
**UNIVERSITY AND COMMUNITY COLLEGE
SYSTEM OF NEVADA**

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2002



University of Nevada, Reno
Community College of Southern Nevada

University of Nevada, Las Vegas
Great Basin College

Desert Research Institute
Truckee Meadows Community College

System Administration
Western Nevada Community College

BOARD OF REGENTS

Douglas Seastrand, Chair North Las Vegas
Mark Alden.....Las Vegas
Jill Derby.....Gardnerville
Thalia M. DonderoLas Vegas
Dorothy S. Gallagher Elko
Douglas Roman Hill Sparks
Laura Lopez Hobbs.....Las Vegas
Linda Howard..... North Las Vegas
Thomas E. Kirkpatrick.....Las Vegas
Howard Rosenberg..... Reno
Steve SisolakLas Vegas

ADMINISTRATION

Jane A. Nichols, Ed.D. Chancellor
University and Community College System of Nevada

Christine Chairsell, Ed.D.....Interim President
Nevada State College at Henderson

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

Ronald K. Remington, Ph.D.....President
Community College of Southern Nevada

Philip Ringle, Ph.D.....President
Truckee Meadows Community College

Stephen G. Wells, Ph.D..... President
Desert Research Institute

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

**UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF NEVADA
SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2002
TABLE OF CONTENTS**

	<u>PAGE NO.</u>
INTRODUCTION	
Background	1 - 2
FINANCIAL STATEMENTS	
For the years ended June 30, 2002 and 2001 (Report of Independent Accountants – pages 15 - 17)	3 - 33
REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING</i> <i>STANDARDS</i>	35 - 37
REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	39 - 41
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2002	42 - 71
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	73 - 74
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2002	75 - 76

**UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF NEVADA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2002**

INTRODUCTION

BACKGROUND

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

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

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

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

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

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

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

Research activities are conducted primarily at UNR, UNLV and DRI. UCCSN has been awarded research grants by various Federal agencies. The primary agencies from which these funds were received during the year ended June 30, 2002 were:

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

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

University and Community College System of Nevada Financial Statements



June 30, 2002 and 2001

BOARD OF REGENTS

Douglas Seastrand, Chair.....	North Las Vegas
Mark Alden.....	Las Vegas
Jill Derby.....	Gardnerville
Thalia M. Dondero.....	Las Vegas
Dorothy S. Gallagher.....	Elko
Douglas Roman Hill.....	Sparks
Laura Lopez Hobbs.....	Las Vegas
Linda Howard.....	North Las Vegas
Thomas E. Kirkpatrick.....	Las Vegas
Howard Rosenberg.....	Reno
Steve Sisolak.....	Las Vegas

ADMINISTRATION

Jane A. Nichols, Ed.D.	Chancellor University and Community College System of Nevada
Christine Chairsell, Ed.D.	Interim President Nevada State College at Henderson
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
Ronald K. Remington, Ph.D.	President Community College of Southern Nevada
Philip Ringle, Ph.D.	President Truckee Meadows Community College
Stephen G. Wells, Ph.D.	President Desert Research Institute

University and Community College System of Nevada
Financial Statements and Report of Independent Accountants
As of and for the Years Ended June 30, 2002 and 2001

Contents

Management's Discussion and Analysis.....	1-8
Report of Independent Accountants.....	9
Financial Statements	
Statements of Net Assets	10
Statements of Revenues, Expenses and Changes in Net Assets.....	11
Statements of Cash Flows	12-13
Notes to Financial Statements.....	14-25

(This Page Intentionally Left Blank)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The University and Community College System of Nevada's (the "System") Management Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial position and assists the reader in focusing on significant financial issues during the year ended June 30, 2002. This discussion provides summary level financial information; therefore it should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of management.

FINANCIAL HIGHLIGHTS

- Total net assets increased \$92,298,000; a 7.3% increase.
- Total long-term debt increased from \$121,915,000 to \$179,950,000.
- Operating revenues increased 10.0% to \$448,401,000.
- Operating expenses increased 10.0% to \$866,034,000.

USING THIS REPORT

This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board in Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*. These financial statements differ significantly, in both the form and the accounting principles utilized, from prior financial statements presented. The financial statements presented in prior years focused on the accountability of funds, while these statements focus on the financial condition of the System, the results of operations and cash flows of the System as a whole.

One of the most important questions asked about System finances is whether the System as a whole is better off or worse off as a result of the year's activities. The key to understanding this question is the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. The System's net assets (the difference between assets and liabilities) is one indicator of the improvement or erosion of the System's financial health. Over time, increases or decreases in net assets is one indicator of the System's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities.

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

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. All things being equal, a public university system's dependency on

state appropriations will result in operating deficits. This is because the financial reporting model classifies State appropriations as nonoperating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

CONDENSED FINANCIAL INFORMATION

Statement of Net Assets as of June 30, 2002 and 2001 (thousands of dollars)

	<u>2002</u>	<u>2001</u>
Assets		
Current assets	\$ 345,389	\$ 248,555
Capital assets, net	989,749	932,876
Other assets	<u>320,699</u>	<u>340,143</u>
Total assets	<u>1,655,837</u>	<u>1,521,574</u>
Liabilities		
Current Liabilities	109,086	104,270
Noncurrent Liabilities	<u>197,881</u>	<u>160,732</u>
Total Liabilities	<u>306,967</u>	<u>265,002</u>
Net assets		
Invested in capital assets, net of debt	825,002	797,188
Restricted, nonexpendable	109,070	174,469
Restricted, expendable	262,577	177,148
Unrestricted	<u>152,221</u>	<u>107,767</u>
Total net assets	<u>\$1,348,870</u>	<u>\$1,256,572</u>

Total assets of the System increased by \$134.3 million. A review of the Statement of Net Assets will reveal that the increase was due to several factors. Short-term investments increased by \$49.7 million due to a transfer of estate tax funds from the endowment investments to short-term investments. At June 30, 2001, \$845,000 of estate tax funds were in short-term investments compared to \$41.9 million as of June 30, 2002. The decrease in endowment investments of \$75.2 million was primarily a result of this transfer of estate tax funds. During fiscal 2002, \$78.0 million was transferred from endowment investments to short-term investments. The Receivable from State of Nevada increased \$53.1 million and the Cash held by State Treasurer increased \$45.2 million. These represent biennium state appropriations for fiscal 2003 which are primarily related to capital projects. Capital assets, net of accumulated depreciation increased \$56.9 million to \$989.7 million and reflects the System's continuing investment in its physical facilities.

The total liabilities increased by \$42.0 million. During fiscal 2002, the System issued \$27.7 of new bonds and \$5.7 of new notes, exclusive of refinanced bonds and notes. The System also issued \$31 million of bonds to pay off a capital lease.

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 \$27.8 million increase reflects the System's expenditures for development and renewal of its capital assets in accordance with its long-range plan offset by depreciation expense on capital assets and a net increase in long-term debt.

Restricted, nonexpendable/expendable

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

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

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

The increase in restricted expendable net assets is primarily related to state capital appropriations of approximately \$130 million offset by expenditures of a portion of those funds for capital projects during 2002.

Unrestricted Net Assets

Although unrestricted net assets are not subject to externally imposed stipulations, substantially all of the System's unrestricted net assets have been designated for various academic and research programs and initiatives, as well as capital projects.

Statement of Revenues, Expenses and Changes in Net Assets

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

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

**Statement of Revenues, Expenses and Changes in Net Assets for the years ended
June 30, 2002 and 2001 (thousands of dollars)**

	<u>2002</u>	<u>2001</u>
Operating revenues		
Student tuition and fees, net	\$134,129	\$125,911
Grants and contracts, Federal	141,671	125,135
Grants and contracts, other	59,827	53,766
Sales and services	108,892	99,676
Other	<u>3,882</u>	<u>3,089</u>
Total operating revenues	<u>448,401</u>	<u>407,577</u>
Operating expenses		
Instruction	312,064	276,334
Research	85,425	77,427
Public Service	47,219	50,779
Academic support	64,366	62,678
Institutional support	94,247	89,231
Student services	58,111	51,756
Operation and maintenance of plant	67,946	56,517
Scholarships and fellowships	30,342	23,693
Auxiliary enterprises	51,587	50,154
Other expenditures	140	66
Deprecation	<u>54,587</u>	<u>49,010</u>
Total operating expenses	<u>866,034</u>	<u>787,645</u>
Operating loss	<u>(417,633)</u>	<u>(380,068)</u>
Nonoperating revenues and expenses		
State appropriations	362,320	338,284
Gifts	23,383	23,390
Investment income (loss)	(6,083)	5,786
Disposal of capital assets	(1,403)	(2,750)
Interest expense	(8,359)	(7,966)
Other nonoperating revenues	<u>(997)</u>	<u>77</u>
Net nonoperating revenues	<u>368,861</u>	<u>356,821</u>
Total other revenues	<u>141,070</u>	<u>10,490</u>
Increase in net assets	92,298	(12,757)
Net assets, beginning of year	<u>1,256,572</u>	<u>1,269,329</u>
Net assets, end of year	<u>\$1,348,870</u>	<u>\$1,256,572</u>

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

Operating revenues and operating expenses increased by 10.0%, resulting in an increase in the operating loss of 9.9%. Student tuition and fees increased 6.5% to \$134.1 million primarily do to an increase in enrollment. Federal grants and contracts increased 13.2% to \$141.7 million and state grants and contracts increased 26.4% to 30.1 million. In addition, sales and services increased 9.2% to \$108.9 million. Operating expenses for scholarships and fellowships increased 28.1% to \$30.3 million primarily due to the increase in enrollment. Instruction expenses increased 12.9% and student services expenses increased 12.3% both primarily due to increases in employee compensation and benefits related to cost of living and merit based increases granted for 2002. The increase in research expenses of 10.3% was related to the increases in grants and contracts revenues.

Nonoperating net revenues increased by 3.4% to \$368.9 million primarily due to an increase in state appropriations which was partially offset by a decrease in investment income. Total other revenues include state appropriations for capital purposes. The \$130.2 million appropriation is a biennium appropriation (fiscals 2002 and 2003). Investment income (loss) went from income of \$5.8 million to a loss of (\$6.1) million due to poor investment performance. Although the investment returns were lower than expected, System Administration has estimated that its returns were better than related benchmarks upon which performance comparisons have been made.

Statement of Cash Flows for the years ended June 30, 2002 and 2001 (thousands of dollars)

	<u>2002</u>	<u>2001</u>
Cash Provided By (used in)		
Operating activities	\$(356,666)	\$(335,432)
Non-capital financing activities	384,545	363,608
Capital and related financing activities	718	(34,719)
Investing activities	<u>20,748</u>	<u>(44,694)</u>
Net increase (decrease) in cash and cash equivalents	49,345	(51,237)
Cash and cash equivalents – Beginning of year	<u>112,676</u>	<u>163,913</u>
Cash and cash equivalents – End of year	<u>\$ 162,021</u>	<u>\$ 112,676</u>

Cash flows from operating activities decreased 6.3% primarily due to increases in expenses for payments for employee compensation and benefits, supplies and services and scholarships and fellowships offset by increases in receipts for student tuition and fees, grants and contracts and sales and services of educational and auxiliary departments. Cash flows from non-capital financing activities increased by 5.8% primarily due to an increase in state appropriations and agency transactions. Cash flows from capital financing activities increased \$35.4 million due to increased proceeds from capital debt and increased capital appropriations.

Cash from investing activities increased by \$65.4 million primarily due to fewer purchases of investments in 2002 as compared to 2001.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2002, the System had invested \$1,485.5 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 \$96.7 million, or 7.0%, over last year. As of June 30, 2002, estimated costs to complete current construction projects were approximately \$208.7 million. These costs will be funded by State appropriations, private donations, available resources and/or long-term borrowings.

During fiscal 2002, the System issued \$58.7 million of new bonds and \$5.7 of new notes, exclusive of refinanced bonds and notes. New bonds were issued for the DRI Southern Nevada Science Center, UNLV Shadow Lane Dental School and UNR Fire Science Academy. As of June 30, 2002, the coverage on University Revenue Bonds (pledged revenues to maximum annual debt service) was 5.30 (4.62 as of June 30, 2001). For statutory purposes, the coverage was 1.71, above the required minimum of 1.10.

FUTURE FINANCIAL EFFECTS

Growth of System assets has been strong in recent years. We have seen an increase in enrollment with the funding of the Millennium Scholarship program by the State from tobacco settlement funds. We will face funding challenges in the next two years. State appropriations increased from 68.9% of our budget in fiscal year 2001 to 70.0% in fiscal year 2002. The System portion of the total state budget decreased from 19.3% in fiscal year 2001 to 19.0% in fiscal year 2002. The difference was made up by increased tuition and greater reliance on estate tax funds.

The System's 2002-03 original operating budget for State appropriation and authorized expenditures (the "State Supported Operating Budget") totals \$530.8 million. This budget represents a 7.1% increase in the authorized funding level as compared to the originally approved \$495.8 million budget for fiscal year 2001-02. State appropriations for fiscal year 2002-03 total \$370.6 million, representing 69.8% of the State Supported Operating Budget. This compares to \$346.8 million budgeted for fiscal year 2001-02 and represents a 6.9% increase. Other budgeted revenue sources, including student fees, tuition, federal funds, indirect cost recovery, discretionary funds, training grants and estate tax proceeds, account for the remaining budgeted amount.

Pursuant to State law, the Governor has broad authority to reduce appropriations when necessary to maintain a balanced budget. Accordingly, should the State economy experience a significant downturn and cause State revenues to decrease below predicted levels, the Governor may rescind a portion of the State appropriation for the biennium. To date, the Governor has announced a 3% across the board budget rescission in fiscal year 2002-03, has implemented a partial vacant position freeze, has stopped expenditures of one-time appropriations, and implemented several new programs. In fiscal 2002-03, the System expects to revert \$11.1 million as a result of the 3% reduction, \$1.5 million related to excess student fees, and about \$600,000 in one-time equipment funds. The

System expects to absorb any energy costs that exceed budgeted amounts and excess costs resulting from the recent special session of the Legislature which increased the System's contribution for employee health insurance benefits.

The System currently supplements the State-supported budget with available estate taxes. Pursuant to State statute, one-half of the estate taxes collected in the State (less administrative costs and a 5% reserve allowance) are deposited in the System's endowment funds and are authorized for expenditure by the Legislature each biennium. Estate tax funds deposited into the endowment may only be spent pursuant to legislative authorization. For the 1999-01 biennium, the legislature authorized the expenditure of approximately \$55 million in estate tax funds. In fiscal 2001, the authorized expenditure was approximately \$28 million. That amount was directed to student aid, technology costs, equity funding between institutions and other programs. In the current biennium, approximately \$78 million in estate tax expenditures have been authorized (approximately \$38 million in fiscal 2002 and approximately \$40 million in fiscal year 2003). The estate tax is to be used for substantially the same purposes as in prior years. Federal tax legislation has been enacted phasing out the estate tax. The State's estate tax is a "pick up" tax based upon the federal tax. Accordingly, the federal tax legislation will cause the State's tax to phase out over the next four years. The System intends to request that the State assume responsibility for the ongoing programs funded with estate tax in the next budget cycle as this source of revenue phases out under the federal law changes.

The Governor has issued budget instructions that the System's 2003-2005 biennial budget request for base funding and enhancements should not exceed twice the fiscal 2002-03 approved budget. Current service cost (enrollment growth) can then be added to the budget request. The System has submitted its formal budget request as directed by the Governor and has also submitted a supplementary schedule of enhancements should money become available. The State has a legislatively created Task Force which has made recommendations to the Governor on the State's tax structure and how best to alleviate any structural deficit.

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 ACCOUNTANTS

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

In our opinion, the accompanying statements of net assets and the related statements of revenues, expenses, and changes in net assets and of cash flows present fairly, in all material respects, the financial position of the University and Community College System of Nevada (the "System") at June 30, 2002 and 2001, and its revenues, expenses and changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the System's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, as of July 1, 2001, the System adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, an amendment of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* as well as GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2002 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants for the year ended June 30, 2002. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

(This Page Intentionally Left Blank)

To the Board of Regents of the
University and Community College System of Nevada:
October 4, 2002
Page 2

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

Principals and Partners LLP

October 4, 2002

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

STATEMENTS OF NET ASSETS AS OF JUNE 30, 2002 AND 2001

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 47,354,000	\$ 53,169,000
Short-term investments	182,516,000	132,767,000
Accounts receivable, net	23,719,000	24,225,000
Receivable from U.S. Government	26,884,000	27,283,000
Receivable from State of Nevada	57,650,000	4,588,000
Current portion of loans receivable, net	1,804,000	1,506,000
Inventories	4,803,000	4,730,000
Deposits and deferred expenditures, current	659,000	287,000
Total Current Assets	<u>345,389,000</u>	<u>248,555,000</u>
<i>Noncurrent Assets</i>		
Restricted cash and cash equivalents	9,977,000	-
Cash held by State Treasurer	104,690,000	59,507,000
Endowment investments	195,929,000	271,148,000
Deposits and deferred expenditures	1,893,000	1,123,000
Loans receivable, net	8,210,000	8,365,000
Capital assets, net	<u>989,749,000</u>	<u>932,876,000</u>
Total Noncurrent Assets	<u>1,310,448,000</u>	<u>1,273,019,000</u>
TOTAL ASSETS	<u>1,655,837,000</u>	<u>1,521,574,000</u>
<u>LIABILITIES</u>		
<i>Current Liabilities</i>		
Accounts payable	26,493,000	25,481,000
Accrued payroll and related liabilities	18,780,000	16,582,000
Unemployment insurance and workers' compensation liability	4,018,000	4,396,000
Current portion of compensated absences	20,551,000	17,371,000
Current portion of long-term debt	7,022,000	5,499,000
Current portion of obligations under capital leases	1,478,000	3,994,000
Accrued interest payable	4,180,000	5,467,000
Deferred revenue	24,110,000	21,559,000
Funds held in trust for others	2,454,000	3,921,000
Total Current Liabilities	<u>109,086,000</u>	<u>104,270,000</u>
<i>Noncurrent Liabilities</i>		
Refundable advances under federal loan programs	7,294,000	7,383,000
Compensated absences	7,478,000	7,294,000
Deferred revenue	720,000	571,000
Long-term debt	172,928,000	116,416,000
Obligations under capital leases	9,461,000	29,068,000
Total Noncurrent Liabilities	<u>197,881,000</u>	<u>160,732,000</u>
TOTAL LIABILITIES	<u>306,967,000</u>	<u>265,002,000</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	825,002,000	797,188,000
Restricted:		
Nonexpendable	109,070,000	174,469,000
Expendable:		
Scholarships, research and instruction	88,018,000	93,369,000
Loans	4,334,000	4,241,000
Capital projects	167,852,000	76,958,000
Debt service	2,373,000	2,580,000
Unrestricted	<u>152,221,000</u>	<u>107,767,000</u>
TOTAL NET ASSETS	<u>\$1,348,870,000</u>	<u>\$1,256,572,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<i>Operating Revenues</i>		
Student tuition and fees (net of scholarship allowances of \$30,984,000 and \$23,421,000)	\$ 134,129,000	\$ 125,911,000
Federal grants and contracts	141,671,000	125,135,000
State grants and contracts	30,141,000	23,838,000
Local grants and contracts	14,115,000	14,157,000
Other grants and contracts	15,571,000	15,771,000
Sales and services of educational departments	55,098,000	48,491,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,521,000 and \$3,231,000)	53,794,000	51,185,000
Other operating revenues	3,716,000	3,017,000
Interest earned on loans receivable	166,000	72,000
Total operating revenues	<u>448,401,000</u>	<u>407,577,000</u>
<i>Operating Expenses</i>		
Employee compensation and benefits	565,357,000	512,315,000
Utilities	22,222,000	20,423,000
Supplies and services	193,526,000	182,204,000
Scholarships and fellowships	30,342,000	23,693,000
Depreciation	54,587,000	49,010,000
Total operating expenses	<u>866,034,000</u>	<u>787,645,000</u>
Operating loss	<u>(417,633,000)</u>	<u>(380,068,000)</u>
<i>Nonoperating Revenues (Expenses)</i>		
State appropriations	362,320,000	338,284,000
Gifts	23,383,000	23,390,000
Investment income (loss), net	(6,083,000)	5,786,000
Disposal of capital assets	(1,403,000)	(2,750,000)
Interest expense	(8,359,000)	(7,966,000)
Other nonoperating revenues (expenses)	(997,000)	77,000
Net nonoperating revenues	<u>368,861,000</u>	<u>356,821,000</u>
Loss before other revenue, expenses, gains or losses	<u>(48,772,000)</u>	<u>(23,247,000)</u>
State appropriations restricted for capital purposes	130,213,000	(1,001,000)
Distribution of estate taxes	(374,000)	(290,000)
Capital grants and gifts	10,094,000	9,502,000
Additions to permanent endowments	<u>1,137,000</u>	<u>2,279,000</u>
Total other revenues	<u>141,070,000</u>	<u>10,490,000</u>
Increase (decrease) in net assets	<u>92,298,000</u>	<u>(12,757,000)</u>
<i>Net Assets</i>		
Net assets – beginning of year as originally reported	-	1,281,577,000
Cumulative effect of changes in accounting principle:		
Change in revenue recognition for summer sessions	-	1,459,000
Change in accounting for loan funds	-	(7,547,000)
Change in revenue recognition for restricted funds	-	(6,160,000)
Net assets – beginning of year (2001 as restated)	<u>1,256,572,000</u>	<u>1,269,329,000</u>
Net assets – end of year	<u>\$1,348,870,000</u>	<u>\$1,256,572,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<i>Cash Flows from Operating Activities</i>		
Student tuition and fees	\$ 135,307,000	\$ 126,947,000
Grants and contracts	199,842,000	166,860,000
Payments for supplies and services	(192,112,000)	(182,634,000)
Payments for utilities	(22,346,000)	(19,780,000)
Payments for employee compensation and benefits	(559,966,000)	(506,568,000)
Payments for scholarships and fellowships	(30,344,000)	(23,699,000)
Loans issued to students	(2,555,000)	(2,504,000)
Collection of loans to students	2,284,000	1,976,000
Sales and services of educational departments	55,597,000	49,680,000
Sales and services of auxiliary enterprises	54,276,000	50,485,000
Other receipts	3,351,000	3,805,000
Net cash used by operating activities	<u>(356,666,000)</u>	<u>(335,432,000)</u>
<i>Cash Flows from Noncapital Financing Activities</i>		
State appropriations	361,001,000	337,520,000
Gifts and grants for other than capital purposes	24,388,000	23,528,000
Gifts for endowment purposes	972,000	2,287,000
Receipts under federal student loan programs	57,536,000	49,416,000
Disbursements under federal student loan programs	(57,610,000)	(49,076,000)
Other	(347,000)	(78,000)
Agency transactions	<u>(1,395,000)</u>	<u>11,000</u>
Net cash provided by noncapital financing activities	<u>384,545,000</u>	<u>363,608,000</u>
<i>Cash Flows from Capital Financing Activities</i>		
Proceeds from capital debt	64,396,000	40,665,000
Payments for debt issuance costs	(860,000)	(319,000)
Capital appropriations	79,672,000	51,831,000
Capital grants and gifts received	5,733,000	6,941,000
Purchases of capital assets	(103,801,000)	(109,968,000)
Proceeds from sale of property and equipment	14,000	-
Principal paid on capital debt and leases	(34,212,000)	(19,014,000)
Interest paid on capital debt and leases	<u>(10,224,000)</u>	<u>(4,855,000)</u>
Net cash provided (used) by capital financing activities	<u>718,000</u>	<u>(34,719,000)</u>
<i>Cash Flows from Investing Activities</i>		
Proceeds from sales and maturities of investments	104,300,000	169,266,000
Purchase of investments	(92,277,000)	(239,817,000)
Interest and dividends on investments	10,857,000	14,208,000
Net (increase) decrease in cash equivalents, noncurrent investments	<u>(2,132,000)</u>	<u>11,649,000</u>
Net cash provided (used) by investing activities	<u>20,748,000</u>	<u>(44,694,000)</u>
Net increase (decrease) in cash and cash equivalents	49,345,000	(51,237,000)
Cash and cash equivalents, beginning of year	<u>112,676,000</u>	<u>163,913,000</u>
Cash and cash equivalents, end of year	<u>\$ 162,021,000</u>	<u>\$ 112,676,000</u>

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<i>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</i>		
Operating loss	\$(417,633,000)	\$(380,068,000)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	54,587,000	49,010,000
Changes in assets and liabilities:		
Accounts receivable, net	(1,817,000)	(11,184,000)
Loans receivable, net	(71,000)	(263,000)
Inventories	(74,000)	150,000
Deposits and deferred expenditures	(358,000)	44,000
Accounts payable	996,000	(326,000)
Accrued payroll and related liabilities	2,444,000	4,409,000
Unemployment insurance and workers' compensation liability	(378,000)	(77,000)
Deferred revenue	2,596,000	1,461,000
Refundable advances under federal loan program	(75,000)	(147,000)
Compensated absences	3,117,000	1,559,000
Net cash used by operating activities	<u>\$(356,666,000)</u>	<u>\$(335,432,000)</u>
<i>Supplemental Noncash Activities Information</i>		
Capital assets acquired through capital leases	\$ 5,728,000	\$ 940,000
Loss on disposal of capital assets	\$ 1,403,000	\$ 2,750,000
Capital assets acquired by gifts	\$ 4,364,000	\$ 2,579,000

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 1 – Organization:

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

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

In the fall of 2002, Nevada State College at Henderson admitted its inaugural class and held its initial semester of classes.

The System is an agency of the State of Nevada (the “State”) and receives significant support from, and has significant assets held by, the State, as set forth in the accompanying financial statements. Not included in the financial statements of the System are organizations consisting of various alumni groups, fund raising foundations and athletic booster organizations. These organizations are nonprofit corporations controlled by separate Boards of Directors whose goals are to support various activities of the System. They receive funds primarily through donations and dues, and contribute funds to the various campuses for student scholarships, general academic support and program support to intercollegiate athletics. These organizations contributed a total of approximately \$20,657,000 and \$23,142,000 to the System during the years ended June 30, 2002 and 2001, respectively.

NOTE 2 – Summary of Significant Accounting Policies:

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

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (“GASB”), including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis of Public Colleges and Universities*, issued in June and November, 1999. While these Statements are scheduled for a phased implementation according to the size of the governmental unit, the System is required to adopt the Statements in the year of adoption by the State, and the State adopted the Statements on July 1, 2001.

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

Statement No. 35 requires the accrual or deferral of revenue associated with certain grants and contracts, the recognition of summer session revenues and expenses when earned or incurred, accounting for certain scholarship allowances as a reduction of revenue, and classification of federal refundable loans as a liability. Previously, excess receipts under certain grants and contracts were included in net assets when received, summer session revenues and expenses were reported in the fiscal year in which the summer session was predominantly conducted, all scholarship allowances were classified as an operating expense and federal refundable loans were included in net assets. In accordance with Statement No. 35, the cumulative effects of the accounting changes described above have been recorded as adjustments to the June 30, 2000 net assets as presented in the accompanying Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2001.

The System has elected to restate its 2001 financial statements to conform to the new financial statement presentation for purposes of presenting comparative information for the year ended June 30, 2002.

GASB Statement No. 37, *Basis Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*, were also adopted by the System on July 1, 2001. Statement No. 37 clarifies guidance to be used in preparing Management’s Discussion and Analysis and Statement No. 38 modifies, adds and deletes

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

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

various note disclosure requirements. The implementation of these two Statements had no effect on the System's net assets or changes in net assets for the year ended June 30, 2002.

BASIS OF ACCOUNTING

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

CASH EQUIVALENTS

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

INVESTMENTS

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

INVENTORIES

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

CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair market value at date of donation in the case of gifts. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are capitalized and depreciated. Accumulated depreciation is computed on a straight-line basis over the following estimated useful lives:

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

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

DEFERRED REVENUE

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

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

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 for the System are classified as follows:

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

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

Restricted net assets – expendable: Restricted expendable net assets include resources in which the System is obligated to spend the resources in accordance with restrictions imposed by external third parties.

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

OPERATING AND NONOPERATING REVENUES AND EXPENSES

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

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

SCHOLARSHIP ALLOWANCES

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

GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to scholarships and fellowships and grants-in-aid for faculty and staff benefits charged to the appropriate expenditure programs to which the applicable personnel relate. Grants-in-aid for fiscal 2002 and 2001 totaled \$5,042,000 and \$4,411,000, respectively.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

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

TAX EXEMPTION

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

USE OF ESTIMATES

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

NEW ACCOUNTING PRONOUNCEMENT

The GASB has issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, effective for years beginning July 1, 2003. Statement No. 39 will require the System's legally separate campus foundations and medical school practice plans to be presented discretely in the System's financial statements. At June 30, 2001, the date of the most recently available financial information, campus foundation and medical school practice plan net assets exceeded \$180 million.

NOTE 3 – Cash and Cash Equivalents:

Cash and cash equivalents are stated at cost, which approximates market, and consists primarily of deposits in money market funds, which are not federally insured. Restricted cash represents the unexpended proceeds of certain bond issuances which are accessible only through an independent trustee. These funds are periodically released by the trustee for use by the System to pay for certain assets under construction. Cash held by State Treasurer represents the funds from certain state appropriations, which were enacted to provide the System with the funds necessary for the construction of major assets. Such amounts are controlled by the Nevada Public Works Board. All of the above are included in cash and cash equivalents in the accompanying Statements of Cash Flows.

NOTE 4 – Investments:

Investments are stated at fair value. The historical cost and market value (fair value) of investments at June 30, 2002 and 2001 are as follows:

	<u>2002</u>		<u>2001</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$261,043,000	\$259,165,000	\$257,407,000	\$273,958,000
Stocks	27,584,000	29,946,000	40,198,000	46,825,000
U.S. Government bonds	761,000	801,000	1,237,000	1,264,000
Corporate bonds	1,131,000	1,191,000	1,130,000	1,144,000
Endowment cash and cash equivalents	3,739,000	3,739,000	1,109,000	1,109,000
Other investments (primarily private equity partnerships)	<u>72,330,000</u>	<u>83,603,000</u>	<u>70,681,000</u>	<u>79,615,000</u>
	<u>\$366,588,000</u>	<u>\$378,445,000</u>	<u>\$371,762,000</u>	<u>\$403,915,000</u>

Mutual funds consist of investments in shares of mutual funds with eight separate fund managers. Investments held by the various mutual funds, in the approximate proportions of the System's ownership of such mutual funds, as of June 30, 2002 were stocks (33%), U.S. Government bonds (30%), corporate bonds (8%), international securities (22%), and cash and equivalents (7%), and as of June 30, 2001 were stocks (37%), U.S. Government bonds (31%), corporate bonds (7%), international securities (24%), and cash equivalents (1%).

As of June 30, 2002, 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 \$19,223,000.

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

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 5 – Endowment Funds:

Approximately \$186,362,000 and \$246,053,000 of endowment fund investments at June 30, 2002 and 2001, respectively, are pooled on a unit market value basis. As of June 30, 2002, the endowment pool is comprised of investments in mutual funds (71%), stocks (11%), private equity partnerships (17%) and other investments (1%). As of June 30, 2001, the endowment pool is comprised of investments in mutual funds (68%), stocks (17%), private equity partnerships (14%) and other investments (1%). Each individual endowment fund acquires or disposes of units on the basis of the market value per unit on the preceding quarterly valuation date. The unit market value at June 30, 2002 and 2001 was \$356.55 and \$387.31, respectively.

The System utilizes a spending rule for its pooled endowments, which determines the endowment income to be distributed currently for spending. For the years ended June 30, 2002 and 2001, the endowment spending policy, as approved by the Board of Regents, authorized a distribution of 4.5% of the average unit market value for the previous twenty calendar quarters. Under the provisions of this spending rule, during 2002, \$15.63 was distributed to each time-weighted unit for a total spending rule distribution of \$9,876,000 and during 2001, \$14.27 was distributed to each time-weighted unit for a total spending rule distribution of \$9,029,000. The 2002 and 2001 distributions were made from investment income of \$4,819,000 and \$6,108,000, respectively, and \$5,057,000 and \$2,921,000, 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 \$77,575,000 and \$86,364,000 at June 30, 2002 and 2001, respectively and is available to meet future spending needs subject to the approval of the Board of Regents.

Nevada State law provides that a portion of total estate tax revenues collected by the State are appropriated for the System's permanent endowment. During the years ended June 30, 2002 and 2001, the System received \$15,076,000 and \$19,986,000, respectively from such appropriations. Subject to legislative approval, and the maintenance of minimum estate tax endowment fund balance, as defined by Nevada State law, the System may obtain a release of the permanent endowment restriction from the State for these funds. The amount released was reflected as a deduction from endowment funds and an addition to unrestricted funds in the accompanying financial statements. As of June 30, 2002 and 2001, the estate tax endowment fund balance was \$55,487,000 and \$120,735,000, respectively.

Effective July 1, 2001, the Legislature approved the release of the permanent endowment restriction for \$78,006,000 of estate tax endowment funds for certain unrestricted expenditures during the years ending June 30, 2002 and 2003.

NOTE 6 – Accounts and Loans Receivable:

Accounts receivable consist primarily of amounts due from students for tuition and fees and from local and private sources for grant and contract agreements. Accounts receivable are presented on the accompanying Statements of Net Assets net of allowances for uncollectible amounts of \$2,814,000 and \$2,324,000 as of June 30, 2002 and 2001, respectively.

Loans receivable from students bear interest primarily between 3% and 12% and are generally repayable in installments to the various campuses over a five to ten year period commencing nine months from the date of separation from the institution. A provision for possible uncollectible amounts is recorded on the basis of the various institutions' estimated future losses for such items. The loans receivable and corresponding allowance for uncollectible loan balances as of June 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Loans receivable	\$10,633,000	\$10,520,000
Less: Allowance for doubtful loans	<u>(619,000)</u>	<u>(649,000)</u>
Net loans receivable	10,014,000	9,871,000
Less current portion	<u>(1,804,000)</u>	<u>(1,506,000)</u>
Noncurrent loans receivable	<u>\$ 8,210,000</u>	<u>\$ 8,365,000</u>

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 7 – Capital Assets:

Capital asset activity for the years ended June 30, 2002 and 2001 is as follows:

	<u>2002</u>			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 48,795,000	\$ 31,036,000	\$ (44,701,000)	\$ 35,130,000
Land	36,773,000	9,334,000	(25,000)	46,082,000
Collections	3,884,000	400,000	-	4,284,000
Total capital assets, not being depreciated	<u>89,452,000</u>	<u>40,770,000</u>	<u>(44,726,000)</u>	<u>85,496,000</u>
Capital assets, being depreciated:				
Buildings	983,233,000	76,428,000	-	1,059,661,000
Land and improvements	62,916,000	5,390,000	-	68,306,000
Machinery and equipment	181,363,000	27,599,000	(13,887,000)	195,075,000
Library books and media	71,759,000	7,402,000	(2,239,000)	76,922,000
Total cost	<u>1,299,271,000</u>	<u>116,819,000</u>	<u>(16,126,000)</u>	<u>1,399,964,000</u>
Less accumulated depreciation for:				
Buildings	(243,215,000)	(23,609,000)	-	(266,824,000)
Land and improvements	(40,540,000)	(3,308,000)	-	(43,848,000)
Machinery and equipment	(118,314,000)	(19,354,000)	12,483,000	(125,185,000)
Library books and media	(53,778,000)	(8,316,000)	2,240,000	(59,854,000)
Total accumulated depreciation	<u>(455,847,000)</u>	<u>(54,587,000)</u>	<u>14,723,000</u>	<u>(495,711,000)</u>
Total capital assets being depreciated, net	<u>843,424,000</u>	<u>62,232,000</u>	<u>(1,403,000)</u>	<u>904,253,000</u>
Capital assets, net	<u>\$ 932,876,000</u>	<u>\$103,002,000</u>	<u>\$ (46,129,000)</u>	<u>\$ 989,749,000</u>
	<u>2001</u>			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 107,298,000	\$ 45,350,000	\$(103,853,000)	\$ 48,795,000
Land	35,890,000	883,000	-	36,773,000
Collections	3,820,000	64,000	-	3,884,000
Total capital assets, not being depreciated	<u>147,008,000</u>	<u>46,297,000</u>	<u>(103,853,000)</u>	<u>89,452,000</u>
Capital assets, being depreciated:				
Buildings	834,618,000	148,920,000	(305,000)	983,233,000
Land and improvements	61,156,000	3,604,000	(1,844,000)	62,916,000
Machinery and equipment	179,093,000	11,924,000	(9,654,000)	181,363,000
Library books and media	67,447,000	6,948,000	(2,636,000)	71,759,000
Total cost	<u>1,142,314,000</u>	<u>171,396,000</u>	<u>(14,439,000)</u>	<u>1,299,271,000</u>
Less accumulated depreciation for:				
Buildings	(219,655,000)	(23,585,000)	25,000	(243,215,000)
Land and improvements	(37,708,000)	(4,118,000)	1,286,000	(40,540,000)
Machinery and equipment	(109,084,000)	(16,931,000)	7,701,000	(118,314,000)
Library books and media	(52,113,000)	(4,376,000)	2,711,000	(53,778,000)
Total accumulated depreciation	<u>(418,560,000)</u>	<u>(49,010,000)</u>	<u>11,723,000</u>	<u>(455,847,000)</u>
Total capital assets, being depreciated, net	<u>723,754,000</u>	<u>122,386,000</u>	<u>(2,716,000)</u>	<u>843,424,000</u>
Capital assets, net	<u>\$ 870,762,000</u>	<u>\$168,683,000</u>	<u>\$(106,569,000)</u>	<u>\$ 932,876,000</u>

The estimated cost to complete property authorized or under construction at June 30, 2002 is \$208,743,000. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 8 – Long-Term Debt:

Long-term debt activity for the years ended June 30, 2002 and 2001 is as follows:

	Annual Interest Rate	Fiscal Year Final Payment Due	Beginning Balance	Additions	Reductions	Ending Balance	Current
University Revenue Bonds, Series 1991	5.70% to 8.25%	2002	\$ 355,000	\$ -	\$ (355,000)	\$ -	\$ -
Community College Refunding Revenue Bonds, Series 1993	3.00% to 4.75%	2002	250,000	-	(250,000)	-	-
University Superior Lien Refunding Revenue Bonds, Series 1997	4.50% to 6.00%	2007	10,275,000	-	(1,660,000)	8,615,000	1,750,000
Universities Subordinate Lien Revenue Bonds, Series 1992	3.95% to 6.70%	2008	1,840,000	-	(215,000)	1,625,000	230,000
Universities Revenue Bonds, Series 1995	3.95% to 5.25%	2011	1,030,000	-	(80,000)	950,000	85,000
Universities Revenue Bonds, Series 1992	6.20% to 6.40%	2014	1,390,000	-	(315,000)	1,075,000	335,000
Universities Refunding Revenue Bonds, Series 1994	4.00% to 5.60%	2014	20,620,000	-	(500,000)	20,120,000	905,000
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	7,015,000	-	(145,000)	6,870,000	155,000
Universities Refunding Revenue Bonds, Series 1993	4.12% to 5.00%	2015	6,375,000	-	(325,000)	6,050,000	340,000
Community College Revenue Bonds, Series 1996	3.80% to 5.70%	2017	1,030,000	-	(45,000)	985,000	45,000
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2021	14,500,000	-	-	14,500,000	120,000
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2021	27,385,000	-	-	27,385,000	915,000
SNSC Phase II Lease Revenue Bonds	7.58%	2023	-	8,460,000	-	8,460,000	-
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2030	14,605,000	-	-	14,605,000	175,000
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2032	-	19,200,000	-	19,200,000	-
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	-	31,000,000	-	31,000,000	-
Total Bonds Payable			106,670,000	58,660,000	(3,890,000)	161,440,000	5,035,000
Notes Payable			15,245,000	5,736,000	(2,471,000)	18,510,000	1,967,000
Total			\$121,915,000	\$64,396,000	\$(6,361,000)	\$179,950,000	\$7,022,000

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

2001

29

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 8 – Long-Term Debt (continued):

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

There are a number of limitations and restrictions contained in the various bond indentures. The System is in compliance with the terms, covenants, provisions and conditions of the various bond indentures as they relate to the payment of bond interest and principal when due and maintenance of insurance coverage.

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

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

	<u>Principal</u>	<u>Interest</u>
2003	\$ 7,022,000	\$ 9,045,000
2004	7,498,000	9,091,000
2005	11,018,000	8,601,000
2006	8,413,000	8,065,000
2007	8,631,000	7,612,000
2008-2012	38,077,000	31,129,000
2013-2017	35,510,000	21,817,000
2018-2022	32,475,000	12,999,000
2023-2027	15,480,000	7,123,000
2028-2032	<u>15,826,000</u>	<u>2,534,000</u>
Total	<u>\$179,950,000</u>	<u>\$118,016,000</u>

In September 2002, the System issued Universities Revenue Bonds, Series 2002B and Series 2002C of \$10,905,000 and \$8,150,000 respectively. The bonds bear interest from 4.00% to 5.50% and mature on various dates from 2004 to 2032. The bonds were issued primarily to fund the costs of constructing and acquiring certain student housing and dining facilities on the campus of the University of Nevada, Reno.

NOTE 9 – Obligations Under Capital Leases:

The System has entered into various non-cancellable lease agreements of land, buildings and improvements, and machinery and equipment expiring at various dates from fiscal year 2003 to 2012. Annual lease payments under these capital lease agreements range from \$2,000 to \$486,000.

The most significant capital lease agreement as of June 30, 2001 was for a fire science academy in Carlin, Nevada, expiring in 2019. Under the terms of the agreement, the System was obligated to make monthly lease payments of \$250,000 over the life of the lease. The System was also obligated to maintain the facility and to pay insurance and other costs of operating the facility. At the completion of the lease term, title to the land, buildings and improvements were to be transferred to the System. As further described in Note 13, the System has entered into a settlement agreement in relation to the litigation associated with this obligation.

Obligations under capital leases were as follows for the years ending June 30, 2002 and 2001:

	<u>2002</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$33,062,000</u>	<u>\$5,728,000</u>	<u>\$(27,851,000)</u>	<u>\$10,939,000</u>	<u>\$1,478,000</u>
	<u>2001</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$33,091,000</u>	<u>\$ 940,000</u>	<u>\$ (969,000)</u>	<u>\$33,062,000</u>	<u>\$3,994,000</u>

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 9 – Obligations Under Capital Leases (continued):

The following property included in the accompanying financial statements was leased under capital leases as of June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Buildings and improvements	\$ 4,600,000	\$30,389,000
Machinery and equipment	<u>9,194,000</u>	<u>5,471,000</u>
Total	13,794,000	35,860,000
Less accumulated depreciation	<u>(1,606,000)</u>	<u>(2,896,000)</u>
Total	<u>\$12,188,000</u>	<u>\$32,964,000</u>

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

2003	\$ 2,069,000
2004	1,878,000
2005	1,660,000
2006	1,466,000
2007	1,293,000
2008-2012	<u>5,604,000</u>
Total minimum lease payments	13,970,000
Less amount representing interest	<u>(3,031,000)</u>
Obligations under capital leases	<u>\$10,939,000</u>

Total interest expense under the capital leases and included in the accompanying financial statements was \$1,490,000 and \$2,795,000 during the years ended June 30, 2002 and 2001, respectively.

NOTE 10 – Other Noncurrent Liability Activity:

The activity with respect to other noncurrent liabilities for the years ended June 30, 2002 and 2001 was as follows:

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

	<u>2001</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Refundable advances under federal loans program	\$ 7,546,000	\$ 585,000	\$ (748,000)	\$ 7,383,000	\$ -
Compensated absences	23,105,000	19,471,000	(17,911,000)	24,665,000	17,371,000
Deferred revenue	<u>19,442,000</u>	<u>22,459,000</u>	<u>(19,771,000)</u>	<u>22,130,000</u>	<u>21,559,000</u>
Total	<u>\$50,093,000</u>	<u>\$42,515,000</u>	<u>\$(38,430,000)</u>	<u>\$54,178,000</u>	<u>\$38,930,000</u>

NOTE 11 – Extinguishment of Debt:

At June 30, 2002, debt in the amount of \$5,210,000 is considered to be extinguished through refunding of prior issues by a portion of the current issues. Sufficient proceeds were invested in state and local government securities and placed in escrow to assure the timely payment of the maturities of prior issues. Neither the debt nor the escrowed assets are reflected on the financial statements.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 12 – Pension Plans:

Substantially all permanent employees of the System are covered by retirement plans. Classified employees are covered by the State of Nevada Public Employees Retirement System ("PERS"), a cost-sharing multiple-employer public employee retirement system. Professional employees are covered under PERS or up to 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 2-1/2 percent of the employee's average compensation for each year of service up to 36 years, with a maximum of 90 percent for employees hired prior to July 1, 1985. The maximum is 75 percent if hired after July 1, 1985. All service earned after July 1, 2001, will be earned at the rate of 2.67 percent of pay for each year of service credit. Employees' average compensation is the average of the employee's highest compensation for 36 consecutive months. A diminished benefit is provided to all eligible employees upon early retirement, if such employees have achieved the years of service required for regular retirement. PERS also provides death and disability benefits. Benefits are established by State statute.

The authority for establishing and amending the obligation to make contributions is provided by statute. Contribution rates are also established by statute. Active employees contribute to PERS at a rate of either 10% or 0% of annual covered wages depending on the contribution option selected. The System is required to contribute to PERS at a rate of either 10% or 18.75% of annual covered wages, depending on the option selected by the employee. The System is not liable for any unfunded liabilities of PERS.

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

In addition to PERS, certain exempt employees have the option of participating in various retirement plans provided through the Teachers Insurance and Annuity Association and the College Retirement Equities Fund, 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, 2002, 2001 and 2000 was approximately \$41,357,000, \$37,490,000 and \$35,568,000, respectively equal to the required contribution for the year.

NOTE 13 – Contingent Liabilities:

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

Fire Science Academy. In 1997, the System entered into a lease agreement (the "Lease") with All Star Investments, LLC ("All Star") related to a fire science academy (the "Fire Science Academy") to be operated by the University of Nevada, Reno ("UNR"). Pursuant to the lease agreement, All Star was required to design, build and finance a turnkey facility for UNR's use as a firefighting training facility in Carlin, Nevada. The Lease, as amended, was a \$27 million lease-purchase agreement requiring monthly payments totaling \$3 million per year (principal and interest) for 20 years commencing on March 1, 1999. UNR opened the new Fire Science Academy in March 1999.

Subsequent to initial operation of the Fire Science Academy, UNR management became aware of potential environmental threats resulting from alleged inadequate design and construction of the facilities. UNR requested that All Star correct these alleged deficiencies; however, All Star refused to do so. On July 28, 2000, UNR determined that it could no longer continue burn classes without the possibility of further environmental contamination and student exposure to health risks, and accordingly, suspended all firefighting burn classes at the Fire Science Academy until such time as All Star would take action to correct the alleged design and construction deficiencies.

Because UNR could no longer operate the Fire Science Academy for the purposes for which it was designed, the System ceased making Lease payments in August 2000. On September 5, 2000, All Star sued the System for breach of contract, and on September 6, 2000, the System sued All Star claiming, among other items, defective construction, breach of warranties, misrepresentation and constructive eviction due to All Star's defective design and construction of the Fire Science Academy.

After execution of the Lease, All Star assigned its rights under the Lease to GMAC Commercial Mortgage Corporation ("GMAC"), which had provided All Star with the permanent financing for the construction of the Fire Science Academy. GMAC subsequently assigned its rights in the Lease to another party (collectively with GMAC, the "Lender Parties"), which sued the System on October 9, 2000 for breach of contract by failing to pay rent under the Lease.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

NOTE 13 – Contingent Liabilities (continued):

In October 2001, all parties to the above litigation reached agreements to dismiss all claims. Under the terms of the settlement agreements:

- All Star and its contractors (the "design/contractor parties") were required to deposit \$4.68 million into a trust account for repair of the facility and for any required environmental remediation. Repair and remediation of the facility commenced in August 2001. Payments from the trust account for the repair and remediation of the facility commenced in September 2001.
- All Star conveyed its ownership of the Fire Science Academy to UNR and relinquished any interest it had in the Lease.
- The Lender Parties to the litigation waived the default interest accrued, late charges and all other fees and penalties associated with the System's termination of Lease payments in August 2000.
- The System paid the Lender Parties a total of \$29,785,000 on March 21, 2002 to acquire the fee simple title to the Fire Science Academy, to discharge the Loan and Promissory Note, and to obtain a reconveyance and/or satisfaction or discharge of the Deed of Trust and Security Instrument. The payment to the Lender Parties was made from the proceeds of UNR's March 2002 issuance of Series 2002A bonds. The amounts owed on the Series 2002A bonds as of June 30, 2002 are \$31 million in principal and \$532,000 in accrued interest.
- By January 2002, the System learned that the monies deposited in the project trust fund would be insufficient to pay for completion of necessary modifications at the facility. By March 2002, the design/contractor parties estimated the costs to complete improvements to the facility were in excess of the monies deposited in the project trust fund by \$2,169,000. In March 2002, the System and the design/contractor parties entered into a supplemental agreement. Under the terms of the supplemental agreement, the System was to pay the first \$750,000 after exhaustion of the project trust fund. The System and the design/contractor parties were to share on a 50/50 basis the costs exceeding \$750,000 up to \$2,500,000. Except to the extent that the System requested improvements or modifications that were not contemplated by the parties, the design/contractor parties agreed to pay 100% of all costs exceeding \$2,500,000. As of June 30, 2002, a total of \$6.8 million had been paid for repair of the facility and required remediation, including \$4.68 million from the trust account described above and \$2.1 million from System funds. During May 2002, UNR reopened the Fire Science Academy.

The System's financial statements as of June 30, 2001 reflected a total of \$29 million of liabilities relating to the Fire Science Academy, including \$26.5 million included in capital lease obligations and \$2.5 million of accrued interest payable. As of June 30, 2002, the capital lease and accrued interest obligations have been eliminated under the terms of the settlement agreement described above.

NOTE 14 – Functional Classification of Expenses:

The following is the functional classifications of expenses as reported on the Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2002 and 2001:

<u>Expenses</u>	<u>2002</u>	<u>2001</u>
Instruction	\$312,064,000	\$276,334,000
Research	85,425,000	77,427,000
Public service	47,219,000	50,779,000
Academic support	64,366,000	62,678,000
Institutional support	94,247,000	89,231,000
Student services	58,111,000	51,756,000
Operation and maintenance of plant	67,946,000	56,517,000
Scholarships and fellowships	30,342,000	23,693,000
Auxiliary enterprises	51,587,000	50,154,000
Other expenditures	140,000	66,000
Depreciation	54,587,000	49,010,000
Total	<u>\$866,034,000</u>	<u>\$787,645,000</u>

(This Page Intentionally Left Blank)

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

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

We have audited the financial statements of the University and Community College System of Nevada (the "System") as of and for the year ended June 30, 2002, and have issued our report thereon dated October 4, 2002. Our report includes an explanatory paragraph regarding the System's July 1, 2001 adoption of Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, an amendment of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* as well as GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* as described in Note 2 to the System's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

(This Page Intentionally Left Blank)

To the Board of Regents of the
University and Community College System of Nevada
October 4, 2002
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the System in a separate letter dated October 4, 2002.

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.

Priscilla Handberg LLP

October 4, 2002

(This Page Intentionally Left Blank)

**REPORT OF INDEPENDENT ACCOUNTANTS 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
University and Community College System of Nevada

Compliance

We have audited the compliance of the University and Community College System of Nevada (the "System") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the System's management. Our responsibility is to express an opinion on the System's compliance based on our audit.

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

In our opinion, the System complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002. However, the results of our auditing procedures disclosed two instances of noncompliance with those requirements that 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 UNR #1 and UNR #2.

(This Page Intentionally Left Blank)

Internal Control Over Compliance

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

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

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

PricewaterhouseCoopers LLP

October 4, 2002

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES		AMOUNT OF EXPENDITURES									
FEDERAL CFDA NUMBER		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL	
MAJOR PROGRAMS											
10.001	Research and Development										
	U.S. Dept. of Agriculture										
	Agriculture Research Service										
	Ag. Research-Basic & Applied Res.	\$54,390								\$54,390	
	Passed Through										
	Biotech Res Dev Corp										
10.001	Ag. Research	287,111								287,111	
10.001	University of Arizona										
10.001	Ag. Research			\$27,477						27,477	
10.001	University of Illinois										
10.001	Ag. Research			1,159						1,159	
Total Agriculture Research Service		\$341,501	\$0	\$28,636	\$0	\$0	\$0	\$0	\$0	\$370,137	
Cooperative State Education & Extension Svc.											
10.200	Agriculture Research Grants	\$236,303	\$41,477							\$277,780	
10.203	Hatch Funds	833,206								833,206	
10.205	Payments to Land-Grant Colleges	458,984								458,984	
10.206	Grants for Ag Research	446,042	28,749							474,791	
10.207	Animal Health and Disease Research	104,598								104,598	
10.302	Initiative for Future Ag and Food Systems	213,814								213,814	
10.303	Integrated Programs	74,898								74,898	
10.500	Cooperative Extension Service	22,683		\$68,327						91,010	
	Passed Through										
10.200	University of California-Davis										
	Grants for Ag Research	37,500								37,500	
10.206	University of Florida										
	Algal Response			62,236						62,236	
10.215	Utah State University										
10.500	Sustainable Ag. Research	2,005								2,005	
	Cooperative Extension Service	458								458	
10.206	Michigan State University	25,000								25,000	
	Grants Ag. Research										
10.206	George Mason University	1,461								1,461	
	Grants for Ag Research										
10.224	New Mexico University	11,742								11,742	
	Fund for Rural America										
	University of Kentucky										
10.500	Cooperative Extension Service	28,773								28,773	
Total Cooperative State Education & Extension Svc.		\$2,497,467	\$70,226	\$130,563	\$0	\$0	\$0	\$0	\$0	\$2,698,256	
Economic Research Service											
10.250	Agricultural & Rural Economic Research	\$1,187								\$1,187	
	Passed Through										
10.250	University of California-Davis	20,633								20,633	
	Agricultural & Rural Economic Research										
Total Economic Research Service		\$21,820	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,820	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Food & Consumer Nutrition												
Passed Through												
NV Dept of Human Resources	10.564	\$245,854									\$245,854	
Nutrition Education and Training Program												
Purdue University	10.564	31,321									31,321	
Nutrition Education and Training Program												
Total Food & Consumer Nutrition		\$277,175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$277,175	
Forest Service												
Road Effects on Watershed	10.600			\$152							\$152	
Heavenly Pine Marten	10.600			18,598							18,598	
Forestry Research	10.652	\$119,979	\$630,888	804							751,671	
Cooperative Forestry Assistance	10.664	20,892									20,892	
Passed Through												
University of Arizona												
Forestry Research	10.652			13,315							13,315	
Nevada Dept of Transportation												
Erosion Control	10.600			69,431							69,431	
Nevada Conservation District												
Round Hill BPM	10.600			2,225							2,225	
UNR												
Water Samples	10.600			13,050							13,050	
Blomass Management	10.664			229							229	
Tahoe Regional Plan												
Urban Runoff BMP	10.600			11,865							11,865	
NV Dept of Conservation/Natural Resources												
Forestry Research	10.652	12,030									12,030	
Cooperative Forestry Assistance	10.664	37,724									37,724	
Total Forest Service		\$190,625	\$630,888	\$129,669	\$0	\$0	\$0	\$0	\$0	\$0	\$951,182	
Total U.S. Dept. of Agriculture		\$3,328,588	\$701,114	\$288,868	\$0	\$0	\$0	\$0	\$0	\$0	\$4,318,570	
U.S. Dept. of Commerce												
Economic Development Administration												
Center for Economic Development	11.303	\$109,940		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,940	
Total Economic Development Administration		\$109,940	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,940	
National Institute Standards & Tech.												
Manufacturing Extension Partnership	11.611								\$1,014,284		\$1,014,284	
Filter Analysis	11.609			\$7,404							7,404	
Gravimetry Analysis	11.612			20,320							20,320	
Passed Through												
Industry Network Corp												
Manufacturing Extension Partnership	11.611								19,592		19,592	
State of Maine												
Manufacturing Extension Partnership	11.611								131,181		131,181	
UCCSN												
Manufacturing Extension Partnership	11.611	\$24,877									24,877	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Total National Institute Standards & Tech.		\$24,877	\$0	\$27,724	\$0	\$0	\$0	\$0	\$1,165,057	\$0	\$1,217,658	
National Oceanic & Atmospheric Administration Climate & Atmospheric Research CIASTA	11.431 11.432	\$19,308		\$162,866 3,454,973							\$182,174 3,454,973	
Passed Through Univ of Utah												
IPEX	11.431			50,996							50,996	
Univ of Corp Atmos Res												
UCAR Snowfall QPF	11.431			2,902							2,902	
Univ. of California, San Diego												
Fire Weather	11.431			28,366							28,366	
University of Alaska												
Environmental Research	11.431			16,758							16,758	
Artic Ecosystems	11.432			74,955							74,955	
Total National Oceanic & Atmospheric Admin.		\$19,308	\$0	\$3,791,816	\$0	\$0	\$0	\$0	\$0	\$0	\$3,811,124	
Total U.S. Dept. of Commerce		\$154,125	\$0	\$3,819,540	\$0	\$0	\$0	\$0	\$1,165,057	\$0	\$5,138,722	
U.S. Dept. of Defense												
Dept. of the Army, Office of the Chief of Engineers												
Planning Assistance to States	12.110	\$53,777									\$53,777	
Collaborative R&D	12.114	319,475		\$36,230							355,705	
Passed Through												
Huffman & Carpenter												
Collaborative R&D	12.114			2,953							2,953	
TRC Environmental Corp												
Collaborative R&D	12.114			13,451							13,451	
Parsons												
Collaborative R&D	12.114		\$7,503								7,503	
West Virginia University Research Fdn.												
Collaborative Research and Development	12.114	7,854									7,854	
Total Dept. of the Army, Office Chief of Engineers		\$381,106	\$7,503	\$52,634	\$0	\$0	\$0	\$0	\$0	\$0	\$441,243	
Office of the Chief of Naval Research												
Basic & Applied Scientific Research	12.300	\$436,666	\$239,181	\$320,546							\$996,393	
Passed Through												
AAA Inc												
Basic & Applied Scientific Research	12.300		100,658								100,658	
UNR												
Basic & Applied Scientific Research	12.300		32,271	138,749							171,020	
Total Office of the Chief of Naval Research		\$436,666	\$372,110	\$459,295	\$0	\$0	\$0	\$0	\$0	\$0	\$1,268,071	
U.S. Army Materiel Command												
Basic Scientific Research	12.431		\$271	\$878,724							\$878,995	
Military Medical R&D	12.420		147,164								147,164	
Passed Through												
Univ of Utah												

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Basic Scientific Research	12.431			194,556							194,556	
CHARIS												
Basic Scientific Research	12.431			60,138							60,138	
Total U.S. Army Material Command		\$0	\$147,435	\$1,133,418	\$0	\$0	\$0	\$0	\$0	\$0	\$1,280,853	
Office of Secretary of Defense												
Basic Applied & Advanced Research	12.630	\$204,531	\$73,637	\$518,311							\$796,479	
Total Office of Secretary of Defense		\$204,531	\$73,637	\$518,311	\$0	\$0	\$0	\$0	\$0	\$0	\$796,479	
Dept. of the Air Force, Material Command												
Defense Research Sciences Program	12.800	\$201,537		\$875,169							\$1,076,706	
Passed Through												
TASC, Inc												
Air Force Defense Research Sciences Program	12.800		\$157								157	
Sierra Engineering												
Air Force Defense Research Sciences Program	12.800	3,291									3,291	
University of New Mexico												
Air Force Defense Research Sciences Program	12.800	80,809									80,809	
ETECH Inc												
Air Force Defense Research Sciences Program	12.800		12,350								12,350	
Total Dept. of the Air Force, Material Command		\$285,637	\$12,507	\$875,169	\$0	\$0	\$0	\$0	\$0	\$0	\$1,173,313	
Defense Advanced Research Projects Agency	12.900											
Language Grant Program	12.910		(\$15,958)								(\$15,958)	
Research & Technology Development			113,984								113,984	
Total Defense Advanced Research Projects Agency		\$0	\$98,026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,026	
Total U.S. Dept. of Defense		\$1,307,940	\$711,218	\$3,038,827	\$0	\$0	\$0	\$0	\$0	\$0	\$5,057,985	
U.S. Dept. of Education												
Office of Vocational & Adult Education												
Passed Through												
Nevada Department of Education	84.048		\$88,957								\$88,957	
Vocational Education Basic Grants to States												
Total Office of Vocational & Adult Education		\$0	\$88,957	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,957	
Office of Elementary & Secondary Education												
Passed Through												
Nevada Department of Education	84.281	\$1,319									\$1,319	
Eisenhower Professional Development State Grants												
UCCSN	84.168			\$2,341							2,341	
EPSCoR Office Space	84.281	10,912	\$16,083	19,336							46,331	
Eisenhower Professional Development State Grants												
Total Office of Elementary & Secondary Education		\$12,231	\$16,083	\$21,677	\$0	\$0	\$0	\$0	\$0	\$0	\$49,991	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL	
Office of Post Secondary Education Preparing Tomorrow's Teachers to Use Technology Passed Through Evergreen State Univ Preparing Tomorrow's Teachers to Use Technology	84.342		\$23,538							\$23,538	
		\$0	\$23,538	\$0	\$0	\$0	\$0	\$0	\$0	\$23,538	
Total Office of Post Secondary Education											
Office of Special Education & Rehabilitative Services Special Education-Children with Disabilities Passed Through Nevada Department of Human Resources Spec Ed Grants for Infants and Families with Disabilities	84.324		\$73,101							\$73,101	
Total Office of Special Ed. & Rehabilitative Services											
Total U.S. Dept. of Education											
Federal Emergency Management Agency Passed Through UNR Emergency Management Performance Grants	83.552		\$21,118							\$21,118	
Total Emergency Management Agency											
U.S. Dept. of Energy Used Energy-Related Laboratory Equip Energy Related Inventions State Energy Program Office of Science Financial Assistance Program Scientific & Technical Information Nuclear Waste Disposal Siting Conservation Research & Development Renewable Energy Research & Development Fossil Energy Research and Development Science & Tech for Environmental Mgmt Epidemiology & Other Health Studies Financial Asst. Prog Stewardship Science Grant Program Energy Efficiency & Renewable Energy Info. Solar Energy Partnership Support and Barrier Elim. State Energy Program Special Projects Passed Through AEA Technology Tech Hydro Support ATS Ohio River Valley Bechtel Nevada Office of Science Financial Assistance Program Nuclear Waste Disposal Siting	81.022	\$698,682								\$698,682	
	81.036	124,996								124,996	
	81.041	76,485							\$191,708	268,193	
	81.049	206,235	\$3,161,568	\$391,941						3,759,744	
	81.064	142,011								142,011	
	81.065		9,403,528							9,403,528	
	81.086	261,104								261,104	
	81.087	2,057,685								2,288,920	
	81.089		231,235						767,670	767,670	
	81.104	329,915		4,871,350						7,062,000	
	81.108		3,435,890							3,435,890	
	81.112		2,034,948						899,151	2,934,099	
	81.117	112,312								112,312	
	81.118	390,830								390,830	
	81.119	6,182								6,182	
		81.049			845						845
	81.049			86,595						86,595	
	81.049			15,621						87,884	
	81.065	9,500	72,263							9,500	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM
Corp for Solar Tech & Renewable Resources (CSTRR)	81.087		(3,576)						(3,576)
Renewable Energy Research & Development									
Cornell University	81.112	13,828							13,828
Stewardship Science Grant Program									
DRI									
State Energy Program	81.041	1,593							1,593
Office of Science Financial Assistance Program	81.049		7,534						7,534
Nuclear Waste Disposal Siting	81.065	1,985	511						2,496
Conservation Research & Development	81.086	17,239							17,239
ERDA									
Vadose Zone	81.049			38,503					38,503
GE Energy & Environment Research Corp									
Fine Particle Emission	81.049			114,523					114,523
Lawrence Livermore National Lab									
Fossil Energy Research & Development	81.089		45,212						45,212
Office of Science Financial Assistance Program	81.049	3,492	26,708						30,200
State Energy Program Special Projects	81.119	36,847							36,847
Lincoln Co. Nevada									
Energy Task Force	81.081	133							133
Los Alamos National Lab									
Office of Science Financial Assistance Program	81.049		19,640	69,955					89,595
Office of Scientific & Technical Info.	81.064	21,691							21,691
Renewable Energy Research & Development	81.087	82,921							82,921
Mactec									
Analog Study	81.049			74,586					74,586
Midwest Research Institute									
Energy Efficiency & Renewable Energy Info.	81.117	5,042							5,042
National Energy Management Institute									
Office of Science Financial Assistance Program	81.065		131,633						131,633
National Renewable Energy Lab									
Gas/Diesel Study	81.049			376,334					376,334
Diesel Samples	81.087			113,800					113,800
Nevada Agency of Nuclear Projects									
Nuclear Waste Disposal Siting	81.065		227,376						227,376
Nevada Department of Business and Industry									
Office of Science Financial Assistance Program	81.049	19,636							19,636
NTS Development									
Nuclear Waste Disposal Siting	81.065		13						13
Nye County NV									
Nuclear Waste Disposal Siting	81.065	41,059							41,059
Ohio State Univ. Research Foundation									
Office of Science Financial Assistance Program	81.049	24,476							24,476
Energy Efficiency & Renewable Energy Info.	81.117	(4,776)							(4,776)
Pacific Northwest									
Aerosol Absorption	81.049			1,991					1,991
Oak Ridge									
Lockheed	81.049			47,083					47,083
Paragon									
Analysis	81.049			12,825					12,825
Sandia National Lab									
State Energy Program	81.041	7,034							7,034

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	
Nuclear Waste Disposal Siting	81.065		675						675
Conservation Research & Development	81.086	104,509							104,509
Science & Engineering Association									
Science & Technology for Environmental Management	81.104		10,732						10,732
Smithsonian									
Conservation Research & Development	81.086	12,688							12,688
Stanford Res Institute									
Vehicle Exhaust	81.049			9,698					9,698
Technical Associates									
Nuclear Waste Disposal Siting	81.065		65,545						65,545
TRW Env Safety Systems Inc.									
Nuclear Waste Disposal Siting	81.065	(335)							(335)
UCCSN									
State Energy Program	81.041	31,746	140,660						172,406
Fossil Energy Research & Development	81.089	246,579	264,274						510,853
Stewardship Science Grant Program	81.112	221	199,057						199,278
UNR									
Basic Energy Sciences-Univ. & Sci. Ed.	81.049			109,343					109,343
Geothermal Systems	81.087			5,692					5,692
Epscor TCP	81.089			258,665					258,665
UNLV									
Office of Science Financial Assistance Program	81.049	833							833
Nuclear Waste Disposal Siting	81.065	4,011,595		636,240					4,647,835
Univ. of California San Diego									
Accelerated Climate	81.049			40,871					40,871
Univ. of Alabama									
Sinusalal Aquifer	81.049			322					322
Univ. of Chicago									
Office of Science Financial Assistance Program	81.029		19,264						19,264
UT-Battelle, LLC									
Conservation Research & Development	81.086	68,392							68,392
Vehicle Projects LLC									
Conservation Research & Development	81.086	7,123							7,123
Renewable Energy Research & Development	81.087	5,214							5,214
VITEX Inc									
Office of Science Financial Assistance Program	81.049		21,392						21,392
Washington GRP									
Office of Science Financial Assistance Program	81.049			10,784					10,784
West Area Power Administration									
Energy Efficiency & Renewable Energy Info.	81.117	8,442							8,442
West Virginia University									
E-55/E-59	81.049			99,659					99,659
Total U.S. Dept. of Energy		\$9,185,144	\$21,376,817	\$7,387,226	\$0	\$0	\$0	\$0	\$39,807,716
Environmental Protection Agency									
Office of Air & Radiation									
Ambient Air Monitoring	66.001			\$25,179					\$25,179
Passed Through									
Central Region Air Planning				24,718					24,718
Visibility Base	66.001								

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	
Environ Mobile 6 Hwy	66.001			10,265					10,265
HUALAPAI Tribe Air Quality	66.001			98,915					98,915
UNR Lake Samples	66.001			13,365					13,365
Harvard University Ambient Sampling	66.001			33,121					33,121
Texas Natural Resource CC PM 2.5 Training	66.001			166,173					166,173
UTX Ep Lab Analysis	66.001			11,524					11,524
State of Oklahoma PM 2.5 Training	66.001			11,252					11,252
University of Washington Lab Analysis	66.001			17,946					17,946
State of Texas PM 2.5 Training	66.001			268,795					268,795
State of Washington Columbia River Gorge	66.001			5,924					5,924
State of Idaho Idaho Dust	66.001			148,304					148,304
Total Office of Air & Radiation		\$0	\$0	\$835,481	\$0	\$0	\$0	\$0	\$835,481
Office of Water Water Quality Cooperative Agreements Passed Through California State Water Resource Squaw Creek	66.463	\$5,351							\$5,351
NV Department of Human Resources State Underground Water Source Protection	64.419			\$54,250					54,250
NV Department of Conservation & Nat Resources Wetlands Protection-Development	66.433	23,519							23,519
Pyramid Lake Paiute Tribe Water Quality Cooperative Agreements	66.461	61,475							61,475
Southern Nevada Water Authority Wetlands Grants	66.463	37,812							37,812
	66.461		\$43,061						43,061
Total Office of Water		\$128,157	\$43,061	\$54,250	\$0	\$0	\$0	\$0	\$225,468
Office of Prevention Pest & Toxic Substances Passed Through Leland Stanford Jr. University Pollution Prevention	66.708	\$58,339							\$58,339
Total Office of Prev. Pest & Toxic Sub		\$58,339	\$0	\$0	\$0	\$0	\$0	\$0	\$58,339
Office of Solid Waste & Emergency Response Fresno-Phase II Passed Through Battelle	66.807			\$69,197					\$69,197

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES								TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	
Fresno Project	66.807			(12)						(12)
State of Nevada										
Kerr McGee Database	66.807			37,700						37,700
Washington University										
St. Louis Suprsite	66.807			106,751						106,751
SAIC										
Landfill Cover Study	66.808			25,957						25,957
Total Office of Solid Waste & Emer. Response		\$0	\$0	\$239,593	\$0	\$0	\$0	\$0	\$0	\$239,593
Office of Administration										
Surveys, Studies, Investigations, and Special Purpose	66.606	\$9,728								\$9,728
Training & Fellowships for the EPA	66.607	5,685	\$116,004							121,689
Total Office of Administration		\$15,413	\$116,004	\$0	\$0	\$0	\$0	\$0	\$0	\$131,417
Office of Research & Development										
Environ Protection-Consol. Res.	66.500	\$22,809	\$91,443						\$152,730	\$266,982
Passed Through										
City of Las Vegas										
Environmental Protection Consolidated Research	66.500		21,205							21,205
Clark County										
Environmental Protection Consolidated Research	66.500		80							80
Harvard										
Lab Analysis	66.500			\$11,645						11,645
TETRA Tech										
Tech Nutrient Data	66.500			6,050						6,050
Washoe Storey Conservation										
Environ Protection-Consol. Res.	66.500	457								457
WESTAR										
Dust Depo Base	66.500			19,513						19,513
McGinnis										
Air Quality	66.500			2,350						2,350
Miami University										
Environ Protection-Consol. Res.	66.500	33,660								33,660
Penn State University										
Environmental Protection Consolidated Research	66.500		475							475
UCCSN										
Environ Protection-Consol. Res.	66.500	35,557	76,163	2,370						114,090
Total Office of Research & Development		\$92,483	\$189,366	\$41,928	\$0	\$0	\$0	\$0	\$152,730	\$476,507
Total Environmental Protection Agency		\$294,392	\$348,431	\$1,171,252	\$0	\$0	\$0	\$0	\$152,730	\$1,966,805
U.S. Dept. of Health & Human Services										
Administration on Aging										
Passed Through										
NV Department of Human Resources	93.043	\$2,703								\$2,703
Special Programs for the Aging -F	93.044	115,000								115,000
Special Programs for the Aging -B										
Special Programs for the Aging-D	93.046	6,665								6,665

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
National Family Caregiver Support Program UNR	93.052	71,094										71,094
National Family Caregiver Support	93.052		\$6,851									6,851
Total Administration on Aging		\$195,462	\$6,851	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,313
Center for Disease Control Injury Prevention & Control Research Assistance Programs for Chronic Disease Passed Through	93.136 93.945	\$459,938 136,002										\$459,938 136,002
Albuquerque Center for Disease Control State Capacity Building	93.240		\$588									588
Agency for Occupational Environmental Clinics Centers for Disease Control & Prev Invest & Tech Asst	93.283		41,566									41,566
Assoc. Teachers of Prev Medicine Investigations and Technical Assistance	93.283	14,118										14,118
NV Department of Human Resources Investigations & Technical Assistance	93.283	141,399										141,399
Total Center for Disease Control		\$751,457	\$42,154	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$793,611
Health Resources & Services Administration Emergency Medical Services for Children Rural Telemedicine Grants Health Care and Other Facilities Passed Through	93.127 93.211 93.887	\$23,286 \$49,953 95,199										\$23,286 49,953 95,199
Nevada Department of Human Resources HIV Care Formula	93.917	36,004										36,004
Total Health Resources & Services Admin.		\$59,290	\$145,152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$204,442
Substance Abuse and Mental Health Knowledge Development and Application (kd&a) Prog Passed Through	93.230	\$215,658										\$215,658
Nevada Department of Human Resources Prevention & Treatment of Substance Abuse	93.959	142,395										142,395
Total Substance Abuse and Mental Health		\$358,053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$358,053
Administration for Child and Families Passed Through												
Nevada Dept of Human Resources Promoting Safe & Stable Families Child Care and Development	93.556 93.575	\$38,843 304,245										\$38,843 304,245
Total Administration for Children and Families		\$343,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$343,088
National Institutes of Health Environmental Health Hazards Biometry & Risk Estimation Deafness & Communication Disorders	93.113 93.115 93.173	\$63,007 538,644 32,378										\$63,007 538,644 32,378

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM
Alcohol Research	93.273	144,815							144,815
Drug Abuse Research	93.279	393,987							443,711
Nursing Research	93.361	19,539	\$49,724						19,539
Biomedical Technology	93.371	237,087							237,087
Research Infrastructure	93.389	2,034,213							2,191,022
Academic Research Enhancement Fund	93.390		69,819						69,819
Cancer Cause & Prevention	93.393	1,020,596							1,020,596
Cancer Biology Research	93.396	105,072							105,072
Cancer Research Manpower	93.398	116,246							116,246
Cell Biology & Biophysics Research	93.821	258,256							258,256
Heart & Vascular Diseases	93.837	1,481,622							1,481,622
Lung Diseases	93.838	430,240							430,240
Blood Diseases and Resources Research	93.839	80,966							80,966
Arthritis, Musculoskeletal & Skin Diseases Research	93.846	732,781							732,781
Diabetes, Endocrinology & Metabolism	93.847	455,136							455,136
Digestive Diseases	93.848	2,227,199							2,227,199
Neurosciences & Neurological Disorders	93.853	162,177							162,177
Microbiology & Infectious Diseases	93.856	1,375,847							1,375,847
Pharm., Physiology, Biological Research	93.859	230,150							230,150
Research for Mothers & Children	93.865	339,045							339,045
Aging Research	93.866	90,391							90,391
Vision Research	93.867	176,356							176,356
Minority Access to Research Grants	93.880		18,058						18,058
Fogarty International Research Collaboration Award	93.934	14,988							14,988
Passed Through									
UCCSN									
Research Infrastructure	93.389	186,125							186,125
University of Colorado									
Lung Diseases Research	93.838	7,874							7,874
Harbor-UCLA Research & Education Inst.									
Allergy Immunology & Trans. Res.	93.855	63,806							63,806
Microbiology & Infectious Diseases	93.856	200,913							200,913
Sierra Biomedical Research Corp									
Kidney Diseases, Urology & Hematology	93.849	64,617							64,617
University of Louisville									
Biological Basis Research in Neurosciences	93.854	(11,183)							(11,183)
Genetics & Developmental Biology	93.862	514,057							514,057
Wake Forest University									
Aging Research	93.866	27,261							27,261
Georgia Tech Univ									
Cancer Biology Research	93.396	107,910							107,910
Indiana University									
Biological Basis Research in Neurosciences	93.854	13,600							13,600
Total National Institutes of Health		\$13,935,718	\$137,601	\$0	\$0	\$0	\$0	\$0	\$156,809
Total U.S. Dept. of Health & Human Services		\$15,643,068	\$331,758	\$0	\$0	\$0	\$0	\$0	\$16,131,635
U.S. Dept. of Housing & Urban Development									
Community Planning & Development									
Community Development Block Grant	14.228	\$884,224							\$884,224

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Total Community Planning & Development		\$884,224	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$884,224	
Total U.S. Dept. of Housing & Urban Development		\$884,224	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$884,224	
U.S. Dept. of the Interior				\$395,105							\$395,105	
Bureau of Land Management	15.200										187,545	
Climate Monitoring	15.222	\$170,997	\$16,548								14,460	
Cooperative Inspection Agreements	15.224	10,247	4,213								3,450	
Cultural Resource Management	15.225	3,450									15,447	
Recreation Resource Management	15.228	15,447									3,356	
CEFA Infrastructure											56,096	
Passed Through											30,959	
Scripps	15.200			3,356								
Climate Monitoring												
Charis	15.200			56,096								
Climate Monitoring												
URS Greiner	15.200			30,959								
Wave Measurement												
Total Bureau of Land Management		\$200,141	\$20,761	\$485,516	\$0	\$0	\$0	\$0	\$0	\$0	\$706,418	
Bureau of Reclamation				\$143,749							\$143,749	
Walker River	15.500										71,300	
Reclamation & Water Reuse Program	15.504	\$71,281	\$19								218,220	
Water Desalination Research & Development	15.506	22,161	196,059									
Passed Through												
Rapid Creek Research	15.500			13,060							13,060	
Rapid Creek Research												
Fernley	15.504			144,916							144,916	
Reclamation & Water Reuse Program												
URS Corp	15.506	4,263									4,263	
Water Desalination Research & Dev Program												
Total Bureau of Reclamation		\$97,705	\$196,078	\$301,725	\$0	\$0	\$0	\$0	\$0	\$0	\$595,508	
U.S. Fish & Wildlife Service				\$84,954							\$15,812	
Sport Fish Restoration	15.605	\$15,812									84,954	
Wildlife Restoration	15.600	502,641									502,641	
Fish and Wildlife Management Assistance	15.608	446,477									446,477	
Wildlife Restoration	15.611											
Passed Through												
State of Nevada	15.608		\$5,969								5,969	
Management Assistance												
State of Alaska Fish & Game	15.605	56,562									56,562	
Sport Fish Restoration												
Total U.S. Fish & Wildlife Service		\$1,021,492	\$5,969	\$84,954	\$0	\$0	\$0	\$0	\$0	\$0	\$1,112,415	
Geological Survey	15.800			\$34,293							\$34,293	
Analysis & Sampling	15.805		\$29	138,897							138,926	
State Water Resources Res. Inst.	15.807	\$394,970									394,970	
Earthquake Hazards Reduction Prog.	15.808	209,993	429,417	30,537							669,947	
Research & Data Acquisition												

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
National Spatial Data Infrastructure	15.809		119,329								119,329	
National Cooperative Geologic Mapping Passed Through	15.810	125,472									125,472	
UCCSN												
Assistance to State Water Resources Res Institutes	15.805	8,609									8,609	
US Geological Survey-Research and Data Acquisition	15.808	20,862									20,862	
San Diego State University												
Research & Data Acquisition	15.808			9,426							9,426	
UCSD												
Research & Data Acquisition	15.808			9,340							9,340	
Clark County Nevada												
National Cooperative Geologic Mapping Program	15.810	1,450									1,450	
Total Geological Survey		\$761,356	\$548,775	\$222,493	\$0	\$0	\$0	\$0	\$0	\$0	\$1,532,624	
National Park Service												
Research & Analysis	15.900			\$677,690							\$677,690	
Historic Pres. Fund Grants-In-Aid	15.904		\$17,979								17,979	
Technical Preservation Sciences	15.915		371,128								371,128	
Outdoor Recreation-Acquisition., Dev & Planning	15.916	\$1,208									1,208	
National Center for Preservation Tech & Training	15.923		12,120								12,120	
Passed Through												
State of Nevada												
Historic Preservation Fund	15.904		16,338								16,338	
Disposal of Federal Real Property	15.918		6,232								6,232	
Total National Park Service		\$1,208	\$423,797	\$677,690	\$0	\$0	\$0	\$0	\$0	\$0	\$1,102,695	
Total U.S. Dept. of the Interior		\$2,081,902	\$1,195,380	\$1,772,378	\$0	\$0	\$0	\$0	\$0	\$0	\$5,049,660	
U.S. Dept. of Justice												
Federal Bureau of Investigation	16.000			\$43,759							\$43,759	
Justice Expert Witness	16.301		\$67,541								67,541	
Law Enforcement Assistance-FBI Crime Lab Support												
Total Federal Bureau of Investigation		\$0	\$67,541	\$43,759	\$0	\$0	\$0	\$0	\$0	\$0	\$111,300	
Bureau of Justice Statistics												
Passed Through												
AIDA												
National Criminal History Improvement Prog (NCHIP)	16.554		\$1,550								\$1,550	
Total Bureau of Justice Statistics		\$0	\$1,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,550	
National Institute of Justice												
Justice Research, Evaluation & Development	16.560		\$19,721								\$19,721	
Passed Through												
ABT Associates												
Justice Research, Evaluation & Development	16.560		25,473								25,473	
Total National Institute of Justice		\$0	\$45,194	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,194	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Office of Justice Program	16.590		\$85,476								\$85,476	
Passed Through												
National Opinion Research Center												
Arrest Policies and Enforcement of Protection Orders												
Total Office of Justice Program		\$0	\$85,476	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,476	
Total U.S. Department of Justice		\$0	\$199,761	\$43,759	\$0	\$0	\$0	\$0	\$0	\$0	\$243,520	
U.S. Department of Labor	17.261 17.700		\$59,971								\$59,971	
Employ & Training Admin Pilot, Demos & Res Projects											5,291	
Women's Special Employment Assistance												
Total U.S. Department of Labor		\$0	\$65,262	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,262	
Agency for International Development	19.000			\$41,084							\$41,084	
Passed Through												
Chemonics												
Chemonics Cairo Egypt												
Total Agency for International Development		\$0	\$0	\$41,084	\$0	\$0	\$0	\$0	\$0	\$0	\$41,084	
National Aeronautics & Space Administration	43.001 43.002											
Aerospace Education Service Program												
Technology Transfer		\$386,295 103,319	\$198,171	\$379,122					\$292,719		\$679,014 680,612	
Passed Through												
UCCSN												
Aerospace Education Services Program	43.001	196,400	45,658								242,058	
Space Grant	43.002			181,301							181,301	
College of Holy Cross												
Aerospace Education Services Program	43.001	34,207									34,207	
Environmental Robots Inc												
Aerospace Education Services Program	43.001	825									825	
UNR												
Aerospace Education Services Program	43.002			17,378							17,378	
Jet Propulsion Lab												
Aerospace Education Services Program	43.001	76,900									76,900	
Space Telescope Science Inst.												
Aerospace Education Services Program	43.001	5,458									5,458	
Tufts University												
Aerospace Education Services Program	43.001	5,524									5,524	
University of Arizona												
Technology Utilization	43.002			99,682							99,682	
Research Foundation Suny												
Aerospace Education Service Program	43.001	15,774									15,774	
Lockheed Martin												
Aerospace Education Services Program	43.001	1,554									1,554	
Marist College												
Technology Utilization	43.002			21,937							21,937	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Total National Aeronautics & Space Admin.		\$826,256	\$243,829	\$699,420	\$0	\$0	\$0	\$0	\$292,719	\$2,062,224		
National Science Foundation												
Engineering Grants	47.041	\$3,217,965	\$204,587							\$3,422,552		
Mathematical & Physical Sciences	47.049	716,092	377,682						\$164,100	1,257,874		
Geosciences	47.050	479,379	13,966	\$1,156,940						1,650,285		
Computer & Info. Sci. & Engineering	47.070	325,632	47,396						1,583,573	1,956,601		
Biological Sciences	47.074	588,526	785,868	1,293,811					33,646	2,701,851		
Social, Behavioral, & Economic Sciences	47.075	204,369	56,265							260,634		
Education & Human Resources	47.076	148,926	635	89,629					206,268	445,458		
Polar Programs	47.078	215,978	28,603	654,093						898,674		
Passed Through												
Arizona State University												
Mathematical & Physical Science	47.049		2,630							2,630		
Computer and Information Science and Engineering	47.070	663	1,551							2,214		
University Corp. Atmosphere Research												
Geosciences	47.050	41,573		45,488						87,061		
DRI												
Biological Sciences	47.074	3,340								3,340		
Education & Human Resources	47.076	10,736								10,736		
Montclair College												
Geosciences	47.050			6,414						6,414		
UNR												
Flood Study	47.050			33,070						33,070		
Biological Sciences	47.074			7,917						7,917		
EPSCoR Ring-True	47.076			120,354						120,354		
UNLV												
Biological Sciences	47.074	80,803		48,720						129,523		
EPSCoR Ring-True	47.076			74,842						74,842		
UCCSN												
Mathematical & Physical Science	47.049	38,114								38,114		
Geosciences	47.050			119,936						119,936		
Computer and Information Science and Engineering	47.070	275,596	573,183							848,779		
Biological Sciences	47.074	103,182								103,182		
Education & Human Resources	47.076	200,259	29,805	106,094						336,158		
University of Arizona												
Geosciences	47.050			51,613						51,613		
Biological Sciences	47.074	(100)								(100)		
University of Arkansas				60,235						60,235		
Irradiance	47.078											
University of California-Santa Cruz												
Social, Behavioral & Economic Sciences	47.075	3,206								3,206		
University of California-San Diego												
Geosciences	47.050			25,133						25,133		
University of Florida												
Biological Sciences	47.074	59,604								59,604		
University of Illinois												
Biological Sciences	47.074	162,348								162,348		
University of Minnesota												
Biological Sciences	47.074	3,653								3,653		

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM
Vanderbilt University Geosciences	47.050	560							560
Western Carolina University Social, Behavioral & Economic Sciences	47.075	6,421							6,421
Catholic University of America Engineering Grants	47.041	4,187							4,187
State University of New York-Buffalo Computer and Information Science and Engineering	47.041	80,351							80,351
National Research Council-COBASE Mathematical & Physical Science	47.049	7,576							7,576
University of Southern California Geosciences	47.050	282,690							282,690
University of Delaware Geosciences	47.050			921					921
University of Notre Dame Geosciences	47.050	57							57
University of Puerto Rico Biological Sciences	47.074		17,386						17,386
UNR Biological Sciences	47.074		(1,914)						(1,914)
College of Charleston Mathematical & Physical Science	47.049		8,593						8,593
Total National Science Foundation		\$7,261,686	\$2,146,236	\$3,895,210	\$0	\$0	\$0	\$0	\$1,987,587
									\$15,290,719
U.S. Department of State Bureau of Personnel Special Domestic Assignments	19.202	\$20,836							\$20,836
Total Bureau of Personnel		\$20,836	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bureau of Educational and Cultural Affairs Passed Through Council for International Exchange of Scholars Educational Exchange-Fulbright	19.418	\$7,673							\$7,673
Total Bureau of Educational and Cultural Affairs		\$7,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total U.S. Department of State		\$28,509	\$0	\$0	\$0	\$0	\$0	\$0	\$0
U.S. Dept of Transportation Federal Aviation Administration Passed Through Washoe Co Nevada Airport Authority Airport Improvement Program Univ Corp Atmos Res Hot Plate Mod AES Canada Frozen Rain	20.106 20.108 20.108	\$12,368 \$13,194 12,408		\$25,602	\$0	\$0	\$0	\$0	\$0
Total Federal Aviation Administration		\$12,368	\$0	\$25,602	\$0	\$0	\$0	\$0	\$0
Federal Highway Administration									\$37,970

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Highway Planning & Construction	20.205	\$125,924									\$125,924	
Highway Training and Education	20.215	78	\$58,850								58,928	
Passed Through												
Arcadis												
Highway Coop	20.205			\$97,480							97,480	
Research Foundation SUNY	20.205	169,503									169,503	
Highway Planning & Construction												
State of South Dakota-DOT	20.205	34,392									34,392	
Highway Planning & Construction												
UNR	20.215		(100)								(100)	
Highway Training & Education												
Nevada Department of Transportation												
Highway Planning & Construction	20.205	108,216									108,216	
Total Federal Highway Administration		\$438,113	\$58,750	\$97,480	\$0	\$0	\$0	\$0	\$0	\$0	\$594,343	
Federal Transit Administration												
Emission Research	20.512			\$441,775							\$441,775	
Passed Through												
Washington State Department of Transportation	20.515		\$14,819								14,819	
State Planning and Research		\$0	\$14,819	\$441,775	\$0	\$0	\$0	\$0	\$0	\$0	\$456,594	
Total Federal Transit Administration												
National Highway Traffic Safety Administration	20.600	\$42,512									\$42,512	
State & Community Highway Safety												
Passed Through												
Nevada Dept of Motor Vehicles	20.600	47	\$83,134								83,181	
State & Community Highway Safety												
Regional Transportation Commission	20.600		27,573								27,573	
State & Community Highway Safety												
Presseur Research Group, Inc	20.604		32,051								32,051	
Safety Incentive Grants for use of Seatbelts												
Total National Highway Traffic Safety Admin.		\$42,559	\$142,758	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,317	
Total U.S. Dept. of Transportation		\$493,040	\$216,327	\$564,857	\$0	\$0	\$0	\$0	\$0	\$0	\$1,274,224	
Tennessee Valley Authority	62.001			\$15,587							\$15,587	
TVA Lab Analysis		\$0	\$0	\$15,587	\$0	\$0	\$0	\$0	\$0	\$0	\$15,587	
Total Tennessee Valley Authority												
Total Research & Development		\$41,501,105	\$27,776,305	\$22,759,685	\$0	\$0	\$0	\$0	\$5,613,431	\$0	\$97,650,526	
STUDENT FINANCIAL ASSISTANCE												
U.S. Dept. of Education												
Office of Student Financial Assistance Programs	84.007	\$895,444	\$558,788		\$77,304	\$611,696	\$27,225	\$15,287			\$2,185,744	
Fed Sup. Education Opportunity Grants			968,459		229,071	259,673	53,100	26,261			1,536,564	
Federal Work-Study Program	84.033											

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES								TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	
Perkins Loan Program	84.038	32,208								32,208
Federal Pell Grant Program	84.063	3,360,962	7,834,446		2,450,150	10,402,529	1,244,107	785,431		26,077,625
Passed Through										
Nevada Dept. of Education	84.002									
Adult Basic Education	84.048							278,044		\$278,044
Vocational Ed. Carl Perkins - 2002	84.243							124,027		124,027
Tech Prep Education	84.069							104,284		104,284
Grants to States for Student Incentives		66,487	110,174		3,070	110,746	18,295	11,334		320,106
Total U.S. Dept. of Education		\$4,355,101	\$9,471,867	\$0	\$2,759,595	\$11,384,644	\$1,342,727	\$1,344,668	\$0	\$30,658,602
Total Student Financial Assistance		\$4,355,101	\$9,471,867	\$0	\$2,759,595	\$11,384,644	\$1,342,727	\$1,344,668	\$0	\$30,658,602
OTHER MAJOR PROGRAMS										
U.S. Department of Labor										
Employment and Training Administration	17.250	\$4,136,574								\$4,136,574
Job Training Partnership Act	17.259	45,500								45,500
WIA Youth Activities										
Total U.S. Department of Labor		\$4,182,074	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,182,074
U.S. Department of Education										
Upward Bound	84.047	\$554,010	\$831,612		\$322,326					\$1,707,948
Total U.S. Department of Education		\$554,010	\$831,612	\$0	\$322,326	\$0	\$0	\$0	\$0	\$1,707,948
Total Other Major Programs		\$4,736,084	\$831,612	\$0	\$322,326	\$0	\$0	\$0	\$0	\$5,890,022
NON MAJOR PROGRAMS										
U.S. Dept. of Agriculture										
Cooperative State Research Service	10.200	\$2,650								\$2,650
Grants for Agricultural Research	10.500	1,707,622								1,707,622
Cooperative Extension Service										
Passed Through										
Utah State Univ										
Sustainable Agriculture Research & Education	10.215	32,796								32,796
Cooperative Extension Service	10.500	4,904								4,904
Kansas State University										
Cooperative Extension Service	10.500	1,536								1,536
Total Cooperative State Research Service		\$1,749,508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,749,508
Food & Nutrition Service										
Passed Through										
Chickasaw Nation										
Nutrition Education & Training Program	10.564	\$52,314								\$52,314
Nevada Dept. of Education										
Special Milk Program for Children	10.556		\$1,824		\$3,880					5,704
Child & Adult Care Food Program	10.558	9,835								9,835
Summer Food Service Program for Children	10.559	1,985	26,267							28,252

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES									
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	TOTAL	
Total Food & Nutrition Service		\$64,134	\$28,091	\$0	\$3,880	\$0	\$0	\$0	\$0	\$96,105	
Forest Service											
National Forest-Dependent Rural Communities Passed Through	10.670	\$2,494								\$2,494	
Nevada Department of Conservation Forestry Research	10.652	9,694								9,694	
Total Forest Service		\$12,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,188	
Farm Service Agency											
Small Farmer Outreach Training & Technical Asst.	10.443	\$11,105								\$11,105	
Total Farm Service Agency		\$11,105	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,105	
Risk Management Agency											
Dairy Options Pilot Program	10.454	\$22,234								\$22,234	
Total Risk Management Agency		\$22,234	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,234	
Rural Development											
Rural Business Opportunity Grant	10.773	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000	
Total Rural Business Opportunity Grant		\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000	
Rural Utilities Service											
Distance Learning	10.855	\$0	\$0	\$0	\$0	\$0	\$0	\$1,754	\$1,754	\$1,754	
Total Rural Utilities Service		\$0	\$0	\$0	\$0	\$0	\$0	\$1,754	\$1,754	\$1,754	
Total U.S. Dept. of Agriculture		\$1,859,169	\$28,091	\$0	\$3,880	\$0	\$0	\$50,000	\$1,754	\$1,942,894	
U.S. Dept of Commerce											
Economic Development Administration											
Passed Through											
Nye County											
Pahrump High Technology Center	11.307					\$1,061,186				\$1,061,186	
Total Economic Development Administration		\$0	\$0	\$0	\$0	\$1,061,186	\$0	\$0	\$0	\$1,061,186	
National Telecomm. & Information Admin.											
Passed Through											
UCCSN											
Manufacturing Assistance Part	11.611		\$6							\$6	
Total National Telecomm. & Information Admin.		\$0	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$6	
Total U.S. Dept. of Commerce		\$0	\$6	\$0	\$0	\$1,061,186	\$0	\$0	\$0	\$1,061,192	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Office of the Chief of Engineers Reimbursement of Technical Services	12.113	\$34,189										\$34,189
Total Office of the Chief of Engineers		\$34,189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,189
Total U.S. Dept. of Defense		\$34,189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,189
U.S. Dept. of Education												
Office of Postsecondary Education						\$117,993						\$414,670
Student Support Services	84.042		\$296,677									484,466
Talent Search	84.044		484,466									30,878
Fund for the Improvement of Postsecondary Education	84.116		30,878									342,571
McNair Program	84.217		342,571									57,303
Child Care for Student Parents	84.335					57,303						346,033
Teachers Technology	84.342		346,033									626,925
Preparing Tomorrow's Teachers to Use Technology	84.342	\$626,925										
Passed Through												
University of California-Berkeley												19,597
National Resource Center & Fellowships for Language	84.015	19,597										46,198
Nv-Department of Education	84.334	46,198										39,681
Gaining Early Awareness & Readiness of Undergrad												
Montana State Univ.												
Learning anytime Anywhere Partnerships	84.339		39,681									1,077
Education Commission of the US												
Preparing Tomorrow's Teachers to use Technology	84.342									\$1,077		
Total Office of Postsecondary Education		\$692,720	\$1,540,306	\$0	\$0	\$175,296	\$0	\$0	\$1,077	\$0	\$0	2,409,399
Office of Special Ed & Rehab Services												\$117,097
Special Education-Tech Assistance & Dissemination	84.326	\$117,097										22,183
Parent Information Centers	84.328	22,183										
Passed Through												
Carson City Nevada School District												
Special Education-Grants to States	84.027	1,045										1,045
Special Education-Grants for Infants & Fam. With Dis	84.181	4,000										4,000
UC Berkley												
National Writing Project	84.928		\$46,182									46,182
Nevada Dept. of Education												
Special Education-State Grants	84.027	218,315										218,315
Special Education-Preschool	84.173	4,000										4,000
School to Career	84.278											
Nevada Dept. of Employment												
Rehabilitation Services Vocational Rehab Grants	84.126											
Special Education-Grants for Infants & Fam. With Dis	84.181	(1,375)	(222)									(222)
Washoe County School District												
Special Education State Grants	84.027	22,315										22,315
School to Career	84.243											
PHI-Pacific Public Health Inst.												
National Institute on Disability & Rehabilitation	84.133	20,064										20,064
Turning Point Inc.												
Special Education State Grants	84.027	4,089										4,089
								\$96,928		\$152,822		

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
UC Berkley National Writing Project	84.928							14,349				14,349
Total Special Ed & Rehab Services		\$411,733	\$59,371	\$0	\$0	\$0	\$96,928	\$167,171	\$0	\$0	\$735,203	\$735,203
Office of Educational Research & Improvement Passed Through Washoe County School District 21st Century Comm.	84.287	\$89,390										\$89,390
Total Office of Educational Res. & Improvement		\$89,390	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,390	\$89,390
Office of Elementary & Secondary Education Eisenhower Passed Through NV Department of Education School Support Reading Excellence UNR	84.281							\$10,122	\$249,003			\$259,125
Nevada Science Literacy Project (SLIP)	84.281					\$4,123						4,123
UCCSN Eisenhower Professional Development Reading Excellence	84.281 84.338	112,155 212,218	\$66,602 165,142									178,757 377,360
Total Office of Elementary & Secondary Ed.		\$375,978	\$231,744	\$0	\$0	\$4,123	\$0	\$10,122	\$671,444	\$1,293,411		\$1,293,411
Office of Assistant Secretary for Vocational & Adult Ed Passed Through NV Department of Education AEFL Vocational Education Grants to States	84.048				\$532,329		\$389,247					\$921,576
Total Office of Asst Sec for Vocational & Adult Ed		\$0	\$0	\$0	\$532,329	\$0	\$389,247	\$0	\$0	\$921,576		\$921,576
Office of Vocational & Adult Education Community Tech Center Program Passed Through NV Department of Education Adult Ed State Grant Vocational Ed - Perkins Tech-Prep Education Fed School to Careers Washoe County School District Tech-Prep Education School to Work Opportunities	84.341 84.002 84.048 84.243 84.278 84.243 84.278		\$2,007		\$522,966	886,162 1,056,911	\$357,110					\$172,837 1,766,238 1,058,918 96,745 706,030 19,948 973
Total Office of Vocational & Adult Education		\$0	\$2,007	\$0	\$543,887	\$2,821,940	\$453,855	\$0	\$0	\$3,821,689		\$3,821,689
Total U.S. Dept. of Education		\$1,569,821	\$1,833,428	\$0	\$1,076,216	\$3,001,359	\$940,030	\$177,293	\$672,521	\$9,270,668		\$9,270,668
U.S. Dept. of Energy Office of Energy Efficiency & Renewable Energy State Energy Program	81.041	\$29,422										\$29,422

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Conservation Research & Development Science & Technology for Environmental Mgmt Energy Efficiency & Renewable Energy Passed Through Los Alamos National Lab Conservation Research & Development	81.086 81.104 81.117	14,725 21,464 400										14,725 21,464 400
	81.086	3,104										3,104
Total Office of Energy Efficiency & Renewable Energy Civilian Radioactive Waste Management Passed Through UNLV Yucca Mountain Cooperative Agreement		\$69,115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,115
	81.065					\$84,588						\$84,588
Total Office of Civilian Radioactive Waste Management Total U.S. Dept. of Energy		\$0 \$69,115	\$0 \$0	\$0 \$0	\$0 \$0	\$84,588 \$84,588	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$84,588 \$153,703
Environmental Protection Agency Office of Air & Radiation Passed Through Clark County Health Department Air Pollution Control Program Nevada Department of Environmental Protection Automotive Emission Training for Tech Nevada Dept of Conservation & Natural Resources Air Pollution Control Program	66.001 66.001 66.001	\$34,114 90,595				\$13,906						\$34,114 13,906 90,595
Total Office of Air & Radiation		\$124,709	\$0	\$0	\$0	\$13,906	\$0	\$0	\$0	\$0	\$0	\$138,615
Office of Water Passed Through Nevada Dept of Conservation & Natural Resources Water Pollution Control Water Pollution Control Nevada Department of Human Resources State Underground Water Source Protection	66.419 66.454 66.433	\$14,537 1,153 (565)										\$14,537 1,153 (565)
Total Office of Water		\$15,125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,125
Office of Prevention, Pesticides & Toxic Substances Pollution Prevention	66.708	\$283,605										\$283,605
Total Office of Prevention, Pesticides & Toxic Substances Total Environmental Protection Agency		\$283,605 \$423,439	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$13,906	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$283,605 \$437,345
Federal Emergency Management Agency Passed Through Nevada Department Motor Vehicles Mitigation Assistance Hazard Mitigation Grant Emergency Management Performance Grants Total Federal Emergency Management Agency	83.535 83.548 83.552	\$69,656 2,548 42,944										\$69,656 2,548 42,944
		\$115,148	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,148

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	UNR	UNLV	DRI	AMOUNT OF EXPENDITURES					SYSTEM	TOTAL
					TMCC	CCSN	WNCC	GBC			
U.S. Dept. of Health & Human Services Health Resources & Services Admin. Area Health Education Centers EMS for Children State Loan Repayment Rural Telemedicine State Rural Hospital Flexibility Program Professional Nurse Traineeship Rural Health Outreach Grant Program Grants St Oper Offices of Rural Health Nevada Geriatric Ed Center Academic Admin Units in Primary Care Passed Through UNR	93.107 93.127 93.165 93.211 93.241 93.358 93.912 93.913 93.969 93.984	\$128,164 114,859 35,000 623,341 527,436 29,672 93,557 212,164 112,297						\$2,957			\$128,164 114,859 35,000 623,341 527,436 29,672 93,557 212,164 112,297
Addiction Counseling University of California-San Francisco AIDS Education & Training Centers American College Health Association Cooperative Agreements to Support School Health NCAA National Youth Sports Program Nevada Dept. of Human Resources Maternal & Child Health Consolidated Primary Care-Coordination Rural Health Research Centers HIV Care Formula Maternal & Child Health Services Block Grant to States Southern Nevada Area Health Education Center Area Health Education Centers U.S. Health & Human Services HRSA Health Care Facilities & Other Construction	93.131 93.145 93.938 93.820 93.110 93.130 93.155 93.917 93.994 93.107 93.887		\$22,791								22,791 182,626 844 95,598 100,126 29,967 145,350 397 15,574 82,147 596,894
Total Health Resources & Services Admin.		\$2,432,677	\$119,233	\$0	\$0	\$0	\$0	\$2,957	\$0	\$0	\$3,151,761
Substance Abuse & Mental Health Svc. Admin. Addiction Treatment Training Centers Consolidated Knowledge Dev & App Passed Through Nevada Department of Human Resources Block Grant for Prevention/Treatment Nevada Employment Training and Rehabilitation Block Grant for Prevention/Treatment	93.131 93.230 93.959 93.959	\$337,390 2,046,512 399,131 70,005									\$337,390 2,046,512 399,131 70,005
Total Substance Abuse & Mental Health Svc.		\$2,853,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,853,038
Center for Disease Control Passed Through Nevada Department of Human Resources Tuberculosis Injury Prevention & Control Res & State Comm Prog.	93.116 93.136	\$73,093	\$14,976								\$73,093 14,976

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Immunization Program	93.268	(10,283)										(10,283)
Investigations & Technical Asst	93.283	160,330	27,076									187,406
HIV Prevention Activities	93.940	23,193										23,193
Diabetes Control	93.988	69,125										69,125
Health & Health Svcs	93.991		13,917									13,917
UNR			90									90
Injury Prevention & Control Res & State Comm Prog.	93.136											
Total Center for Disease Control		\$315,458	\$56,059	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$371,517
Administration for Children & Families												
Head Start	93.600	\$908,352										\$908,352
Disabilities National Significance	93.631	80,703										80,703
Disabilities Univ. Affiliated Programs	93.632	379,955										379,955
Passed Through												
Washoe County School District	93.669	64										64
Child Abuse & Neglect												
Childrens Cabinet	93.575	259,724										259,724
Child Care & Development												
Nevada Dept. of Human Resources	93.556	14,224										14,224
Safe & Stable Families	93.568	20,559										20,559
Low-Income Home Energy Assistance	93.575		\$5,140									5,140
Child Care & Development	93.648	470,207	635,495									1,105,702
Child Welfare Training Program	93.652		40,821									40,821
Adoption Opportunities	96.669	51,398										51,398
Child Abuse and Neglect State Grants												
UNLV												
Child Welfare Training Program	93.648	9,295										9,295
NCAA												
Community Schools Youth Services	93.588	(619)										(619)
Total Administration for Children & Families		\$2,193,862	\$681,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,875,318
Administration on Aging												
Passed Through												
Nevada Department of Human Resources	93.044	\$146,911										\$146,911
Special Programs for Aging	93.051	54,157										54,157
Alzheimer's	93.052	32,428										32,428
National Family Caregiver Support Program												
Total Administration on Aging		\$233,496	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$233,496
Health Care Financing Administration												
Passed Through												
Nevada Department of Human Resources	93.779		\$78,894									\$78,894
Total Health Care Financing Administration		\$0	\$78,894	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$78,894
Substance Abuse & Mental Health Services												
Passed Through												
UNR												
Consolidated Knowledge Dev & App (KD&A) Prog	93.230		\$36,349									\$36,349

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Nevada Department of Human Resources Block Grants for Prev. & Treatment of Sub Abuse	93.959		41,281								41,281	
Total Substance Abuse & Mental Health Services		\$0	\$77,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,630	
Total U.S. Dept. of Health & Human Services		\$8,028,531	\$1,013,272	\$0	\$0	\$596,894	\$0	\$2,957	\$0	\$0	\$9,641,654	
U.S. Dept. of Housing & Urban Development Community Planning & Development Passed Through NV Dept. of Business & Industry Community Development Block Grants/State's Prog.	14.228	\$8,703									\$8,703	
Total Community Planning & Development		\$8,703	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,703	
Federal Housing Commissioner Passed Through Clark County Housing Multifamily Housing Reform	14.197	\$1,681									\$1,681	
Total Federal Housing Commissioner		\$1,681	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,681	
Public & Indian Housing Passed Through City of Reno, Nevada Drug Elimination Program	14.854	\$18,071									\$18,071	
Total Public & Indian Housing		\$18,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,071	
Total U.S. Dept. of Housing & Urban Development		\$28,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,455	
Corp. for National & Community Service Senior Volunteer Program Passed Through Community Chest Inc Learn & Serve America	94.002 94.005	\$79,025 98,789									\$79,025 98,789	
Total for Corp. for National & Community Service		\$177,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$177,814	
U.S. Dept. of the Interior Bureau of Land Management Non-Sale Disposals of Mineral Material Recreation Resource Management Wildland Urgan Interface Community & Rural Fire Asst.	15.214 15.225 15.228	\$11,030 40,790 456									\$11,030 40,790 456	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
Total Bureau of Land Management		\$52,276	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,276
U.S. Geological Service	15.809	\$15,657										\$15,657
National Spatial Data Infrastructure												
Total U.S. Geological Service		\$15,657	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,657
National Park Service	15.919		\$7,181									\$7,181
Urban Park & Recreation Recovery Program												
Technical Preservation Services	15.915		15,000									15,000
Total National Park Service		\$0	\$22,181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,181
Total U.S. Dept. of the Interior		\$67,933	\$22,181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,114
U.S. Dept. of Justice												
Juvenile Justice Del. Preventing												
Passed Through												
State of Nevada - DOJ	16.541		(\$4,291)									(\$4,291)
Juvenile Justice & Del. Prevention Special Emphasis												
Nevada Dept of Child & Family Services	16.727		48,512									48,512
Enforcing Underage Drinking												
Total Juvenile Justice Del. Preventing		\$0	\$44,221	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,221
Office of Justice Programs	16.711				\$46,695							\$46,695
COPS Grant		\$0	\$0	\$0	\$46,695	\$0	\$0	\$0	\$0	\$0	\$0	\$46,695
Total Office of Justice Programs		\$0	\$0	\$0	\$46,695	\$0	\$0	\$0	\$0	\$0	\$0	\$46,695
Office of Victims of Crime	16.575	\$77,271										\$77,271
Passed Through												
Nevada Depart of Human Resources												
Crime Victim Assistance												
Total Office of Victims of Crime		\$77,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,271
Bureau of Justice Assistance	16.579	\$12,955										\$12,955
Passed Through												
Nevada Department Motor Vehicles												
Byrne Formula												
Total Bureau of Justice Assistance		\$12,955	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,955
Violence Against Women Grants Office												
Passed Through												
Nevada Office of Attorney General	16.588	\$29,803										\$29,803
Formula Grants												

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES								TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	
Andre Agassi Charitable Foundation Rural Domestic Violence & Child Victimization	16.589		\$2,095							2,095
Total Violence Against Women Grants Office		\$29,803	\$2,095	\$0	\$0	\$0	\$0	\$0	\$0	\$31,898
Total U.S. Dept. of Justice		\$120,029	\$46,316	\$0	\$46,695	\$0	\$0	\$0	\$0	\$213,040
U.S. Department of Labor Occupational Safety & Health Admin Occupational Safety & Health	17.503	\$69,342								\$69,342
Total Occupational Safety & Health Administration		\$69,342	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,342
Employment & Training Administration Passed Through NV Dept of Education Employment Services and Job Training	17.249	\$132,139								\$132,139
NV Dept of Prisons NDOP-Vocational Training for Inmates	17.253					\$77,518				77,518
Nevada Works Workforce Investment Act-Adult Program	17.258						\$9,616			9,616
Workforce Investment Act-Youth Activities	17.259						22,544			22,544
Workforce Investment Act-Dislocated Workers	17.260						17,263			17,263
Southern NV Local Workforce Investment Board Welfare to Work Workforce Investment Act	17.253 17.255					470,154 434,598				470,154 434,598
Total Employment & Training Administration		\$132,139	\$0	\$0	\$0	\$982,270	\$49,423	\$0	\$0	\$1,163,832
Total U.S. Department of Labor		\$201,481	\$0	\$0	\$0	\$982,270	\$49,423	\$0	\$0	\$1,233,174
U.S. Dept. of State Aid for International Development Passed Through American International Health Alliance Aid for International Development	19.000	\$13,644								\$13,644
Total Aid for International Development		\$13,644	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,644
Total for U.S. Dept. of State		\$13,644	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,644
National Aeronautics & Space Administration Aerospace Education Services Passed Through Space Telescope Science Institute Aerospace Education Services Program University of Southern California Technology Utilization	43.001 43.001 43.002	\$531 (3)								531 (3)
UNR Aerospace Education Services UCCSN Aerospace Education Services	43.001 43.001						\$1,759			1,759
			\$10,572		\$1,310					11,882
									\$285,031	\$285,031

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES								TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM	
Total National Aeronautics & Space Admin.		\$528	\$10,572	\$0	\$1,310	\$0	\$1,759	\$0	\$285,031	\$299,200
National Foundation on the Arts & the Humanities										
National Endowment for the Arts										
Passed Through										
Nevada Arts Commission	45.024	\$19,326	\$6,918							\$26,244
Promotion of Arts-State & Reg. Prog.										
Western States Arts Federation	45.024	2,500								2,500
Promotion of the Arts-Grants to Organ & Individuals										
Nevada State Council on Arts	45.025				\$3,910	\$2,371				6,281
Promotion of the Arts Partnership										
Total National Endowment for the Arts		\$21,826	\$6,918	\$0	\$3,910	\$2,371	\$0	\$0	\$0	\$35,025
National Endowment for the Humanities										
Passed Through										
Federal State Partnership	45.129	\$324,686	\$10,500		\$6,173	\$831				\$342,190
Total National Endowment for the Humanities		\$324,686	\$10,500	\$0	\$6,173	\$831	\$0	\$0	\$0	\$342,190
Total National Foundation Arts & Humanities		\$346,512	\$17,418	\$0	\$10,083	\$3,202	\$0	\$0	\$0	\$377,215
National Science Foundation										
Engineering Grants	47.041	\$123,732								\$123,732
Education & Human Resources	47.076	2,819								2,819
Passed Through										
State University of New York-Buffalo										
Engineering Grants	47.041	18,636								18,636
National Science Foundation										
Chemistry-Systemic Change	47.076					\$44,659				44,659
Association of American Colleges & Univ.							\$3,500			3,500
Science Education for New Civic Engagements & Resp	47.076									
Total National Science Foundation		\$145,187	\$0	\$0	\$0	\$44,659	\$3,500	\$0	\$0	\$193,346
Small Business Administration										
Business Development Assistance to Small Businesses	59.005	\$40,000								\$40,000
Small Business Development Center	59.037	732,022								732,022
Passed Through										
UNR								\$17,444		232,552
Small Business Development Center	59.037		\$215,108							241,487
Iowa State University										
Small Business Development Center	50.037	241,487								241,487
Total Small Business Administration		\$1,013,509	\$215,108	\$0	\$0	\$0	\$0	\$17,444	\$0	\$1,246,061
U.S. Nuclear Regulatory Commission										
Financial Assistance for NRC Local Put Doc (LPDRs)	77.005		\$15,776							\$15,776
Total Nuclear Regulatory Commission		\$0	\$15,776	\$0	\$0	\$0	\$0	\$0	\$0	\$15,776

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES										TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	SYSTEM			
U.S. Dept. of Transportation Federal Highway Administration Highway Planning & Construction Highway Training & Education Passed Through	20.205 20.215	\$1,116 223,490									\$1,116 223,490	
Research Foundation-SUNY Highway Planning & Construction Nevada Dept. of Transportation Highway Training & Education	20.205 20.215	5,847 355,545									5,847 355,545	
Total Federal Highway Administration		\$585,998	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$585,998	
National Highway Traffic-Safety Administration Passed Through Nevada Division of Motor Vehicles State & Community Highway Safety	20.600	\$6,962	\$162,514								\$169,476	
Total National Highway Traffic Safety Admin.		\$6,962	\$162,514	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$169,476	
Office of the Secretary Passed Through Nevada-Dept of Transportation Disadvantaged Bus Enterprises-Short Term Lending UNR Disadvantaged Bus Enterprises Short Term Lending	20.905 20.905	\$28,531	\$4,111								\$28,531 4,111	
Total Office of the Secretary		\$28,531	\$4,111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,642	
Total U.S. Dept. of Transportation		\$621,491	\$166,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$788,116	
U.S. Department of the Treasury Bureau of Alcohol, Tobacco and Firearms Passed Through Community Council for Youth Gang Resistance Education and Training	21.053	\$3,000									\$3,000	
Total U.S. Dept. of Treasury		\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	
U.S. Dept. of Veterans Affairs Veterans Health Services & Research Admin. Veterans State Medical Care Sharing Specialized Resources	64.016 64.018	\$2,337,024 20,795									\$2,337,024 20,795	
Total U.S. Dept. of Veteran Affairs		\$2,357,819	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,357,819	
Total Other Programs		\$17,196,814	\$3,368,793	\$0	\$1,138,184	\$5,788,064	\$994,712	\$247,694	\$959,306		\$29,693,567	

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM TITLES	FEDERAL CFDA NUMBER	AMOUNT OF EXPENDITURES							TOTAL
		UNR	UNLV	DRI	TMCC	CCSN	WNCC	GBC	
Total Federal Assistance		\$67,789,104	\$41,448,577	\$22,759,685	\$4,220,105	\$17,172,708	\$2,337,439	\$1,592,362	\$163,892,717

(This Page Intentionally Left Blank)

UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF NEVADA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2002
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

Note 1

The purpose of the Supplementary Schedule of Expenditures of Federal Awards is to present a summary of the activities of the University and Community College System of Nevada for the year ended June 30, 2002, which have been financed by the U.S. Government.

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

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

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

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

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, 2002:

Federal Perkins Loan Advances (CFDA Number 84.038)	\$1,382,000
Nursing Student Loan Advances (CFDA Number 93.364)	67,000
Health Professions Student Loan Advances (CFDA Number 93.342)	-
	<u>\$1,449,000</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 \$7,889,000, \$308,000 and \$404,000, respectively, as of June 30, 2002.

Note 3

For the fiscal year ended June 30, 2002, the System processed approximately \$76,223,000 in new loans under the Federal Family Education Loan Program (CFDA 84.032)(formerly known as the Guaranteed Student Loan Program). Loan amounts include subsidized and unsubsidized Federal Stafford Loans, Direct Lending Program Loans, and Federal Parent Loans for Undergraduate Students.

Note 4

The total value of the federal awards in the form of non-cash assistance during the fiscal year ended June 30, 2002 was \$0.

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE
YEAR ENDED JUNE 30, 2002

Section I--Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified? ☐ yes ☒ no

Reportable conditions identified that are
not considered to be material weaknesses ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Material weaknesses identified? ☐ yes ☒ no

Reportable conditions identified that are
not considered to be material weaknesses? ☐ yes ☒ none reported

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

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

Identification of major programs or program clusters:

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

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II--Financial Statement Findings

There were no findings or questioned costs related to the financial statements required to be reported in accordance with *Government Auditing Standards* for the fiscal year ended June 30, 2002.

Section III—Federal Award Findings and Questioned Costs

Finding – UNR #1:

Questioned Costs: \$921*

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Health & Human Services	93.115	Tobacco Smoke Health Study

As noted in OMB Circular A-21 (Section J.48), UNR is not permitted to include unallowable costs in billings to federal agencies. We tested allowability of costs for 52 expenditures and noted one UNR first class air travel expenditure on a grant that disallowed such costs.

Recommendation:

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

Institution Response:

We will more diligently review grant restrictions before expenditures are approved.

Finding – UNR #2:

Questioned Costs: \$3,086*

<u>Granting Agency</u>	<u>CFDA #</u>	<u>Program</u>
Department of Energy	81.112	Invest Hi-Energy Density

During our testing of compliance with the Davis-Bacon Act, we noted that for one federally funded construction project, no pay records were obtained by UNR from the contractors/subcontractors.

Recommendation:

We recommend that pay records be obtained from all contractors/subcontractors and measured against the prevailing wage report prior to reimbursement.

Institution Response:

We have obtained the certified payroll reports for the project in question for \$3,086 and they are in compliance with the prevailing wage rates. Facilities Services will make certain that all subsequent contractual expenditures against federally funded projects do have certified payroll reports prior to payment.

* Amount represents invoice selected for testing. Although these questioned costs are individually less than \$10,000 which is the threshold established in OMB Circular A-133 for known questioned costs, it is possible that questioned costs for the programs listed could exceed \$10,000 due to the significant amount of expenditures of federal awards at UNR for the year ended June 30, 2002. Major program expenditures at UNR for the year ended June 30, 2002 were approximately \$50,592,000.