3,900				5,559
Child & Adult Care Food Program	10.558												
Summer Food Service Program for Children	10.559		19,002										19,002
Total Food & Nutrition Service		\$109,323	\$20,661	\$0	\$3,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$133,884
Forest Service													
Forestry Research	10.652	\$8,830											\$8,830
Passed Through													
Nevada Department of Conservation													
Forestry Research	10.652	67,798											67,798
Cooperative Forestry Assistance	10.664	18,009											18,009
NV-Dept of Agriculture													
Cooperative Forestry Assistance	10.664	3,982											3,982
Total Forest Service		\$98,619	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,619
Rural Utilities Service													
Solid Waste Management Grants	10.672		\$4,000										\$4,000
Total Rural Utilities Service		\$0	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000
Total U.S. Dept. of Agriculture		\$1,915,517	\$24,661	\$0	\$3,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,944,078

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES					TOTAL
					TMCC	CCSN	WNCC	GBC	SYSTEM	
Economic Development Administration	11.303	\$ 130,789								\$ 130,789
Economic Development-Technical Assistance Passed Through Nye County Pahrump High Technology Center	11.307					\$2,884				2,884
Total Economic Development Administration		\$130,789	\$0	\$0	\$0	\$2,884	\$0	\$0	\$0	\$133,673
Total U.S. Dept. of Commerce		\$130,789	\$0	\$0	\$0	\$2,884	\$0	\$0	\$0	\$133,673
U.S. Dept. of Education										
Office of Postsecondary Education	84.042					\$249,576				\$249,576
Student Support Services	84.044		\$525,217							525,217
Talent Search	84.047					\$355,347				355,347
Upward Bound	84.066		366,933							366,933
Educational Opportunity Centers	84.103		101,636							101,636
Staff Training Program	84.116		141,924							141,924
Fund for the Improvement of Postsecondary Ed	84.217		119,670							119,670
McNair Program	84.334		2,712,041							2,712,041
Gaining Early Awareness & Readiness	84.335						\$9,902			9,902
Child Care for Student Parents	84.335	\$29,331	263,709							263,709
Teachers Technology	84.342	314,518				85,326				114,657
Child Care for Student Parents	84.335									314,518
Preparing Tomorrow's Teachers to Use Tech Passed Through	84.342									
University of California-Berkeley										
National Resource Ctr & Fellowships for Language	84.015	22,185								22,185
EDFUND										
Higher Education-Institutional Aid	84.031	35,072								35,072
NV-Dept of Human Resources										
Early Awareness for Undergraduate Programs	84.334	85,923								85,923
Montana State Univ.										
Learning anytime Anywhere Partnerships	84.339		81,709							81,709
Education Commission of the US										
Preparing Tomorrow's Teachers to use Tech	84.342								\$3,534	3,534
Total Office of Postsecondary Education		\$487,029	\$4,312,839	\$0	\$355,347	\$334,902	\$0	\$9,902	\$3,534	\$5,503,553
Office of Bilingual Ed & Minority Language Affairs										
Vilingual Ed-Professional Development	84.195	\$126,682								\$126,682
Total Office of Bilingual Ed & Minority Language		\$126,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$126,682
Office of Special Ed & Rehab Services										
Special Ed-Tech Assistance & Dissemination	84.326	\$134,460								\$134,460
Special Ed-Tech Media Services	84.327		\$128,212							128,212
Passed Through										
Carson City Nevada School District	84.027	4,552								4,552
Special Education-Grants to States								\$20,925		55,312
UC Berkley	84.928		34,387							573,866
National Writing Project										
Nevada Dept. of Education										
Adult/Teacher Education	84.002					\$573,866				573,866

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
Special Education-State Grants	84.027	283,576											283,576
Re-Entry/Carl Perkins	84.048				567,008								567,008
Special Education-Preschool	84.173	48,164											48,164
School to Career	84.278							19,388					19,388
Nevada Dept. of Employment													
Washoe County School District	84.027	(4,791)											(4,791)
Special Education State Grants	84.133	19,674											19,674
PHI-Pacific Public Health Inst.													
National Institute on Disability & Rehabilitation													
Turning Point Inc.													
Special Education State Grants	84.027	1,327											1,327
Total Special Ed & Rehab Services		\$486,962	\$162,599	\$0	\$1,140,874	\$0	\$0	\$40,313	\$0	\$0	\$0	\$0	\$1,830,748
Office of Educational Research & Improvement													
Passed Through													
Tahoe Truckee Unified School District	84.287	\$14,183											\$14,183
21st Century Community Learning Centers													
Washoe County School District													
21st Century Comm.	84.287	69,790											69,790
Total Office of Educational Res. & Improvement		\$83,973	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,973
Office of Elementary & Secondary Education													
Eisenhower	84.281												
Passed Through													
NV Department of Education													
School Support	84.010	\$14,948											14,948
Reading Excellence	84.338												
NV-Dept of Human Resources													
Safe & Drug-Free Schools	84.186	52,923											52,923
UNR													
Nevada Science Literacy Project (SLIP)	84.281					\$1,981							1,981
Elko County Nevada School District													
Technology Literacy Challenge Fund Grants	84.318	16,245											16,245
Lincoln County Nevada School District													
Technology Literacy Challenge Fund Grants	84.318	93,197											93,197
UCCSN													
Eisenhower Professional Development	84.281	96,759	\$20,136										167,460
Reading Excellence	84.338	525,772	417,235										943,007
NeCoTIP-Bridging the GAPII	84.367										4,528		4,528
Total Office of Elementary & Secondary Ed.		\$799,844	\$437,371	\$0	\$0	\$23,573	\$0	\$33,501	\$1,394,753	\$0	\$0	\$0	\$2,689,042
Office of Student Financial Assistance													
Passed Through													
NV Department of Education													
Leveraging Educational Assistance Partnership	84.069										\$28,883		\$28,883
Total Office of Student Financial Assistance		\$0	\$0	\$0	\$0	\$0	\$0	\$28,883	\$0	\$0	\$0	\$0	\$28,883
Office of Asst Secretary for Vocational & Adult Ed													

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL				
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM							
Community Tech Center Program Passed Through NV Department of Education Vocational Ed. Carl Perkins	84.341 84.048		\$86,506				\$34,999									\$34,999
Total Office of Asst Sec for Vocational & Adult Ed		\$0	\$86,506	\$0	\$0	\$895,342	\$411,699	\$149,680	\$0	\$149,680	\$0	\$0	\$0	\$0	\$1,543,227	
Office of Vocational & Adult Education Passed Through NV Department of Education	84.002 84.243 84.278					\$762,585	\$354,256	\$283,818							\$1,400,659	
Adult Ed State Grant Tech-Prep Education Fed School to Careers						160,744	107,323	115,795							383,862	
						16,338									16,338	
Total Office of Vocational & Adult Education Total U.S. Dept. of Education		\$0	\$0	\$0	\$0	\$939,667	\$461,579	\$399,613	\$0	\$399,613	\$0	\$0	\$0	\$0	\$1,800,859	
U.S. Dept. of Energy Office of Energy Efficiency & Renewable Energy	81.041					\$2,193,484	\$902,161	\$633,009	\$1,398,287						\$13,606,967	
State Energy Program Renewable Energy Research & Development Science & Technology for Environmental Mgmt Energy Efficiency & Renewable Energy Passed Through Bechtel Financial Assistant Program	81.041 81.087 81.104 81.117 81.049	\$518 11,426 18,882													\$76,471	
Total Off of Energy Efficiency & Renewable Energy		\$30,826	\$76,471	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$107,297	
Civilian Radioactive Waste Management Passed Through UNLV Yucca Mountain Cooperative Agreement	81.065					\$49,262									\$49,262	
Total Office of Civilian Radioactive Waste Mgt Total U.S. Dept. of Energy		\$0	\$0	\$0	\$0	\$49,262	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,262	
Environmental Protection Agency Office of Air & Radiation Passed Through Nevada Dept of Conservation & Natural Resources Air Pollution Control Program	66.001														\$112,580	
Total Office of Air & Radiation		\$112,580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$112,580	
Office of Water Passed Through Nevada Dept of Conservation & Natural Resources Water Pollution Control Water Pollution Control	66.419 66.454	\$520 37,238													\$520 37,238	
Total Office of Water		\$37,758	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,758	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL		
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM					
Office of Research & Development Environmental Protection Consolidated Res	66.500	\$73,833	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$73,833
Total Office of Research & Development		\$73,833	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$73,833
Office of Environmental Education Environmental Education & Training Program	66.950	\$11,929												\$11,929
Total of Office of Environmental Education		\$11,929	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,929
Office of Prevention, Pesticides & Toxic Substances Pollution Prevention	66.708	\$198,326												\$198,326
Total Office of Prevention, Pesticides & Toxic Sub		\$198,326	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$198,326
Total Environmental Protection Agency		\$434,426	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$434,426
Federal Emergency Management Agency Passed Through Nevada Department Motor Vehicles Mitigation Assistance Hazard Mitigation Grant	83.535 83.548	\$32,037 4,895												\$32,037 4,895
Total Federal Emergency Management Agency		\$36,932	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,932
U.S. Dept. of Health & Human Services Health Resources & Services Admin. Area Health Education Centers EMS for Children State Loan Repayment Rural Telemedicine State Rural Hospital Flexibility Program Small Rural Hospital Improvement Grants Professional Nurse Traineeship Community Awards-Comm. Food & Nutrition National Collegiate Athletic Association HRSA-Health Care Facilities & Other Const Rural Health Outreach Grant Program Grants St Oper Offices of Rural Health Improving EMS/Trauma Care in Rural Areas Nevada Geriatric Ed Center Academic Admin Units in Primary Care Passed Through UNR	93.107 93.127 93.165 93.211 93.241 93.301 93.358 93.571 93.820 93.887 93.912 93.913 93.952 93.969 93.984	\$232,566 122,108 50,000 43,285 612,463 133,292 28,674 \$19,144 58,940 13,989 158,421 19,268 197,578 28,969												\$232,566 122,108 50,000 43,285 612,463 133,292 47,818 58,940 13,989 225,905 224,564 158,421 19,268 197,578 28,969
Special Programs for the Aging Rural Interdisciplinary Training University of California-San Francisco AIDS Education & Training Centers Nevada Dept. of Human Resources Maternal & Child Health Consolidated Primary Care-Coordination	93.044 93.192 93.145 93.110 93.130		142,981 1,000									\$224,564		142,981 1,000 173,971 101,781 14,848

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM				
Rural Health Research Centers	93.155	18,020											18,020
Quentin N Burdick Programs	93.192	138,780											138,780
HIV Care Formula	93.917	34,437											34,437
Maternal & Child Hlth Sens Block Grant to States	93.994	(27)											(27)
Southern Nevada Area Health Education Center	93.107	41,894											41,894
Area Health Education Centers													
GBC													
Improving EMS/Training Care in Rural Areas	93.952	28,022											28,022
Total Health Resources & Services Admin.		\$2,178,350	\$236,054	\$0	\$0	\$225,905	\$0	\$224,564	\$0	\$0	\$0	\$0	\$2,864,873
Substance Abuse & Mental Health Svc. Admin. Consolidated Knowledge Dev & App Passed Through	93.230	\$2,969,370											\$2,969,370
Nevada Department of Human Resources Block Grant for Prevention/Treatment	93.959	620,844											620,844
Total Substance Abuse & Mental Health Svc.		\$3,590,214	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,590,214
Center for Disease Control State-Based Diabetes Control Programs Passed Through	93.988	\$27,084											\$27,084
Nevada Department of Human Resources Tuberculosis	93.116	127,924											127,924
Health Prog. for Toxic Substances & Diseases	93.161	20,696											20,696
Immunization Program	93.268	7,478											7,478
Investigations & Technical Asst	93.283	621,080	\$58,694										679,774
HIV Prevention Activities	93.940	(930)											(930)
Assistance Programs for Chronic Disease	93.945	3,300											3,300
Health & Health Svcs	93.991		28,180										28,180
Clark County Nevada Investigations and Technical Assistance	93.283	429											429
Total Center for Disease Control		\$807,061	\$86,874	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$893,935
Administration for Children & Families Head Start	93.600	\$1,276,469											\$1,276,469
Disabilities National Significance	93.631	18,255											18,255
Disabilities Univ. Affiliated Programs Passed Through	93.632	410,019											410,019
Childrens Cabinet Child Care & Development	93.575	195,349											195,349
Social Services Block Grant	93.667	15,183											15,183
Nevada Dept. of Human Resources Safe & Stable Families	93.556	22,426											22,426
Low-Income Home Energy Assistance	93.568	111,178											111,178
Child Care & Development	93.575		\$852										852
Children's Justice Grants to States	93.643	5,626											5,626
Child Welfare Training Program	93.648	414,711	770,382										1,185,093
Child Abuse and Neglect State Grants	93.669	10,730											10,730
Total Administration for Children & Families		\$2,479,946	\$771,234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,251,180

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL	
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	\$0	\$202,080		
Total for Corp. for National & Community Service		\$202,080	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,080
U.S. Dept. of the Interior													
Bureau of Land Management													
Recreation Resource Management	15.225	\$8,740											\$8,740
Wildland Urban Interface Comm & Rural Fire Asst.	15.228	26,978											26,978
Total Bureau of Land Management		\$35,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,718
U.S. Geological Service													
Research and Data Acquisition	15.808	\$9,686											\$9,686
National Spatial Data Infrastructure	15.809	10,613											10,613
Total U.S. Geological Service		\$20,299	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,299
National Park Service													
Historic Preservation Fund Grants-In-Aid	15.904		\$21,981										\$21,981
Total National Park Service		\$0	\$21,981	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,981
Total U.S. Dept. of the Interior		\$56,017	\$21,981	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,998
U.S. Dept. of Justice													
Office of Justice Programs													
Passed Through													
Office of Justice Programs													
COPS Grant	16.711				\$16,111								\$16,111
Total Office of Justice Programs		\$0	\$0	\$0	\$16,111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,111
Office of Victims of Crime													
Passed Through													
Nevada Depart of Human Resources													
Crime Victim Assistance	16.575	\$79,812											\$79,812
Total Office of Victims of Crime		\$79,812	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,812
Civil Rights Division													
Antidiscrimination Provision Act	16.110	\$23,234											\$23,234
Total Civil Rights Division		\$23,234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,234
Bureau of Justice Assistance													
Passed Through													
Nevada Department Motor Vehicles													
Local Law Enforcement Program	16.592	\$9,864											9,864
Total Bureau of Justice Assistance		\$9,864	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,864
Violence Against Women Grants Office													

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL				
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM							
UCCSN Aerospace Education Services NASA/UCCSN	43.001 43.002		\$7,500			\$4,694	\$5,500									17,694
Total National Aeronautics & Space Admin.		\$445	\$7,500	\$0	\$4,694	\$5,500	\$11,757	\$0	\$371,225	\$0						\$401,121
National Foundation on the Arts & the Humanities National Endowment for the Arts Passed Through Nevada Arts Commission Promotion of Arts-State & Reg. Prog. Nevada State Council on Arts Promotion of the Arts Partnership Nevada Sources Project	45.024 45.025 45.129	\$19,643	\$66		\$2,950 3,351	\$6,410		\$1,552					\$10,000			\$29,709 10,912 3,351
Total National Endowment for the Arts		\$19,643	\$66	\$0	\$6,301	\$6,410	\$0	\$1,552	\$10,000	\$0						\$43,972
National Endowment for the Humanities Passed Through Nevada Arts Council NHC-Red Rock Review Federal State Partnership	45.129 45.129	\$351,466				\$3,000										\$3,000 351,466
Total National Endowment for the Humanities		\$351,466	\$0	\$0	\$0	\$3,000	\$0	\$0	\$0	\$0						\$354,466
Institute of Museum & Library Services Passed Through NV-Dept of Museum & Library Arts State Library Program	45.310	\$12,818														\$12,818
Total Institute of Museum & Library Services		\$12,818	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0						\$12,818
Total National Foundation Arts & Humanities		\$383,927	\$66	\$0	\$6,301	\$9,410	\$0	\$1,552	\$10,000	\$0						\$411,256
National Science Foundation Engineering Grants Education & Human Resources Passed Through Research Fdn-SUNY Engineering Grants National Science Foundation Chemistry-Systemic Change UCCSN EPSCoR - Ring True	47.041 47.076 47.041 47.076 47.076	\$103,638 3,917	4,257			\$44,175	7,804									\$103,638 3,917 4,257 44,175 47,489
Total National Science Foundation		\$151,497	\$0	\$0	\$0	\$51,979	\$0	\$0	\$0	\$0						\$203,476
Small Business Administration Small Business Development Center Passed Through	59.037	\$560,575	\$209													\$560,784

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL			
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM						
UNR															
Small Business Development Center	59.037		215,373									\$53,433			268,806
Iowa State University															
Small Business Development Center	59.037	453,540										892			454,432
University of Texas-San Antonio															
Small Business Development Center	59.037	215													215
Total Small Business Administration		\$1,014,330	\$215,582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,325	\$0	\$0	\$1,284,237
U.S. Nuclear Regulatory Commission	77.005		\$1,471												\$1,471
Financial Asst for NRC Local Put Doc (LPDRs)															
Total Nuclear Regulatory Commission		\$0	\$1,471	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,471
U.S. Dept. of Transportation															
Federal Highway Administration	20.215	\$270,381													\$270,381
Highway Training & Education															
Passed Through															
Research Foundation-SUNY															
Highway Planning & Construction	20.205	71,353													71,353
Nevada Dept. of Transportation															
Highway Training & Education	20.215	355,966													355,966
Total Federal Highway Administration		\$697,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$697,700
National Highway Traffic-Safety Administration															
Passed Through															
Nevada Division of Motor Vehicles	20.600		\$234,266												\$234,266
State & Community Highway Safety	20.602	\$96													96
Occupant Protection	20.605	19,590													19,590
Prevent Operation by Intoxicated Persons															
Total National Highway Traffic Safety Admin.		\$19,686	\$234,266	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$253,952
Office of the Secretary															
Passed Through															
Nevada-Dept of Transportation	20.905	\$27,147													\$27,147
Disadvantaged Bus Ent-Short Term Lending															
Tribal Colleges	20.908	17,398													17,398
UNR															
Disadvantaged Bus Ent Short Term Lending	20.905		\$3,062												3,062
Total Office of the Secretary		\$44,545	\$3,062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,607
Total U.S. Dept. of Transportation		\$761,931	\$237,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$999,259
U.S. Dept. of Veterans Affairs															
Veterans Health Services & Research Admin.	64.009	\$166,691													\$166,691
Veterans Medical Care Benefits															

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL		
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM					
Veterans Nursing Home Care	64.010	43,387												43,387
Veterans State Medical Care	64.016	2,199,693												2,199,693
Sharing Specialized Resources	64.018	52,565												52,565
Total U.S. Dept. of Veteran Affairs		\$2,462,336	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,462,336
Total Other Programs		\$19,905,887	\$6,860,472	\$0	\$1,527,227	\$2,803,269	\$978,374	\$913,450	\$1,779,512					\$34,768,191
Total Federal Assistance		\$75,160,059	\$53,298,324	\$23,265,462	\$4,872,516	\$16,697,244	\$2,460,316	\$1,993,586	\$10,301,095					\$188,048,602

**UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF NEVADA
 SINGLE AUDIT REPORT
 FOR THE YEAR ENDED JUNE 30, 2003
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
 FEDERAL AWARDS**

Note 1

The purpose of the Supplementary Schedule of Expenditures of Federal Awards is to present a summary of the activities of the University and Community College System of Nevada for the year ended June 30, 2003, which have been financed by the U.S. Government.

For purposes of this Schedule, Federal awards have been classified into two types:

- Direct Federal Awards
- Pass-through funds received from non-Federal organizations made under Federally sponsored programs coordinated by those organizations

Because the Schedule presents only a selected portion of the activities of the University and Community College System of Nevada, it is not intended to and does not present either the net assets, revenues, expenses, and changes in net assets, or cash flows of the University and Community College System of Nevada.

The University and Community College System of Nevada consists of the University of Nevada, Reno; the University of Nevada, Las Vegas; University and Community College System of Nevada Administration; the Desert Research Institute; Truckee Meadows Community College; the Community College of Southern Nevada; Western Nevada Community College; Great Basin College and Nevada State College at Henderson.

The Schedule is prepared on the accrual basis of accounting.

Note 2

The following schedule represents loans advanced by the System for the year ended June 30, 2003:

Federal Perkins Loan Advances (CFDA Number 84.038)	\$1,545,000
Nursing Student Loan Advances (CFDA Number 93.364)	93,000
Health Professions Student Loan Advances (CFDA Number 93.342)	-
	<u>\$1,638,000</u>

The Federal Perkins, Nursing Student Loan Programs (“NSL”) and Health Professions Student Loan Programs (“HPSL”) are administered directly by the System and balances and transactions relating to these programs are included in the System’s financial statements. The balances of loans outstanding under the Perkins, NSL and HPSL programs were \$7,568,000, \$288,000 and \$358,000, respectively, as of June 30, 2003.

Note 3

For the fiscal year ended June 30, 2003, the System processed approximately \$92,543,000 in new loans under the Federal Family Education Loan Program (CFDA 84.032)(formerly known as the Guaranteed Student Loan Program). Loan amounts include subsidized and unsubsidized Federal Stafford Loans, Direct Lending Program Loans, and Federal Parent Loans for Undergraduate Students.

Note 4

The total value of the federal awards in the form of non-cash assistance during the fiscal year ended June 30, 2003 was \$0.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE
YEAR ENDED JUNE 30, 2003

Section I--Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness identified? yes no

Reportable condition identified
not considered to be material weaknesses yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness identified? yes no

Reportable condition identified
not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance
for major programs: unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)? yes no

Identification of major programs or program clusters:

<u>Program</u>	<u>CFDA Number</u>
Research and Development	cluster
Student Financial Assistance	cluster
Upward Bound	84.047 and 84.042
Job Training Partnership Act	17.250

Dollar threshold used to distinguish
between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? yes no

Section II--Financial Statement Findings

There were no findings or questioned costs related to the financial statements required to be reported in accordance with *Government Auditing Standards* for the fiscal year ended June 30, 2003.

Section III—Federal Award Findings and Questioned Costs

Finding – UNR # 1

Questioned Costs: \$1,995

<u>Grant Agency</u>	<u>CFDA#</u>	<u>Program</u>
Department of Energy	81.087F	Llaser02-Facility Constr Batie

As noted in the OMB Circular A-133 Compliance Supplement, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates). During our testing of compliance with the Davis-Bacon Act, we selected seven expenditures which qualified under the Davis-Bacon Act, and noted one instance where an expenditure was encumbered and paid, but the subcontractor did not provide the University with the Prevailing Wage report.

Recommendation:

PricewaterhouseCoopers recommends that Prevailing Wage reports be obtained from all subcontractors prior to reimbursement.

Institution Response:

We concur with the recommendation. The one expenditure in question involved payment for highly specialized parts and installation activity which required compliance with exact specifications and delivery to the facility (Nevada Terrawatt Facility) funded from federal grant funds with which the university Facilities Services Department had no direct involvement. We have made the university Purchasing Department aware of the need for the Facilities Services Department to review all construction contracts funded from federal grant funds to ensure compliance with the Davis Bacon Act. We have requested a copy of a prevailing wage report from the vendor.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

Fiscal Year	Finding Number	Finding	CFDA Number	Questioned Costs	Comments
2002	UNR #1	As noted in OMB Circular A-21 (Section J.48), UNR is not permitted to include unallowable costs in billings to federal agencies. We tested allowability of costs for 52 expenditures and noted one UNR first class air travel expenditure on a grant that disallowed such costs.	93.115	\$921	We will more diligently review grant restrictions before expenditures are approved.
2002	UNR #2	During our testing of compliance with the Davis-Bacon Act, we noted that for one federally funded construction project, no pay records were obtained by UNR from the contractors/subcontractors.	81.112	\$3,086	We have obtained the certified payroll reports for the project in question for \$3,086 and they are in compliance with the prevailing wage rates. Facilities Services will make certain that all subsequent contractual expenditures against federally funded projects do have certified payroll reports prior to payment.