
NEVADA SYSTEM OF HIGHER EDUCATION

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2005



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
Truckee Meadows Community College
System Administration

BOARD OF REGENTS

Bret Whipple, Chair..... Las Vegas
Mark Alden..... Las Vegas
Stavros S. Anthony..... Las Vegas
Jill Talbot Derby Gardnerville
Thalia M. Dondero..... Las Vegas
Dorothy S. Gallagher Elko
Douglas Roman Hill..... Sparks
Linda C. Howard..... North Las Vegas
James Dean Leavitt..... Las Vegas
Howard Rosenberg..... Reno
Jack Lund Schofield..... Las Vegas
Steve Sisolak..... Las Vegas

ADMINISTRATION

James E. Rogers, LLM Chancellor
Nevada System of Higher Education
Richard G. Carpenter, Ed.D. President
Community College of Southern Nevada
Carol C. Harter, Ph.D. President
University of Nevada, Las Vegas
Paul Killpatrick, Ph.D. President
Great Basin College
John Lilley, D.M.A. President
University of Nevada, Reno
Carol A. Lucey, Ph.D. President
Western Nevada Community College
Fred J. Maryanski, Ph.D. President
Nevada State College
Philip M. Ringle, Ph.D. President
Truckee Meadows Community College
Stephen G. Wells, Ph.D. President
Desert Research Institute

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

**NEVADA SYSTEM OF HIGHER EDUCATION
SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2005
TABLE OF CONTENTS**

	<u>PAGE NO.</u>
INTRODUCTION	
Background	1 - 3
FINANCIAL STATEMENTS	
For the year ended June 30, 2005	
(Report of Independent Auditors – pages 19 - 21)	5 - 47
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005	48 - 78
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	79 – 80
REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	81
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PORGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	83 - 84
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005	85 - 92
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2004	93
MANAGEMENT’S VIEWS AND CORRECTIVE ACTION PLAN	94 - 98

(This Page Intentionally Left Blank)

**NEVADA SYSTEM OF HIGHER EDUCATION
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2005**

INTRODUCTION

BACKGROUND

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

- University of Nevada, Reno (UNR)
- University of Nevada, Las Vegas (UNLV)
- Nevada State College (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)
- Nevada System of Higher Education Administration

There are eight controllers' offices within the NSHE 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 NSHE institutions.

The major units of UNR include the College of Agriculture, Biotechnology and Natural Resources, College of Business Administration, College of Education, College of Engineering, College of Human and Community Services, College of Liberal Arts, College of Science, Cooperative Extension, Graduate School, Mackay School of Earth Sciences and Engineering, Reynolds School of Journalism and the School of Medicine. 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: Business, Education, Fine Arts, Graduate, Division of Health Sciences, Honors, Hotel Administration, Liberal Arts, Sciences, University College and Urban Affairs.

Research activities are conducted primarily at UNR, UNLV and DRI. NSHE has been awarded research grants by various Federal agencies. The primary agencies from which these funds were received during the year ended June 30, 2005 were:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy
- Department of Veteran Affairs
- Environmental Protection Agency
- Department of Health and Human Services
- Department of Homeland Security
- Department of Housing and Urban Development

Department of Interior

Department of Justice

National Aeronautics and Space Administration

National Endowment for the Humanities

National Science Foundation

Department of State

Department of Transportation

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

(This Page Intentionally Left Blank)

Nevada System of Higher Education Financial Statements



June 30, 2005 and 2004

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
Truckee Meadows Community College
System Administration

BOARD OF REGENTS

Bret Whipple, Chair.....	Las Vegas
Mark Alden.....	Las Vegas
Stavros S. Anthony	Las Vegas
Jill Talbot Derby.....	Gardnerville
Thalia M. Dondero.....	Las Vegas
Dorothy S. Gallagher.....	Elko
Douglas Roman Hill	Sparks
Linda C. Howard	North Las Vegas
James Dean Leavitt.....	Las Vegas
Howard Rosenberg.....	Reno
Jack Lund Schofield.....	Las Vegas
Steve Sisolak.....	Las Vegas
Michael B. Wixom.....	Las Vegas

ADMINISTRATION

James E. Rogers, LLM	Chancellor Nevada System of Higher Education
Richard G. Carpenter, Ed.D.	President Community College of Southern Nevada
Carol C. Harter, Ph.D.	President University of Nevada, Las Vegas
Paul Killpatrick, Ph.D.	President Great Basin College
John Lilley, D.M.A.	President University of Nevada, Reno
Carol A. Lucey, Ph.D.	President Western Nevada Community College
Fred J. Maryanski, Ph.D.	President Nevada State College
Philip M. Ringle, Ph.D.	President Truckee Meadows Community College
Stephen G. Wells, Ph.D.	President Desert Research Institute

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

**Nevada System of Higher Education
Financial Statements and Report of Independent Auditors
As of and for the Years Ended June 30, 2005 and 2004**

Contents

Management's Discussion and Analysis	1-10
Report of Independent Auditors	11
Financial Statements	
Statements of Net Assets	12
Statements of Revenues, Expenses and Changes in Net Assets.....	13
Statements of Cash Flows	14-15
Notes to Financial Statements.....	16-37

(This Page Intentionally Left Blank)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Nevada System of Higher Education's (the "System"), formerly known as the University and Community College System of Nevada, Management's 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 years ended June 30, 2005 with comparative information as of June 30, 2004. 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.

SYSTEM RELATED ORGANIZATIONS

The annual financial report and statements include the institutions of the System and certain other organizations that have a significant relationship with the institutions. The statements also include the discretely presented system related organizations of the institutions that are related tax exempt organizations primarily founded to foster and promote the growth, progress and general welfare of the institutions and to solicit, receive and administer gifts and donations for such purposes. The System related organizations are as follows:

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

FINANCIAL HIGHLIGHTS

- Total net assets increased \$33,629,000; a 2.3% increase.
- Total long-term debt increased from \$273,281,000 to \$306,242,000; a 12.1% increase.
- Operating revenues increased 9.1% to \$607,357,000.
- Operating expenses increased 8.8% to \$1,128,579,000.

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 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

System net assets (thousands of dollars)

	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 502,886	\$ 530,515	\$(27,629)	(5.2)
Capital assets, net	1,231,990	1,156,183	75,807	6.6
Other assets	<u>282,487</u>	<u>242,745</u>	<u>39,742</u>	16.4
Total assets	<u>2,017,363</u>	<u>1,929,443</u>	<u>87,920</u>	4.6
Liabilities				
Current liabilities	155,598	134,920	20,678	15.3
Noncurrent liabilities	<u>338,649</u>	<u>305,036</u>	<u>33,613</u>	11.0
Total liabilities	<u>494,247</u>	<u>439,956</u>	<u>54,291</u>	12.3
Net assets				
Invested in capital assets, net of debt	949,496	914,587	34,909	3.8
Restricted, nonexpendable	57,681	55,980	1,701	3.0
Restricted, expendable	304,647	325,094	(20,447)	(6.7)
Unrestricted	<u>211,292</u>	<u>193,826</u>	<u>17,466</u>	9.0
Total net assets	<u>\$1,523,116</u>	<u>\$1,489,487</u>	<u>\$ 33,629</u>	2.3

Total assets of the System increased by \$87.9 million. A review of the Statement of Net Assets will reveal that the increase was due to several factors. The increase is primarily due to the increase in cash held by State Treasurer, endowment investments and capital assets. The cash held by the State Treasurer increased by \$25.2 million due to the biennial appropriations approved by the legislature for capital construction. Endowment investments increased \$13.9 million primarily due to an increase in the fair value of investments. Capital assets, net of accumulated depreciation increased by \$75.8 million, which reflects the System's continuing investment in its physical facilities. The decrease in the receivable from the State of Nevada of \$39.7 million was primarily due to the release of appropriations from the State of Nevada to the Nevada Public Works Board for capital projects.

Total liabilities for the year increased \$54.3 million due to an increase of \$20.7 million in current liabilities, and an increase of \$33.6 million in noncurrent liabilities. The increase in current liabilities resulted mainly from an increase in deferred revenue and accounts payable. The increase in noncurrent liabilities was primarily due to the System issuing revenue bonds and notes payable as is further discussed under "Capital Asset and Debt Administration".

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 \$34.9 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. The increase indicates a continued System priority to provide new facilities to accommodate enrollment growth.

Restricted, nonexpendable/expendable

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

Permanent endowments are those funds received from donors with the stipulation that the principal remain inviolate and be invested in perpetuity to produce income 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.

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.

System Related Organizations net assets (thousands of dollars)

	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 64,394	\$ 56,271	\$ 8,123	14.4
Endowment assets	151,815	132,566	19,249	14.5
Other assets	<u>35,460</u>	<u>22,270</u>	<u>13,190</u>	59.2
Total assets	<u>51,669</u>	<u>211,107</u>	<u>40,562</u>	19.2
Liabilities				
Current liabilities	5,358	4,381	977	22.3
Noncurrent liabilities	<u>3,408</u>	<u>12,575</u>	<u>(9,167)</u>	(72.9)
Total liabilities	<u>8,766</u>	<u>16,956</u>	<u>(8,190)</u>	(48.3)
Net assets				
Invested in capital assets, net of debt	2,060	2,289	(229)	(10.0)
Restricted, nonexpendable	119,614	100,302	19,312	19.3
Restricted, expendable	92,558	69,458	23,100	33.3
Unrestricted	<u>28,671</u>	<u>22,102</u>	<u>6,569</u>	29.7
Total net assets	<u>\$242,903</u>	<u>\$194,151</u>	<u>\$48,752</u>	25.1

One of the critical factors in continuing the quality of the System's programs is the development and renewal of its capital assets. The System Related Organizations continue to support the campuses in their long-range plans and provide support for construction of facilities.

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.

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

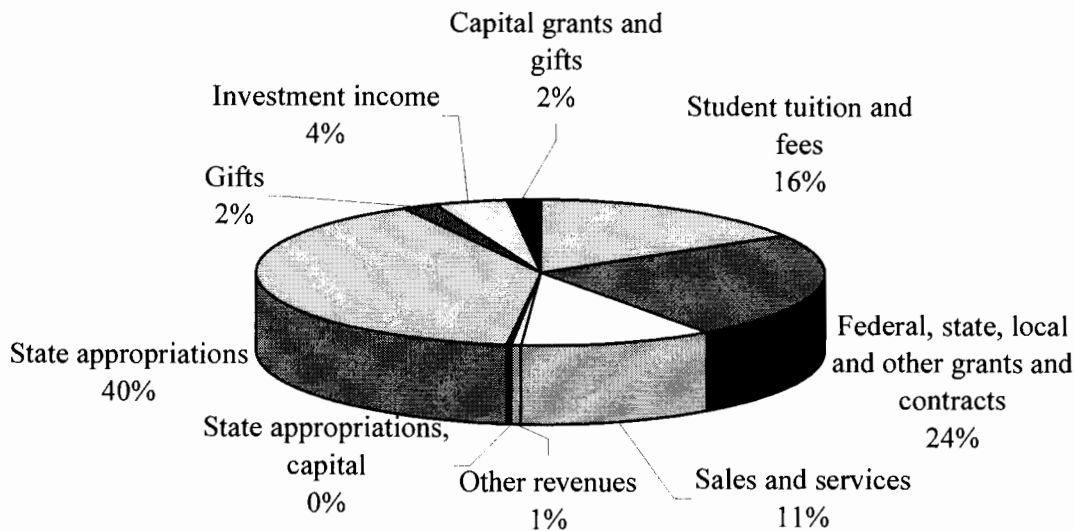
	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>% Change</u>
Operating revenues				
Student tuition and fees, net	\$ 191,908	\$ 166,107	\$ 25,801	15.5
Grants and contracts, federal	196,407	178,125	18,282	10.3
Grants and contracts, other	83,381	77,423	5,958	7.7
Sales and services	130,146	129,696	450	0.3
Other	<u>5,515</u>	<u>5,304</u>	<u>211</u>	4.0
Total operating revenues	<u>607,357</u>	<u>556,655</u>	<u>50,702</u>	9.1
Operating expenses				
Instruction	395,655	357,715	37,940	10.6
Research	117,057	110,315	6,7426	6.1
Public service	59,942	55,663	4,279	7.7
Academic support	92,930	84,568	8,362	9.9
Institutional support	124,072	114,194	9,878	8.7
Student services	82,299	73,833	8,466	11.5
Operation and maintenance of plant	87,377	77,002	10,375	13.5
Scholarships and fellowships	41,784	41,494	290	0.7
Auxiliary enterprises	63,552	63,322	230	0.4
Other expenditures	277	79	198	250.6
Deprecation	<u>63,634</u>	<u>58,789</u>	<u>4,845</u>	8.2
Total operating expenses	<u>1,128,579</u>	<u>1,036,974</u>	<u>91,605</u>	8.8
Operating loss	<u>(521,222)</u>	<u>(480,319)</u>	<u>(40,903)</u>	8.5
Nonoperating revenues and expenses				
State appropriations	512,515	499,026	13,489	2.7
Refund to state	(43,398)	(45,837)	2,439	5.3
Gifts	25,583	24,492	1,091	4.5
Investment income	47,423	56,186	(8,763)	(15.6)
Disposal of capital assets	(1,641)	(3,204)	1,563	48.8
Interest expense	(12,844)	(12,466)	(378)	(3.0)
Other nonoperating revenues	<u>680</u>	<u>1,020</u>	<u>(340)</u>	(33.3)
Net nonoperating revenues	<u>528,318</u>	<u>519,217</u>	<u>9,101</u>	(1.8)
Total other revenues	<u>26,533</u>	<u>112,006</u>	<u>(85,473)</u>	(76.3)
Increase in net assets	33,629	150,904	(117,275)	(77.7)
Net assets, beginning of year	<u>1,489,487</u>	<u>1,338,583</u>	<u>150,904</u>	11.3
Net assets, end of year	<u>\$1,523,116</u>	<u>\$1,489,487</u>	<u>\$ 33,629</u>	2.3

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 9.1% and operating expenses increased by 8.8%, resulting in an increase in the operating loss of 8.5%. Student tuition and fees increased 15.5% to \$191.9 million. Federal grants and contracts increased 10.3% to \$196.4 million and other grants and contracts increased 7.7% to \$83.4 million. Operation and maintenance of plant expenses increased 13.5% to \$87,377 million. Student services expenses increased 11.5% to \$82,299 million. Instruction expenses increased 10.6% to \$395.7 million.

Nonoperating net revenues increased by 1.8% to \$528.3 million primarily due increases in state appropriations and gifts. Investment income decreased 15.6% to \$47,423 primarily due to the increase in the investment pool reserves. Total other revenues includes state appropriations for capital purposes. The decrease of \$85.5 million is due primarily to a biennium appropriation (fiscals 2004 and 2005) in which most funds were drawn down in fiscal 2004.

Revenues by Source



System Related Organizations
Revenues, Expenses and Changes in Net Assets (thousands of dollars)

	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>% Change</u>
Operating revenues				
Patient revenue	\$ 43,329	\$ 38,207	\$ 5,122	13.4
Contract revenue	7,014	6,101	913	5.0
Contributions	56,661	32,844	23,817	2.5
Campus support	1,617	1,753	(136)	(7.8)
Other operating revenue	<u>1,306</u>	<u>1,149</u>	<u>157</u>	13.7
Total operating revenues	<u>109,927</u>	<u>80,054</u>	<u>29,873</u>	37.3
Operating expenses				
Program expenses	30,604	27,828	2,837	10.0
Other operating expenses	24,064	22,338	24	7.7
Depreciation	<u>680</u>	<u>656</u>	<u>1,727</u>	3.7
Total operating expenses	<u>55,348</u>	<u>50,822</u>	<u>4,588</u>	8.9
Operating income	<u>54,579</u>	<u>29,232</u>	<u>25,285</u>	86.7
Nonoperating revenues and expenses				
Payments to NSHE institutions	(36,500)	(34,145)	2,355	6.9
Other nonoperating revenues	<u>17,606</u>	<u>14,367</u>	<u>3,301</u>	22.5
Net nonoperating revenues	<u>(18,894)</u>	<u>(19,778)</u>	<u>946</u>	(4.5)
Total other revenues	<u>13,067</u>	<u>9,525</u>	<u>3,542</u>	37.2
Increase in net assets	48,752	18,979	29,773	156.9
Net assets, beginning of year	<u>194,151</u>	<u>175,172</u>	<u>18,979</u>	10.8
Net assets, end of year	<u>\$242,903</u>	<u>\$194,151</u>	<u>\$48,752</u>	25.1

System Cash Flows

	<u>2005</u>	<u>2004</u>	<u>Change</u>	<u>% Change</u>
Cash used in				
Operating activities	\$(456,163)	\$(415,543)	\$40,620	9.8
Noncapital financing activities	523,447	491,398	32,049	6.5
Capital and related financing activities	(74,680)	(58,355)	(16,325)	(28.0)
Investing activities	<u>32,422</u>	<u>(4,208)</u>	<u>36,630</u>	870.5
Net increase in cash and cash equivalents	25,026	13,292	11,734	88.8
Cash and cash equivalents, beginning of year	<u>183,888</u>	<u>170,596</u>	<u>13,292</u>	7.8
Cash and cash equivalents, end of year	<u>\$ 208,914</u>	<u>\$ 183,888</u>	<u>\$25,026</u>	13.6

Cash flows from operating activities decreased 9.8% 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 departments. Cash flows used in capital financing activities increased by 28.0% due to increased proceeds from capital debt and decreased purchases of capital assets. Cash from investing activities increased by \$36.6 million primarily due to proceeds from sales and maturities of investments in 2005 as compared to 2004.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2005, the System had invested \$1,232.0 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 \$75.8 million, or 6.6%, over last year. As of June 30, 2005 estimated costs to complete current construction projects were approximately \$428.8 million. These costs will be funded by State appropriations, private donations, available resources and/or long-term borrowings.

During fiscal 2005, the System issued \$41.0 million of new bonds and \$2.0 in new notes. New bonds were issued for the UNR Cooperative Extension building and the UNR Knowledge Center building. As of June 30, 2005 the coverage on University Revenue Bonds (pledged revenues to maximum annual debt service) was 3.13 (4.64 as of June 30, 2004). For statutory purposes, the coverage was 1.50, above the required minimum of 1.10.

In October 2005 the System issued Universities Revenue Bonds, Series 2005B in the amount of \$170,360,000. The bonds were issued primarily to finance projects on both the UNLV and UNR campuses. Additionally, certain proceeds from the 2005B revenue

bonds were used to refund \$10,990,000 of the series 2000A bonds and \$12,030,000 of the series 2000B bonds.

FUTURE FINANCIÁL AFFECTS

The ever increasing population of the State of Nevada and the ongoing funding of the Millennium Scholarship program ensure a continuing increase in demand for higher education services. It is estimated that student enrollment will increase 6% - 7% in both 2005-06 and 2006-07.

The fiscal year 2005-06 operating budget for State Appropriations and Authorized Expenditures (State-Supported Operating Budget) increased by 10.2% in the authorized funding level to \$727.7 million as compared to \$660.2 million in fiscal year 2004-05. Direct State appropriations for fiscal year 2005-06 increase by 10.4% to \$559.6 million and represent 76.9% of the State-Supported Operating Budget, approximately the same percentage as fiscal year 2004-05. Other revenue sources for fiscal year 2005-06 increase by 9.5% to \$168.1 million. The total System portion of the total state budget is relatively constant at 20.1% in fiscal year 2005-06 and 19.6% in fiscal year 2006-07.

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.

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.

Report of Independent Auditors

PricewaterhouseCoopers LLP
3800 Howard Hughes Parkway
Suite 650
Las Vegas NV 89109
Telephone (702) 691 5400
Facsimile (702) 691 5444

To the Board of Regents of the Nevada
System of Higher Education

In our opinion, based on our audits and the reports of other auditors, the statements of net assets and the related statements of revenues, expenses and changes in net assets of the Nevada System of Higher Education (the "System") and its aggregate discretely presented component units, and the statements of cash flows of the System, which collectively comprise the financial statements of the System, present fairly, in all material respects, the respective financial position of the System and its aggregate discretely presented component units at June 30, 2005 and 2004, and the respective revenues, expenses and changes in financial position, and cash flows, where applicable, thereof 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 did not audit the financial statements of the University of Nevada, Reno Foundation, University of Nevada, Las Vegas Foundation, Nevada State College Foundation, Community College of Southern Nevada Foundation, Inc., Truckee Meadows Community College Foundation, Western Nevada Community College Foundation, Great Basin College Foundation, and the DRI Research Foundation (collectively referred to as the "Foundations"), which represent 91 percent, 93 percent and 54 percent at June 30, 2005 and for the year then ended, and 92 percent, 93 percent and 45 percent at June 30, 2004 and for the year then ended, respectively, of the assets, net assets, and operating revenues of the aggregate discretely presented component units under the caption "System Related Organizations" in the accompanying financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundations, is based on the reports of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 and the reports of other auditors provide a reasonable basis for our opinion.

(This Page Intentionally Left Blank)

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2005 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 grant agreements and other matters for the year ended June 30, 2005. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2005 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

September 30, 2005

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENTS OF NET ASSETS
AS OF JUNE 30, 2005 AND 2004

	<u>System</u>		<u>System Related Organizations</u>	
<u>ASSETS</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<i>Current Assets</i>				
Cash and cash equivalents	\$ 109,337,000	\$ 109,199,000	\$ 29,514,000	\$ 34,794,000
Restricted cash and cash equivalents	142,000	1,004,000	620,000	1,372,000
Short-term investments	279,435,000	278,242,000	15,945,000	8,045,000
Accounts receivable, net	28,848,000	26,778,000	1,437,000	786,000
Receivable from U.S. Government	39,470,000	31,326,000	-	-
Receivable from State of Nevada	35,285,000	74,970,000	-	-
Current portion of pledges receivable, net	-	-	8,309,000	3,904,000
Patient accounts receivable, net	-	-	7,691,000	6,377,000
Current portion of loans receivable, net	2,453,000	2,373,000	19,000	-
Inventories	5,574,000	5,460,000	-	-
Deposits and deferred expenditures, current	2,299,000	1,163,000	237,000	346,000
Other	43,000	-	622,000	647,000
Total Current Assets	502,886,000	530,515,000	64,394,000	56,271,000
<i>Noncurrent Assets</i>				
Cash held by State Treasurer	98,844,000	73,685,000	-	-
Restricted cash and cash equivalents	591,000	-	-	-
Endowment investments	170,315,000	156,368,000	148,049,000	132,566,000
Deposits and deferred expenditures	3,730,000	3,225,000	-	-
Pledges receivable, net	-	-	28,982,000	12,680,000
Loans receivable, net	8,612,000	9,061,000	-	-
Capital assets, net	1,231,990,000	1,156,183,000	4,642,000	4,581,000
Other noncurrent assets	395,000	406,000	5,602,000	5,009,000
Total Noncurrent Assets	1,514,477,000	1,398,928,000	187,275,000	154,836,000
TOTAL ASSETS	2,017,363,000	1,929,443,000	251,669,000	211,107,000
<u>LIABILITIES</u>				
<i>Current Liabilities</i>				
Accounts payable	45,934,000	41,529,000	2,065,000	1,417,000
Accrued payroll and related liabilities	21,365,000	19,665,000	1,437,000	1,037,000
Unemployment insurance and workers' compensation liability	3,430,000	3,403,000	-	-
Current portion of compensated absences	25,266,000	22,191,000	11,000	6,000
Current portion of long-term debt	10,910,000	8,973,000	650,000	901,000
Current portion of obligations under capital leases	2,385,000	1,851,000	202,000	168,000
Accrued interest payable	6,568,000	6,118,000	-	-
Deferred revenue	33,999,000	27,083,000	47,000	-
Funds held in trust for others	5,741,000	4,107,000	-	-
Due to affiliates	-	-	946,000	728,000
Other	-	-	-	124,000
Total Current Liabilities	155,598,000	134,920,000	5,358,000	4,381,000
<i>Noncurrent Liabilities</i>				
Refundable advances under federal loan programs	7,857,000	7,586,000	-	-
Compensated absences	11,313,000	10,216,000	-	-
Deferred revenue	283,000	783,000	315,000	7,757,000
Long-term debt	306,242,000	273,281,000	2,434,000	3,084,000
Obligations under capital leases	12,954,000	13,170,000	223,000	185,000
Other noncurrent liabilities	-	-	436,000	1,549,000
Total Noncurrent Liabilities	338,649,000	305,036,000	3,408,000	12,575,000
TOTAL LIABILITIES	494,247,000	439,956,000	8,766,000	16,956,000
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	949,496,000	914,587,000	2,060,000	2,289,000
Restricted:				
Nonexpendable	57,681,000	55,980,000	119,614,000	100,302,000
Expendable:				
Scholarships, research and instruction	137,437,000	154,267,000	92,185,000	68,618,000
Loans	4,896,000	4,706,000	-	-
Capital projects	159,019,000	164,013,000	373,000	840,000
Debt service	3,295,000	2,108,000	-	-
Unrestricted	211,292,000	193,826,000	28,671,000	22,102,000
TOTAL NET ASSETS	\$1,523,116,000	\$1,489,487,000	\$242,903,000	\$194,151,000

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

**NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	<u>System</u>		<u>System Related Organizations</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<i>Operating Revenues</i>				
Student tuition and fees (net of scholarship allowances of \$48,337,000 and \$43,719,000)	\$ 191,908,000	\$ 166,107,000	\$ -	\$ -
Federal grants and contracts	196,407,000	178,125,000	-	-
State grants and contracts	47,368,000	43,093,000	-	-
Local grants and contracts	15,865,000	15,904,000	-	-
Other grants and contracts	20,148,000	18,426,000	-	-
Campus support	-	-	1,617,000	1,753,000
Sales and services of educational departments (including \$948,000 and \$ 915,000 from System related organizations)	65,315,000	60,125,000	-	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,599,000 and \$3,028,000)	64,831,000	69,571,000	-	-
Contributions	-	-	56,661,000	32,844,000
Patient revenue	-	-	43,329,000	38,207,000
Contract revenue	-	-	7,014,000	6,101,000
Special events and fundraising	-	-	679,000	542,000
Interest earned on loans receivable	152,000	173,000	-	-
Other operating revenues	<u>5,363,000</u>	<u>5,131,000</u>	<u>627,000</u>	<u>607,000</u>
Total operating revenues	<u>607,357,000</u>	<u>556,655,000</u>	<u>109,927,000</u>	<u>80,054,000</u>
<i>Operating Expenses</i>				
Employee compensation and benefits	738,633,000	663,587,000	21,982,000	20,436,000
Utilities	29,230,000	26,178,000	-	-
Supplies and services	255,298,000	246,926,000	2,082,000	1,902,000
Scholarships and fellowships	41,784,000	41,494,000	-	-
Program expenses, System related organizations	-	-	30,604,000	27,828,000
Depreciation	<u>63,634,000</u>	<u>58,789,000</u>	<u>680,000</u>	<u>656,000</u>
Total operating expenses	<u>1,128,579,000</u>	<u>1,036,974,000</u>	<u>55,348,000</u>	<u>50,822,000</u>
Operating (loss) income	<u>(521,222,000)</u>	<u>(480,319,000)</u>	<u>54,579,000</u>	<u>29,232,000</u>
<i>Nonoperating Revenues (Expenses)</i>				
State appropriations	512,515,000	499,026,000	-	-
Refund to State	(43,398,000)	(45,837,000)	-	-
Gifts (including \$17,204,000 and \$19,270,000 from System related organizations)	25,583,000	24,492,000	-	-
Investment income, net	47,423,000	56,186,000	14,728,000	13,621,000
Disposal of capital assets	(1,641,000)	(3,204,000)	(11,000)	-
Interest expense	(12,844,000)	(12,466,000)	-	(36,000)
Payments to System campuses and divisions	-	-	(36,500,000)	(34,145,000)
Other nonoperating revenues	<u>680,000</u>	<u>1,020,000</u>	<u>2,889,000</u>	<u>782,000</u>
Net nonoperating revenues (expenses)	<u>528,318,000</u>	<u>519,217,000</u>	<u>(18,894,000)</u>	<u>(19,778,000)</u>
Income before other revenue, expenses, gains or losses	<u>7,096,000</u>	<u>38,898,000</u>	<u>35,685,000</u>	<u>9,454,000</u>
State appropriations restricted for capital purposes	2,322,000	86,507,000	-	-
Capital grants and gifts (including \$17,399,000 and \$13,089,000 from System related organizations)	22,930,000	23,642,000	-	-
Additions to permanent endowments (including \$949,000 and \$871,000 from System related organizations)	1,781,000	1,857,000	13,067,000	9,525,000
Other expenses	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other revenues	<u>26,533,000</u>	<u>112,006,000</u>	<u>13,067,000</u>	<u>9,525,000</u>
Increase in net assets	<u>33,629,000</u>	<u>150,904,000</u>	<u>48,752,000</u>	<u>18,979,000</u>
<i>Net Assets</i>				
Net assets – beginning of year	<u>1,489,487,000</u>	<u>1,338,583,000</u>	<u>194,151,000</u>	<u>175,172,000</u>
Net assets – end of year	<u>\$1,523,116,000</u>	<u>\$1,489,487,000</u>	<u>\$242,903,000</u>	<u>\$194,151,000</u>

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

NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	System	
	2005	2004
<i>Cash Flows from Operating Activities</i>		
Student tuition and fees	\$194,496,000	\$167,714,000
Grants and contracts	272,791,000	252,106,000
Payments for supplies and services	(257,579,000)	(240,793,000)
Payments for utilities	(28,763,000)	(25,691,000)
Payments for employee compensation and benefits	(732,527,000)	(661,536,000)
Payments for scholarships and fellowships	(41,916,000)	(41,311,000)
Loans issued to students and employees	(3,779,000)	(4,625,000)
Collection of loans to students and employees	3,018,000	3,041,000
Sales and services of educational departments	67,438,000	58,464,000
Sales and services of auxiliary enterprises	64,281,000	71,638,000
Other receipts	6,377,000	5,450,000
Net cash used by operating activities	<u>(456,163,000)</u>	<u>(415,543,000)</u>
<i>Cash Flows from Noncapital Financing Activities</i>		
State appropriations	530,304,000	503,093,000
State appropriations refunded	(36,572,000)	(38,197,000)
Gifts and grants for other than capital purposes	24,488,000	24,834,000
Gifts for endowment purposes	1,781,000	1,857,000
Receipts under federal student loan programs	92,314,000	82,065,000
Disbursements under federal student loan programs	(92,012,000)	(81,372,000)
Other	1,567,000	1,007,000
Agency transactions	1,577,000	(1,889,000)
Net cash provided by noncapital financing activities	<u>523,447,000</u>	<u>491,398,000</u>
<i>Cash Flows from Capital Financing Activities</i>		
Proceeds from capital debt	44,184,000	42,118,000
Other	(120,000)	-
Payments for debt issuance costs	(562,000)	(575,000)
Capital appropriations	23,330,000	61,720,000
Capital grants and gifts received	20,087,000	17,676,000
Purchases of capital assets	(138,019,000)	(151,960,000)
Proceeds from sale of property and equipment	52,000	2,000
Principal paid on capital debt and leases	(11,239,000)	(16,795,000)
Interest paid on capital debt and leases	<u>(12,393,000)</u>	<u>(10,541,000)</u>
Net cash used by capital financing activities	<u>(74,680,000)</u>	<u>(58,355,000)</u>
<i>Cash Flows from Investing Activities</i>		
Proceeds from sales and maturities of investments	126,273,000	76,688,000
Purchase of investments	(102,233,000)	(85,305,000)
Interest and dividends on investments	12,462,000	11,769,000
Net decrease in cash equivalents, noncurrent investments	<u>(4,080,000)</u>	<u>(7,360,000)</u>
Net cash provided (used) by investing activities	<u>32,422,000</u>	<u>(4,208,000)</u>
Net increase in cash and cash equivalents	25,026,000	13,292,000
Cash and cash equivalents, beginning of year	<u>183,888,000</u>	<u>170,596,000</u>
Cash and cash equivalents, end of year	<u>\$208,914,000</u>	<u>\$183,888,000</u>

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

**NEVADA SYSTEM OF HIGHER EDUCATION
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2005 and 2004**

	System	
	2005	2004
<i>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</i>		
Operating loss	\$(521,222,000)	\$(480,319,000)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Supplies expense related to noncash gifts	848,000	-
Depreciation expense	63,634,000	58,789,000
Changes in assets and liabilities:		
Accounts receivable, net	(8,265,000)	(6,261,000)
Loans receivable, net	(702,000)	(1,455,000)
Inventories	(101,000)	(78,000)
Deposits and deferred expenditures	(580,000)	213,000
Accounts payable	(1,874,000)	6,711,000
Accrued payroll and related liabilities	1,839,000	466,000
Unemployment insurance and workers' compensation liability	59,000	(246,000)
Deferred revenue	5,945,000	5,001,000
Refundable advances under federal loan program	257,000	184,000
Compensated absences	3,999,000	1,452,000
Net cash used by operating activities	<u>\$(456,163,000)</u>	<u>\$(415,543,000)</u>
<i>Supplemental Noncash Activities Information</i>		
Capital assets acquired by incurring capital lease obligations and accounts payable	<u>\$7,311,000</u>	<u>\$11,526,000</u>
Loss on disposal of capital assets	<u>\$1,663,000</u>	<u>\$ 3,204,000</u>
Capital assets acquired by gifts	<u>\$2,426,000</u>	<u>\$ 6,015,000</u>
Capital lease obligations converted to an operating lease	<u>\$ -</u>	<u>\$ 1,038,000</u>

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 1 – Organization:

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

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

The System is an agency of the State of Nevada (the “State”) and receives significant support from, and has significant assets held by, the State, as set forth in the accompanying financial statements. The System is a component unit of the State of Nevada in accordance with the provisions of the Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. The System Related Organizations columns in these financial statements are comprised of data of the System’s discretely presented campus foundations and medical school practice plans (see Note 15). These System Related Organizations are included as part of the System’s financial statements because of the nature and the significance of their financial relationship with the System.

The System Related Organizations include campus foundations which are related tax exempt organizations founded to foster and promote the growth, progress, and general welfare of the System, and are reported in separate columns to emphasize that they are Nevada not-for-profit organizations legally separate from the System. During the years ended June 30, 2005 and 2004 the foundations distributed \$35,563,000 and \$33,261,000, respectively, to the System for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained from Sandra K. Cardinal at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

The System Related Organizations also include three legally separate non-profit organizations, together known as the medical school practice plans. The practice plans include the University of Nevada School of Medicine Multispecialty Group Practice North, Inc., University of Nevada School of Medicine Group Practice South, Inc., and Nevada Family Practice Residency Program, Inc. The practice plans were established for the benefit of the University of Nevada School of Medicine and its faculty physicians who are engaged in patient care activities. During the years ended June 30, 2005 and 2004 the practice plans distributed \$937,000 and \$884,000, respectively, to the System for restricted purposes. Complete financial statements for the practice plans can be obtained from Sandra K. Cardinal at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

NOTE 2 – Summary of Significant Accounting Policies:

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

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis of Public Colleges and Universities*.

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

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.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

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

The System has also adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which requires the System's legally separate campus foundations and medical school practice plans to be presented discretely in the System's financial statements.

The System has adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3. Statement No. 40 modifies or eliminates certain disclosures required by GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*.

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred. All significant transactions between various divisions and campuses of the System have been eliminated. The System has the option to apply all Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The System has elected not to apply FASB pronouncements issued after the applicable date.

CASH EQUIVALENTS

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

INVESTMENTS

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

INVENTORIES

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

PLEDGES

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

CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of \$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 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:

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

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

CAPITAL ASSETS (continued):

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

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

DEFERRED REVENUE

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

COMPENSATED ABSENCES

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

FEDERAL REFUNDABLE LOANS

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

NET ASSETS

Net Assets are classified as follows:

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

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

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

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

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

OPERATING AND NONOPERATING REVENUES AND EXPENSES

SYSTEM

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

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

PRACTICE PLANS

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

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

FOUNDATIONS

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

SCHOLARSHIP ALLOWANCES

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

GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to scholarships and fellowships and grants-in-aid for faculty and staff benefits charged to the appropriate expenditure programs to which the applicable personnel relate. Grants-in-aid for fiscal years 2005 and 2004 were \$6,794,000 and \$6,387,000, respectively.

TAX EXEMPTION

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

USE OF ESTIMATES

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

NEW ACCOUNTING PRONOUNCEMENTS

In November 2003, the GASB issued Statement No. 42, *Accounting and Reporting for Impairment of Capital Assets and for Insurance Recoveries*, which requires an evaluation of prominent events or changes in circumstances to determine whether an impairment loss should

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

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

be recorded and that any insurance recoveries be netted with the impairment loss. The provisions of GASB Statement No. 42 are effective for fiscal years beginning after December 15, 2004.

In April 2004, the GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, which supersedes the interim guidance included in Statement 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans* and requires specific reporting framework and measurement parameters to be applied for defined benefit plans. The provisions of GASB Statement No. 43 for plans in which the sole or largest employer is a phase 1 government—with annual revenues of \$100 million or more—are effective for fiscal years beginning after December 15, 2005.

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

In June 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*, which specifies when and how the cost of termination benefits should be recognized on accrual-based financial statements. The provisions of GASB Statement No. 47 are effective in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of GASB Statement No. 47 should be implemented simultaneously with the requirements of Statement No. 45. For all other termination benefits, the provisions of GASB Statement No. 47 are effective for financial statements for periods beginning after June 15, 2005.

NOTE 3 – System Cash and Cash Equivalents:

Cash and cash equivalents of the System are stated at cost, which approximates market, and consists of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2005 and 2004 the System's deposits in money market funds totaled \$67,110,000 and \$67,997,000, respectively, and cash in bank was \$7,366,000 and \$6,143,000, respectively. Of these balances, \$100,000 in both years were covered by the Federal Depository Insurance Corporation ("FDIC"), the remaining deposits are uncollateralized and uninsured. Included in cash and cash equivalents are unspent bond proceeds which do not qualify for restriction, however, these funds must be used for specific construction projects. At June 30, 2005 and 2004 \$48,918,000 and \$57,148,000, respectively, of unspent bond proceeds were included in cash and cash equivalents. Restricted cash represents the unexpended bond proceeds of certain bond issuances which are accessible only through an independent trustee. Cash held by State Treasurer represents the funds from certain state appropriations, which were enacted to provide the System with the funds necessary for the construction of major assets. Such amounts are controlled by the Nevada Public Works Board. All of the above are included in cash and cash equivalents in the Statements of Cash Flows.

NOTE 4 – System Investments:

Investments are stated at fair value. The historical cost and market value (fair value) of System investments at June 30, 2005 and 2004 is as follows:

	<u>2005</u>		<u>2004</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual funds	\$270,818,000	\$298,023,000	\$276,719,000	\$288,374,000
Other partnerships	40,000,000	66,475,000	40,000,000	59,835,000
Private equity partnerships	31,827,000	44,399,000	35,227,000	49,375,000
Stocks	19,886,000	25,404,000	21,490,000	26,045,000
Endowment cash and cash equivalents	13,417,000	13,417,000	9,336,000	9,336,000
Other investments (including corporate and U.S. government bonds)	<u>1,975,000</u>	<u>2,032,000</u>	<u>1,571,000</u>	<u>1,645,000</u>
	<u>\$377,923,000</u>	<u>\$449,750,000</u>	<u>\$384,343,000</u>	<u>\$434,610,000</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 4 – System Investments (continued):

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

	<u>2005</u>	<u>2004</u>
Stocks	36%	36%
U.S. government bonds	28%	28%
International securities	23%	26%
Cash and cash equivalents	12%	9%
Corporate bonds	1%	1%

As of June 30, 2005, 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 \$10,513,000.

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

Credit risk and interest rate risk

Certain securities with fixed income are subject to credit risk which is the risk that an issuer of an investment will not fulfill its obligations. Other securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. Credit quality is an assessment of the issuer's ability to pay interest on the investment, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent rating agencies, for example Moody's Investors Service or Standard and Poor's. The System's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, the System is not the trustee of these investments and, therefore, it currently has no policies with regard to credit risk for these investments.

The credit risk profile for the System's operating and endowment investments at June 30, 2005 is as follows:

U.S. Government - Guaranteed	\$ 824,000
Corporate Bonds:	
AAA	\$ 106,000
AA	\$ 384,000
A	\$ 661,000
Not Rated	\$ 25,000
Commingled Funds:	
U.S. Bond Funds – Not Rated	\$83,731,000
Non U.S. Bond Funds – Not Rated	\$ 2,641,000
Money Market Funds – Not Rated	\$13,417,000

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a shorter duration to maturity tend to be more sensitive to changes in interest rates, and, therefore, more volatile than those with longer investment lives. The System's policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, the System is not the trustee of these investments and, therefore, it currently has no policies with regard to interest rate risk for these investments.

Investments included in the above table have been identified as having interest rate risk and are principally invested in mutual funds. The segmented time distribution for these investments at June 30, 2005 is as follows:

Less than 1 year	\$28,654,000
1 to 5 years	\$37,581,000
6 to 10 years	\$19,116,000
More than 10 years	\$16,438,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 4 – System Investments (continued):

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of the custodian, the System may not be able to recover the value of the investments held by the custodian as these investments are uninsured. Currently, the System does not have a formal policy for custodial credit risk. At June 30, 2005, the System's operating and endowment investments that were held by various custodial banks and are represented by the following types of investments:

Mutual Funds	\$ 1,109,000
Stocks	\$ 25,404,000
International	\$ 32,000
US Government Bonds	\$ 824,000
Corporate Bonds	\$ 1,176,000

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investments within any one issuer. The System's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the System's total operating and endowment investments. At June 30, 2005, there were no investments within any one issuer in an amount that would constitute a concentration of credit risk to the System.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. At June 30, 2005 the System had \$69,706,000 of investments in international mutual funds subject to foreign currency risk in both the operating and endowment investment pools. The U.S. dollar balances of international mutual funds organized by the respective foreign currencies are as follows:

Euro	\$ 20,875,000
British Pound	\$ 10,749,000
Japanese Yen	\$ 9,929,000
Swiss Franc	\$ 3,586,000
South Korean Won	\$ 3,302,000
Canadian Dollar	\$ 2,486,000
Taiwan New Dollar	\$ 2,270,000
Brazilian Real	\$ 1,397,000
Mexican Peso	\$ 1,345,000
Australian Dollar	\$ 1,072,000
Other	\$ 12,695,000

NOTE 5 – System Endowment Pool:

Approximately \$160,829,000 and \$146,547,000 of endowment fund investments at June 30, 2005 and 2004, respectively, are pooled on a unit market value basis. As of June 30, 2005, the endowment pool is comprised of investments in mutual funds (61%), stocks (10%), private equity partnerships (22%), and cash and cash equivalents (7%). As of June 30, 2004, the endowment pool is comprised of investments in mutual funds (62%), stocks (10%), private equity partnerships (24%) and other investments (4%). 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, 2005 and 2004 was \$432.68 and \$399.66, 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, 2005 and 2004, the endowment spending policy, as approved by the Board of Regents, authorized a distribution of 4.5% of the average unit market value for the previous twenty (20) calendar quarters. Under the provisions of this spending rule, during 2005, \$16.75 was distributed to each time-weighted unit for a total spending rule distribution of \$8,174,000 and, during 2004, \$16.68 was distributed to each time-weighted unit for a total spending rule distribution of \$9,180,000. The 2005 and 2004 distributions were made from investment income of \$3,872,000 and \$4,278,000, respectively, and \$4,303,000 and \$4,902,000, 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 \$102,873,000 and

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 5 – System Endowment Pool (continued):

\$91,613,000 at June 30, 2005 and 2004, respectively, and is available to meet future spending needs subject to the approval of the Board of Regents.

Nevada State law provides that a portion of total estate tax revenues collected by the State are appropriated to the System. During the years ended June 30, 2005 and 2004 the System received \$10,269,000 and \$12,273,000, respectively, from such appropriations. Effective July 1, 2003 Nevada State law was amended to no longer require estate tax receipts to be maintained in an endowment, therefore, the entire balance of the estate tax endowment investments was reclassified to short-term investments in the Statement of Net Assets as of June 30, 2005 and 2004. Also, due to the phase-out of estate taxes in the State of Nevada, effective July 1, 2003, the Legislature approved an appropriation from the State's general fund to the System in the amount of \$43,398,000 and \$45,837,000 for expenditures for certain unrestricted purposes during the years ended June 2005 and 2004, respectively. In addition, Nevada Revised Statute 375A.705 was amended whereby the System will reimburse the State for such amounts appropriated by making specific 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. Under the requirements of the revised statute, the System has recorded an expense of amounts repaid and accrued during the years ended June 30, 2005 and 2004 of \$43,398,00 and \$45,837,000, respectively, which is presented as Refund to State in the accompanying financial statements.

NOTE 6 – System Accounts and Loans Receivable:

System accounts receivable consist primarily of amounts due from students for tuition and fees and from local and private sources for grant and contract agreements. System accounts receivable are presented on the accompanying Statements of Net Assets net of allowances for uncollectible amounts of \$5,029,000 and \$4,853,000, respectively, as of June 30, 2005 and 2004.

Loans receivable from students bear interest primarily between 3% and 12% per annum and are generally repayable in installments to the various campuses over a five to ten year period commencing nine months from the date of separation from the institution. 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, 2005 and 2004 are as follows:

	2005	2004
Loans receivable	\$11,483,000	\$11,914,000
Less: Allowance for doubtful loans	(418,000)	(480,000)
Net loans receivable	11,065,000	11,434,000
Less current portion	(2,453,000)	(2,373,000)
Noncurrent loans receivable	<u>\$ 8,612,000</u>	<u>\$ 9,061,000</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 7 – System Capital Assets:

System capital asset activity for the year ended June 30, 2005 and 2004 is as follows:

	<u>2005</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 116,837,000	\$ 67,506,000	\$(108,074,000)	\$ 76,269,000
Land	58,596,000	6,613,000	-	65,209,000
Collections	5,400,000	1,187,000	(35,000)	6,552,000
Total capital assets, not being depreciated	<u>180,833,000</u>	<u>75,306,000</u>	<u>(108,109,000)</u>	<u>148,030,000</u>
Capital assets, being depreciated:				
Buildings	1,171,233,000	127,705,000	-	1,298,938,000
Land improvements	75,910,000	1,540,000	-	77,450,000
Machinery and equipment	221,814,000	38,056,000	(13,445,000)	246,425,000
Library books and media	83,722,000	6,933,000	(695,000)	89,960,000
Total cost	<u>1,552,679,000</u>	<u>174,234,000</u>	<u>(14,140,000)</u>	<u>1,712,773,000</u>
Less accumulated depreciation for:				
Buildings	(318,813,000)	(31,185,000)	-	(349,998,000)
Land improvements	(51,208,000)	(4,124,000)	-	(55,332,000)
Machinery and equipment	(137,949,000)	(21,582,000)	11,452,000	(148,079,000)
Library books and media	(69,359,000)	(6,743,000)	698,000	(75,404,000)
Total accumulated depreciation	<u>(577,329,000)</u>	<u>(63,634,000)</u>	<u>12,150,000</u>	<u>(628,813,000)</u>
Total capital assets being depreciated, net	<u>975,350,000</u>	<u>110,600,000</u>	<u>(1,990,000)</u>	<u>1,083,960,000</u>
Capital assets, net	<u>\$1,156,183,000</u>	<u>\$185,906,000</u>	<u>\$(110,099,000)</u>	<u>\$1,231,990,000</u>
		<u>2004</u>		
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 62,625,000	\$102,636,000	\$(48,424,000)	\$ 116,837,000
Land	49,199,000	9,397,000	-	58,596,000
Collections	4,835,000	602,000	(37,000)	5,400,000
Total capital assets, not being depreciated	<u>116,659,000</u>	<u>112,635,000</u>	<u>(48,461,000)</u>	<u>180,833,000</u>
Capital assets, being depreciated:				
Buildings	1,106,002,000	65,231,000	-	1,171,233,000
Land improvements	72,222,000	3,688,000	-	75,910,000
Machinery and equipment	208,470,000	32,050,000	(18,706,000)	221,814,000
Library books and media	81,178,000	4,885,000	(2,341,000)	83,722,000
Total cost	<u>1,467,872,000</u>	<u>105,854,000</u>	<u>(21,047,000)</u>	<u>1,552,679,000</u>
Less accumulated depreciation for:				
Buildings	(290,768,000)	(28,045,000)	-	(318,813,000)
Land improvements	(47,166,000)	(4,042,000)	-	(51,208,000)
Machinery and equipment	(133,465,000)	(20,017,000)	15,533,000	(137,949,000)
Library books and media	(65,015,000)	(6,685,000)	2,341,000	(69,359,000)
Total accumulated depreciation	<u>(536,414,000)</u>	<u>(58,789,000)</u>	<u>17,874,000</u>	<u>(577,329,000)</u>
Total capital assets being depreciated, net	<u>931,458,000</u>	<u>47,065,000</u>	<u>(3,173,000)</u>	<u>975,350,000</u>
Capital assets, net	<u>\$1,048,117,000</u>	<u>\$159,700,000</u>	<u>\$(51,634,000)</u>	<u>\$1,156,183,000</u>

The estimated cost to complete property authorized or under construction at June 30, 2005 is \$428,763,000. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 8 – System Long-Term Debt:

System long-term debt activity for the year ended June 30, 2005 and 2004 is as follows:

	Annual Interest Rate	Fiscal Year Final Payment Due	Beginning Balance	Additions	Reductions	Ending Balance	Current
University Superior Lien Refunding Revenue Bonds, Series 1997	4.50% to 6.00%	2007	5,040,000	-	(1,914,000)	3,126,000	2,000,000
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	1,150,000	-	(260,000)	890,000	280,000
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	775,000	-	(95,000)	680,000	100,000
Universities Revenue Bonds, Series 1992	6.20% to 6.40%	2014	380,000	-	(380,000)	-	-
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	6,555,000	-	(165,000)	6,390,000	580,000
Community College Revenue Bonds, Series 1996	3.80% to 5.70%	2017	895,000	-	(50,000)	845,000	50,000
Universities Revenue Bonds, Series 2003A	2.00% to 5.00%	2017	23,140,000	-	(1,311,000)	21,829,000	1,525,000
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2021	14,235,000	-	(290,000)	13,945,000	305,000
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	25,515,000	-	(995,000)	24,520,000	1,045,000
Taxable University Revenue Bonds, Series 2002C	4.00% to 5.50%	2022	8,150,000	-	(325,000)	7,825,000	340,000
SNSC Phase II Lease Revenue Bonds	7.58%	2023	8,370,000	-	(210,000)	8,160,000	225,000
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	14,175,000	-	(265,000)	13,910,000	275,000
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	18,860,000	-	(345,000)	18,515,000	355,000
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	-
Universities Revenue Bonds, Series 2004A	2.00% to 4.50%	2034	32,450,000	-	-	32,450,000	1,280,000
Universities Revenue Bonds, Series 2004B	3.00% to 4.75%	2035	-	10,000,000	-	10,000,000	-
Universities Revenue Bonds, Series 2005A	3.00% to 5.00%	2036	-	31,010,000	-	31,010,000	-
Premiums			2,038,000	1,129,000	(44,000)	3,123,000	36,000
Total Bonds Payable			254,523,000	42,139,000	(6,649,000)	290,013,000	8,396,000
Notes Payable			27,731,000	2,045,000	(2,637,000)	27,139,000	2,514,000
Total			\$282,254,000	\$ 44,184,000	\$ (9,286,000)	\$317,152,000	\$10,910,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 8 – System Long-Term Debt (continued):

	Annual Interest Rate	Fiscal Year Final Payment Due	2004			
			Beginning Balance	Additions	Reductions	Ending Balance
Universities Refunding Revenue Bonds, Series 1994	4.00% to 5.60%	2004	\$ 935,000	\$ -	\$ (935,000)	\$ -
Universities Refunding Revenue Bonds, Series 1993	4.12% to 5.00%	2004	355,000	-	(355,000)	-
University Superior Lien Refunding Revenue Bonds, Series 1997	4.50% to 6.00%	2007	6,865,000	-	(1,825,000)	5,040,000
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	1,395,000	-	(245,000)	1,150,000
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	865,000	-	(90,000)	775,000
Universities Revenue Bonds, Series 1992	6.20% to 6.40%	2014	740,000	-	(360,000)	380,000
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	6,715,000	-	(160,000)	6,555,000
Community College Revenue Bonds, Series 1996	3.80% to 5.70%	2017	940,000	-	(45,000)	895,000
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	14,380,000	-	(145,000)	14,235,000
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	26,470,000	-	(955,000)	25,515,000
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	-	(90,000)	8,370,000
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	14,430,000	-	(255,000)	14,175,000
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	19,200,000	-	(340,000)	18,860,000
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%	2035	50,890,000	-	-	50,890,000
Universities Revenue Bonds, Series 2004A	2.00% to 4.50%	2036	-	32,450,000	-	32,450,000
Premiums			1,911,000	263,000	(136,000)	2,038,000
Total Bonds Payable			227,746,000	32,713,000	(5,936,000)	254,523,000
Notes Payable			27,414,000	9,405,000	(9,088,000)	27,731,000
Total			\$255,160,000	\$ 42,118,000	\$(15,024,000)	\$282,254,000
						6,605,000
						2,368,000
						\$8,973,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 8 – System Long-Term Debt (continued):

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

There are a number of limitations and restrictions contained in the various bond indentures. The 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>
2006	\$10,910,000	\$14,003,000
2007	12,174,000	14,143,000
2008	12,352,000	13,567,000
2009	11,386,000	13,074,000
2010	11,826,000	12,582,000
2011-2015	63,667,000	54,861,000
2016-2020	57,408,000	40,598,000
2021-2025	45,829,000	27,130,000
2026-2030	49,527,000	15,753,000
2031-2035	38,905,000	3,902,000
2036-2040	3,168,000	-
Total	<u>\$317,152,000</u>	<u>\$209,613,000</u>

In October 2005 the System issued Universities Revenue Bonds, Series 2005B in the amount of \$170,360,000. The bonds bear interest from 3.25% to 5.00% and mature on various dates from 2007 to 2035. The bonds were issued primarily to finance projects on both the UNLV and UNR campuses. Additionally, certain proceeds from the 2005B revenue bonds were used to refund \$10,990,000 of the series 2000A bonds and \$12,030,000 of the series 2000B bonds.

NOTE 9 – System Obligations Under Capital Leases:

The System has entered into various non-cancellable lease agreements of land, buildings and improvements, and machinery and equipment expiring at various dates from fiscal year 2006 to 2019.

System obligations under capital leases were as follows for the year ending June 30, 2005 and 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>2005 Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$15,021,000</u>	<u>\$2,308,000</u>	<u>(\$1,990,000)</u>	<u>\$15,339,000</u>	<u>\$2,385,000</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>2004 Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$10,408,000</u>	<u>\$7,458,000</u>	<u>(\$2,845,000)</u>	<u>\$15,021,000</u>	<u>\$1,851,000</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 9 – System Obligations Under Capital Leases (continued):

The following System property included in the accompanying financial statements was leased under capital leases as of June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Buildings and improvements	\$ 10,421,000	\$ 4,906,000
Machinery and equipment	<u>10,435,000</u>	<u>9,981,000</u>
Total	20,856,000	14,887,000
Less accumulated depreciation	<u>(3,655,000)</u>	<u>(2,342,000)</u>
Total	<u>\$17,201,000</u>	<u>\$12,545,000</u>

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

2006	\$ 3,132,000
2007	2,582,000
2008	2,371,000
2009	2,342,000
2010	2,138,000
2011-2015	<u>5,713,000</u>
Total minimum lease payments	18,278,000
Less amount representing interest	<u>(3,043,000)</u>
Obligations under capital leases	<u>\$15,235,000</u>

Total interest expense under the System capital leases and included in the accompanying financial statements was \$457,000 and \$843,000, respectively, during the years ended June 30, 2005 and 2004.

NOTE 10 – System Other Noncurrent Liability Activity:

The activity with respect to System other noncurrent liabilities for the years ended June 30, 2005 and 2004 was as follows:

	<u>2005</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Refundable advances under federal loans program	\$ 7,586,000	\$ 869,000	\$ (598,000)	\$ 7,857,000	\$ -
Compensated absences	32,407,000	29,321,000	(25,149,000)	36,579,000	25,266,000
Deferred revenue	<u>27,866,000</u>	<u>33,499,000</u>	<u>(27,083,000)</u>	<u>34,282,000</u>	<u>33,999,000</u>
Total	<u>\$67,859,000</u>	<u>\$63,689,000</u>	<u>\$(52,830,000)</u>	<u>\$78,718,000</u>	<u>\$59,265,000</u>

	<u>2004</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Refundable advances under federal loans program	\$ 7,378,000	\$ 741,000	\$ (533,000)	\$ 7,586,000	\$ -
Compensated absences	30,735,000	24,046,000	(22,374,000)	32,407,000	22,191,000
Deferred revenue	<u>22,491,000</u>	<u>27,667,000</u>	<u>(22,292,000)</u>	<u>27,866,000</u>	<u>27,083,000</u>
Total	<u>\$60,604,000</u>	<u>\$52,454,000</u>	<u>\$(45,199,000)</u>	<u>\$67,859,000</u>	<u>\$49,274,000</u>

NOTE 11 – Irrevocable Letter of Credit:

In connection with its workers compensation liability coverage, the System is required to maintain a \$1,280,000 standby letter of credit. An additional letter of credit was established in April 2004 in connection with the System's self-insured workers' compensation liability coverage in the amount of \$2,893,000. A letter of credit was established in July 2003 in connection with the DRI Lease Revenue Bond in the amount of \$2,100,000. No advances were made under the letters of credit during the years ended June 30, 2005 and 2004.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 12 – System Pension Plans:

Substantially all permanent employees of the System are covered by retirement plans. Classified employees are covered by the State of Nevada Public Employees Retirement System ("PERS"), a cost-sharing multiple-employer public employee retirement system. Professional employees are covered under PERS or up to four 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 2.67% percent of the employee's average compensation for each year of service up to 30 years, with a maximum of 75 percent. An employee's average compensation is the average of the employee's highest compensation for 36 consecutive months. A diminished benefit is provided to all eligible employees upon early retirement, if such employees have achieved the years of service required for regular retirement. PERS also provides death and disability benefits. Benefits are established by State statute.

The authority for establishing and amending the obligation to make contributions is provided by statute. Contribution rates are also established by statute. Active employees contribute to PERS at a rate of either 10.5% or 0% of annual covered wages depending on the contribution option selected. The System is required to contribute to PERS at a rate of either 10.5% or 20.25% of annual covered wages, depending on the option selected by the employee. The System is not liable for any unfunded liabilities of PERS.

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

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

The System's contribution to all retirement plans for the years ended June 30, 2005, 2004 and 2003 was approximately \$55,728,000, \$45,434,000 and \$41,357,000, respectively, equal to the required contribution for each year.

NOTE 13 – System 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 System Expenses:

The following is the functional classifications of expenses as reported on the Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2005 and 2004.

	<u>2005</u>	<u>2004</u>
Instruction	\$ 395,655,000	\$ 357,715,000
Research	117,057,000	110,315,000
Public service	59,942,000	55,663,000
Academic support	92,930,000	84,568,000
Institutional support	124,072,000	114,194,000
Student services	82,299,000	73,833,000
Operation and maintenance of plant	87,377,000	77,002,000
Scholarships and fellowships	41,784,000	41,494,000
Auxiliary enterprises	63,552,000	63,322,000
Other expenditures	277,000	79,000
Depreciation	<u>63,634,000</u>	<u>58,789,000</u>
Total	<u>\$1,128,579,000</u>	<u>\$1,036,974,000</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15 – System Related Organizations:

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

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS NET ASSETS AS OF JUNE 30, 2005

	UNR Foundation	Practice Plans	DRI Foundation	TMCC Foundation	WNCC Foundation	GBC Foundation	UNLV Foundation	CCSN Foundation	NSC Foundation	Total System Related Organizations
ASSETS										
<i>Current Assets</i>										
Cash and cash equivalents	\$10,705,000	\$10,371,000	\$460,000	\$142,000	\$ -	\$ 918,000	\$ 5,382,000	\$2,059,000	\$ 97,000	\$ 30,134,000
Short-term investments	11,544,000	-	-	-	-	-	3,361,000	-	1,040,000	15,945,000
Other current assets	6,127,000	9,231,000	-	8,000	507,000	119,000	2,323,000	-	-	18,315,000
Total Current Assets	28,376,000	19,602,000	460,000	150,000	507,000	1,037,000	11,066,000	2,059,000	1,137,000	64,394,000
<i>Noncurrent Assets</i>										
Capital assets, net	53,000	2,077,000	16,000	-	-	5,000	2,491,000	-	-	4,642,000
Endowment investments	64,063,000	-	-	178,000	2,708,000	3,020,000	77,391,000	581,000	108,000	148,049,000
Other noncurrent assets	8,470,000	-	-	-	-	201,000	25,913,000	-	-	34,584,000
Total Noncurrent Assets	72,586,000	2,077,000	16,000	178,000	2,708,000	3,226,000	105,795,000	581,000	108,000	187,275,000
TOTAL ASSETS	100,962,000	21,679,000	476,000	328,000	3,215,000	4,263,000	116,861,000	2,640,000	1,245,000	251,669,000
LIABILITIES										
<i>Current Liabilities</i>										
Due to affiliates	767,000	179,000	-	-	-	-	-	-	-	946,000
Current portion of long-term debt	400,000	-	-	-	-	-	250,000	-	-	650,000
Other current liabilities	19,000	3,343,000	28,000	47,000	-	54,000	271,000	-	-	3,762,000
Total Current Liabilities	1,186,000	3,522,000	28,000	47,000	-	54,000	521,000	-	-	5,358,000
<i>Noncurrent Liabilities</i>										
Long-term debt	1,129,000	-	-	-	-	-	1,305,000	-	-	2,434,000
Other noncurrent liabilities	315,000	223,000	-	-	-	-	436,000	-	-	974,000
Total Noncurrent Liabilities	1,444,000	223,000	-	-	-	-	1,741,000	-	-	3,408,000
TOTAL LIABILITIES	2,630,000	3,745,000	28,000	47,000	-	54,000	2,262,000	-	-	8,766,000
NET ASSETS										
Invested in capital assets, net of related debt	171,000	1,652,000	16,000	-	-	5,000	216,000	-	-	2,060,000
Restricted	67,606,000	-	-	181,000	654,000	2,793,000	48,248,000	24,000	108,000	119,614,000
Nonexpendable	26,243,000	-	103,000	-	2,474,000	725,000	61,945,000	37,000	1,031,000	92,558,000
Expendable	4,312,000	16,282,000	329,000	100,000	87,000	686,000	4,190,000	2,579,000	106,000	28,671,000
Unrestricted	\$98,332,000	\$17,934,000	\$448,000	\$281,000	\$3,215,000	\$4,209,000	\$114,599,000	\$2,640,000	\$ 1,245,000	\$242,903,000
TOTAL NET ASSETS										

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15 – System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS NET ASSETS AS OF JUNE 30, 2004

	UNR Foundation	Practice Plans	DRI Foundation	TMCC Foundation	WNCC Foundation	GBC Foundation	UNLV Foundation	CCSN Foundation	NSC Foundation	Total System Related Organizations
ASSETS										
<i>Current Assets</i>										
Cash and cash equivalents	\$19,853,000	\$8,050,000	\$36,000	\$123,000	\$-	\$599,000	\$4,418,000	\$1,613,000	\$102,000	\$34,794,000
Short-term investments	7,795,000	-	250,000	-	-	-	-	-	-	8,045,000
Other current assets	1,814,000	7,275,000	-	23,000	361,000	1,115,000	2,416,000	396,000	32,000	13,432,000
Total Current Assets	29,462,000	15,325,000	286,000	146,000	361,000	1,714,000	6,834,000	2,009,000	134,000	56,271,000
<i>Noncurrent Assets</i>										
Capital assets, net	36,000	2,008,000	16,000	-	-	14,000	2,507,000	-	-	4,581,000
Endowment investments	54,759,000	-	-	68,000	2,347,000	2,685,000	70,894,000	688,000	1,125,000	132,566,000
Other noncurrent assets	5,311,000	-	-	-	-	129,000	12,249,000	-	-	17,689,000
Total Noncurrent Assets	60,106,000	2,008,000	16,000	68,000	2,347,000	2,828,000	85,650,000	688,000	1,125,000	154,836,000
TOTAL ASSETS	89,568,000	17,333,000	302,000	214,000	2,708,000	4,542,000	92,484,000	2,697,000	1,259,000	211,107,000
LIABILITIES										
<i>Current Liabilities</i>										
Due to affiliates	602,000	126,000	-	-	-	-	-	-	-	728,000
Current portion of long-term debt	373,000	213,000	-	-	-	-	315,000	-	-	901,000
Other current liabilities	16,000	2,554,000	-	51,000	-	14,000	99,000	-	18,000	2,752,000
Total Current Liabilities	991,000	2,893,000	-	51,000	-	14,000	414,000	-	18,000	4,381,000
<i>Noncurrent Liabilities</i>										
Long-term debt	1,529,000	-	-	-	-	-	1,555,000	-	-	3,084,000
Other noncurrent liabilities	7,757,000	185,000	-	-	-	-	532,000	-	1,017,000	9,491,000
Total Noncurrent Liabilities	9,286,000	185,000	-	-	-	-	2,087,000	-	1,017,000	12,575,000
TOTAL LIABILITIES	10,277,000	3,078,000	-	51,000	-	14,000	2,501,000	-	1,035,000	16,956,000
NET ASSETS										
Invested in capital assets, net of related debt	603,000	1,443,000	16,000	-	-	14,000	213,000	-	-	2,289,000
Restricted										
Nonexpendable	55,608,000	-	-	67,000	230,000	2,667,000	41,561,000	61,000	108,000	100,302,000
Expendable	19,031,000	36,000	65,000	1,000	2,386,000	1,162,000	46,361,000	384,000	32,000	69,458,000
Unrestricted	4,049,000	12,776,000	221,000	95,000	92,000	685,000	1,848,000	2,252,000	84,000	22,102,000
TOTAL NET ASSETS	\$79,291,000	\$14,255,000	\$302,000	\$163,000	\$2,708,000	\$4,528,000	\$89,983,000	\$2,697,000	\$224,000	\$194,151,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15 – System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2005

	UNR Foundation	Practice Plans	DRI Foundation	TMCC Foundation	WNCC Foundation	GBC Foundation	UNLV Foundation	CCSN Foundation	NSC Foundation	Total System Related Organizations
<i>Operating Revenues</i>										
Patient revenue	\$ -	\$43,329,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$43,329,000
Contract revenue	-	7,014,000	-	-	-	-	-	-	-	7,014,000
Contributions	24,724,000	-	1,433,000	182,000	1,275,000	294,000	26,921,000	762,000	1,070,000	56,661,000
Campus support	1,077,000	-	371,000	98,000	-	71,000	-	-	-	1,617,000
Other operating revenue	652,000	-	153,000	41,000	-	55,000	405,000	-	-	1,306,000
Total operating revenues	26,453,000	50,343,000	1,957,000	321,000	1,275,000	420,000	27,326,000	762,000	1,070,000	109,927,000
<i>Operating Expenses</i>										
Program expenses	227,000	29,938,000	-	-	-	375,000	64,000	-	-	30,604,000
Depreciation	13,000	582,000	-	-	-	-	85,000	-	-	680,000
Other operating expenses	1,832,000	18,148,000	717,000	161,000	365,000	-	2,803,000	31,000	7,000	24,064,000
Total operating expenses	2,072,000	48,668,000	717,000	161,000	365,000	375,000	2,952,000	31,000	7,000	55,348,000
Operating income	24,381,000	1,675,000	1,240,000	160,000	910,000	45,000	24,374,000	731,000	1,063,000	54,579,000
<i>Nonoperating Revenues (Expenses)</i>										
Payments to System campuses and divisions	(19,974,000)	(937,000)	(1,095,000)	(156,000)	(493,000)	(676,000)	(12,306,000)	(817,000)	(46,000)	(36,500,000)
Other nonoperating revenues (expenses)	7,458,000	2,941,000	1,000	25,000	90,000	185,000	6,873,000	29,000	4,000	17,606,000
Total nonoperating expenses	(12,516,000)	2,004,000	(1,094,000)	(131,000)	(403,000)	(491,000)	(5,433,000)	(788,000)	(42,000)	(18,894,000)
Income (loss) before other revenue, expenses gains or losses	11,865,000	3,679,000	146,000	29,000	507,000	(446,000)	18,941,000	(57,000)	1,021,000	35,685,000
Additions to permanent endowments	7,176,000	-	-	89,000	-	127,000	5,675,000	-	-	13,067,000
Total other revenues	7,176,000	-	-	89,000	-	127,000	5,675,000	-	-	13,067,000
Increase (decrease) in net assets	19,041,000	3,679,000	146,000	118,000	507,000	(319,000)	24,616,000	(57,000)	1,021,000	48,752,000
Net assets - beginning of year	79,291,000	14,255,000	302,000	163,000	2,708,000	4,528,000	89,983,000	2,697,000	224,000	194,151,000
Net assets - end of year	\$98,332,000	\$17,934,000	\$ 448,000	\$281,000	\$3,215,000	\$4,209,000	\$114,599,000	\$2,640,000	\$1,245,000	\$242,903,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15 – System Related Organizations (continued):

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA SYSTEM RELATED ORGANIZATIONS REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2004

	UNR Foundation	Practice Plans	DRI Foundation	TMCC Foundation	WNCC Foundation	GBC Foundation	UNLV Foundation	CCSN Foundation	NSC Foundation	Total System Related Organizations
<i>Operating Revenues</i>										
Patient revenue	\$ -	\$38,207,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$38,207,000
Contract revenue	-	6,101,000	-	-	-	-	-	-	-	6,101,000
Contributions	15,389,000	-	988,000	283,000	913,000	210,000	14,061,000	768,000	232,000	32,844,000
Campus support	1,313,000	-	217,000	91,000	-	132,000	-	-	-	1,753,000
Other operating revenue	515,000	-	139,000	35,000	-	68,000	368,000	24,000	-	1,149,000
Total operating revenues	17,217,000	44,308,000	1,344,000	409,000	913,000	410,000	14,429,000	792,000	232,000	80,054,000
<i>Operating Expenses</i>										
Program expenses	251,000	26,212,000	-	1,000	-	304,000	1,060,000	-	-	27,828,000
Depreciation	12,000	564,000	-	-	-	-	80,000	-	-	656,000
Other operating expenses	1,882,000	16,714,000	516,000	155,000	351,000	-	2,568,000	124,000	28,000	22,338,000
Total operating expenses	2,145,000	43,490,000	516,000	156,000	351,000	304,000	3,708,000	124,000	28,000	50,822,000
Operating income	15,072,000	818,000	828,000	253,000	562,000	106,000	10,721,000	668,000	204,000	29,232,000
<i>Nonoperating Revenues (Expenses)</i>										
Payments to System campuses and divisions	(17,643,000)	(884,000)	(1,914,000)	(237,000)	(166,000)	(292,000)	(12,189,000)	(625,000)	(195,000)	(34,145,000)
Other nonoperating revenues (expenses)	10,037,000	3,231,000	4,000	1,000	92,000	99,000	880,000	21,000	2,000	14,367,000
Total nonoperating expenses	(7,606,000)	2,347,000	(1,910,000)	(236,000)	(74,000)	(193,000)	(11,309,000)	(604,000)	(193,000)	(19,778,000)
Income (loss) before other revenue, expenses gains or losses	7,466,000	3,165,000	(1,082,000)	17,000	488,000	(87,000)	(588,000)	64,000	11,000	9,454,000
Additions to permanent endowments	2,497,000	-	-	67,000	-	229,000	6,732,000	-	-	9,525,000
Total other revenues	2,497,000	-	-	67,000	-	229,000	6,732,000	-	-	9,525,000
Increase (decrease) in net assets	9,963,000	3,165,000	(1,082,000)	84,000	488,000	142,000	6,144,000	64,000	11,000	18,979,000
Net assets - beginning of year	69,328,000	11,090,000	1,384,000	79,000	2,220,000	4,386,000	83,839,000	2,633,000	213,000	175,172,000
Net assets - end of year	\$79,291,000	\$14,255,000	\$ 302,000	\$163,000	\$2,708,000	\$4,528,000	\$89,983,000	\$2,697,000	\$224,000	\$194,151,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15 – System Related Organizations (continued):

UNR Foundation:

The UNR Foundation cash deposits are primarily on deposit with two financial institutions and several investment companies and are carried at fair value at \$10,705,000 and \$19,853,000, respectively, at June 30, 2005 and 2004, of which \$15,198,000 and \$1,290,000, respectively, is insured by the FDIC. The remaining balance is uncollateralized and is a category 3 level of risk, based on risk categories established by GASB.

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

Cash and cash equivalents at June 30, 2005 and 2004, consists of:

	<u>2005</u>	<u>2004</u>
Cash	\$ 1,011,000	\$ 883,000
Money Funds	1,534,000	8,000
Common Fund Short-term Investments	3,475,000	9,850,000
Certificates of Deposit	190,000	980,000
Treasury Bills	<u>4,495,000</u>	<u>8,132,000</u>
	<u>\$10,705,000</u>	<u>\$19,853,000</u>

The fair value of investments at June 30, 2005 and 2004, are as follows:

	<u>2005</u>	<u>2004</u>
Equity Investments	\$ 277,000	\$ -
Commonfund Bond	16,259,000	14,056,000
Commonfund Global Bond	671,000	638,000
Commonfund Equity	45,811,000	39,265,000
Commonfund International Equity	1,363,000	1,230,000
Commonfund Emerging Markets	1,420,000	1,079,000
Commonfund Capital Partners	411,000	167,000
Commonfund Real Estate Securities	776,000	574,000
Commonfund Realty Investors	1,908,000	1,804,000
Certificates of Deposit	2,184,000	2,149,000
U.S. Government Securities	<u>4,527,000</u>	<u>1,592,000</u>
	<u>\$75,607,000</u>	<u>\$62,554,000</u>

At June 30, 2005, the Foundation investments had the following maturities:

	Investment Maturities (in Years)			
	Fair Value	Less than 1	1 – 5	6 – 10
Equity investments	\$ 277,000	\$ 277,000	\$ -	\$ -
Open ended mutual funds	68,618,000	68,618,000	-	-
Certificates of deposit	2,184,000	891,000	1,197,000	96,000
U.S. Government securities	<u>4,528,000</u>	<u>3,534,000</u>	<u>495,000</u>	<u>499,000</u>
	<u>\$75,607,000</u>	<u>\$73,320,000</u>	<u>\$1,692,000</u>	<u>\$595,000</u>

The Foundation's investment policy allows for investments of money market funds, certificates of deposit, commercial paper (rated P-1 and/or A-1 or better up to 10% maximum of the total cash balance), United States treasury bills or notes, mortgage backed securities, or internal loans to the University of Nevada, Reno (secured by a promissory note, with appropriate interest). Investments outside of the Commonfund are

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15– System Related Organizations (continued):

staggered in 30, 60 and 90 day investments. All investments in excess of the 90 day limit are approved individually. Justification for the time period of the investment would be that our liquid cash needs didn't exceed \$10 million and the rate of return justifies the investment.

The cumulative net appreciation of investments at June 30, 2005 and 2004 was \$18,007,000 and \$14,087,000, respectively.

Investment Risk Factors

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

Concentration of Credit Risk

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

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

Credit Risk

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

Interest Rate Risk

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

Foreign Currency Risk

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

Custodial Credit Risk – Investments

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

UNLV Foundation:

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

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the UNLV Foundation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The UNLV Foundation does not have a deposit policy for custodial credit risk. Of the cash balances held by custodians at June 30, 2005, \$114,008 was covered by the FDIC and \$119,273 was uninsured. Of the cash equivalent balance, \$811,011 was covered by Securities Investor Protection Corporation ("SIPC") and \$1,862,557 was covered by the Customer Asset Protection Company ("CAPCO"), excess protection provided by the two brokerages. In addition, \$515,233 is held in a bank and is uninsured, however, the cash and cash equivalents are invested in a money market account that is backed by the full faith and credit of the U.S. Government.

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15— System Related Organizations (continued):

Investments include the following at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Endowment cash and cash equivalents	\$ 3,986,000	\$ 3,961,000
Investments in securities	4,242,000	1,353,000
Common Stock	35,708,000	26,357,000
U.S. government obligations	10,517,000	11,834,000
Corporate obligations	14,512,000	20,306,000
Asset-backed securities	<u>4,646,000</u>	<u>4,320,000</u>
Total marketable securities at cost	73,611,000	68,131,000
Net unrealized gain (loss) on noncurrent investments	<u>7,141,000</u>	<u>2,763,000</u>
Total fair value of noncurrent investments	<u>\$80,752,000</u>	<u>\$70,894,000</u>

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. The UNLV Foundation reduces its exposure to credit risk with policy guidelines that instruct money managers to purchase securities rated investment grade or better. However, up to 15% (+/-5%) of the fixed-income portfolios may be allocated to below-investment-grade securities.

Corporate Bonds	Total	AAA	AA	A	BBB	Below Investment Grade
Restricted fund - Payden & Rygel	\$5,566,000	\$ 77,000	\$247,000	\$1,849,000	\$2,483,000	\$ 910,000
Endowment fund: Wachovia	\$1,688,000	\$105,000	\$625,000	\$ 744,000	\$ 214,000	\$ -
Loomis Sayles	\$9,089,000	\$303,000	\$347,000	\$2,300,000	\$2,978,000	\$3,161,000

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

Interest Rate Risk

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

For the restricted fund, the Lehman Intermediate Govt/Corp Index average maturity as of June 30, 2005, was 3.60 years. The fixed-income portfolio's average maturity was 3.70 years. Interest rates range from 1.875% to 9.125%.

Maturity Under 1 Year	Maturity 1-5 Years	Maturity 5-10 Years	Maturity Over 10 Years	Total
\$4,844,000	\$5,462,000	\$7,272,000	\$388,000	\$17,966,000

For the endowment fund, the Lehman Aggregate Bond Index average maturity as of June 30, 2005, was 6.22 years. The fixed-income portfolio's average maturity was 6.40 years. Interest rates range from 1.625% to 8.750%.

Maturity Under 1 Year	Maturity 1-5 Years	Maturity 5-10 Years	Maturity Over 10 Years	Total
\$2,160,000	\$6,999,000	\$4,179,000	\$5,812,000	\$19,150,000

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 15– System Related Organizations (continued):

Foreign Currency Risk

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

At June 30, 2005, the UNLV Foundation had \$1,049,000 in foreign bonds.

During the year ended June 30, 2005, the UNLV Foundation recognized \$6,873,088 in investment income. Earnings included \$2,561,834 from interest and dividends, \$354,985 from net realized gains on the sale of investments, \$4,378,254 from the change in investment fair value, and \$10,693 from an inflation index adjustment. Investment expenses of \$409,284 and amortization of bond discounts of \$23,395 were netted against earnings.

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
MAJOR PROGRAMS												
Research and Development: Department of Agriculture												
Agricultural Research Service												
Ag. Research-Basic & Applied Res. Passed Through	10.001	\$94,553									\$94,553	
University of Arizona												
U-AZ/BGU-Groundwater in Arid	10.000				\$1,685						1,685	
Biotech Res Dev Corp												
Ag. Research	10.001	151,570									151,570	
Total Agricultural Research Service		246,123	0	0	1,685	0	0	0	0	0	247,808	
Agricultural Marketing Service												
Passed Through												
NV Dept of Agriculture	10.156	1,571									1,571	
Federal-State Marketing Improvement Program												
Total Agrucultural Marketing Service		1,571	0	0	0	0	0	0	0	0	1,571	
Cooperative State Research Educ. & Extension Svc.												
Special Research	10.200	514,569									514,569	
Hatch Funds	10.203	767,653									767,653	
Payments to Land-Grant Colleges	10.205	484,318									484,318	
Grants for Ag Research	10.206	312,269	59,428								371,697	
Animal Health and Disease Research	10.207	56,453									56,453	
Initiative for Future Ag and Food Systems	10.302	1,064,531									1,064,531	
Integrated Programs	10.303	404,131									404,131	
Cooperative Extension Service	10.500	9,475									9,475	
Passed Through												
University of Arizona												
Integrated Programs	10.303	1,117									1,117	
University of California-Davis												
Competitive Research	10.206	16,972			6,383						23,355	
University of California-Santa Cruz												
Cooperative Research	10.206	3,199									3,199	
Utah State University												
Special Research	10.200	1,708									1,708	
Total Cooperative State Research Educ.& Extension Svc.		3,636,395	59,428	0	6,383	0	0	0	0	0	3,702,206	
Food & Nutrition Service												
Passed Through												
NV Dept. of Human Resources												
Food Stamps	10.551	40,412									40,412	
Special Supplemental Nutrition Program for Women	10.557	70,084									70,084	
Nutrition Education and Training Program	10.564	26,936									26,936	
Purdue University												
Nutrition Education and Training Program	10.564	7,869									7,869	
Total Food & Nutrition Service		145,301	0	0	0	0	0	0	0	0	145,301	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Forest Service												
Forestry Research	10.652	508,965	1,351,773		46,367						1,907,105	
Cooperative Forestry Assistance	10.664	311,256									311,256	
Rural Development	10.672	384									384	
Passed Through												
Lincoln County Nevada	10.652	15,374									15,374	
Forestry Research	10.652				41,031						41,031	
Tahoe Regional Plan												
Forestry Research	10.652				39,951						39,951	
NV Dept of Conservation & Natural Resources	10.664	9,420									9,420	
Cooperative Forestry Assistance	10.672	1,822									1,822	
Rural Development												
NV Dept of Transportation	10.652				(57)						(57)	
Forestry Research												
NV Dept of Wildlife												
Urban & Community Forestry Programs	10.675	3,966									3,966	
Total Forest Service		851,187	1,351,773	0	127,292	0	0	0	0	0	2,330,252	
Rural Business-Cooperative Service												
Passed Through	10.350	50,406									50,406	
Nevada Wildland Seed Production												
Technical Assistance to Coop												
Total Rural Business-Cooperative Service		50,406	0	0	0	0	0	0	0	0	50,406	
Risk Management Agency												
Commodity Partnerships for Risk Mgmt Education	10.457	28,819									28,819	
Total Risk Management Agency		28,819	0	0	0	0	0	0	0	0	28,819	
Natural Resources Conservation Service												
Resource Conservation & Development	10.901	1,495									1,495	
Total Natural Resources Conservation Service		1,495	0	0	0	0	0	0	0	0	1,495	
Total Department of Agriculture		4,961,297	1,411,201	0	135,360	0	0	0	0	0	6,507,858	
Department of Commerce												
Economic Development Admin	11.303	120,471									120,471	
Economic Development-Tech												
Total Economic Development Adm		120,471	0	0	0	0	0	0	0	0	120,471	
National Institute for Standards & Technology												
Measurement & Engr Res & Stan	11.609	69,179									69,179	
Manufacturing Extension Partnership	11.611								906,923		906,923	
Passed Through												
GSE												
Advanced Technology Program	11.612								99		99	
Total National Institute for Standards & Technology		69,179	0	0	0	0	0	0	907,022		976,201	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
National Oceanic & Atmospheric Admin. Contract - Dept. of Commerce Joint & Cooperative Institutes Passed Through Info Manufacturing Corp Climate & Atmospheric Research Univ of Corp Atmos Res	11.000 11.432 11.431				653,980 663,676						653,980 663,676
Climate & Atmospheric Research Meteorologic & Hydrologic Modernization Dev Univ. of California, San Diego Climate & Atmospheric Research	11.431 11.431 11.467 11.431				7,805 1,988 14,041 38,771						7,805 1,988 14,041 38,771
Total National Oceanic & Atmospheric Admin. Total Department of Commerce		0 189,650	0 0	0 0	1,380,261 1,380,261	0 0	0 0	0 0	0 0	0 907,022	1,380,261 2,476,933
Department of Defense Dept. of the Army, Office of Chief of Engineers Contract - Dept. of Defense Aquatic Plant Control Planning Assistance to States Collaborative R&D White Sage-Dugway Passed Through Science Applications International Corporation Off Road Diesel Sources Collaborative Res and Develop Technikin University of Redlands K9 Study GEO-Marine Contract - Dept. of Defense Huffman & Carpenter Yuma Tank Dust NSHE-DRI Collaborative R&D NSHE-UNLV Collaborative R&D Nevada National Guard Yuma Proving Ground University of Redlands Collaborative Research and Development	12.000 12.100 12.110 12.114 12.421 12.000 12.114 12.000 12.000 12.000 12.114 12.114 12.400 12.114	29,304 2,619 1,587,594 19,300 27,216 25,975 (160)			1,997,356 23,733 102,223 12,053 (798) 17,637 32,713 5,654 10,044						1,997,356 23,733 29,304 1,692,436 12,053 (798) 19,300 17,637 32,713 5,654 27,216 25,975 10,044 (160)
Total Dept. of the Army, Office Chief of Engineers		104,254	1,587,594	0	2,200,615	0	0	0	0	0	3,892,463
Department of the Navy, Office of the Chief of Naval Research Contract - Dept. of Defense Basic & Applied Scientific Research Passed Through Computer Sciences Corporation Contract - Dept. of Defense Adv Materials & Devices Inc Basic & Applied Scientific Research	12.000 12.300 12.000 12.300	1,058,090 32,824	10,811		133,275 321,417 1,406						133,275 1,390,318 1,406 32,824

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Encapco Tech	12.300				249,876						249,876	
DOD/Navy												
TAO Systems	12.300	5,514									5,514	
Basic & Applied Scientific Research		1,096,428	10,811	0	705,974	0	0	0	0	0	1,813,213	
Total Dept. of the Navy, Office of the Chief of Naval Research												
US Army Material Command												
Basic Scientific Research	12.431	15,353	17,072		2,618,013						2,650,438	
Passed Through												
CHARIS												
Basic Scientific Research	12.431				29,722						29,722	
Adv Materials & Devices Inc.												
Basic Scientific Research	12.431	19,557									19,557	
Raytheon Svcs Inc												
Basic Scientific Research	12.431	144,814									144,814	
University of Redlands												
Basic Scientific Research	12.431				38,243						38,243	
Total US Army Material Command		179,724	17,072	0	2,685,978	0	0	0	0	0	2,882,774	
U.S. Army Medical Command												
Military Medical R&D	12.420	219,010			52,973						271,983	
Total U.S. Army Medical Command		219,010	0	0	52,973	0	0	0	0	0	271,983	
Office of Secretary of Defense												
Basic Applied & Advanced Research	12.630				87,364						87,364	
Passed Through												
Ceramatec Inc												
Basic, Applied & Advanced Research	12.630	30,000									30,000	
University of Utah												
Basic Applied & Advanced Research	12.630				24,715						24,715	
Total Office of Secretary of Defense		30,000	0	0	112,079	0	0	0	0	0	142,079	
Department of Army, Aviation Applied Tech Directorate												
Passed Through												
2Phase Tech Inc												
Integrated Helicopter Design Tools	12.640	72,149									72,149	
Total Department of Army, Aviation Applied Tech Directorate		72,149	0	0	0	0	0	0	0	0	72,149	
Department of the Air Force, Material Command												
Contract - Dept. of Defense	12.000				672,266						672,266	
Defense Research Sciences Prog.	12.800	968,297	2,246								970,543	
Passed Through												
Advanced Cooling Tech												
Air Force Defense Research Sciences Program	12.800	29,894									29,894	
Earth Tech												
Defense Research Sciences Prog	12.800		12,258								12,258	
Utah												
Air Force Defense Research Sciences	12.800				(61)						(61)	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
University of New Mexico Air Force Defense Research Sciences	12.800	84,783									84,783
Total Department of the Air Force, Material Command		1,082,974	14,504	0	672,205	0	0	0	0	0	1,769,683
Advanced Research Projects Agency Research & Technology Development	12.910	32,924									32,924
Total Advanced Research Projects Agency		32,924	0	0	0	0	0	0	0	0	32,924
National Security Agency Mathematical Sciences Grant Program	12.901		8,465								8,465
Total National Security Agency Department of Defense Total		0	8,465	0	0	0	0	0	0	0	8,465
		2,817,463	1,638,446	0	6,429,824	0	0	0	0	0	10,885,733
Department of Education Office of Vocational & Adult Education Passed Through NV Dept of Education Vocational Education-Basic Grants to States Vocational Education-Occupational & Employment Info	84.048 84.346		140 15,697								140 15,697
Total Office of Vocational & Adult Education		0	15,837	0	0	0	0	0	0	0	15,837
Office of Elementary & Secondary Education Passed Through NSHE-Chancellor's Office Eisenhower Professional Development State Grants Improving Teacher Quality State Grants Clark County School District Nevada Mathematics and Science Partnerships Nevada-Dept of Education Mathematics & Science Partnerships Grants for State Assessments & Related Activities Nevada Program Asst. Organization Improving Teacher Quality State Grants	84.281 84.367 84.366 84.366 84.369 84.367	299	5,125 21,117								299 5,125 21,117 33,463 67,193 107,322
Total Office of Elementary & Secondary Educ.		72,693	161,826	0	0	0	0	0	0	0	234,519
Office of PostSecondary Education Fund for the Improvement of Postsecondary Education Passed Through University of Arizona Fund for the Improvement of Postsecondary Education Brigham Young University Centers for International Business Education Churchill County Nevada Preparing Tomorrow's Teachers	84.116 84.116 84.220 84.342		210,181 23,110 3,230								210,181 23,110 3,230 250,373
Total Office of PostSecondary Education		250,373	236,521	0	0	0	0	0	0	0	486,894

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Office of Special Education & Rehabilitation Services Passed Through											
NV Department of Education	84.027		23,870								23,870
Special Education, Grants to States											
University of South Florida	84.128		959								959
Rehabilitation Services	84.326		1,663								1,663
Special Education-Tech Assistance & Dissemination											
NV Department of Human Resources											
Special Education-Grants for Infants & Families	84.181		2,146								2,146
Total Office of Special Education & Rehabilitation Services		0	28,638	0	0	0	0	0	0	0	28,638
Office of Educational Research and Improvement Fund for Improvement of Education	84.215				39,932						39,932
Passed Through											
Clark County School District Nevada											
Fund for the Improvement of Education	84.215		36,005								36,005
Total Office of Educational Research and Improvement		0	36,005	0	39,932	0	0	0	0	0	75,937
Total Department of Education		323,066	478,827	0	39,932	0	0	0	0	0	841,825
Department of Energy					5,004,918						5,004,918
Contract - Dept. of Energy	81.000										175
Used Energy-Related Laboratory Equip	81.022	175									221,139
Inventions & Innovations	81.036	221,139								369,961	6,389,732
State Energy Program	81.041									1,006,226	7,812,445
Office of Science Financial Assist.	81.049	835,117	4,399,184		149,205						564,626
Nuclear Waste Disposal Siting	81.065		7,812,445								7,532,349
Conservation Research & Development	81.086	564,626									185,095
Renewable Energy Research & Develop.	81.087	7,532,349									81.104
Fossil Energy Research and Development	81.089				1,985,071					110,325	2,170,166
Office of Environmental Cleanup & Acceleration	81.104										4,067,686
Epidemiology & Other Health Studies	81.108		4,067,686								2,587,916
Stewardship Science Grant Program	81.112	84,214	2,503,702								1,135,057
Defense Nuclear Nonproliferation Research	81.113	1,135,057									1,404,603
Energy Efficiency & Renewable Energy Information	81.117		1,404,603		503,645						617,205
Atomic Testing Museum	81.502		113,560								
Passed Through											
AEA Technology											
Contract - Dept. of Energy	81.000				63,355						63,355
Altair Inc											
Energy Efficiency & Renewable Energy Information	81.117	23,812									23,812
ATS											
Office of Science Financial Assistance	81.049		408								408
Battelle											
Contract - Dept. of Energy	81.000				4,820						4,820
Office of Science Financial Assistance	81.049				30,347						30,347
Bechtel Nevada											
Office of Science Financial Assistance	81.049		98,206								98,206
Renewable Energy Research & Develop.	81.087	33,263	50,692								83,955
Cornell University											
University Reactor Infrastructure & Education Support	81.114	104,450									104,450

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES								TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	SYSTEM	
NSHE-DRI										
Amargosa Study	81.000		3,219							3,219
Office of Science Financial Assistance	81.049	22,561								22,561
Nuclear Waste Disposal Siting	81.065		32,549							32,549
Energy Efficiency & Renewable Energy Information	81.117	18,746								18,746
Fluor Federal Services, Inc.										
Contract - Dept. of Energy	81.000				4,058					4,058
General Electric										
Contract - Dept. of Energy	81.000				(86,561)					(86,561)
Idaho State University										
Office of Science Financial Assistance	81.049		8,731							8,731
Kaiser Hill										
Contract - Dept. of Energy	81.000				(30)					(30)
Lawrence Berkley National Lab										
Office of Science Financial Assistance	81.049		(3,443)							(3,443)
Lawrence Livermore National Lab										
Office of Science Financial Assist.	81.049	33,853	15,459							49,312
Office of Environmental Cleanup & Acceleration	81.104	18,749								18,749
Science & Engr Training to Support Diversity	81.116	69,929								69,929
State Energy Program Special Projects	81.119	48,261								48,261
Los Alamos National Lab										
Office of Science Financial Assistance	81.049				(271)					(271)
Office of Scientific & Technical Info.	81.064	49,887								49,887
Renewable Energy Research & Develop.	81.087	13,007								13,007
Nuclear Energy Research, Develop. & Demonstration	81.121		56,564							56,564
Massachusetts Inst of Tech										
Evaluation of Solid Solut Oxidation	81.121		105,312							105,312
Midwest Research Institute										
Renewable Energy Research & Development	81.087	281,457								281,457
National Center for Energy Mgmt. and Building Tech.										
Renewable Energy Research & Development	81.087		965,411							965,411
National Renewable Energy Lab										
Contract - Dept. of Energy	81.000				133,768					133,768
Renewable Energy Research & Development	81.087		750,225		483,696					1,233,921
NV Office of the Governor										
State Energy Program	81.041	32,059							9,707	32,059
State Energy Program Special Projects	81.119	17,804								27,511
Nevada Cancer Institute										
Office of Science Financial Assistance	81.049		26,411							26,411
NV Dept of Business & Industry										
Office of Science Financial Assistance	81.049	568								568
Nevada Office of Energy										
Office of Scientific and Technical Information	81.064				(8)					(8)
State Energy Program Special Projects	81.119		17,705							17,705
Nye County NV										
Contract - Dept. of Energy	81.000				2,068					2,068
Nuclear Waste Disposal Siting	81.065	99,124								99,124
NTS Development										
Nuclear Waste Disposal Siting	81.065		1,964							1,964
OakRidge National Labs										
ORNL-ION	81.000		762							762
Pacific Northwest National Lab-Battelle Institute										
Contract - Dept. of Energy	81.000				8,945					8,945

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	
Pinnacle Laboratories											
Contract - Dept. of Energy	81.000				(269)						(269)
Sierra Nevada Corporation											
Contract - Dept. of Energy	81.000				36,779						36,779
Energy Efficiency & Renewable Energy Information	81.117	18,804									18,804
Sandia National Lab											
Contract - Dept. of Energy	81.000				44,512						44,512
State Energy Program	81.041	29,336									29,336
Office of Science Financial Assistance	81.049	68,590	54,818								123,408
Conservation Research & Development	81.086	70,866									70,866
Renewable Energy Research & Development	81.087	61,619									61,619
Energy Efficiency & Renewable Energy Information	81.117	86,429									86,429
Nuclear Energy Research, Develop. & Demonstration	81.121	38,123									38,123
Southwest Research Institute											
Contract - Dept. of Energy	81.000				9,081						9,081
NSHE - Chancellor's Office											
State Energy Program	81.041	171,434	290,278								461,712
Office of Science Financial Assistance	81.049	615,105	328,997		70,841						1,014,943
NSHE-UNR											
Office of Science Financial Assistance	81.049				96,648						96,648
Field Deployment	81.065				(3)						(3)
Conservation Research & Development	81.086				112,653						112,653
Renewable Energy Research & Development	81.087				493						493
Office of Environmental Cleanup & Acceleration	81.104				19,200						19,200
Installation & Operation of Seismic	81.116		1,979								1,979
NSHE-UNLV											
Office of Science Financial Assistance	81.049		299,488		429,971						299,488
Nuclear Waste Disposal Siting	81.065	5,208,820									5,638,791
Renewable Energy Research and Development	81.087		542,778								542,778
Nuclear Energy Research, Develop. & Demonstration	81.121		323,411								323,411
Atomic Testing Museum	81.502		835,638								835,638
University of California, Davis											
Office of Environmental Cleanup and Acceleration	81.104		54,162								54,162
Office of Science Financial Assistance	81.049				29,009						29,009
University of Chicago-Agronne National Lab											
Office of Science Financial Assistance Program	81.049	755	(900)								(145)
University of North Dakota											
Conservation Research & Development	81.086	20,502									20,502
University of Rochester											
Office of Science Financial Assistance	81.049	27,345									27,345
University of Tennessee-Battelle, LLC											
Conservation Research & Development	81.086	369									369
Renewable Energy Research & Development	81.087	86,266									86,266
Vehicle Projects LLC											
Conservation Research & Development	81.086	518									518
Virginia Polytechnic Institute											
Fossil Energy Research & Development	81.089	255,529									255,529
UCOP											
State Energy Program Special Projects	81.119	15,815									15,815
Western Michigan University											
Office of Science Financial Assistance	81.049	127,130									127,130
Total Department of Energy		18,328,657	25,162,004	0	9,135,941	0	0	0	0	1,496,219	54,122,821

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Department of Veterans Affairs	64.016	30,222									30,222	
Veterans Health Administration												
Veterans State Hospital Care												
Passed Through												
Sierra Biomedical Research Corp	64.016	33,971									33,971	
Veterans State Hospital Care	64.018	52,977									52,977	
Sharing Specialized Medical Resources												
Total Department of Veterans Affairs		117,170	0	0	0	0	0	0	0	0	117,170	
Environmental Protection Agency												
Office of Air & Radiation	66.001				5,424						5,424	
Ambient Air Monitoring	66.500				96,423						96,423	
Contract - Environmental Protection Agency	66.807				328,772						328,772	
Fresno SS Phase II Yr 1												
Passed Through												
Clark County Nevada												
Contract - Environmental Protection Agency	66.000				403,626						403,626	
Central Region Air Planning												
Contract - Environmental Protection Agency	66.000				31,652						31,652	
Visibility Base	66.001											
Central States Air Resource Agencies Association												
Contract - Environmental Protection Agency	66.000				30,801						30,801	
Community Planning Association												
Contract - Environmental Protection Agency	66.000				20,648						20,648	
E.H. Pechan & Associates												
Contract - Environmental Protection Agency	66.000				37,435						37,435	
Eastern Research Group												
Contract - Environmental Protection Agency	66.000				(41,011)						(41,011)	
Contract - Environmental Protection Agency	66.001				904,714						904,714	
Mobile 6 Hwy												
Harvard University												
Contract - Environmental Protection Agency	66.000				25,012						25,012	
Health Effects Institute												
Contract - Environmental Protection Agency	66.000				393,490						393,490	
Contract - Environmental Protection Agency	66.500				145,934						145,934	
HUALAPAI Tribe												
Contract - Environmental Protection Agency	66.000				97,185						97,185	
Air Quality	66.001				33,738						33,738	
Nadional Jewish Hospital												
Contract - Environmental Protection Agency	66.000				39,053						39,053	
NV Department of Environmental Protection												
Visibility Base	66.001				59,003						59,003	
Oklahoma Department of Environmental Quality												
Contract - Environmental Protection Agency	66.000				66,915						66,915	
Pinal County Arizona												
Contract - Environmental Protection Agency	66.000				2,501						2,501	
Reno Sparks Indian Colony												
Contract - Environmental Protection Agency	66.000				1,320						1,320	
Research Triangle Inst												
Organic Analysis	66.001				5,229						5,229	
Science App Int'l Corp												
Sunrise Landfill	66.001				7,690						7,690	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Southwest Clean Air Agency Contract - Environmental Protection Agency	66.000				61,195						61,195
Texas Commission of Environmental Quality Contract - Environmental Protection Agency	66.000				536,736						536,736
Texas Natural Resource CC Contract - Environmental Protection Agency	66.000				25,991						25,991
NSHE-UNIR Contract - Environmental Protection Agency	66.500				4,000						4,000
Vistas Contract - Environmental Protection Agency	66.000				276,952						276,952
Washington University Contract - Environmental Protection Agency	66.500				56,905						56,905
Yerington Piute Tribe Contract - Environmental Protection Agency	66.000				33,216						33,216
Air Quality State of Washington	66.500				(901)						(901)
Contract - Environmental Protection Agency	66.000				(7)						(7)
Total Office of Air & Radiation		0	0	0	3,689,641	0	0	0	0	0	3,689,641
Office of Water Contract - Office of Water	66.000				58,640						58,640
Wetlands Grants Passed Through	66.461	28,507									28,507
NV Dept. of Conservation & Nat Resources Nonpoint Source Implementation Grants	66.460	20,412									20,412
Wetlands Protection-Development	66.461	(9)									(9)
NV Dept. of Environmental Protection Contract - Office of Water	66.000				76,478						76,478
Water Pollution Control State & Interstate Program	66.419				119,904						119,904
Nonpoint Source Implementation Grants	66.460				98,437						98,437
Washoe County Nevada State Underground Water Source	66.433				20,351						20,351
Total Office of Water		48,910	0	0	373,810	0	0	0	0	0	422,720
Office of Solid Waste & Emergency Response Solid Waste Management Assistance	66.808	1,437									1,437
Total Office of Solid Waste & Emergency Response		1,437	0	0	0	0	0	0	0	0	1,437
Office of Administration Surveys, Studies, Investigations & Special Purpose Grants	66.606	179,681									179,681
Training & Fellowships for the EPA Passed Through	66.607		4,245								4,245
ERG Compilation of Toxicity	66.000		44,598								44,598
Epsilon China Lake	66.000		4,474								4,474
Lockheed Martin Center of Applied & Statistics	66.000		22,685								22,685
Tifton Darpa-Tactic BAA	66.000		69,379								69,379

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
State of Minnesota	66.606	59,768									59,768
Surveys, Studies, Investigations & Special Purpose Grants		239,449	145,381	0	0	0	0	0	0	0	384,830
Total Office of Administration											
Office of Research & Development											
Environ Protection-Consol. Res.	66.500	286,156	23,149								309,305
P3 Award National Student Design Competition	66.516	6,078									6,078
Science to Achieve Results (STAR) Research Prog	66.509				5,112						5,112
Passed Through											
NSHE-Chancellor's Office											
Contract - Environmental Protection Agency	66.000				779						779
Total Office of Research & Development		292,234	23,149	0	5,891	0	0	0	0	0	321,274
Total Environmental Protection Agency		582,030	168,530	0	4,069,342	0	0	0	0	0	4,819,902
Department of Health & Human Services											
Administration on Aging											
Passed Through											
NV Department of Human Resources											
Special Programs for the Aging -B	93.044	148,468									148,468
Special Programs-for the Aging-IV	93.048	85,376									85,376
Total Administration on Aging		233,844	0	0	0	0	0	0	0	0	233,844
Center for Disease Control											
Injury Prevention & Control Research	93.136	131,881									131,881
Assistance Programs for Chronic Disease	93.945	825,707									825,707
Passed Through											
Center for Projects Workers' Rights											
Injuries and Cost Shifting	93.262		4,200								4,200
Assoc. Teachers of Prev Medicine											
Investigations and Technical Assistance	93.283	4,946									4,946
City & County Carson City Nevada											
Investigations and Technical Assistance	93.283	18,586									18,586
McKing Consulting											
Centers for Res & Demonstration for Health Promotion	93.135		49,769								49,769
NV Dept. of Human Resources											
Investigations and Technical Assistance	93.283	187,625									187,625
Sierra Comm. Foundation											
Investigations and Technical Assistance	93.283		7,896								7,896
NSHE-UNR			(1,399)								(1,399)
Investigations and Technical Assistance	83.283										
Total Centers for Disease Control		1,168,745	60,466	0	0	0	0	0	0	0	1,229,211
Health Resources & Services Administration											
Telerealth Network Grants	93.211	200,208	138,061								338,269
Residencies in Practice of Pediatric Dentistry	93.248	182,979									182,979
Health Care and Other Facilities	93.887		789,477								789,477

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Passed Through NV Department of Human Resources Maternal & Child Health Federal Consolidated Programs HIV Care Formula NSHE-UNR Geriatric Training for Physicians, Dentists	93.110 93.917 93.156	22,294 296	11,658								22,294 296 11,658
Total Health Resources & Services Administration		405,777	939,196	0	0	0	0	0	0	0	1,344,973
Substance Abuse and Mental Health Passed Through NV Dept. of Human Resources Comp. Community Mental Health Svcs. For Children	93.104		27,391								27,391
Total Substance Abuse and Mental Health		0	27,391	0	0	0	0	0	0	0	27,391
Agency for Health Care Policy & Research Passed Through National Association of Health Data Research of Healthcare Costs, Quality and Outcomes	93.226		35,224								35,224
Total Agency for Health Care Policy & Research		0	35,224	0	0	0	0	0	0	0	35,224
Administration for Children & Families Passed Through Clark County Dept. of Family Services Child Abuse & Neglect Discretionary Activities National Youth Sports Corp. Community Services Block Grant-Discretionary Awards	93.670 93.570		89,133 64,827								89,133 64,827
Total Administration for Children & Families		0	153,960	0	0	0	0	0	0	0	153,960
National Institutes of Health Biometry & Risk Estimation Oral Diseases and Disorders Research Drug Abuse Research Minority Health & Health Disparities Research National Center for Research Resources Cancer Cause & Prevention Cancer Treatment Research Cancer Biology Research Cancer Research Manpower Job Opportunities & Basic Skills Training Cell Biology & Biophysics Research Heart & Vascular Diseases Lung Diseases Blood Diseases and Resources Research Arthritis, Musculoskeletal & Skin Diseases Diabetes, Endocrinology & Metabolism Digestive Diseases Neurosciences & Neurological Disorders Microbiology & Infectious Diseases Biomedical Research & Research Training	93.115 93.121 93.279 93.307 93.389 93.393 93.395 93.396 93.398 93.398 93.561 93.821 93.837 93.838 93.839 93.846 93.847 93.848 93.853 93.856 93.859	129,948 98,922 177,652 4,224,859 870,716 176,749 644,918 239,103 8,049 69,608 1,854,875 291,207 1,149,014 284,081 434,756 2,361,903 379,346 1,520,861 104,423	98,922 257,226								129,948 98,922 177,652 257,226 5,821,881 870,716 176,749 644,918 239,103 8,049 69,608 1,854,875 291,207 1,149,014 284,081 434,756 2,361,903 379,346 1,520,861 104,423

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	SYSTEM
Child Health & Human Development Extramural Research	93.865	695,149	23,996						719,145
Aging Research	93.866	288,775							288,775
Vision Research	93.867	165,807							165,807
Fogarty International Research Collaboration Award	93.934	5,847							5,847
Passed Through									
AECOM-Yeshiva University	93.333	3,105							3,105
Clinical Research									
Medical University of South Carolina	93.271		36,877						36,877
Alcohol Res. Career Development Awards									
Metabolic Tech Inc	93.333	5,575							5,575
Clinical Research									
NSHE - Chancellor's Office	93.389	877,974							877,974
National Center for Research Resources									
NSHE-Chancellor's Office	93.389		282,783						282,783
National Center for Research Resources									
Montana State University	93.389	217,689							217,689
National Center for Research Resources									
Nevada Cancer Institute	93.395	6,103							6,103
Cancer Treatment Research	93.396	63,306							63,306
Cancer Biology Research									
Sierra Cytometry	93.855	11,336							11,336
Allergy Immunology & Transplantation Research									
University of Arizona	93.213		24,462						24,462
Research & Training in Complementary & Alt Medicine									
Sierra Biomedical Research Corp	93.849	4							4
Kidney Diseases, Urology & Hematology									
University of California-Irvine	93.856	385							385
Microbiology & Infectious diseases Research									
University of California-Los Angeles	93.855	67,022							67,022
Allergy Immunology & Transplantation Research	93.856	1,073							1,073
Microbiology & Infectious Diseases Research									
University of California-San Francisco	93.866	18,924							18,924
Aging Research									
University of Florida	93.242		5,990						5,990
Mental Health Research Grants	93.394		65,720						65,720
Cancer Detection & Diagnosis Research									
University of Louisville	93.853	803,773							803,773
Extramural Research Programs in the Neurosciences									
University of Texas Health Science Center, San Antonio	93.847		32,215						32,215
Diabetes Endocrinology & Metabolism Research									
Wake Forest University	93.866	47,841							47,841
Aging Research									
Science Applications International Corp	93.396	146,712							146,712
Cancer Biology Research									
Total National Institutes of Health		18,348,468	828,191	0	0	0	0	0	1,597,022
Total Department of Health & Human Services		20,156,834	2,044,428	0	0	0	0	0	1,597,022
									23,798,284

Department of Homeland Security										
Passed Through										
NSHE-Chancellor's Office										
State Domestic Preparedness Equipment Support Prog	97.004									53,505
										53,505

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
NSHE-UNR Pre-Disaster Mitigation	97.047	0	65,002	0	53,505	0	0	0	0	0	65,002	
Total Department of Homeland Security												
Department of Housing & Urban Development												
Office of Community Planning & Development	14.000		10,885								10,885	
Admin. History-Yosemite Nat'l Park	14.246		17,931								17,931	
Community Dev Block Grants/Brownfields Econ Dev Inst												
Passed Through												
Nevada Partnership for Homeless Youth	14.000		82,884								82,884	
HMIS												
Clark County Nevada	14.228		25,842								25,842	
Community Development Block Grants/State's Program												
Total Department of Housing & Urban Development												
Department of the Interior												
Bureau of Land Management					164						164	
Climate Monitoring	15.200	178,450	179,781								358,231	
Cooperative Inspection Agreements	15.222	33,633									33,633	
Cultural Resource Management	15.224	1,570									1,570	
Recreation Resource Management	15.225	69,737			566,567						636,304	
Wildland Urban Interface Community & Rural Fire Assist.	15.228		24,660								24,660	
CA-BLM Research	15.244											
Passed Through												
URS Greiner					51						51	
Wave Measurement	15.200											
Clark County Nevada												
Cultural Resource Mgt	15.224	1,876,566	154,491								1,876,566	
Recreation Resource Management	15.225										154,491	
Montana State University												
Cultural Resource Mgt	15.224	23,854									23,854	
NSHE-UNR												
Cultural Resource Mgt	15.224				49,612						49,612	
National Fish & Wildlife Foundation												
Cultural Resource Mgt	15.224	50,740									50,740	
Total Bureau of Land Management												
		2,234,550	358,932	0	616,394	0	0	0	0	0	3,209,876	
Bureau of Reclamation												
US Water Master Truckee River	15.000				575,645						575,645	
Weather Damage	15.504				237,529						237,529	
Water Desalination Research & Devel.	15.506	50,316	33,443								83,759	
Passed Through												
City of San Diego Water Department												
Contract - Dept. of Interior	15.000				5,164						5,164	
Femley												
GW Model YR2	15.504				62,009						62,009	
Scripps Research Institute												
Contract - Dept. of Interior	15.000				33,252						33,252	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Southern Nevada Water Authority Water Reclamation and Reuse Program NSHE-DRI	15.504	71,215	11,171								82,386
Water Desalination Research & Development Program	15.506	43,556									43,556
Total Bureau of Reclamation		165,087	44,614	0	913,599	0	0	0	0	0	1,123,300
Fish & Wildlife Service											
Contract - Dept. of the Interior	15.000				11,221						11,221
Sport Fish Restoration	15.605	28,468									28,468
Fish and Wildlife Management Assistance Passed Through	15.608	898,038									898,038
OTIS Bay											
Contract - Dept. of the Interior	15.000				19,899						19,899
NV Dept. of Wildlife	15.608										
Fish & Wildlife Management Assistance	15.634	5,000	959								5,959
State Wildlife Grants ITS Corp	15.608	47,297									47,297
Fish & Wildlife Management Assistance State of Alaska Fish & Game	15.605	161									161
Sport Fish Restoration											
Total Fish & Wildlife Service		978,964	959	0	31,120	0	0	0	0	0	1,011,043
Geological Survey											
Contract - Dept. of the Interior	15.000				14,451						14,451
Analysis & Sampling	15.800				138,817						138,817
State Water Resources Res. Inst.	15.805				124,182						124,182
Earthquake Hazards Reduction Prog.	15.807	519,461	41,516								560,977
Research & Data Acquisition	15.808	227,832	198,498		35,894						462,224
National Cooperative Geologic Mapping	15.810	186,296	7,019								193,315
Cooperative Research Units Program	15.812		27,929								27,929
Passed Through											
NSHE-DRI											
Research & Data Acquisition	15.808	11,015									11,015
Piedmont Geosciences	15.810	10,378									10,378
National Cooperative Geologic Mapping	15.810										
NSHE-UNR											
National Cooperative Geologic Mapping	15.810		17,568								17,568
Clark County Nevada											
National Cooperative Geologic Mapping	15.810	16,638									16,638
Total Geological Survey		971,620	292,530	0	313,344	0	0	0	0	0	1,577,494
National Park Service											
Contract - Dept. of the Interior	15.000				663,255						663,255
Research & Analysis	15.900				179,255						179,255
Historic Preservation Fund Grants-in-Aid	15.904		9,101								9,101
National Natural Landmarks	15.910		49,763								55,220
Technical Preservation Sciences	15.915	5,457	1,002,736								1,002,736
Disposal of Federal Surplus	15.918	55,119									55,119

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Passed Through											
NV Division of State Parks	15.904		2,848								2,848
Historic Preservation Fund Grants-in-Aid											
NV Historic Preservation Office											
Historic Preservation Fund Grants-in-Aid	15.904		22,624								22,624
Total National Park Service		60,576	1,087,072	0	842,510	0	0	0	0	0	1,990,158
Total Department of the Interior		4,410,797	1,784,107	0	2,716,967	0	0	0	0	0	8,911,871
Department of Justice											
Community Relations Service											
Passed Through											
City of Las Vegas Nevada											
Community Relations Service	16.200		1,221								1,221
Total Community Relations Service		0	1,221	0	0	0	0	0	0	0	1,221
Office of Community Oriented Policing Services											
Public Safety Partnership Grants	16.710		79,316								79,316
Total Office of Community Oriented Policing Services		0	79,316	0	0	0	0	0	0	0	79,316
National Institute of Justice											
Passed Through											
ABT Associates											
NJ Research, Evaluation, and Development	16.560		(2,013)								(2,013)
Total National Institute of Justice		0	(2,013)	0	0	0	0	0	0	0	(2,013)
Violence Against Women Office											
Grants to Encourage Arrest Policies and Enforcement	16.590		(4,740)								(4,740)
Total Violence Against Women Office		0	(4,740)	0	0	0	0	0	0	0	(4,740)
Office of Victims of Crime											
Passed Through											
NV Dept of Human Resources											
Crime Victim Assistance	16.575	68,774	0	0	0	0	0	0	0	0	68,774
Total Office of Victims of Crime		68,774	0	0	0	0	0	0	0	0	68,774
Total Department of Justice		68,774	73,784	0	0	0	0	0	0	0	142,558
National Aeronautics & Space Administration											
Contract - NASA	43.000				67,628						67,628
Aerospace Education Service Program	43.001	588,222	87,504		19,505					845,299	1,540,530
Technology Transfer	43.002	253,753	26,023		621,623						901,399
Passed Through											
San Jacinto College											
Swab Flight Experiment	43.000		320								320
University of Georgia											
Aerospace Education Service Program	43.001		13,311								13,311

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
NSHE - Chancellor's Office												
Aerospace Education Service Program	43.001	624,692	77,001		31,429						733,122	
Space Grant	43.002				207,579						207,579	
University of California Merced												
Aerospace Education Services Program	43.001				(159)						(159)	
Technology Transfer	43.002				(159)						(159)	
NSHE-UNR												
Aerospace Education Services Program	43.001				(1)						(1)	
Technology Transfer	43.002				67,823						67,823	
Jet Propulsion Lab												
Contract - NASA	43.000				58,577						58,577	
Aerospace Education Services Program	43.001	119,248									119,248	
Technology Transfer	43.002	24,386									24,386	
University of Illinois												
McMurdo Dry Valleys	43.002				36,766						36,766	
Malin Space Science Systems												
Aerospace Education Services Program	43.001	18,315									18,315	
Total National Aeronautics & Space Administration		1,628,616	204,159	0	1,110,611	0	0	0	0	845,299	3,788,685	
National Endowment for the Humanities												
Promotion of the Humanities-Federal/State Partnership	45.129	4,709									4,709	
Promotion of the Humanities-Teaching & Learning	45.162	102,412									102,412	
Total National Endowment for the Humanities		107,121	0	0	0	0	0	0	0	0	107,121	
National Science Foundation												
Contract - National Science Foundation	47.000				20,995						20,995	
Engineering Grants	47.041	1,056,717	157,459								1,214,176	
Mathematical & Physical Sciences	47.049	1,160,126	392,172		183,815				174,301		1,910,414	
Geosciences	47.050	651,029	79,340		1,258,988						1,989,357	
Computer & Info. Sci. & Engineering	47.070	294,673	177,016								471,689	
Biological Sciences	47.074	2,677,365	1,185,073		696,722						4,559,160	
Social, Behavioral, & Economic Sciences	47.075	92,471	25,190		35,805						153,466	
Education & Human Resources	47.076	286,796							3,066,743		3,353,539	
Polar Programs	47.078	261,849	28,190		999,185						1,289,224	
Passed Through												
Tufts University												
Engineering Grants	47.041	30,087									30,087	
Arizona State University												
Mathematical & Physical Science	47.049		82								82	
Education and Human Resources	47.076		330								330	
College of Charleston												
RLI: Photometric Telescope	47.049		(2)								(2)	
Dartmouth College												
Biological Sciences	47.074	68,546									68,546	
INC Research Institute for Seismology												
Engineering Grants	47.041	61,107									61,107	
NSHE-DRI												
Geosciences	47.050		14,864								14,864	
Biological Sciences	47.074	38,215									38,215	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	SYSTEM
NSHE-UNR									
Geosciences	47.050				63,009				63,009
Education & Human Resources	47.076				151,706				151,706
San Jose State University Foundation									
Education & Human Resources	47.076	21,355							21,355
Scripps Research Institute									
Geosciences	47.050				64,926				64,926
State University of NY-Buffalo									
Engineering Grants	47.041	131,379							131,379
NSHE-Chancellor's Office									
Mathematical & Physical Science	47.049	13,252							13,252
Biological Sciences	47.074		(375)						(375)
Education & Human Resources	47.076	970,006	817,321		654,028				2,441,355
University of Alabama-Huntsville									
Mathematical & Physical Science	47.049		391						391
University of Arizona									
Geosciences	47.050				108,055				108,055
University of California-San Diego									
Geosciences	47.050				23,325				23,325
University of California-Merced									
UC Greenland Core	47.078				23,849				23,849
University of Florida									
Biological Sciences	47.074	113,421							113,421
University of Illinois									
Geosciences	47.050				102,488				102,488
Vanderbilt University									
Geosciences	47.050	1,808							1,808
University of Southern California									
Geosciences	47.050	41,452			117,649				159,101
University of Notre Dame									
Engineering Grants	47.041	1,902							1,902
University of Puerto Rico									
Biological Sciences	47.074		7,135						7,135
Western Alliance to Expand Student Opportunities									
Education and Human Resources	47.076		1,485						1,485
San Diego State University									
Deep Ice Core Drill	47.078				33,872				33,872
University of Utah									
Biological Sciences	47.074	22,048							22,048
Total National Science Foundation		7,995,604	2,885,671	0	4,538,417	0	0	0	3,241,044
									18,660,736
Department of State									
Bureau of Personnel									
Passed Through									
ARD, Inc					54,014				54,014
Contract - Department of State	19.000								
Total Bureau of Personnel		0	0	0	54,014	0	0	0	54,014

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Bureau of Educational and Cultural Affairs International Visitors Program	19.402		41,090								41,090
Total Bureau of Educational and Cultural Affairs		0	41,090	0	0	0	0	0	0	0	41,090
Total Department of State		0	41,090	0	54,014	0	0	0	0	0	95,104
Department of Transportation Federal Aviation Administration Aviation Education Passed Through NV Dept of Transportation Airport Improvement Program Univ Corp Atmos Res Hot Plate Mod	20.100 20.106 20.108	135,816 30,737									135,816 30,737 22,704
Total Federal Aviation Administration		166,553	0	0	22,704	0	0	0	0	0	189,257
Federal Highway Administration Highway Planning and Construction Highway Training & Education Passed Through Research Foundation SUNY Highway Planning & Construction NV Dept of Transportation Highway Planning & Construction	20.205 20.215 20.205 20.205	76,186 135,682 79,878	42,617								76,186 42,617 135,682 79,878
Total Federal Highway Administration		291,746	42,617	0	0	0	0	0	0	0	334,363
Federal Transit Administration SNAQS PH3 Data Anal Emission Research	20.502 20.512				7,498 216,092						7,498 216,092
Total Federal Transit Administration		0	0	0	223,590	0	0	0	0	0	223,590
National Highway Traffic Safety Administration Safety Incentive Grants for use of Seatbelts Passed Through NV Dept of Motor Vehicles State & Community Highway Safety Safety Incentive Grants for use of Seatbelts	20.604 20.600 20.604		8,548 312,475 27,571								8,548 312,475 27,571
Total National Highway Traffic Safety Admin. Total Department of Transportation		0	348,594	0	0	0	0	0	0	0	348,594
		458,299	391,211	0	246,294	0	0	0	0	0	1,095,804
Total Research and Development		\$62,145,378	\$36,486,002	\$0	\$29,910,468	\$0	\$0	\$0	\$0	\$8,086,606	\$136,628,454
STUDENT FINANCIAL ASSISTANCE Department of Education Office of Student Financial Assistance Programs Fed Sup. Education Opportunity Grants Federal Work-Study Program	84.007 84.033	\$866,074 48,614	\$621,137 776,768			\$73,101 110,932	\$462,639 392,750	\$34,258 40,474	\$40,110 44,734		\$2,097,319 1,414,272

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Perkins Loan Program	84.038	20,282									20,282	
Leveraging Educational Assistance Partnership	84.069		106,558			44,668		19,348			170,574	
Federal Pell Grant Program	84.063	4,448,617	11,641,897	\$423,486		3,426,791	12,007,920	1,515,780	1,044,968		34,509,459	
Passed Through												
NV Dept. of Education												
Leveraging Educational Assistance Partnership	84.069	43,654					163,623		14,122		221,399	
Total Department of Education		5,427,241	13,146,360	423,486	0	3,655,492	13,026,932	1,609,860	1,143,934	0	38,433,305	
Total Student Financial Assistance		\$5,427,241	\$13,146,360	\$423,486	\$0	\$3,655,492	\$13,026,932	\$1,609,860	\$1,143,934	\$0	\$38,433,305	
Total Major Programs		\$67,572,619	\$49,632,362	\$423,486	\$29,910,468	\$3,655,492	\$13,026,932	\$1,609,860	\$1,143,934	\$8,086,606	\$175,061,759	
NON MAJOR PROGRAMS												
Department of Agriculture												
Cooperative State Research Ed & Extension Service												
Competitive Research Grants	10.206	\$54,985									\$54,985	
Cooperative Extension Service	10.500	1,562,350									1,562,350	
Passed Through												
University of Arizona												
Integrated Programs	10.303	65,212									65,212	
University of Kentucky												
Cooperative Extension Service	10.500	22,222									22,222	
University of Wyoming												
Cooperative Extension Service	10.500	4,530									4,530	
Utah State University												
Cooperative Extension Service	10.500	8,449									8,449	
Kansas State University												
Cooperative Extension Service	10.500	23,874									23,874	
National 4H Council												
Cooperative Extension Service	10.500	1,237									1,237	
Total Cooperative State Research Ed & Extension Service		1,742,859	0	0	0	0	0	0	0	0	1,742,859	
Food & Nutrition Service												
Passed Through												
NV Dept of Human Resources												
Food Stamps	10.551	241,502									241,502	
NV Dept of Education												
Special Milk Program for Children	10.556		2,922			900					3,822	
Child & Adult Care Food Program	10.558	35,543									35,543	
Summer Food Service Program for Children	10.559	(5,417)	33,102								27,685	
Commodity Supplemental Food Program	10.565		156								156	
Total Food & Nutrition Service		271,628	36,180	0	0	900	0	0	0	0	308,708	
Forest Service												
Cooperative Forestry Assistance	10.664	8,576									8,576	
Passed Through												
NV Dept of Conservation & Natural Resources												
Forestry Research	10.652	48,953									48,953	
Cooperative Forestry Assistance	10.664	45,651									45,651	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
NV Dept of Agriculture Cooperative Forestry Assistance	10.664	19,610									19,610	
NV Division of Forestry Cooperative Forestry Service	10.664		1,410								1,410	
Urban & Community Forestry Program	10.675		(4)								(4)	
Total Forest Service		122,790	1,406	0	0	0	0	0	0	0	124,196	
Rural Business-Cooperative Service Rural Business Enterprise Grants	10.769	61,014									61,014	
Total Rural Business-Cooperative Service		61,014	0	0	0	0	0	0	0	0	61,014	
Total Department of Agriculture		2,198,291	37,586	0	0	900	0	0	0	0	2,236,777	
Department of Commerce Economic Development Administration Economic Development-Technical Assistance Economic Adjustment Assistance	11.303 11.307	6,208								260,000	6,208 260,000	
Total Economic Development Administration		6,208	0	0	0	0	0	0	0	0	6,208	
Total Department of Commerce		6,208	0	0	0	0	0	0	0	0	266,208	
Department of Education Office of Postsecondary Education Student Support Services Talent Search Upward Bound Educational Opportunity Centers Staff Training Program Fund for Improvement of Postsecondary Ed McNair Program Steppingstone of Technology Gaining Early Awareness & Readiness Child Care Access Means Parents in School Mt. Charleston Learning Communities Project Preparing Tomorrow's Teachers to use Technology Passed Through NSHE-TMCC	84.042 84.044 84.047 84.066 84.103 84.116 84.217 84.327 84.334 84.335 84.367 84.342	351,535 891,233 201,967 251,055 (13,049) 648,792	285,910 479,325 703,561 331,438 15,799 195,530 194,637 49,179 5,499,941 168,535								863,026 479,325 1,924,759 331,438 15,799 1,506,756 445,692 49,179 5,499,941 (3,099) 23,611 817,327	
Fund for Improvement of Post Secondary Education University of California-Berkeley Nat'l Res. Ctr & Fellowships for Language NSHE-UNLV New Leadership Salary Support Montana State University Borderless Access to Education NV Dept of Education Early Awareness for Undergrad EDFUND Higher Education-Institutional Aid Education Commission of the US	84.116 84.015 84.116 84.339 84.334 84.031	50,779 172,441 37,508	49,430 (742)					150,714			150,714 50,779 49,430 (742) 172,441 37,508	

NEYADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Prepare Tomorrow's Teachers to use Tech	84.342	2,592,261	7,972,543	401,944	0	651,148	556,218	150,714	89,056	1,671	12,415,555	
Total Office of Postsecondary Education												
Office of Bilingual Ed & Minority Language Affairs												
Bilingual Ed-Professional Development	84.195	328,595									328,595	
Total Office of Bilingual Ed & Minority Language		328,595	0	0	0	0	0	0	0	0	328,595	
Office of Special Ed & Rehab Services												
Special Ed-Personnel Prep	84.325	187,206									187,206	
Special Ed-Tech Assistance & Dissemination	84.326	107,590									107,590	
Passed Through												
Carson City Nevada School District	84.027	2,656									2,656	
Special Education-Grants to States												
University of California Berkeley	84.015								50,767		50,767	
National Writing Project												
NV Dept of Human Resources	84.027	20,305									20,305	
Special Education-Grants to States												
NV Dept of Education	84.027	127,703									127,703	
Special Education-State Grants	84.323	31,111									31,111	
Special Ed-State Program												
NV Dept of Employment Training & Rehab	84.126		46								46	
Rehab Services-Vocational Rehab Grants												
Southern NV Writing Project	84.015		83,038								83,038	
National Writing Project												
PHI-Pacific Public Health Inst.												
National Institute Disability & Rehabilitation	84.133	14,376									14,376	
Total Special Ed & Rehab Services		490,947	83,084	0	0	0	0	0	50,767	0	624,798	
Office of Educational Research & Improvement												
Passed Through												
Washoe County School District Nevada	84.287	11,587									11,587	
21st Century Comm Learning												
Total Office of Educational Research & Improvement		11,587	0	0	0	0	0	0	0	0	11,587	
Office of Elementary & Secondary Education												
Eisenhower Professional Development	84.281											
Improving Teacher Quality St Grants	84.367									147,052	147,052	
Passed Through										220,478	220,478	
NV Dept of Education												
Reading Excellence	84.338		44,414							592,578	636,992	
Literacy thru School Libraries	84.364	11,897									11,897	
Mathematics & Science Partnerships	84.366	41,869									43,756	
Grants for State Assessments & Related Activities	84.369	271,173						1,887			271,173	
NV Dept of Human Resources												
Safe & Drug-Free Schools	84.186	51,591									51,591	
Lincoln County School District Nevada												
Education Technology State Grants	84.318	219,683									219,683	
NSHE-Chancellor's Office												
Eisenhower Professional Development	84.281	4,312	689								5,001	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Reading Excellence	84.338	83,703	210,562								294,265	
Improving Teacher Quality State Grants	84.367	96,733	30,247				35,180		3,713		165,873	
Washoe County School District Nevada												
Mathematics & Science Partnerships	84.366	26,859									26,859	
Total Office of Elementary & Secondary Ed.		807,820	285,912	0	0	0	35,180	1,887	3,713	960,108	2,094,620	
Office of Vocational & Adult Education												
Passed Through												
NV Dept of Education	84.002					824,151	1,068,311	375,381	300,093		2,567,936	
Adult Ed State Grant	84.048		57,746			335,144	1,204,201	151,038	450,662		2,198,791	
Vocational Ed. Carl Perkins	84.243					108,594	308,022	120,105	113,879		650,600	
Tech-Prep Education												
Total Office of Vocational & Adult Education		0	57,746	0	0	1,267,889	2,580,534	646,524	864,634	0	5,417,327	
Total Department of Education		4,231,210	8,399,285	401,944	0	1,919,037	3,171,932	799,125	1,008,170	961,779	20,892,482	
Department of Energy												
Office of Environmental Cleanup & Acceleration	81.104	28,644									28,644	
Defense Nuclear Nonproliferation Research	81.113	2,060,849									2,060,849	
Energy Efficiency & Renewable Energy	81.117	41,781									41,781	
Passed Through												
Bechtel												
Office of Science Financial Assist.	81.049		900								900	
Clark County Dept. of Comprehensive Planning												
Nuclear Waste Disposal Siting	81.065		20,959								20,959	
NSHE-UNLV												
Atomic Testing Museum	81.502		37,400								37,400	
NV Governor's Office												
State Energy Program	81.041	79,708									79,708	
Energy Efficiency & Renewable Energy	81.117	21,236									21,236	
NV State Office of Energy												
Industrial Energy Efficiency Program	81.119								3,593		3,593	
Total Department of Energy		2,232,218	59,259	0	0	0	0	0	3,593	0	2,295,070	
Environmental Protection Agency												
Office of Air & Radiation												
Passed Through												
NV Dept of Conservation & Natural Resources	66.001	181,059									181,059	
Air Pollution Control Program												
Total Office of Air & Radiation		181,059	0	0	0	0	0	0	0	0	181,059	
Office of Water												
Passed Through												
NV Dept of Conservation & Natural Resources	66.419	17,213									17,213	
Water Pollution Control	66.454	54,849									54,849	
Water Quality Management Prog	66.460	49,850									49,850	
Nonpoint Source Implementation Grants	66.471	22,826									22,826	
Reimburse Operators of Small Water Systems												
Total Office of Water		144,738	0	0	0	0	0	0	0	0	144,738	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Office of Environmental Education Environmental Educ. & Training Program Environmental Education Grants	66.950 66.951	10,668 3,851									10,668 3,851																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Total of Office of Environmental Education		14,519	0	0	0	0	0	0	0	0	14,519																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Office of Prevention, Pesticides & Toxic Sub Pollution Prevention	66.708	284,523									284,523																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Total Office of Prevention, Pesticides & Toxic Sub		284,523	0	0	0	0	0	0	0	0	284,523																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Total Environmental Protection Agency		624,839	0	0	0	0	0	0	0	0	624,839																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Department of Health & Human Services Health Resources & Services Admin. Developing Policy on Inst. Conflict Area Health Education Centers EMS for Children Nat'l Health Serv Corps Consolidated Knowledge Dev & App State Rural Hospital Flexibility Program Advanced Education Nursing Grant Program Rural Access to Emergency Small Rural Hospital Improvement Grants Professional Nurse Traineeship HRSA-Health Care & Other Facilities Rural Health Outreach Grant Program Grants St Oper Offices of Rural Health HRSA-Health Care for Disadvantaged Students Trauma Care Systems Planning & Development Geriatric Education Centers Passed Through Americal Medical Assoc. ADDM Cultural Competency NSHE-UNR Model State Supported AHEC State Rural Hospital Flexibility Program Miles for Smiles-Elko University of California-San Francisco AIDS Education & Training Centers NV Dept of Human Resources Maternal & Child Health Consolidated Primary Care Services-Resource Coordination & Dev Quentin N Burdick Programs HIV Care Formula Special Projects of National Significance Great Basin Primary Care Agency Primary Care Services-Resource Coordination & Dev Rural Health Outreach NSHE-GBC Trauma Care Systems Planning & Development	93.000 93.107 93.127 93.162 93.230 93.241 93.247 93.259 93.301 93.358 93.887 93.912 93.913 93.925 93.952 93.969 93.000 93.107 93.241 93.912 93.145 93.110 93.130 93.192 93.917 93.928 93.130 93.912 93.952	338,445 78,900 31,517 4,331,800 623,552 71,792 157,119 66,182 34,298 161,244 37,250 271,628 5,494 240,847 31,689 14,261 14,834 (55) 19,467 24,533 31,061 31,853	12,916 34,298 5,494 240,847 31,689 14,261 14,834 (55) 19,467 24,533 31,061 31,853																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Substance Abuse & Mental Health Svc. Admin. SAMHS-Projects of Reg & Nat'l Passed Through	93.243	180,688									180,688	
NV Dept of Human Resources Block Grant for Prevention/Treatment	93.959	482,275	41,322								523,597	
P.A.C.E. Coalition Challenging College Alcohol Abuse	93.243							4,556			4,556	
Total Substance Abuse & Mental Health Svc. Admin.		662,963	41,322	0	0	0	0	4,556	0	0	708,841	
Centers for Disease Control												
Ctrs for Res and Demo for Hlth Promotion & Disease Prev Passed Through	93.135		63,107								63,107	
NV Dept of Health & Human Services												
Injury Prevention & Control Research	93.136		20,653								20,653	
NV Dept of Human Resources												
Tuberculosis	93.116	74,043									74,043	
Centers for Research & Demonstration for Health Promotion	93.135	9,418									9,418	
Human Health Studies	93.206	109									109	
Investigations & Technical Asst	93.283	1,559,886	44,230								1,604,116	
Coop Agreements for Diabetes	93.988	2,755									2,755	
Preventive Health & Hlth Services Block Grant	93.991		5,288								5,288	
Clark County Nevada												
Investigations and TechAssistance	93.283	(6,285)									(6,285)	
Total Centers for Disease Control		1,639,926	133,278	0	0	0	0	0	0	0	1,773,204	
Administration for Children & Families												
Mentoring Children of Prisoners	93.616							72,856			72,856	
Head Start	93.600	1,326,325									1,326,325	
Excellence in Developmental Disabilities Ed Res & Svc	93.632	422,118									422,118	
Passed Through												
Childrens Cabinet												
Child Care & Development	93.575	262,097									262,097	
Head Start	93.600	304,887									304,887	
Community Service Agency												
Early Learning Fund	93.577	7,615									7,615	
National Youth Sports Prog Fund												
Community Service Block Grant-Discretionary Awards	93.570		20,123								20,123	
NV Dept. of Human Resources												
Safe & Stable Families	93.556	55,792									55,792	
Children's Justice Grants to States	93.643	38,762									38,762	
Child Welfare Training Program	93.648	511,025	726,149								1,237,174	
Social Services Block Grant	93.667	30,031									30,031	
Child Abuse and Neglect State Grants	93.669	3,742									3,742	
Chafee Foster Care Indep Liv	93.674	193,514									193,514	
Total Administration for Children & Families		3,155,908	746,272	0	0	0	0	72,856	0	0	3,975,036	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
NV Dept of Human Resources											
Special Programs for Aging-VII	93.041	1,415									1,415
Special Programs for Aging-III	93.044	82,768									82,768
Special Programs for Aging-IV	93.048	72,000									72,000
Alzheimer's Disease Demonstration Grants to States	95.051	99,428									99,428
National Family Caregiver Support	93.052	60,750									60,750
Total Administration on Aging		316,361	205	0	0	0	0	0	0	0	316,566
National Institutes of Health											
Passed Through											
NSHE-Chancellor's Office											
NECOTIP	93.389						1,290				1,290
Total National Institutes of Health		0	0	0	0	0	1,290	0	0	0	1,290
Total Department of Health & Human Services		12,353,077	973,785	0	0	0	85,823	116,421	160,166	0	13,689,272
Department of Homeland Security											
State Domestic Preparedness Equipment Support Prog	97.004									115,960	115,960
Urban Areas Security Initiative	97.008		229,131								229,131
Passed Through											
NSHE-Chancellor's Office											
State Domestic Preparedness Equipment Support Program	97.004	62,455						40,000			102,455
NV Dept of Public Safety											
State Domestic Preparedness Equipment Support Program	97.004		346,285								346,285
Community Emergency Response Teams	97.054		12,368								12,368
NV Dept of Motor Vehicles											
State Domestic Preparedness Equipment Support Program	97.004	597,427									597,427
Community Assistance Program State Support Program	97.023	72,407									72,407
Cooperating Technical Partners	97.045	26,064									26,064
Pre-Disaster Mitigation	97.047	330,729									330,729
Pre-Disaster Mitigation Disaster Resistant Universities	97.063	32,938									32,938
Total Department of Homeland Security		1,122,020	587,784	0	0	0	0	40,000	0	115,960	1,865,764
Department of Housing & Urban Development											
Public & Indian Housing											
Passed Through											
City of Reno Nevada											
Resident Opportunity & Sup	14.870	(4,196)									(4,196)
Total Public & Indian Housing		(4,196)	0	0	0	0	0	0	0	0	(4,196)
Total Department of Housing & Urban Development		(4,196)	0	0	0	0	0	0	0	0	(4,196)
Corp. for National & Community Service											
Retired & Senior Volunteer Program	94.002	143,511									143,511
Passed Through											
AUCD											
Planning & Program Development Grants	94.007	5,225									5,225
Total Corp for National & Community Service		148,736	0	0	0	0	0	0	0	0	148,736

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Department of Justice Office of Juvenile Justice & Delinquency Prevention Passed Through City of Las Vegas Nevada Develop, Test & Demonstrating Promising New Prog Underage DUI Education Enforcing Underage Drinking Laws	16.540 16.541 16.727	65,399 18,074	1,196 1,196	0	0	0	0	0	0	0	65,399 18,074 1,196
Total Office of Juvenile Justice & Delinquency Prevention		83,473	1,196	0	0	0	0	0	0	0	84,669
Office of Victims of Crime Passed Through NV Dept of Human Resources Crime Victim Assistance	16.575	92,908									92,908
Total Office of Victims of Crime		92,908	0	0	0	0	0	0	0	0	92,908
Civil Rights Division And Discrimination Provision Act	16.110	2,244									2,244
Total Civil Rights Division		2,244	0	0	0	0	0	0	0	0	2,244
Bureau of Justice Assistance E. Byrnie Memorial State & Local Law Enforce. Asst. Disc. Passed Through NV Dept of Public Safety Byrne Formula Grant Program	16.580 16.579	101,415 16,347									101,415 16,347
Total Bureau of Justice Assistance		16,347	101,415	0	0	0	0	0	0	0	117,762
Violence Against Women Office Passed Through Andre Agassi Charitable Foundation Rural Domestic Violence & Child Victimization Enforce NV Dept of Human Resources Violence Against Women Formula Grant NV Office of Attorney General Violence Against Women Formula Grant Arrest Policies & Enforcement	16.589 16.588 16.588 16.590	36,504 95 29,396 9,836									36,504 95 39,515 9,836
Total Violence Against Women Office		39,232	46,718	0	0	0	0	0	0	0	85,950
Office of Community Oriented Policing Services Troops to COPS	16.711	30,080									30,080
Total Office of Community Oriented Policing Services		30,080	0	0	0	0	0	0	0	0	30,080
Total Department of Justice		264,284	149,329	0	0	0	0	0	0	0	413,613
Department of Labor Employment & Training Administration Job Training Partnership Act	17.250	18,527									18,527

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM		
Passed Through City of Las Vegas Nevada Employment Services	17.207	29,832									29,832	
Southern Nevada Work Investment Board Hotel/Casino Training Program	17.258		55,609								55,609	
Oregon Manufacturing Extension Partners Employment & Training Administration Pilots	17.261					79,528				3,237	3,237	
Workforce Invest. Act-Youth Activities Clark County Nevada	17.259										79,528	
Employment & Training Administration Pilots	17.261	14,265						65,685			79,950	
Total Employment & Training Admin		62,624	55,609	0	0	79,528	0	65,685	0	3,237	266,683	
Total Department of Labor		62,624	55,609	0	0	79,528	0	65,685	0	3,237	266,683	
Department of State Bureau of Educational & Cultural Affairs Educational Exchange-University lectures-Professors	19.401	52,185									52,185	
Total Bureau of Educational & Cultural Affairs		52,185	0	0	0	0	0	0	0	0	52,185	
Total Department of State		52,185	0	0	0	0	0	0	0	0	52,185	
Department of the Interior National Park Service Urban Park & Recreation Recovery Program	15.919	2,868									2,868	
Cooperative Inspection Agreements with States Historic Preservation Fund Grants-In-Aid	15.222 15.904		997,789 10,219								997,789 10,219	
Total National Park Service		2,868	1,008,008	0	0	0	0	0	0	0	1,010,876	
Bureau of Land Management Wildland Urban Interface Comm	15.228	20,178									20,178	
Passed Through OTAK, Inc. Cooperative Inspection Agreements with States	15.222		24,359								24,359	
Total Bureau of Land Management		20,178	24,359	0	0	0	0	0	0	0	44,537	
Geological Survey Research & Data Acquisition	15.808	3,454									3,454	
Total Geological Survey		3,454	0	0	0	0	0	0	0	0	3,454	
Total Department of the Interior		26,500	1,032,367	0	0	0	0	0	0	0	1,058,867	
National Aeronautics & Space Admin Aerospace Education Services Passed Through Space Telescope Science Institute Aerospace Education Services	43.001 43.001									334,365	334,365	
		7,383									7,383	

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
NSHE-Chancellor's Office Aerospace Education Services	43.001	7,383	30,250	0	0	18,853	1,250	25,725	0	334,365	76,078
Total National Aeronautics & Space Admin			30,250	0	0	18,853	1,250	25,725	0	334,365	417,826
National Endowment for the Arts Passed Through NV Dept of Cultural Affairs	45.024	18,893									18,893
Nevada Council on the Arts											
Promotion of Arts-Grants to Organizations & Individuals	45.024		11,179								11,179
Promotion of Arts-Grants to Organizations & Individuals	45.025		3,165			4,010	8,637				15,812
Promotion of the Arts Partnership	45.129					3,431					3,431
Promotion-Federal/State WESTAF											
Promotion of the Arts-Grants to Organizations & Indiv	45.024	2,000									2,000
Total National Endowment for the Arts		20,893	14,344	0	0	7,441	8,637	0	0	0	51,315
National Endowment for the Humanities Promotion of the Humanities-Federal/State Partnership	45.129	380,929	17,149								380,929
Promotion of the Humanities-Research	45.161										17,149
Passed Through Nevada Humanities Committee											
Promotion-Federal/State	45.129		10,162				1,750				11,912
Total National Endowment for the Humanities		380,929	27,311	0	0	0	1,750	0	0	0	409,990
Institute of Museum & Library Services NV State Library											
Passed Through											
Nevada Council on the Arts											
State Library Program	45.310		9,000								9,000
NV Dept of Museums Library & Arts											
State Library Program	45.310	3,541									3,541
Total Institute of Museum & Library Services		3,541	9,000	0	0	0	0	0	0	0	12,541
National Science Foundation Engineering Grants	47.041	6,157									6,157
Geosciences	47.050	15,000									15,000
Education & Human Resources	47.076	4,743						40,500			45,243
Passed Through											
NEES Construction											
Engineering Grants	47.041	102,110									102,110
Shodor Education Foundation											
Engineering Grants	47.041	1,790									1,790
NSHE-Chancellor's Office											
Education and Human Resources	47.076	57,894	7,125				62,497				127,516
Total National Science Foundation		187,694	7,125	0	0	0	62,497	40,500	0	0	297,816

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Small Business Administration Program for Ind Educ & Train	59.000		6,849								6,849
Small Business Development Center Passed Through	59.037	633,763									633,763
NSHE-UNR											
Small Business Development Center	59.037		166,343						53,834		220,177
Iowa State University											
Bus Dev Assistance-5m Bus	59.005	221,065									221,065
Small Business Development Center	59.037	(645)									(645)
University of Texas-San Antonio											
Small Business Development Center	59.037	1,000									1,000
Total Small Business Administration		855,183	173,192	0	0	0	0	0	53,834	0	1,082,209
Department of Transportation											
Federal Highway Administration											
Highway Training & Education	20.215	123,225									123,225
Passed Through											
Research Foundation-SUNY											
Highway Planning & Construction	20.205	45,298									45,298
NV Dept of Transportation											
Highway Training & Education	20.215	314,588									314,588
Total Federal Highway Administration		483,111	0	0	0	0	0	0	0	0	483,111
Federal Aviation Administration											
Passed Through											
NV Dept of Transportation											
Airport Improvement Program	20.106								1,443		1,443
Total Federal Aviation Administration		0	0	0	0	0	0	0	1,443	0	1,443
National Highway Traffic-Safety Admin.											
Passed Through											
NV Dept of Motor Vehicles											
State & Community Highway Safety	20.600	2,442	25					28,043			30,510
Total National Highway Traffic Safety Admin.		2,442	25	0	0	0	0	28,043	0	0	30,510
Office of the Secretary											
Passed Through											
NV Dept of Transportation											
Support Mechanisms											
NSHE-UNR	20.903	63,057									63,057
Disadvantaged Business Enterprises	20.905		2								2
Total Office of the Secretary		63,057	2	0	0	0	0	0	0	0	63,059
Total Department of Transportation		548,610	27	0	0	0	0	28,043	1,443	0	578,123

NEVADA SYSTEM OF HIGHER EDUCATION
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	NSC	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL
Department of Veterans Affairs											
Veterans Health Administration	64.009	1,636,515									1,636,515
Veterans Medical Care Benefits	64.016	1,558,457									1,558,457
Veterans State Hospital Care		79,688									79,688
Sharing Specialized Medical Resources	64.018										
Total Department of Veteran Affairs		3,274,660	0	0	0	0	0	0	0	0	3,274,660
Total Non Major Programs		\$28,596,889	\$11,556,253	\$401,944	\$0	\$2,025,759	\$3,331,889	\$1,115,499	\$1,227,206	\$1,675,341	\$49,930,780
Total Federal Assistance		\$96,169,508	\$61,188,615	\$825,430	\$29,910,468	\$5,681,251	\$16,358,821	\$2,725,359	\$2,371,140	\$9,761,947	\$224,992,539

**NEVADA SYTEM OF HIGHER EDUCATION
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2005
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 Nevada System of Higher Education for the year ended June 30, 2005, 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 Nevada System of Higher Education, 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 Nevada System of Higher Education.

The Nevada System of Higher Education consists of the University of Nevada, Reno; the University of Nevada, Las Vegas; Nevada System of Higher Education 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, 2005:

Federal Perkins Loan Advances (CFDA Number 84.038)	\$2,189,000
Nursing Student Loan Advances (CFDA Number 93.364)	200,000
Health Professions Student Loan Advances (CFDA Number 93.342)	<u>177,000</u>
	<u>\$2,566,000</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 \$7,952,000, \$470,000 and \$624,000, respectively, as of June 30, 2005.

Note 3

For the fiscal year ended June 30, 2005, the System processed approximately \$122,981,000 in new loans under the Federal Family Education Loan Program (CFDA 84.032). Loan amounts include subsidized and unsubsidized Federal Stafford Loans, Direct Lending Program Loans, and Federal Parent Loans for Undergraduate Students.

**NEVADA SYTEM OF HIGHER EDUCATION
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2005
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

Note 4

The total value of the federal awards in the form of non-cash assistance during the fiscal year ended June 30, 2005 was \$0.

PricewaterhouseCoopers LLP
3800 Howard Hughes Parkway
Suite 650
Las Vegas NV 89109
Telephone (702) 691 5400
Facsimile (702) 691 5444

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

To the Board of Regents of the Nevada
System of Higher Education

We have audited the financial statements of the Nevada System of Higher Education (the "System") as of and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated September 30, 2005. In that report we indicated the extent of our reliance on the reports of other auditors in the conduct of the audits. We conducted our audits 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.

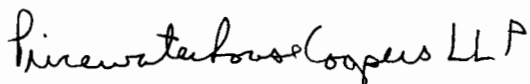
Internal Control Over Financial Reporting

In planning and performing our audits, 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 an opinion 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 reportable 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 caused by error or fraud 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, and the reports of other auditors disclosed, no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the reports of other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



September 30, 2005

(This Page Intentionally Left Blank)

**Report of Independent Auditors on Compliance with Requirements
Applicable to each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133**

To the Board of Regents of the Nevada
System of Higher Education

Compliance

We have audited the compliance of the Nevada System of Higher Education (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, 2005, except as described in the second paragraph of this report. 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.

Except for the University of Nevada, Reno, we did not audit the System's compliance with the requirements governing Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the System's compliance with those requirements, is based solely on the report of the other auditors. Additionally, we did not audit the System's compliance with the requirements governing the reporting requirements over Student Status Confirmation Reports specified by the Federal Family Education Loans Program and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the System's compliance with those requirements, is based solely on the report of the other auditors.

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, based on our audit and the reports of other auditors, 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, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items UNLV #05-01 through UNLV #05-03, UNR #05-01 through UNR #05-08 and DRI #05-01 through DRI #05-02.

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, except as noted in the following paragraph, 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.

Except for the University of Nevada, Reno, we did not consider internal control over compliance with the Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the System's internal control over those compliance requirements, is based solely upon the report of the other auditors. Additionally, we did not consider internal control over compliance with the reporting requirements over Student Status Confirmation Reports specified by the Federal Family Education Loans Program and described in the *OMB Circular A-133 Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the System's internal control over those compliance requirements, is based solely upon the report of the other auditors.

Our consideration and the other auditors' 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 reportable 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 caused by error or fraud 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. Also, the reports of the other auditors noted no matters involving the internal control structure over compliance and its operation that they 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

September 30, 2005

NEVADA SYSTEM OF HIGHER EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2005

Section I--Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable condition identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Material weakness identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable condition identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> 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:

Program

Research and Development
Student Financial Assistance

CFDA Number

cluster
cluster

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, 2005.

Section III—Federal Award Findings and Questioned Costs

Finding – UNLV #05-01:

Questioned Costs: \$4,490.00

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
National Park Service	15.915	Plant Restoration and Propagation

As noted in OMB A-21, salary expense must be associated with effort expended by the individual on each particular project. During our testing of payroll expenditures, we selected a sample of 14 awards for which Percentage of Effort forms were required, and noted one Percentage of Effort form that was not signed by the employee, or a person having direct knowledge of the work performed, within the required six month submission period.

Recommendation:

We recommend that the Grants and Contracts department review all returned Percentage of Effort forms to ensure proper completion and ensure compensation expense is allocated to each grant based on efforts actually expended.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNLV #05-02:

Questioned Costs: \$0

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Energy	81.049	Role of Melt Viscoelastic
Department of Energy	81.049	Correlated Electron Systems

UNLV is responsible for the timely reporting of the financial status of its federally-funded projects. Typically, the granting agency requires financial status reports, such as the SF-269, to be received within ninety days after the termination of the project. During our testing of 10 financial status reports, we noted that two reports were submitted to the granting agency subsequent to the ninety-day deadline. [OMB Circular A-110, Subpart C, Section .52(iv)]

<u>Program</u>	<u>Completion Date</u>	<u>Due Date</u>	<u>Date Submitted</u>
Role of Melt Viscoelastic	6/30/2004	9/28/2004	1/31/2005
Correlated Electron Systems	8/14/2004	11/12/2004	1/31/2005

Recommendation:

We recommend that UNLV review and augment, as appropriate, controls designed to monitor federal agency financial status reporting deadlines.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNLV #05-03:**Questioned Costs: \$0**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
National Science Foundation	47.074	Collaborative Research: Linking Gender Specific Stress Responses

UNLV is required to submit technical reports for federally sponsored programs to the sponsoring agencies within time periods established by each sponsor. In our testing of reporting requirements under OMB Circular A-110, we selected a sample of 10 awards for which technical reports were required during the year ended June 30, 2005, and noted that one report at UNLV was not submitted within the specified time period. However, UNLV has controls in place to notify project investigators in advance of the upcoming report due dates, evidenced by reminder notices maintained by UNLV.

<u>Program</u>	<u>Due Date</u>	<u>Date Submitted</u>
Collaborative Research: Linking Gender Specific Stress Responses	4/30/2005	6/3/2005

Recommendation:

We recommend that UNLV formally remind all project investigators of the significance of submitting technical reports in a timely manner and the importance of these timely submissions to the UNLV's federal award program as a whole.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-01:**Questioned Costs: \$8,118.32**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
National Science Foundation	47.047	Plant Rubber Biosynthetic Gene
Department of Health and Human Services	93.839	In Utero Stem Cell Transplant

As noted in OMB A-21, salary expense must be associated with effort expended by the individual on each particular project. During our testing of payroll expenditures, we selected a sample of 14 awards for which Percentage of Effort forms were required, and noted two Percentage of Effort forms that were not received from employees who charged payroll expenditures to the project.

Recommendation:

We recommend that the Grants and Contracts department review all returned Percentage of Effort forms to ensure proper completion and ensure compensation expense is allocated to each grant based on efforts actually expended.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-02:**Questioned Costs: \$129.99**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Interior	15.224F	Desert Tortoise Baseline Monitoring

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 the allowability of costs for 30 non-payroll expenditures and noted one unallowable direct cost expenditure related to the purchase of iPod speakers. Based on the nature of the expenditure the Principal Investigator was unaware of why the related cost would be necessary for the program.

Recommendation:

We recommend that UNR review the grant restrictions before expenditures are approved.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-03:**Questioned Costs: \$52.00**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Interior	15.224F	Desert Tortoise Baseline Monitoring

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 cost for 30 non-payroll expenditures and noted one unallowable direct cost expenditure related to meals charged to the program during rest days.

Recommendation:

We recommend that UNR review the grant restrictions before expenditures are approved.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-04:**Questioned Costs: \$126.00**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Interior	15.224F	Desert Tortoise Baseline Monitoring

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 cost for 30 non-payroll expenditures and noted one direct cost related to unallowable equipment rentals. Based on the nature of the expenditure the Principal Investigator was unaware of why the related cost would be necessary for the program.

Recommendation:

We recommend that UNR review the grant restrictions before expenditures are approved.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-05:**Questioned Costs: \$59,144.50**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Homeland Security/ Department of Motor Vehicles Public Safety	97.004F	FFY03, ODP Grant Phase I Equipment
Department of Homeland Security/ Department of Motor Vehicles Public Safety	97.004F	FFY03, ODP Grant Phase II Equipment

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 project (prevailing wage rates). During our testing of compliance with the Davis-Bacon Act, two instances were noted where an expenditure was encumbered and paid, but the contractor did not provide the University with the required information to ensure that prevailing wage rates were complied with.

Recommendation:

We recommend that UNR enhance existing procedures to ensure that the pay records are obtained from all contractors and measured against the prevailing wage report prior to reimbursement.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-06:**Questioned Costs: \$0**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Health and Human Services	93.959	BADA Training '05
Small Business Administration	59.037	NSBDC 2005 Federal
SBA		

UNR is responsible for the proper accounting and tracking of program income generated from federally-funded projects. In our testing of program income requirements under OMB Circular A-110, we selected a sample of three grants during the year ended June 30, 2005, for which program income was recorded. During our testing of two of these grants, we noted that for the period ended June, 30 2005, program income of approximately \$16,823 had not been added to the applicable program's budgets.

Recommendation:

We recommend that UNR enhance existing procedures to ensure that all program income is recorded in the FY received.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-07:**Questioned Costs: \$0**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of the Interior	15.007	Seismic Hazard in the Vicinity of Reno, NV
Environmental Protection Agency	66.708	Western Regional Pollution Prevention Network

UNR is responsible for the timely reporting of the financial status of its federally-funded projects. Typically, the granting agency requires financial status reports, such as the SF-269, to be received within ninety days after the termination of the project. During our testing of 10 financial status reports, we noted that two reports were submitted to the granting agency subsequent to the ninety-day deadline. [OMB Circular A-110, Subpart C, Section .52(iv)]

<u>Program</u>	<u>Completion Date</u>	<u>Due Date</u>	<u>Date Submitted</u>
Seismic hazard in the vicinity of Reno	1/31/2005	5/2/2005	6/10/2005
Western reg. pollution prevention net.	6/30/2004	9/28/2005	10/15/2004

Recommendation:

We recommend that UNR review and augment, as appropriate, controls designed to monitor federal agency financial status reporting deadlines.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – UNR #05-08:**Questioned Costs: \$0**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of the Interior	15.007	Seismic Hazard in the Vicinity of Reno, NV
Department of Occupational Health and Safety	97.047F	NV Earthquake Safety Council: FFY03 EMPG

UNR is required to submit technical reports for federally sponsored programs to the sponsoring agencies within time periods established by each sponsor. In our testing of reporting requirements under OMB Circular A-110, we selected a sample of 10 awards for which technical reports were required during the year ended June 30, 2005, and noted that two reports at UNR were not submitted within the specified time period. However, UNR has procedures in place to notify project investigators in advance of the upcoming report due dates, evidenced by reminder notices maintained by the Business Managers and Directors.

<u>Program</u>	<u>Due Date</u>	<u>Submitted Date</u>
Seismic hazards in the vicinity of Reno, NV	4/30/2005	Not yet submitted
NV earthquake safety council: FFY03 EMPG	11/30/2004	3/8/2005

Recommendation:

We recommend that UNR formally remind all project investigators of the significance of submitting technical reports in a timely manner and the importance of these timely submissions to the UNR's federal award program as a whole.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – DRI #05-01:**Questioned Costs: \$0**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Environmental Protection Agency	15.900	India Source Apportionment and Demonstration Project

DRI is responsible for the timely reporting of the financial status of its federally-funded projects. Typically, the granting agency requires financial status reports, such as the SF-269, to be received within ninety days after the termination of the project. During our testing of 10 financial status reports, we noted that one report was submitted to the granting agency subsequent to the ninety-day deadline. [OMB Circular A-110, Subpart C, Section .52(iv)]

<u>Program</u>	<u>Completion Date</u>	<u>Due Date</u>	<u>Date Submitted</u>
Indian source apportionment and demonstration project	4/30/2004	7/29/2004	8/3/2004

Recommendation:

We recommend that DRI review and augment, as appropriate, controls designed to monitor federal agency financial status reporting deadlines.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

Finding – DRI #05-02:**Questioned Costs: \$0**

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
NASA	43.002	Variability of Accumulation, Ice-Sheet Elevation, and Mass Balance at Regional Spatial Scales
Department of Interior	15.000	Quantify and Qualify Sediment Transport in the Lower Downstream Ranch

DRI is required to submit technical reports for federally sponsored programs to the sponsoring agencies within time periods established by each sponsor. In our testing of reporting requirements under OMB Circular A-110, we selected a sample of 10 awards for which technical reports were required during the year ended June 30, 2005, and noted two reports at DRI were not submitted within the specified time period. However, DRI has procedures in place to notify project investigators in advance of the upcoming report due dates, evidenced by reminder notices maintained by the Business Managers and Directors.

<u>Program</u>	<u>Due Date</u>	<u>Submitted Date</u>
Variability of accumulation, ice-sheet elevation and mass balance	11/15/2004	5/13/2005
Quality and quantity of sediment transport in the Lower Downstream Ranch	2/1/2005	4/2/2005

Recommendation:

We recommend that DRI formally remind all project investigators of the significance of submitting technical reports in a timely manner and the importance of these timely submissions to the DRI's federal award program as a whole.

Institution Response:

The institution's response is reported in "Management's View and Corrective Action Plan" and is considered part of this report.

NEVADA SYSTEM OF HIGHER EDUCATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2004

Fiscal Year	Finding Number	Finding	CFDA Number	Questioned Costs	Comments
2004	UNLV #1	As noted in OMB Circular A-21 salary expense must be associated with effort expended by the individual on each particular project. During our testing of payroll expenditures, we selected a sample of 13 awards for which Percentage of Effort forms were required, and noted one expenditure which was charged to the incorrect grant.	20.215	\$1,111.11	No instances of noncompliance were noted in the current year.
2004	UNLV #2	In the performance of its federal award programs, UNLV contracts for services from unrelated educational, for-profit and non-profit organizations when necessary. In such cases, OMB Circular A-133 (Subpart D, Section .400(d)(3)) requires the pass-through entity to monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved. Based on our testing of 12 awards with subrecipients, we noted that UNLV did not receive the most recent Single Audit Report from three of the subrecipients.	--	\$0	No instances of noncompliance were noted in the current year.



October 17, 2005

Management's View and Corrective Action Plan
For the Year Ended June 30, 2005

Finding 05-01 ENSURE THAT THE GRANTS DEPARTMENT REVIEW ALL RETURNED EFFORT FORMS FOR PROPER COMPLETION AND THAT COMPENSATION EXPENSE IS ALLOCATED TO EACH GRANT BASED ON EFFORTS ACTUALLY EXPENDED.

The Office of Grants & Contracts will be more diligent in our follow-up and review of the Effort forms. Currently, we have a staff member primarily dedicated to the distribution and verification of these forms. Included in this process are monthly reminders for delinquent Effort reports, and a review of the forms to ensure that the proper signatures are received.

Finding 05-02 ENSURE THAT UNLV REVIEW AND AUGMENT CONTROLS DESIGNED TO MONITOR FEDERAL AGENCY FINANCIAL STATUS REPORTING DEADLINES.

The Office of Grants & Contracts staff maintains an account file which contains relevant information pertaining to the award. Included is information such as start and end dates, invoicing frequency, and final report due dates. We are working with UNR and looking into a new procedure that utilizes various tables in our current financial system, which would help us to keep track of reporting deadlines to ensure timely submission of our financial status reports.


Finding 05-03 ENSURE THAT UNLV FORMALLY REMINDS ALL PROJECT INVESTIGATORS OF THE SIGNIFICANCE OF SUBMITTING TECHNICAL REPORTS IN A TIMELY MANNER AND THE IMPORTANCE OF THESE TIMELY SUBMISSIONS TO THE UNLV'S FEDERAL AWARD PROGRAM.

In workshops and other faculty presentations, including meetings with faculty prior to establishing a grant account, the Office of Sponsored Programs will stress the importance of technical reporting, as well as the negative implications to the institution when not submitted as required. This office will add a statement to their reminder letter that reinforces the importance of timely technical reports.

Mary F. Vicuna-Howe
Interim Director
Office of Grants & Contracts Financial Services

MEMORANDUM

To: Jeffrey Anderes, PricewaterhouseCoopers
Sandi Cardinal, Assistant Vice Chancellor for Audit

From: Tom Judy 

Date: October 25, 2005

Regarding: Response to A-133 Audit

This memo presents the responses from the University of Nevada, Reno to the findings of the A-133 audit.

Management's Views and Corrective Action Plan

Finding – UNR 05-01:

Ensure proper completion of Personnel Activity Reports and ensure compensation expense is allocated to each grant based on efforts actually expended.

In accordance with University policy on Personnel Activity Reports (PAR), the Controller's Office will notify the Office of Sponsored Projects (OSPA) if a PAR is not completed within 60 days of the PAR's reporting period. OSPA will not process any new grant proposals or establish any new grant accounts for the principal investigator (PI) or project director responsible for the employee's PAR, until a PAR or payroll adjustment is completed. If a PAR or payroll adjustment is not subsequently received prior to the closing of a grant or contract account, the salary not certified by a PAR will be moved to a department unrestricted account.

Finding – UNR 05-02:

Ensure appropriate charges to grant accounts by reviewing the grant restrictions before expenditures are approved

The Principal Investigator has the primary responsibility to make sure that all expenditures are reasonable and will benefit the project. The Office of Sponsored Projects has implemented procedures for special conditions and restrictions on projects to be posted and available for review by the PI and controller's office staff before processing of expenditures. The Journal Voucher (JV) has been processed to transfer the questioned charge from the grant to the PI's Facilities and Administration (F&A) account.

Finding – UNR 05-03:

Ensure appropriate charges to grant accounts by reviewing the grant restrictions before expenditures are approved

The PI has the primary responsibility to make sure that all expenditures are reasonable and will benefit the project. The Office of Sponsored Projects has implemented procedures for special conditions and restrictions on projects to be posted and available for review by the PI and controller's office staff before processing of expenditures. A JV has been processed to transfer the questioned charge from the grant to a non-grant account.

Finding – UNR #05-04:

Ensure appropriate charges to grant accounts by reviewing the grant restrictions before expenditures are approved

The PI has the primary responsibility to make sure that all expenditures are reasonable and will benefit the project. The Office of Sponsored Projects has implemented procedures for special conditions and restrictions on projects to be posted and available for review by the PI and controller's office staff before processing of expenditures. The JV has been processed to transfer the questioned charge from the grant to a non-grant account.

Finding - UNR 05-05:

Ensure that the pay records are obtained from all contractors and measured against the prevailing wage report prior to reimbursement.

Once the finding was noted the university requested and received an appropriately documented certified payroll report. The wages quoted in the contract and paid by the contractor were compared and found to be in compliance with prevailing rates. The university will make an increased effort to obtain the certified payroll reports from the vendors in a timelier manner.

Finding - UNR 05-06:

Enhance existing procedures to ensure that all program income is recorded in the FY received.

The Office of Sponsored Projects does adjust program income budgets when receipt documentation is received from the cashier's office. Because of month end and year end timing issues these budget adjustments may be processed in the accounting period following the period in which the revenue was recorded. The Office of Sponsored Projects also runs a monthly report

which compares actual program income account budgets to actual revenue received and makes adjustments as necessary to the budget to reflect actual income.

Finding - UNR 05-07:

Ensure that proper controls are implemented to monitor federal agency financial status reporting deadlines.

The Office of Sponsored Project maintains financial status reporting deadlines in the database. We use an access report to alert us of monthly requirements. We will review the procedure to ensure timely reporting of the financial reports.

Finding - UNR 05-08

Ensure that all project investigators are aware of the significance of submitting technical reports in a timely manner and the importance of these timely submissions to the UNR's federal award program as a whole.

With the new procedure noted in finding #7, we will be in constant contact with not only the PI but their chair and dean if necessary.

c: John Lilley, President

Ron Zurek, Vice President, Administration and Finance

October 20, 2005

Desert Research Institute
Management Views and Corrective Action Plan
For the Year Ended June 30, 2005

Finding - DRI #05-01: Timely Reporting of Financial Status of Federally Funded Projects

Because of staff turnover, DRI experienced a financial reporting backlog. A spreadsheet tool has been implemented to track report due dates. Additionally, interim operating procedures have been developed to distribute duties during times of staff transition. Financial reporting performance will be monitored and tools and procedures modified as necessary to ensure timely reporting.

Finding - DRI #05-02: Timely Submission of technical reports by project investigators

The Sponsored Research Office will continue its efforts to impress upon investigators the importance of timely technical reporting. We will also continue to seek the assistance of the business managers and division directors in assuring that reports are being filed by deadline dates.



Jenny Frayer
Special Assistant to the Vice President for Finance and Administration