

Nevada System of Higher Education

39-12

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February 1, 2012

Lorne J. Malkiewich, Director
Legislative Counsel Bureau
401 S. Carson Street
Carson City, Nevada 89701-4747

Subject: Senate Bill 107 (2005 Legislature)

Dear Mr. Malkiewich: *Lorne*

Section 8 of Senate Bill 107 amended Chapter 396 of the Nevada Revised Statutes to require the Nevada System of Higher Education (NSHE) to report on or before February 1 of each year concerning the capital improvements owned, leased, or operated by the System. Our current financial statement complies with the generally accepted accounting principles, and is intended to satisfy the level of detail required by Senate Bill 107. A copy of the complete financial statement is attached. The required information may be viewed on page 30 (Note #2, Summary of Significant Accounting Policies, Capital Assets), and on page 36 (Note #8, System Capital Assets).

Please contact me directly if you have any questions or if you believe any further information is required.

Sincerely,

Mark Stevens
Vice Chancellor for Finance

ATTACHMENT

Cc: Alex Haartz, Fiscal Analysis Division, LCB
Maud Naroll, Department of Administration
Cathy Gregg, Executive Budget Office
Jim Rodriguez, Executive Budget Office
Sandi Cardinal, NSHE
Vic Redding, NSHE
Ginny Wiswell, NSHE

Nevada System of Higher Education Single Audit Report For the Year Ended June 30, 2011



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

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

Nevada State College
Truckee Meadows Community College
System Administration

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

November 30, 1989, unless FASB conflicts with GASB. The System has elected not to apply FASB pronouncements issued after the applicable date. The financial statements are presented using the economic resources measurement focus.

CASH AND CASH EQUIVALENTS

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. 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. These amounts are included in cash and cash equivalents in the Statements of Cash Flows.

INVESTMENTS

Investments are 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 and commingled funds are based upon the latest valuations provided by the general partners or fund managers of the respective partnerships and funds 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 and private commingled funds 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 lower of estimated cost or market. Cost is calculated primarily on the first-in, first-out method.

PLEDGES

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

CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of \$5 in the year ended June 30, 2011 and 2010 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. Interest in the amount of \$472 and \$2,759 was capitalized during the years ended June 30, 2011 and 2010, respectively. Depreciation is computed on a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	6 to 40
Land improvements	10 to 15
Machinery and equipment	3 to 18
Library books	5
Leasehold improvements	shorter of useful life or lease term
Intangible assets	5 to 10

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 8 – System Capital Assets:

System capital asset activity for the years ended June 30, 2011 and 2010 is as follows:

	Beginning Balance	2011 Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 117,996	\$ 66,827	(\$109,047)	\$ 75,776
Land	81,682	961	(16)	82,627
Intangibles	808	-	-	808
Collections	<u>11,369</u>	<u>80</u>	<u>(145)</u>	<u>11,304</u>
Total capital assets not being depreciated	<u>211,855</u>	<u>67,868</u>	<u>(109,208)</u>	<u>170,515</u>
Capital assets being depreciated:				
Buildings	2,155,067	87,549	(830)	2,241,786
Land improvements	104,457	8,816	1545)	112,728
Machinery and equipment	313,523	26,263	(15,203)	324,583
Intangibles	11,630	25,209	-	36,839
Library books and media	<u>117,541</u>	<u>4,662</u>	<u>(834)</u>	<u>121,369</u>
Total	<u>2,702,218</u>	<u>152,499</u>	<u>(17,412)</u>	<u>2,837,305</u>
Less accumulated depreciation for:				
Buildings	(545,559)	(54,442)	565	(599,436)
Land improvements	(77,995)	(3,876)	111	(81,760)
Machinery and equipment	(210,491)	(26,300)	13,429	(223,362)
Intangibles	(5,155)	(2,099)	-	(7,254)
Library books and media	<u>(104,881)</u>	<u>(5,840)</u>	<u>827</u>	<u>(109,894)</u>
Total accumulated depreciation	<u>(944,218)</u>	<u>(92,557)</u>	<u>14,932</u>	<u>(1,021,706)</u>
Total capital assets being depreciated, net	<u>1,758,137</u>	<u>59,942</u>	<u>(2,480)</u>	<u>1,815,599</u>
Capital assets, net	<u>\$1,969,992</u>	<u>\$127,810</u>	<u>(\$111,688)</u>	<u>\$1,986,114</u>
		2010		
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 126,858	\$ 87,078	(\$ 95,940)	\$ 117,996
Land	81,821	122	(261)	81,682
Intangibles	-	808	-	808
Collections	<u>9,697</u>	<u>1,686</u>	<u>(14)</u>	<u>11,369</u>
Total capital assets not being depreciated	<u>218,376</u>	<u>89,694</u>	<u>(96,215)</u>	<u>211,855</u>
Capital assets being depreciated:				
Buildings	2,049,840	106,566	(1,339)	2,155,067
Land improvements	100,648	4,972	(1,163)	104,457
Machinery and equipment	301,212	30,681	(18,370)	313,523
Intangibles	-	10,521	1,109	11,630
Library books and media	<u>113,118</u>	<u>5,100</u>	<u>(677)</u>	<u>117,541</u>
Total	<u>2,564,818</u>	<u>157,840</u>	<u>(21,549)</u>	<u>2,702,218</u>
Less accumulated depreciation for:				
Buildings	(494,231)	(51,428)	100	(545,559)
Land improvements	(75,180)	(3,754)	939	(77,995)
Machinery and equipment	(199,270)	(27,180)	15,959	(210,491)
Intangibles	-	(4,046)	(1,109)	(5,155)
Library books and media	<u>(99,101)</u>	<u>(6,447)</u>	<u>667</u>	<u>(104,881)</u>
Total accumulated depreciation	<u>(867,782)</u>	<u>(92,855)</u>	<u>17,665</u>	<u>(944,081)</u>
Total capital assets being depreciated, net	<u>1,697,036</u>	<u>64,985</u>	<u>(3,884)</u>	<u>1,758,137</u>
Capital assets, net	<u>\$1,915,412</u>	<u>\$154,679</u>	<u>(\$100,099)</u>	<u>\$1,969,992</u>

Nevada System of Higher Education Single Audit Report For the Year Ended June 30, 2011



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

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

Nevada State College
Truckee Meadows Community College
System Administration

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

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

**FOR THE YEAR ENDED JUNE 30, 2011
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**NEVADA SYSTEM OF HIGHER EDUCATION
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

INTRODUCTION

BACKGROUND

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

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

There are eight controllers' offices within the NSHE located in Reno, Carson City, Elko, Las Vegas and Henderson.

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 CSN provide the purchasing and property management functions for the NSHE institutions.

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

UNLV offers major fields of study in different academic departments leading to baccalaureate and advanced degrees through academic departments in the following colleges and schools: Business, Education, Fine Arts, Graduate, Division of Health Sciences, Honors, Hotel Administration, Liberal Arts, Sciences, University College and Urban Affairs. UNLV is also home to a Dental and Law school.

Research activities are conducted primarily at UNR, UNLV and DRI. NSHE has been awarded research grants by various Federal agencies. The primary agencies from which these funds were received during the year ended June 30, 2011 were:

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

Department of Housing and Urban Development

Department of Interior

Department of Justice

National Aeronautics and Space Administration

National Endowment for the Humanities

National Science Foundation

Department of State

Department of Transportation

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

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Nevada System of Higher Education Financial Statements



June 30, 2011 and 2010

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

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

Nevada State College
Truckee Meadows Community College
System Administration

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Bart Patterson, JD.	President Nevada State College
Michael Richards, Ph.D.	President College of Southern Nevada
Maria C. Sheehan, EdD.	President Truckee Meadows Community College
Stephen G. Wells, Ph.D.	President Desert Research Institute

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

Nevada System of Higher Education
Financial Statements and Report of Independent Auditors
As of and for the Years Ended June 30, 2011 and 2010

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Report of Independent Certified Public Accountants

Board of Regents
Nevada System of Higher Education

We have audited the accompanying financial statements of the Nevada System of Higher Education (the “System”), as of and for the years ended June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the System’s management. Our responsibility is to express our opinion on these financial statements based on our audit. We did not audit the financial statements of the DRI Research Foundation, DRI Research Parks, Ltd., Truckee Meadows Community College Foundation, Great Basin College Foundation, College of Southern Nevada Foundation, and the Nevada State College Foundation, which collectively represent 4.6% percent of the assets, 4.5% percent of the net assets and 4.5% percent of the operating revenues of the aggregate discretely presented component units, for the year ended June 30, 2011 and 4.6% percent of the assets, 4.5% percent of the net assets and 5.0% percent of the operating revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2010 as described in Note 22 “System Related Organizations” in the accompanying financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as they relate to the amounts included for those component units is based solely on the reports of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Practice Plans, DRI Research Parks, Ltd., DRI Research Foundation, Truckee Meadows Community College Foundation, College of Southern Nevada Foundation, Great Basin College Foundation and Nevada State College Foundation, were not audited in accordance with *Government Auditing Standards* for the years ended June 30, 2011 and 2010. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System, as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2011 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2011. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the System. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grant Thornton LLP

Reno, Nevada
November 1, 2011

Nevada System of Higher Education

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Nevada System of Higher Education's (the "System") annual financial information presents management's discussion and analysis of the financial standing as of June 30, 2011. This section provides a brief overview of noteworthy financial activity, identifies changes in financial position, and assists the reader in focusing on significant financial issues that occurred during the year ended June 30, 2011, with comparative information as of June 30, 2010 and June 30, 2009.

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

SYSTEM AND SYSTEM RELATED ORGANIZATIONS

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

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

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

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

Component units issue separate audited or reviewed financial statements from the System.

SYSTEM FINANCIAL HIGHLIGHTS

- Total net assets increased 4.8% from \$2,150,623 to \$2,253,126;
- Capital Assets increased 0.8% from \$1,969,992 to \$1,986,114;
- Operating revenues increased 4.1% from \$731,406 to \$761,162
- Non-operating revenues increased 2.0% from \$736,304 to \$750,691 ; and
- Operating expenses increased 1.4% from \$1,403,365 to \$1,422,884.

USING THIS REPORT

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

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

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

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. All things being equal, a public higher education system's dependency on state appropriations will usually result in operating deficits. This is because the financial reporting model classifies State appropriations as non-operating revenues. The utilization of long-lived assets,

referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

CONDENSED FINANCIAL INFORMATION

ASSETS AND LIABILITIES

The Statement of Net Assets is a point-in-time financial statement presenting the financial position of the System as of June 30, 2011, with a comparison made to June 30, 2010 and June 30, 2009. This Statement presents end-of-year data for Assets (current and non-current), Liabilities (current and non-current), and Net Assets (assets minus liabilities).

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

	2011	2010	Increase/ (Decrease)	Percent Change	2009	Increase/ (Decrease)	Percent Change
Assets							
Current Assets	\$677,583	\$565,081	\$112,502	20%	\$499,493	\$65,588	13%
Capital Assets	1,986,114	1,969,992	16,122	1%	1,915,412	54,580	3%
Other Assets	309,922	312,497	(2,575)	(1)%	318,258	(5,761)	-2%
Total Assets	2,973,619	2,847,570	126,049	4%	2,733,163	114,407	4%
Liabilities							
Current Liabilities	182,353	174,449	7,904	5%	187,725	(13,276)	-7%
Noncurrent Liabilities	538,140	522,498	15,642	3%	543,557	(21,059)	-4%
Total Liabilities	720,493	696,947	23,546	3%	731,282	(34,335)	-5%
Net Assets							
Invested in Capital							
Assets, Net of Debt	1,449,211	1,450,749	(1,538)	0%	1,382,189	68,560	5%
Restricted, nonexpendable	85,288	82,088	3,200	4%	80,211	1,877	2%
Restricted, expendable	245,196	250,762	(5,566)	(2)%	237,217	13,545	6%
Unrestricted	473,431	367,024	106,407	29%	302,264	64,760	21%
Total Net Assets	\$2,253,126	\$2,150,623	\$102,503	5%	\$2,001,881	\$148,742	7%

Assets

Total assets of the System increased by \$126 million, or approximately 4.4%. This increase occurred primarily in current assets. The increase in current assets is primarily due to an increase in the valuation of the short-term investments accounts. The increase in capital assets is reflective of System's ongoing priority of improving and expanding facilities to meet increases in enrollment driven student demand.

Liabilities

Total liabilities for the year increased by \$23.5 million; a \$7.9 million increase in current liabilities and \$15.6 million increase in non-current liabilities. The increase in current liabilities was primarily due to a \$3.6 million increase in deferred revenue caused by a shift in the process as institutions transition to Peoplesoft student information software, changes in the deferred revenue associated with grants and contracts and changes in enrollment levels/patterns. The increase in non-current liabilities was primarily driven by an increase in long-term debt as a result of \$32.7 million issuance of bonds for the UNR Living Learning Center.

Net Assets

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

Invested in Capital Assets

Net assets invested in capital assets - net of related debt, represent the System's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The \$1.5 million or 0.11% decrease reflects the System's expenditures for development and renewal of its capital assets, offset by depreciation expense on capital assets and a net decrease in long-term debt. The decrease indicates a limited amount of construction of new facilities due to the economic conditions in the State.

Restricted, Nonexpendable/Expendable

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

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

Unrestricted Net Assets

Unrestricted net assets increased by \$106 million in 2011. 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. Funds functioning as an endowment consist of 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.

System Related Organizations

Component Entity Net Assets (in \$1,000's)							
	2011	2010	Increase/ (Decrease)	Percent Change	2009	Increase/ (Decrease)	Percent Change
Assets							
Current Assets	\$210,991	\$169,182	\$41,809	25%	\$189,677	(20,495)	(11)%
Capital Assets	3,233	2,792	441	16%	6,004	(3,212)	(53)%
Other Assets	220,616	204,685	15,931	8%	158,719	45,966	29%
Total Assets	434,840	376,659	58,181	15%	354,400	22,259	6%
Liabilities							
Current Liabilities	14,060	11,174	2,886	26%	11,421	(247)	(2)%
Non-Current Liabilities	8,806	9,612	(806)	(8)%	8,634	978	11%
Total Liabilities	22,866	20,786	2,080	10%	20,055	731	4%
Net Assets							
Invested in Capital	2,603	1,890	713	38%	2,961	(1,071)	(36)%
Assets Net of Debt							
Restricted, Nonexpendable	170,457	183,692	(13,235)	(7)%	154,267	29,425	19%
Restricted, Expendable	187,860	122,600	64,260	52%	128,335	(4,735)	(4)%
Unrestricted	51,054	46,691	4,363	9%	48,782	(2,091)	(4)%
Total Net Assets	\$411,974	\$355,873	\$56,101	16%	\$334,345	\$21,528	6%

One of the critical factors in continuing the quality of the System's programs is the development and renewal of its capital assets. The eleven campus and athletic foundations, as System Related Organizations, continue to support the campuses in their long-range plans and provide support for construction of facilities. Changes in the above schedule primarily reflect the foundations' increase in investment income. The remaining changes can be attributed to a decrease in operating expenses.

REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

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

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

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

	2011	2010	Increase/ Decrease	Percent Change	2009	Increase/ Decrease	Percent Change
Operating Revenues							
Student tuition and fees, net	\$328,805	\$302,887	\$25,918	9%	\$284,888	\$17,999	6%
Grants and contracts, Federal	186,353	174,000	12,353	7%	179,466	(5,466)	(3)%
Grants and contracts, Other	80,575	94,512	(13,937)	(15)%	87,624	6,888	8%
Sales and Services	137,189	140,444	(3,255)	(2)%	139,583	861	1%
Other	28,240	19,563	8,677	44%	16,511	3,052	18%
Total Operating Revenues	761,162	731,406	29,756	4%	708,072	23,334	3%
Operating Expenses							
Employees comp/Benefits	(907,282)	(931,296)	24,014	(3)%	(943,615)	12,319	(1)%
Utilities	(34,203)	(37,542)	3,339	(9)%	(38,211)	669	(2)%
Supplies and Services	(287,746)	(263,646)	(24,100)	9%	(283,075)	19,429	(7)%
Scholarship and Fellowships	(101,044)	(77,988)	(23,056)	30%	(51,157)	(26,831)	52%
Other	(52)	(38)	(14)	37%	-	(38)	100%
Depreciation	(92,557)	(92,855)	298	0%	(86,687)	(6,168)	7%
Total Operating Expenses	(1,422,884)	(1,403,365)	(19,519)	1%	(1,402,745)	(620)	0%
Non-Operating Revenues and Expenses							
State Appropriation	549,015	396,748	152,267	38%	619,609	(222,861)	(36)%
Federal Grants	100,769	268,935	(168,166)	(63)%	43,139	225,796	523%
Gifts	34,999	33,694	1,305	4%	34,346	(652)	(2)%
Investment Income (Loss), net	88,117	61,979	26,138	42%	(83,743)	145,722	(174)%
Disposal of Capital Asset	(1,626)	(2,476)	850	(34)%	(2,376)	(100)	4%
Interest Expense	(24,352)	(21,895)	(2,457)	11%	(21,464)	(431)	2%
Other Non-Operating Revenues (Expenses)	3,769	(681)	4,450	653%	14,634	(15,315)	105%
Total Non-Operating Revenues and Expenses	750,691	736,304	14,387	2%	604,145	132,159	22%
Other Revenues (Expenses)	13,534	84,397	(70,863)	(84)%	(13,342)	97,739	733%
Net Assets							
Increase (Decrease) in Net Assets	102,503	148,742	(46,239)	(31)%	(103,870)	252,612	(243)%
Net Assets, Beginning of Year	2,150,623	2,001,881	148,742	7%	2,105,751	(103,870)	(5)%
Total Net Assets, End of Year	\$2,253,126	\$2,150,623	\$102,503	5%	\$2,001,881	\$148,742	7%

Operating revenues increased by \$29.8 million (4.1%) and operating expenses increased by \$19.5 million (1.4%), resulting in a decrease in the operating loss of \$10.2 million (1.5%).

Operating Revenue - Student Tuition and Fees increased 8.6% to \$328.8 million as a result of the Board of Regents approved tuition and fee increases and, to a lesser extent, enrollment growth. Federal grants and contracts experienced an increase of 7.1% to \$186.3 million while State, local and other grants and contracts decreased 14.7% to \$80.6 million.

A slight increase in operating expenses was driven by a large increase in Scholarship expense and Supplies expense being offset by decreases in Employee Compensation and Benefits, and Utilities. These decreases are a result of layoffs, position eliminations and furloughs in response to the budget cuts. The Scholarship expense increased 29.6% to \$101.0 million. This is a result of an

increasing number of students receiving financial aid awards and the institution commitment to providing aid to students during these tough economic times.

Non-operating net revenues increased by \$14.4 million. This was led by a significant increase in appropriations (\$152.3 million) and investment income, net (\$26.1 million) offset by significant decreases in non-operating federal grants (\$168.2 million). The changes in appropriations and non-operating federal grants were a result of Fiscal Year (FY) 10 American Reinvestment and Recovery Act (ARRA) funds being replaced by \$92.4 million in state appropriated general funds by the legislature. Other revenues and expenses decreased by \$70.9 million as a result of a decrease in state appropriations restricted for capital purposes of \$64.9 million and a decrease in capital gifts of \$7.5 million.

System Related Organizations

Component entities increased from 2010 to 2011, as shown in the following schedule.

	2011	2010	Increase/ Decrease	Percent Change	2009	Increase/ Decrease	Percent Change
Operating Revenues							
Patient Revenue	58,614	\$61,334	(\$2,720)	(4)%	\$64,634	(\$3,300)	(5)%
Contract Revenue	7,355	8,848	(1,493)	(17)%	7,794	1,054	14%
Contributions	38,938	44,889	(5,951)	(13)%	62,622	(17,733)	(28)%
Campus Support	5,945	4,216	1,729	41%	6,030	(1,814)	(30)%
Other	5,408	5,476	(68)	(1)%	4,859	617	13%
Total Operating Revenues	116,260	124,763	(8,503)	(7)%	145,939	(21,176)	(15)%
Operating Expenses							
Program Expenses	(34,306)	(37,556)	3,250	(9)%	(53,599)	16,043	(30)%
Other Operating Expenses	(41,442)	(57,000)	15,558	(27)%	(37,992)	(19,008)	50%
Depreciation	(857)	(1,003)	146	(15)%	(1,118)	115	(10)%
Total Operating Expenses	(76,605)	(95,559)	18,954	(20)%	(92,709)	(2,850)	3%
Non-Operating Revenues and Expenses							
Investment Income (Loss), net	40,369	22,446	17,923	80%	(37,725)	60,171	(159)%
Payments to NSHE System	(37,832)	(49,295)	11,463	(23)%	(39,032)	(10,263)	26%
Other Non-Operating Revenues	(41)	119	(160)	(134)%	(1,754)	1,873	(107)%
Total Non-Operating Revenues & Expenses	2,496	(26,730)	29,226	(109)%	(78,511)	51,781	(66)%
Other Revenues							
Other Revenues	13,950	19,054	(5,104)	(27)%	13,242	5,812	44%
Net Assets							
Increase (decrease) in Net Assets	56,101	21,528	34,573	161%	(12,039)	33,567	(279)%
Net Assets, Beginning of Year	355,873	334,345	21,528	6%	346,384	(12,039)	(3)%
Total Net Assets, End of Year	\$411,974	\$355,873	56,101	16%	\$334,345	\$21,528	6%

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

Net cash flows increased primarily due to an increase in investment income. Cash used in operating activities decreased, reflecting NSHE's aggressive cost saving measures in response to the State budget cuts. Net operating cash flows (amount of cash used in operating activities) decreased 3.7%.

Cash flows used in capital financing activities indicated an increase of \$62.0 million, reflecting a decrease in the expenditure of cash on capital assets and the issuance of bonds for future asset projects. Cash generated through investing activities decreased by \$74.5 million. This category generally reflects investing activities during the year.

	2011	2010	Increase/ (Decrease)	Percent Change	2009	Increase/ (Decrease)	Percent Change
Operating Activities	(\$562,752)	(\$584,420)	\$21,668	(4)%	(\$613,358)	\$28,938	(5)%
Non-Capital financing	686,107	694,445	(8,338)	(1)%	730,716	(36,271)	(5)%
Capital financing activities	(81,909)	(143,917)	62,008	(43)%	(121,888)	(22,029)	18%
Investing activities	(39,994)	82,164	(122,158)	(149)%	(17,032)	99,196	582%
Net increase (decrease) in cash	1,452	48,272	(46,820)		(21,562)	69,834	
Cash - Beginning of the year	200,835	152,563	48,272		174,125	(21,562)	
Cash- End of the year	\$202,287	\$200,835	\$1,452		\$152,563	\$48,272	

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2011, the System had invested \$1.986 billion in a broad range of capital assets, including equipment, buildings, machinery and equipment, library books and media, art and other valuable collections, intangible assets and land. This represents a net increase (including additions and deletions) of \$16.1 million over the June 30, 2010, total of \$1.97 billion.

During fiscal year 2011, NSHE issued \$32.7 million of new revenue bonds to fund the UNR Living Learning Center. As of June 30, 2011 the coverage on the University Revenue Bonds (pledged revenues to maximum annual debt service) was 4.41 times. For statutory purposes, the coverage was 1.63 times, above minimum required coverage of 1.10. NSHE issued a total of \$4.0 million in notes payable during fiscal year 2011.

FUTURE FINANCIAL EFFECTS

In the recent years the demand for higher education services has stabilized. In FY 11, the System realized a growth in student full time equivalent (FTE) enrollment of 0.53 percent system-wide compared to FY 10. In FY 11, student FTE enrollment changed from (2.56) to 16.7 percent at the state college and the community colleges. Student FTE enrollments increased at one of the state's two universities and decreased at the other in FY 11 at rates between (1.86) and 4.1 percent. Student enrollment counts are not yet available for the fall 2011 semester, but preliminary figures reflect that system-wide the number of FTE students should decrease slightly from fall 2010 levels, with some institutions growing slightly and some institutions anticipating slight decreases in FTE students.

The Legislatively approved NSHE operating budget includes state appropriations and authorized expenditures (State Supported Operating Budget), plus registration fee surcharges approved by the Board of Regents in June 2011, totals \$725.9 million in FY 12. This compares to a Legislatively approved amount, after budget reductions, of \$798.5 million in FY 11 and represents a 9.1% decrease. General fund only allocations for NSHE, after budget cuts, were \$558.9 million in FY 11 and are \$473.3 million in FY 12. This equals a reduction in general fund support of 18.1%. In FY11, general fund appropriations accounted for approximately 70.0% of the total State Supported Operating Budget and in FY 12 general fund appropriations account for approximately 65.2%. The remaining revenue sources budgeted in the state supported operating budget, including all non-appropriated sources, total \$252.6 million in FY 12 (34.8% of the total). This is an increase in dollars

of \$13.0 million and an increase in percentage of budget supported by non-general fund sources of approximately 5.4% over FY 11 budget.

As was the case in FY 11, student FTE enrollments will likely reflect growth at some of institutions in FY 12 and NSHE will be requesting the Interim Finance Committee, as authorized in Senate Bill 503 (2011), for authority to expend student fee revenues generated in excess of budgeted levels due to enrollments exceeding projections in FY 12. These funds will be utilized to augment existing state budgets for the affected institutions.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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NEVADA SYSTEM OF HIGHER EDUCATION
 COMBINED STATEMENTS OF NET ASSETS (in \$1,000's)
 AS OF JUNE 30, 2011 AND 2010

	2011	System 2010	System Related Organizations 2011	2010
<u>ASSETS</u>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 186,765	\$ 128,937	\$ 53,922	\$ 43,550
Restricted cash and cash equivalents	151	157	2,027	1,148
Short-term investments	394,017	344,366	137,759	105,506
Accounts receivable, net	37,990	31,165	140	272
Receivable from U.S. Government	38,312	39,397	0	0
Receivable from State of Nevada	2,939	4,295	0	0
Pledges receivable, net	225	0	6,358	7,595
Patient accounts receivable, net	0	0	5,557	6,486
Current portion of loans receivable, net	2,014	1,635	0	78
Inventories	5,948	6,369	0	0
Deposits and deferred expenditures, current	9,222	8,454	1,318	554
Other	0	306	3,910	3,993
Total Current Assets	<u>677,583</u>	<u>565,081</u>	<u>210,991</u>	<u>169,182</u>
<i>Noncurrent Assets</i>				
Cash held by State Treasurer	30,347	64,899	0	0
Restricted cash and cash equivalents	32,711	6,842	1,375	569
Receivable from State of Nevada	3,472	31,809	0	0
Restricted investments	0	0	30,897	30,888
Endowment investments	223,093	192,645	126,533	108,969
Deposits and deferred expenditures	7,557	5,339	0	0
Loans receivable, net	10,581	10,646	0	0
Capital assets, net	1,986,114	1,969,992	3,233	2,792
Pledges receivable	1,865	0	39,074	41,965
Other noncurrent assets	296	317	22,737	22,294
Total Noncurrent Assets	<u>2,296,036</u>	<u>2,282,489</u>	<u>223,849</u>	<u>207,477</u>
TOTAL ASSETS	<u>2,973,619</u>	<u>2,847,570</u>	<u>434,840</u>	<u>376,659</u>
<u>LIABILITIES</u>				
<i>Current Liabilities</i>				
Accounts payable	38,056	36,574	3,752	2,529
Accrued payroll and related liabilities	28,350	27,948	1,406	1,496
Unemployment insurance and workers compensation	4,719	4,123	0	0
Current portion of compensated absences	31,402	30,897	0	13
Current portion of long-term debt	19,829	20,052	87	86
Current portion of obligations under capital leases	1,208	2,077	405	392
Accrued interest payable	11,995	11,140	0	0
Deferred revenue	37,550	33,978	881	518
Funds held in trust for others	8,450	6,642	0	0
Due to affiliates	0	26	6,874	5,310
Other	794	992	655	830
Total Current Liabilities	<u>182,353</u>	<u>174,449</u>	<u>14,060</u>	<u>11,174</u>
<i>Noncurrent Liabilities</i>				
Refundable advances under federal loan programs	7,815	7,074	0	0
Compensated absences	16,977	15,144	0	0
Deferred revenue	0	0	2,121	2,398
Long-term debt	505,961	489,535	99	185
Obligations under capital leases	2,462	5,385	445	859
Due to State of Nevada	4,925	5,360	0	0
Other noncurrent liabilities	0	0	6,141	6,170
Total Noncurrent Liabilities	<u>538,140</u>	<u>522,498</u>	<u>8,806</u>	<u>9,612</u>
TOTAL LIABILITIES	<u>720,493</u>	<u>696,947</u>	<u>22,866</u>	<u>20,786</u>
<u>NET ASSETS</u>				
<i>Net Assets</i>				
Invested in capital assets, net of related debt	1,449,211	1,450,749	2,603	1,890
Restricted - Nonexpendable	85,288	82,088	223,756	183,692
Restricted - Expendable - Scholarships, research and	140,640	116,537	133,974	121,804
Restricted - Expendable - Loans	8,009	7,413	0	0
Restricted - Expendable - Capital projects	82,243	112,828	172	1,634
Restricted - Expendable - Debt service	14,304	13,984	0	0
Restricted - Expendable - Other	0	0	415	162
Unrestricted	473,431	367,024	51,054	46,691
TOTAL NET ASSETS	<u>\$ 2,253,126</u>	<u>\$ 2,150,623</u>	<u>\$ 411,974</u>	<u>\$ 355,873</u>

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

**NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>System</u>		<u>System Related Organizations</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Operating Revenues				
Student tuition and fees (net of scholarship allowance of \$91,504 and \$79,721)	\$ 328,805	\$ 302,887	\$ 0	\$ 0
Federal grants and contracts	186,353	174,000	0	0
State grants and contracts	35,345	36,934	0	0
Local grants and contracts	28,122	40,407	0	0
Other grants and contracts	17,108	17,171	0	0
Campus support	16	9	5,945	4,216
Sales and services of educational departments (including \$3,043 and \$3,806 from System related organizations)	59,717	61,594	0	0
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,464 and \$3,585)	77,472	78,850	0	0
Contributions	0	0	38,938	44,889
Patient revenue	0	0	58,614	61,334
Contract revenue	0	0	7,355	8,848
Special events and fundraising	0	0	1,599	1,587
Interest earned on loans receivable	196	189	0	0
Other operating revenues	28,028	19,365	3,809	3,889
Total Operating Revenues	<u>761,162</u>	<u>731,406</u>	<u>116,260</u>	<u>124,763</u>
Operating Expenses				
Employee compensation and benefits	(907,282)	(931,296)	(27,783)	(28,959)
Utilities	(34,203)	(37,542)	0	0
Supplies and services	(287,746)	(263,646)	(2,736)	(11,877)
Scholarships and fellowships	(101,044)	(77,988)	(134)	(608)
Program expenses, System related organizations	0	0	(34,306)	(37,556)
Depreciation	(92,557)	(92,855)	(857)	(1,003)
Other operating expenses	(52)	(38)	(10,789)	(15,556)
Total Operating Expenses	<u>(1,422,884)</u>	<u>(1,403,365)</u>	<u>(76,605)</u>	<u>(95,559)</u>
Operating (Loss) Income	<u>(661,722)</u>	<u>(671,959)</u>	<u>39,655</u>	<u>29,204</u>
Nonoperating Revenues (Expenses)				
State appropriations	549,083	397,076	0	0
Refund to State	(68)	(328)	0	0
Gifts including \$30,830 and \$30,730 from System related organizations)	34,999	33,694	0	0
Investment income, net	88,117	61,979	40,369	22,446
Loss on disposal of capital assets	(1,626)	(2,476)	0	0
Interest expense	(24,352)	(21,895)	(34)	(13)
Payments to System campuses and divisions	0	0	(37,832)	(49,295)
Other nonoperating revenues (expenses)	3,769	(681)	(7)	132
Federal grants and contracts	100,769	268,935	0	0
Total Nonoperating Revenues (Expenses)	<u>750,691</u>	<u>736,304</u>	<u>2,496</u>	<u>(26,730)</u>
Income before other revenues, expenses	<u>88,969</u>	<u>64,345</u>	<u>42,151</u>	<u>2,474</u>
Other Revenues (Expenses)				
State appropriations restricted for capital purposes	(3,047)	61,868	0	0
Capital grants and gifts including (\$3,060 and \$14,030 from System related organizations)	13,441	20,922	0	0
Additions to permanent endowments (including \$181 and \$78 from System related organizations)	3,140	1,607	13,950	19,054
Total Other Revenues (Expenses)	<u>13,534</u>	<u>84,397</u>	<u>13,950</u>	<u>19,054</u>
Increase in Net Assets	<u>102,503</u>	<u>148,742</u>	<u>56,101</u>	<u>21,528</u>
Net Assets				
Net assets - beginning of year	<u>2,150,623</u>	<u>2,001,881</u>	<u>355,873</u>	<u>334,345</u>
Net Assets - end of year	<u><u>\$2,253,126</u></u>	<u><u>\$2,150,623</u></u>	<u><u>\$ 411,974</u></u>	<u><u>\$ 355,873</u></u>

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF CASH FLOWS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>System</u>	
	<u>2011</u>	<u>2010</u>
<i>Net Cash used by operating activities</i>		
Tuition and fees	\$327,576	\$301,788
Grants and contracts	281,842	273,855
Payments to suppliers	(301,823)	(274,875)
Payments for utilities	(34,328)	(38,318)
Payments for compensation and benefits	(903,809)	(927,755)
Payments for scholarships and fellowships	(100,808)	(77,938)
Loans issued to students and employees	(1,847)	(1,182)
Collection of loans to students and employees	1,928	1,816
Sales and services of auxiliary enterprises	77,634	77,750
Sales and services of educational departments	61,357	61,340
Other receipts (payments)	29,526	19,099
<i>Net Cash used by operating activities</i>	<u>(562,752)</u>	<u>(584,420)</u>
<i>Cash flows from noncapital financing activities</i>		
State appropriations	549,684	397,280
State appropriations refunded	(324)	(328)
Gifts and grants for other than capital purposes	32,259	31,606
Gifts for endowment purposes	3,114	1,607
Receipts under federal student loan programs	160,857	152,495
Disbursements under federal student loan programs	(160,925)	(152,712)
Other	(1,515)	(2,004)
Agency transactions	1,328	(3,635)
Federal grants and contracts	101,629	270,136
<i>Cash flows from noncapital financing activities</i>	<u>686,107</u>	<u>694,445</u>
<i>Cash flows used in capital financing activities</i>		
Proceeds from capital debt	36,764	9,812
Other	5,680	1,557
Payments for debt issuance costs	(250)	(26)
Capital appropriations	25,280	37,390
Capital grants and gifts received	5,765	14,563
Purchases of capital assets	(107,949)	(153,885)
Proceeds from sale of property and equipment	1,144	76
Principal paid on capital debt and leases	(24,548)	(30,370)
Interest paid on capital debt and leases	(23,864)	(24,452)
Deposits for the acquisition of property and equipment	69	1,418
<i>Cash flows used in capital financing activities</i>	<u>(81,909)</u>	<u>(143,917)</u>
<i>Cash flows from/used in investing activities</i>		
Proceeds from sales and maturities of investments	56,177	222,813
Purchase of investments	(57,664)	(153,671)
Interest and dividends received on investments	8,314	9,833
Net increase in cash equivalents, noncurrent investments	866	3,189
<i>Cash flows from/used in investing activities</i>	<u>7,693</u>	<u>82,164</u>
<i>Net increase in cash</i>	49,139	48,272
<i>Cash and cash equivalents, beginning of year</i>	<u>200,835</u>	<u>152,563</u>
<i>Cash and cash equivalents, end of year</i>	<u><u>\$ 249,974</u></u>	<u><u>\$ 200,835</u></u>

The accompanying notes are an integral part of these financial statements

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF CASH FLOWS (in \$1,000's) (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	SYSTEM	
	2011	2010
Reconciliation of operating loss to net cash used		
Operating Loss	\$(661,722)	\$(671,959)
Adjustments to reconcile operating loss to cash used by operating activities:		
Supplies expense related to noncash gifts	946	1,569
Depreciation and amortization expense	92,557	92,855
Changes in assets and liabilities:		
Accounts receivable, net	2,035	(5,458)
Loans receivable, net	(154)	1,493
Inventories	422	(303)
Deposits and deferred expenditures	(1,031)	(3,613)
Accounts payable	(3,440)	281
Accrued payroll and related liabilities	483	1,469
Unemployment insurance and workers compensation liability	549	(880)
Deferred revenue	3,651	(1,183)
Refundable advances under federal loan	676	(1,577)
Compensated absences	2,276	2,886
Net cash used by operating activities	<u>\$(562,752)</u>	<u>\$ (584,420)</u>
Supplemental noncash activities information		
Loss on disposal of capital assets	<u>\$ 1,194</u>	<u>\$ 2,551</u>
Capital assets acquired by gifts	<u>\$ 401</u>	<u>\$ 3,791</u>
Capital assets acquired by incurring capital lease obligations and accounts payable	<u>\$ 2,446</u>	<u>\$ 1,663</u>
Unrealized gain on investments	<u>\$ 44,118</u>	<u>\$ 50,192</u>

The accompanying notes are an integral part of these financial statements

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 1 – Organization:

The financial statements represent the combined financial statements of the various divisions and campuses of the Nevada System of Higher Education (the “System” or “NSHE”) which include:

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

The System is an entity of the State of Nevada (the “State”) and receives significant support from, and has significant assets held by the State as set forth in the accompanying financial statements. The System is a component unit of the State of Nevada in accordance with the provisions of the Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. The System Related Organizations’ columns in these financial statements are comprised of data from the System’s discretely presented campus and athletic foundations and medical school practice plans (see Note 22). These System Related Organizations are included as part of the System’s financial statements because of the nature and the significance of their financial relationship with the System.

The System Related Organizations include campus foundations which are related tax-exempt organizations founded to foster and promote the growth, progress, and general welfare of the System, and are reported in separate columns to emphasize that they are Nevada not-for-profit organizations legally separate from the System. During the years ended June 30, 2011 and 2010 the foundations distributed \$37,832 and \$49,295 respectively, to the System for both restricted and unrestricted purposes. Complete financial statements for the foundations can be obtained from Mark Stevens, Vice Chancellor for Finance at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

The System Related Organizations also include three legally separate non-profit organizations, together known as the medical school practice plans. The practice plans include the University of Nevada School of Medicine Multispecialty Group Practice North, Inc., University of Nevada School of Medicine Group Practice South, Inc., and Nevada Family Practice Residency Program, Inc. The practice plans were established for the benefit of the University of Nevada School of Medicine and its faculty physicians who are engaged in patient care activities. During the years ended June 30, 2011 and 2010 the practice plans distributed \$2,976 and \$1,538, respectively, to the System for restricted purposes. Complete financial statements for the practice plans can be obtained from Mark Stevens, Vice Chancellor for Finance at NSHE, 2601 Enterprise Rd., Reno, NV 89512.

NOTE 2 – Summary of Significant Accounting Policies:

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

BASIS OF PRESENTATION

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

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

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred. All significant transactions between various divisions and campuses of the System have been eliminated. The System has the option to apply all Financial Accounting Standards Board (“FASB”) pronouncements issued after

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

November 30, 1989, unless FASB conflicts with GASB. The System has elected not to apply FASB pronouncements issued after the applicable date. The financial statements are presented using the economic resources measurement focus.

CASH AND CASH EQUIVALENTS

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. 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. These amounts are included in cash and cash equivalents in the Statements of Cash Flows.

INVESTMENTS

Investments are 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 and commingled funds are based upon the latest valuations provided by the general partners or fund managers of the respective partnerships and funds 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 and private commingled funds 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 lower of estimated cost or market. Cost is calculated primarily on the first-in, first-out method.

PLEDGES

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

CAPITAL ASSETS

Capital assets are defined as assets with an initial unit cost of \$5 in the year ended June 30, 2011 and 2010 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. Interest in the amount of \$472 and \$2,759 was capitalized during the years ended June 30, 2011 and 2010, respectively. Depreciation is computed on a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	6 to 40
Land improvements	10 to 15
Machinery and equipment	3 to 18
Library books	5
Leasehold improvements	shorter of useful life or lease term
Intangible assets	5 to 10

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

DEFERRED REVENUE

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

COMPENSATED ABSENCES

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

FEDERAL REFUNDABLE LOANS

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

NET ASSETS

Net Assets are classified as follows:

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

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

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

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

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

RELATED PARTY TRANSACTIONS

UNLV Singapore, Limited (UNLVS) is a public company limited by guaranty, incorporated in the Republic of Singapore. UNLVS is a registered charity under the Singapore Charities Act that is organized to provide educational programs in the Republic of Singapore. UNLVS delivers undergraduate and graduate hospitality degree programs under agreement with the UNLV main campus as well as other workforce training and certificate programs under contract with Singapore governmental agencies. UNLV Singapore, Limited is not a component unit of NSHE, however, certain expenses (primarily salary and fringe benefits for several employees and instructors) are incurred by UNLV and reimbursed by UNLVS. For the year ended June 30, 2011 and June 30, 2010, expenses reimbursed to UNLV by UNLVS were approximately \$366 and \$285 of which \$16 was receivable at June 30, 2011 and \$18 was a receivable at June 30, 2010.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

OPERATING AND NONOPERATING REVENUES AND EXPENSES

SYSTEM

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

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

Functional classification of expenses is determined when an account is established and is assigned based on the functional definitions by the National Association of College and Business Officers Financial Accounting and Reporting Manual.

PRACTICE PLANS

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

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

FOUNDATIONS

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

SCHOLARSHIP ALLOWANCES

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

GRANTS-IN-AID

Student tuition and fees revenue include grants-in-aid charged to scholarships and fellowships and grants-in-aid for faculty and staff benefits charged to the appropriate expenditure programs to which the applicable personnel relate. Grants-in-aid for fiscal years 2011 and 2010 were \$8,973 and \$9,551, respectively.

TAX EXEMPTION

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

USE OF ESTIMATES

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

COMPARITIVE INFORMATION

Certain reclassifications have been made to the 2010 financial information in order to conform to 2011 presentation. The reclassifications are neither significant nor material to the 2010 financial information.

NOTE 3 – System Cash and Cash Equivalents:

Cash and cash equivalents of the System are stated at cost, which approximates market, and consists of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2011 and 2010 the System's deposits in money market funds totaled \$172,313 and \$117,128 respectively, and cash in bank was \$15,551 and \$7,390, respectively. Of these balances, \$250 each year, are covered by the Federal Depository Insurance Corporation ("FDIC"), the remaining deposits are uncollateralized and uninsured. Restricted cash represents the unexpended bond proceeds held for construction of major assets.

NOTE 4 – System Investments:

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

Investments are stated at fair value. The historical cost and market value (fair value) of System investments at June 30, 2011 and 2010 is as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Mutual funds publicly traded	\$261,345	\$279,452	\$208,503	\$204,983
Partnerships	94,578	171,493	111,029	186,154
Equities	3,868	4,849	5,883	6,191
Endowment cash and cash equivalents	2,031	2,031	1,406	1,406
Trust(s)	4,583	5,880	4,590	5,264
Private commingled funds	<u>124,330</u>	<u>153,405</u>	<u>123,342</u>	<u>133,013</u>
	<u>\$490,735</u>	<u>\$617,110</u>	<u>\$454,753</u>	<u>\$537,011</u>

As of June 30, 2011, the System had entered into various investment agreements with private equity partnerships and private commingled funds. Under the terms of certain of these investment agreements, the System is obligated to make additional investments in these partnerships of \$4,204. Generally, partnership investments do not have a ready market and ownership interests in some of these investment vehicles may not be traded without the approval of the general partner or fund management. These investments are subject to the risks generally associated with equities with additional risks due to leverage and the lack of a ready market for acquisition or disposition of ownership interests.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net assets.

Credit risk and interest rate risk

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

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 4 – System Investments (continued):

The credit risk profile for the System's operating and endowment investments at June 30, 2011 is as follows:

	<u>Fair Value</u>	<u>Not Rated</u>
Mutual funds publicly traded	\$ 279,452	\$ 279,452
Partnerships	171,493	171,493
Equities	4,849	4,849
Endowment cash and cash equivalents	2,031	2,031
Trust(s)	5,880	5,880
Private commingled funds	<u>153,405</u>	<u>153,405</u>
	<u>\$617,110</u>	<u>\$617,110</u>

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

Investments included in the above table have been identified as having interest rate risk and are principally invested in mutual funds and private commingled funds. The segmented time distribution for these investments at June 30, 2011 is as follows:

Less than 1 year	\$554,348
1 to 5 years	24,474
6 to 10 years	14,618
More than 10 years	<u>23,670</u>
	<u>\$617,110</u>

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of the custodian, the System may not be able to recover the value of the investments held by the custodian as these investments are uninsured. This risk typically occurs in repurchase agreements where one transfers cash to a broker-dealer in exchange for securities, but the securities are held by a separate trustee in the name of the broker-dealer. The System does not have a specific policy with regard to custodial credit risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investments within any one issuer. For the fixed portion of the endowment pool, the System's policy for reducing its exposure to concentration of credit risk is to limit the investments within any one issuer to a maximum of 5% of the fixed income portfolio, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines. The System does not have a specific policy with regard to the operating pool or the remainder of the endowment pool. At June 30, 2011 there were no investments within any one issuer in an amount that would constitute a concentration of credit risk to the System.

Foreign currency risk

Foreign currency risk is the risk of investments losing value due to fluctuations in foreign exchange rates. The System does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, the System has \$91,599 and \$71,151 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2011 and 2010, respectively.

NOTE 5 – System Endowment Pool:

Approximately \$217,212 and \$187,380 of endowment fund investments at June 30, 2011 and 2010, respectively, are pooled on a unit market value basis. As of June 30, 2011, the endowment pool is comprised of investments in mutual funds (38%), partnerships (43%), private commingled (16%) and stocks (3%). As of June 30, 2010, the endowment pool is comprised of investments in mutual funds (37%), partnerships (44%), private commingled (16%) and stocks (3%). 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, 2011 and 2010 was \$553.11 and \$460.96, respectively. The System follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) with respect to prudent investing and spending of donor-restricted endowments.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 5 – System Endowment Pool (continued):

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, 2011 and 2010, the endowment spending policy, as approved by the Board of Regents, authorized a distribution of 4.5% of the average unit market value for the previous twenty (20) calendar quarters. Under the provisions of this spending rule, during 2011, \$21.22 was distributed to each time-weighted eligible unit for a total spending rule distribution of \$10,411 and, during 2010, \$21.05 was distributed to each time-weighted unit for a total spending rule distribution of \$10,062. The 2011 and 2010 distributions were made from investment income of \$4,195 and \$5,010, respectively, and \$6,216 and \$5,052, 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 \$117,958 and \$116,541 at June 30, 2011 and 2010, respectively, is reflected within the restricted expendable for scholarships, research and instruction net asset category and is available to meet future spending needs subject to the approval of the Board of Regents.

Effective July 1, 2009 the Board of Regents has suspended distribution on all underwater accounts.

NOTE 6 – System Accounts Receivable:

System accounts receivable consist primarily of amounts due from students for tuition and fees and from local and private sources for grant and contract agreements. System accounts receivable are presented on the accompanying Statements of Net Assets net of allowances for uncollectible amounts of \$14,844 and \$12,638, respectively, as of June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Accounts receivable:		
Student tuition and fees	\$21,034	\$17,249
Sales and services	6,175	7,164
Local and private grants and contracts	10,300	11,156
Other	<u>15,325</u>	<u>8,234</u>
	52,834	43,803
Less: Allowance for doubtful accounts	<u>(14,844)</u>	<u>(12,638)</u>
Net accounts receivable	<u>\$37,990</u>	<u>\$31,165</u>

NOTE 7 – System Loans Receivable:

Loans receivable from students bear interest primarily between 3% and 15% per annum and are generally repayable in installments to the various campuses over a five to ten year period commencing nine months from the date of separation from the institution. Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans receivable at June 30, 2011 and 2010. 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, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Loans receivable	\$13,892	\$13,844
Less: Allowance for doubtful loans	<u>(1,297)</u>	<u>(1,563)</u>
Net loans receivable	12,595	12,281
Less current portion	<u>(2,014)</u>	<u>(1,635)</u>
Noncurrent loans receivable	<u>\$10,581</u>	<u>\$10,646</u>

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NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 8 – System Capital Assets:

System capital asset activity for the years ended June 30, 2011 and 2010 is as follows:

	<u>2011</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 117,996	\$ 66,827	(\$109,047)	\$ 75,776
Land	81,682	961	(16)	82,627
Intangibles	808	-	-	808
Collections	<u>11,369</u>	<u>80</u>	<u>(145)</u>	<u>11,304</u>
Total capital assets not being depreciated	<u>211,855</u>	<u>67,868</u>	<u>(109,208)</u>	<u>170,515</u>
Capital assets being depreciated:				
Buildings	2,155,067	87,549	(830)	2,241,786
Land improvements	104,457	8,816	(545)	112,728
Machinery and equipment	313,523	26,263	(15,203)	324,583
Intangibles	11,630	25,209	-	36,839
Library books and media	<u>117,541</u>	<u>4,662</u>	<u>(834)</u>	<u>121,369</u>
Total	<u>2,702,218</u>	<u>152,499</u>	<u>(17,412)</u>	<u>2,837,305</u>
Less accumulated depreciation for:				
Buildings	(545,559)	(54,442)	565	(599,436)
Land improvements	(77,995)	(3,876)	111	(81,760)
Machinery and equipment	(210,491)	(26,300)	13,429	(223,362)
Intangibles	(5,155)	(2,099)	-	(7,254)
Library books and media	<u>(104,881)</u>	<u>(5,840)</u>	<u>827</u>	<u>(109,894)</u>
Total accumulated depreciation	<u>(944,218)</u>	<u>(92,557)</u>	<u>14,932</u>	<u>(1,021,706)</u>
Total capital assets being depreciated, net	<u>1,758,137</u>	<u>59,942</u>	<u>(2,480)</u>	<u>1,815,599</u>
Capital assets, net	<u>\$1,969,992</u>	<u>\$127,810</u>	<u>(\$111,688)</u>	<u>\$1,986,114</u>
	<u>2010</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 126,858	\$ 87,078	(\$ 95,940)	\$ 117,996
Land	81,821	122	(261)	81,682
Intangibles	-	808	-	808
Collections	<u>9,697</u>	<u>1,686</u>	<u>(14)</u>	<u>11,369</u>
Total capital assets not being depreciated	<u>218,376</u>	<u>89,694</u>	<u>(96,215)</u>	<u>211,855</u>
Capital assets being depreciated:				
Buildings	2,049,840	106,566	(1,339)	2,155,067
Land improvements	100,648	4,972	(1,163)	104,457
Machinery and equipment	301,212	30,681	(18,370)	313,523
Intangibles	-	10,521	1,109	11,630
Library books and media	<u>113,118</u>	<u>5,100</u>	<u>(677)</u>	<u>117,541</u>
Total	<u>2,564,818</u>	<u>157,840</u>	<u>(21,549)</u>	<u>2,702,218</u>
Less accumulated depreciation for:				
Buildings	(494,231)	(51,428)	100	(545,559)
Land improvements	(75,180)	(3,754)	939	(77,995)
Machinery and equipment	(199,270)	(27,180)	15,959	(210,491)
Intangibles	-	(4,046)	(1,109)	(5,155)
Library books and media	<u>(99,101)</u>	<u>(6,447)</u>	<u>667</u>	<u>(104,881)</u>
Total accumulated depreciation	<u>(867,782)</u>	<u>(92,855)</u>	<u>17,665</u>	<u>(944,081)</u>
Total capital assets being depreciated, net	<u>1,697,036</u>	<u>64,985</u>	<u>(3,884)</u>	<u>1,758,137</u>
Capital assets, net	<u>\$1,915,412</u>	<u>\$154,679</u>	<u>(\$100,099)</u>	<u>\$1,969,992</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 9 – System Long-Term Debt:

The long-term debt of the System consists of revenue bonds payable, certificates of participation, capital lease obligations, notes payable and other minor obligations.

The Board of Regents issues revenue bonds to provide funds for the construction and renovation of major capital facilities. In addition, revenue bonds have been issued to refund other revenue bonds. In general, the long-term debt is issued to fund projects that would not be funded through State Appropriations, such as dormitories, dining halls and parking garages.

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NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

System long-term debt activity for the years ended June 30, 2011 and 2010 is as follows:

	Annual Interest Rate	Fiscal Year Final Payment Date	2011		2010	
			Beginning Balance	Additions	Reductions	Ending Balance
Universities Revenue Bonds, Series 1995	3.90% to 5.25%	2011	\$ 130	\$ -	(\$ 130)	\$ -
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	3,180	-	(740)	2,440
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2011	355	-	(355)	-
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2011	1,310	-	(1,310)	-
Shadow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2012	880	-	(430)	450
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	25,655	-	(770)	24,885
Universities Revenue Bonds, Series 2002B	4.75% to 5.00%	2033	10,905	-	-	10,905
Tabular University Revenue Bonds, Series 2002C	4.00% to 5.50%	2023	6,240	-	(410)	5,830
Universities Revenue Bonds, Series 2003A	2.00% to 5.00%	2017	10,710	-	(1,790)	8,920
Universities Revenue Bonds, Series 2003B	2.00% to 5.00%	2034	46,970	-	(1,150)	45,820
Universities Revenue Bonds, Series 2004A	2.00% to 4.50%	2034	25,790	-	(1,420)	24,370
Universities Revenue Bonds, Series 2004B	3.00% to 4.75%	2035	4,565	-	(225)	4,340
Universities Revenue Bonds, Series 2005A	3.00% to 5.00%	2036	30,830	-	(275)	30,555
Universities Revenue Bonds, Series 2005B	3.25% to 5.00%	2036	166,080	-	(2,875)	163,205
Universities Revenue Bonds, Series 2008A	3.00% to 5.00%	2039	58,970	-	(1,030)	57,940
Universities Revenue Bonds, Series 2009A	2.00% to 5.25%	2039	18,140	-	(555)	17,585
Certificates of Participation, Series 2006A	4.00% to 5.00%	2026	11,015	-	-	11,015
Certificates of Participation, Series 2006B	4.81% to 4.98%	2011	515	-	(515)	-
Universities Revenue Bonds, Series 2010A	2.00% to 7.90%	2041	-	29,455	-	29,455
Universities Revenue Bonds, Series 2010B	4.00%	2018	-	3,275	-	3,275
SSC Phase II Lease Revenue Bonds	7.58%	2023	6,835	-	(330)	6,505
Prepaid Interest in Advance of Refunding			(1,307)	-	102	(1,205)
Premiums			10,735	155	(476)	10,414
Total Bonds Payable			438,503	32,885	(14,684)	456,704
Notes Payable			71,084	4,010	(6,008)	69,086
Total			\$509,587	\$36,895	(\$20,692)	\$525,790

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

System notes payable activity is as follows:

	<u>2011</u>		Final Payment Date	Original Amount	Outstanding Balance
	Interest Rate	Date Issued			
Bank of America N. A. Commercial Markets, UNLV – T&M Chiller and Refunding	3.7249%	12/20/06	06/01/21	\$21,376	\$18,692
Sun Trust Banks, Inc., UNLV – Refunding	3.93%	12/20/06	07/01/26	16,713	15,659
Bank of America, UNR Medical Learning Lab	6.12%	10/29/09	7/1/16	9,812	9,657
Other notes payable	1.07% - 6.30%	Various	Various	Various	<u>25,078</u>
					<u>\$69,086</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

	2010						
		Fiscal Year Final	Beginning		Ending		
	Annual Interest Rate	Payment Date	Balance	Additions	Reductions	Balance	Current
Universities Revenue Bonds, Series 1995	3.90% to 5.25%	2011	\$ 250	\$ -	(\$ 120)	\$ 130	\$ 130
Universities Revenue Bonds, Series 1998	4.00% to 5.25%	2014	3,885	-	(705)	3,180	740
Universities Revenue Bonds, Series 2000	5.10% to 5.88%	2010	715	-	(715)	-	-
Universities Revenue Bonds, Series April 2000	5.00% to 5.88%	2011	690	-	(335)	355	355
Universities Revenue Bonds, Series December 2000	5.00% to 5.375%	2011	2,565	-	(1,255)	1,310	1,310
Snow Lane – Dental School Bond, Series 2001	4.25% to 5.25%	2012	1,290	-	(410)	880	430
Universities Revenue Bonds, Series 2002A	3.87% to 5.40%	2032	26,395	-	(740)	25,655	770
Universities Revenue Bonds, Series 2002B	4.75% to 5.00%	2033	10,905	-	-	10,905	-
Taxable University Revenue Bonds, Series 2002C	4.00% to 5.50%	2023	6,630	-	(390)	6,240	410
Universities Revenue Bonds, Series 2003A	2.00% to 5.00%	2017	12,410	-	(1,700)	10,710	1,790
Universities Revenue Bonds, Series 2003B	2.00% to 5.00%	2034	48,085	-	(1,115)	46,970	1,150
Universities Revenue Bonds, Series 2004A	2.00% to 4.50%	2034	27,175	-	(1,385)	25,790	1,420
Universities Revenue Bonds, Series 2004B	3.00% to 4.75%	2035	9,785	-	(5,220)	4,565	225
Universities Revenue Bonds, Series 2005A	3.00% to 5.00%	2036	31,010	-	(180)	30,830	275
Universities Revenue Bonds, Series 2005B	3.25% to 5.00%	2036	168,015	-	(1,935)	166,080	2,875
Universities Revenue Bonds, Series 2008A	3.00% to 5.00%	2039	60,135	-	(1,165)	58,970	1,030
Universities Revenue Bonds, Series 2009A	2.00% to 5.25%	2039	18,140	-	-	18,140	555
Certificates of Participation, Series 2006A	4.00% to 5.00%	2026	11,015	-	-	11,015	-
Certificates of Participation, Series 2006B	4.81% to 4.98%	2011	1,005	-	(490)	515	515
NSC Phase II Lease Revenue Bonds	7.58%	2023	7,140	-	(305)	6,835	330
Prepaid Interest in Advance of Refunding			(1,560)	-	253	(1,307)	(102)
Premiums			11,210	-	(475)	10,735	474
Total Bonds Payable			456,890	-	(18,387)	438,503	14,682
Notes Payable			70,395	9,814	(9,125)	71,084	5,370
Total			\$527,285	\$9,814	(\$27,512)	\$509,587	\$20,052

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

System notes payable activity is as follows:

	2010		Final Payment Date	Original Amount	Outstanding Balance
	Interest Rate	Date Issued			
Bank of America N. A. Commercial Markets, UNLV – T&M Chiller and Refunding	3.7249%	12/20/06	06/01/21	\$21,376	\$20,377
Sun Trust Banks, Inc., UNLV – Refunding	3.93%	12/20/06	07/01/26	16,713	15,943
Bank of America, UNR Medical Learning Lab	6.12%	10/29/09	7/1/16	9,812	9,812
Other notes payable	1.07% - 6.30%	Various	Various	Various	24,952
					<u>\$71,084</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

The revenue bonds are collateralized by tuition and fees, auxiliary enterprises revenues and certain other revenues as defined in the bond indentures. The Certificates of Participation are secured by any and all available revenues as defined in the bond indentures. There are a number of limitations and restrictions contained in the various bond indentures. The most restrictive covenants of the various bond indentures require the various divisions and campuses of the System to maintain minimum levels of revenues, as defined in the indentures. The system is in compliance with all covenants.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 19,829	\$ 24,749	\$ 44,578
2013	21,076	23,856	44,932
2014	22,350	22,956	45,306
2015	22,236	21,983	44,219
2016	21,903	21,043	42,946
2017-2021	111,361	89,238	200,599
2022-2026	93,607	65,517	159,124
2027-2031	96,486	42,286	138,772
2032-2036	94,829	17,536	112,365
2037-2041	<u>22,113</u>	<u>2,790</u>	<u>24,903</u>
Total	<u>\$525,790</u>	<u>\$331,954</u>	<u>\$857,744</u>

The Due to State represents the balance of a State General Obligation Bond on behalf of TMCC.

NOTE 10 – System Obligations Under Capital Leases:

The System has entered into various non-cancellable lease agreements of land, buildings and improvements, and machinery and equipment expiring at various dates from fiscal year 2011 to 2016.

System obligations under capital leases were as follows for the year ended June 30, 2011 and 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>2011 Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$7,462</u>	<u>\$24</u>	<u>(\$3,816)</u>	<u>\$3,670</u>	<u>\$1,208</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>2010 Reductions</u>	<u>Ending Balance</u>	<u>Current</u>
Capital lease obligations	<u>\$10,062</u>	<u>\$177</u>	<u>(\$2,777)</u>	<u>\$7,462</u>	<u>\$2,077</u>

The following System property included in the accompanying financial statements was leased under capital leases as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Buildings and improvements	\$10,528	\$11,699
Machinery and equipment	<u>5,722</u>	<u>8,821</u>
Total	16,250	20,520
Less accumulated depreciation	<u>(9,249)</u>	<u>(9,757)</u>
Total	<u>\$7,001</u>	<u>\$10,763</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

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

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

2012	\$1,306
2013	1,320
2014	927
2015	210
2016	104
2017-2021	<u>0</u>
Total minimum lease payments	3,867
Less amount representing interest	<u>(197)</u>
Obligations under capital leases	<u>\$3,670</u>

Total interest expense under the System capital leases and included in the accompanying financial statements was \$131 and \$407, respectively, during the years ended June 30, 2011 and 2010. Depreciation of the capital lease assets is included in depreciation expense of the Statements of Revenues, Expenses and Changes in Net Assets.

NOTE 11– Operating Leases:

The System has entered into various noncancellable operating lease agreements covering certain buildings and equipment. The lease terms range from one to ten years. The expense for operating leases was \$6,090 and \$5,723, respectively, for years ended June 30, 2011 and 2010.

Future minimum lease payments on noncancellable operating leases for the years ending June 30, are as follows:

2012	\$ 4,483
2013	3,560
2014	2,676
2015	1,601
2016	1,586
2017-2021	<u>767</u>
Total future minimum obligation	<u>\$14,673</u>

NOTE 12– Unemployment Insurance and Workers Compensation:

The System is self-insured for unemployment insurance and workers compensation. These risks are subject to various claim and aggregate limits, with excess liability coverage provided by an independent insurer. Liabilities are recorded when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred, but not reported. The estimated liabilities are based upon an independent actuarial determination of the present value of the anticipated future payments.

Changes in unemployment and workers compensation for the years ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Unemployment insurance	\$1,055	\$ 2,719	(\$2,074)	\$1,700
Workers compensation	<u>3,068</u>	<u>6,444</u>	<u>(6,493)</u>	<u>3,019</u>
Total	<u>\$4,123</u>	<u>\$9,163</u>	<u>(\$8,567)</u>	<u>\$4,719</u>

	<u>2010</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Unemployment insurance	\$1,936	\$ 1,420	(\$2,301)	\$1,055
Workers compensation	<u>3,068</u>	<u>6,523</u>	<u>(6,523)</u>	<u>3,068</u>
Total	<u>\$5,004</u>	<u>\$7,943</u>	<u>(\$8,824)</u>	<u>\$4,123</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 13– System Other Noncurrent Liability Activity:

The activity with respect to System other noncurrent liabilities for the years ended June 30, 2011 and 2010 was as follows:

	2011				
	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loans program	\$ 7,074	\$ 1,047	(\$ 306)	\$ 7,815	\$ -
Compensated absences	46,041	31,056	(28,718)	48,379	31,402
Deferred revenue	33,978	37,395	(33,823)	37,550	37,550
Other non-current liabilities - Due to State	<u>5,775</u>	<u>-</u>	<u>(415)</u>	<u>5,360</u>	<u>435</u>
Total	<u>\$92,868</u>	<u>\$69,498</u>	<u>(\$63,262)</u>	<u>\$99,104</u>	<u>\$69,387</u>

	2010				
	Beginning Balance	Additions	Reductions	Ending Balance	Current
Refundable advances under federal loans program	\$ 7,545	\$ 392	(\$ 863)	\$ 7,074	\$ -
Compensated absences	43,072	30,290	(27,321)	46,041	30,897
Deferred revenue	35,377	33,600	(34,999)	33,978	33,978
Other non-current liabilities - Due to State	<u>6,190</u>	<u>-</u>	<u>(415)</u>	<u>5,775</u>	<u>415</u>
Total	<u>\$92,184</u>	<u>\$64,282</u>	<u>(\$63,598)</u>	<u>\$92,868</u>	<u>\$65,290</u>

NOTE 14– Extinguishment of Debt:

During 2011, no debt was considered to be extinguished through refunding of prior issues by a portion of the current issues. In prior years, NSHE defeased revenue bonds by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in NSHE's financial statements. At June 30, 2011, \$20,725 of bonds outstanding are considered defeased.

NOTE 15– Irrevocable Letter of Credit:

In connection with its worker's compensation liability coverage, the System is required to maintain a \$400 standby letter of credit. An additional letter of credit was established in April 2004 in connection with the System's self-insured workers' compensation liability; the amount as of June 30, 2011 was \$1,618. A letter of credit was established in July 2003 in connection with the DRI Lease Revenue Bond in the amount of \$2,100. No advances were made under the letters of credit during the years ended June 30, 2011 and 2010.

NOTE 16– System Pension Plans:

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

All permanent System classified employees are mandated by State law to participate in PERS. PERS is a defined benefit plan. Employees who retire with 5 or more years of service at age 65, 10 or more years of service at age 60 or with 30 years or more of service at any age are entitled to a retirement benefit, payable monthly for life, equal to 2.67% percent of the employee's average compensation for each year of service up to 30 years, with a maximum of 75 percent. An employee's average compensation is the average of the employee's highest compensation for 36 consecutive months. A diminished benefit is provided to all eligible employees upon early retirement, if such employees have achieved the years of service required for regular retirement. PERS also provides death and disability benefits. Benefits for employees hired after January 1, 2010 have a slightly reduced benefit structure. 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 11.25% 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 11.25% or 21.5% 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.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 16– System Pension Plans(continued):

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.

System employees may elect to participate in voluntary tax sheltered annuity and deferred compensation programs subject to maximum contribution limits established annually by the Internal Revenue Service. The employee contributions are not matched by the System.

The System's contribution to all retirement plans for the years ended June 30, 2011 and 2010 was approximately \$72,683 and \$75,784, respectively, equal to the required contribution for each year.

NOTE 17– System Postemployment Benefits Other than Pensions:

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets.

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

The Public Employees Benefits Program administers these benefits as a multiple employer cost sharing plan. The State Retirees' Health and Welfare Benefits Trust Fund has been created to provide benefits to retirees and their beneficiaries. The unfunded actuarial accrued liability for the trust, as of the most recent valuation on July 1, 2010, is \$947,000. This compares to \$1,850,000 on July 1, 2009. This is recorded on the financial statements of the trust and the State as a fiduciary fund, but not on the financial statements of the System.

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

The System's contribution for the retired employee group insurance assessment for the years ended June 30, 2011 and 2010 was approximately \$3,355 and \$12,277, respectively, equal to the required contribution each year. This significant reduction resulted from a lowering of the contribution rate by the legislature during the 26th special session.

NOTE 18 - System Commitments and Contingent Liabilities:

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

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

The System is self-insured for its unemployment liability. The System is billed by the State each quarter based the actual unemployment benefits paid by the State. Each year the System budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the System cannot be reasonably determined as of June 30, 2011.

The estimated cost to complete property authorized or under construction at June 30, 2011 is \$76,082. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

NOTE 19– Risk Management:

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

The System purchases the following commercial insurance:

Coverage for direct physical loss or damage to the System's property with limits of \$500,000 per occurrence and a \$500 SIR.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 19– Risk Management (continued):

Worker's compensation (foreign and domestic) with statutory limits excess of a \$750 SIR.
Employee dishonesty with limits of \$1,250 and a deductible of \$50.

Medical malpractice with limits of \$1,000 per occurrence and \$3,000 aggregate.
Allied health malpractice with limits of \$1,000 per occurrence and \$3,000 aggregate.

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

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

NOTE 20– Subsequent Events:

At the September 2011 Board of Regents meeting, the Board of Regents approved the issuance of up to \$75,000 in long term, fixed rate tax exempt revenue bonds. The purpose of the bond issue would be to refinance various outstanding debts. The transaction is expected to be completed no later than December 31, 2011.

NOTE 21– Functional Classification of System Expenses:

The following is the functional classifications of expenses as reported on the Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Instruction	496,288	\$ 501,483
Research	109,222	113,167
Public service	63,165	63,187
Academic support	115,115	115,104
Institutional support	143,879	143,211
Student services	108,381	107,795
Operation and maintenance of plant	122,190	112,960
Scholarships and fellowships	101,044	77,988
Auxiliary enterprises	70,328	75,615
Other expenditures	715	-
Depreciation	<u>92,557</u>	<u>92,855</u>
Total	<u>\$1,422,884</u>	<u>\$1,403,365</u>

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NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations:

As described in Note 1, the System Related Organizations columns in the financial statements includes the financial data of the System's discretely presented campus foundations and medical school practice plans. Due to the condensed natures of this information, the individual line items may not necessarily agree with the financial statements of the system related organization, although the totals agree with the financial statements. Condensed combining financial data of the System related organizations is as follows:

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS NET ASSETS AS OF JUNE 30, 2011 (in \$1,000)

<u>ASSETS</u>	<u>UNR Foundation</u>	<u>UNR AAUN</u>	<u>UNR AAUN Endowment</u>	<u>Practice Plans</u>	<u>DRI Foundation</u>
<i>Current Assets</i>					
Cash and cash equivalents	\$26,911	\$ 1,339	\$ 4	\$ 3,763	\$ 200
Short-term investments	97,840	-	5,371	4,445	-
Other current assets	<u>2,453</u>	<u>324</u>	<u>1</u>	<u>7,238</u>	<u>2</u>
Total Current Assets	<u>127,204</u>	<u>1,663</u>	<u>5,376</u>	<u>15,446</u>	<u>202</u>
<i>Noncurrent Assets</i>					
Capital assets, net	44	62	-	2,373	486
Endowment investments	20,354	-	-	-	-
Other noncurrent assets	<u>19,815</u>	<u>1,003</u>	<u>-</u>	<u>984</u>	<u>-</u>
Total Noncurrent Assets	<u>40,213</u>	<u>1,065</u>	<u>-</u>	<u>3,357</u>	<u>486</u>
TOTAL ASSETS	<u>167,417</u>	<u>2,728</u>	<u>5,376</u>	<u>18,803</u>	<u>688</u>
<u>LIABILITIES</u>					
<i>Current Liabilities</i>					
Due to affiliates	5,100	302	-	1,462	-
Current portion of long-term debt	-	-	-	-	87
Other current liabilities	<u>42</u>	<u>310</u>	<u>11</u>	<u>3,755</u>	<u>2</u>
Total Current Liabilities	<u>5,142</u>	<u>612</u>	<u>11</u>	<u>5,217</u>	<u>89</u>
<i>Noncurrent Liabilities</i>					
Long-term debt	-	-	-	-	99
Other noncurrent liabilities	<u>1,995</u>	<u>1,864</u>	<u>-</u>	<u>445</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,995</u>	<u>1,864</u>	<u>-</u>	<u>445</u>	<u>99</u>
TOTAL LIABILITIES	<u>7,137</u>	<u>2,476</u>	<u>11</u>	<u>5,662</u>	<u>188</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	44	62	-	1,896	486
Restricted:					
Nonexpendable	100,749	100	3,770	-	-
Expendable	47,750	-	1,523	-	20
Unrestricted	<u>12,037</u>	<u>90</u>	<u>72</u>	<u>11,245</u>	<u>(6)</u>
TOTAL NET ASSETS	<u>\$160,280</u>	<u>\$252</u>	<u>\$5,365</u>	<u>\$13,141</u>	<u>\$ 500</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

DRI Research Park	TMCC Foundation	WNC Foundation	GBC Foundation	UNLV Foundation	CSN Foundation	NSC Foundation	Total System Related Organizations
\$ 1	\$1,098	\$1,051	\$ 407	\$ 19,192	\$ 632	\$ 1,351	\$ 55,949
-	-	-	811	26,478	2,814	-	137,759
-	68	58	17	6,866	252	4	17,283
<u>1</u>	<u>1,166</u>	<u>1,109</u>	<u>1,235</u>	<u>52,536</u>	<u>3,698</u>	<u>1,355</u>	<u>210,991</u>
-	-	-	56	212	-	-	3,233
-	389	1,514	4,072	129,920	1,181	-	157,430
-	-	92	102	38,621	862	1,707	63,186
-	<u>389</u>	<u>1,606</u>	<u>4,230</u>	<u>168,753</u>	<u>2,043</u>	<u>1,707</u>	<u>223,849</u>
<u>1</u>	<u>1,555</u>	<u>2,715</u>	<u>5,465</u>	<u>221,289</u>	<u>5,741</u>	<u>3,062</u>	<u>434,840</u>
-	-	-	10	-	-	-	6,874
-	-	-	-	-	-	-	87
<u>3</u>	<u>879</u>	<u>-</u>	<u>2</u>	<u>2,076</u>	<u>19</u>	<u>-</u>	<u>7,099</u>
<u>3</u>	<u>879</u>	<u>-</u>	<u>12</u>	<u>2,076</u>	<u>19</u>	<u>-</u>	<u>14,060</u>
-	-	-	-	-	-	-	99
<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,277</u>	<u>-</u>	<u>-</u>	<u>8,707</u>
<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,277</u>	<u>-</u>	<u>-</u>	<u>8,806</u>
<u>129</u>	<u>879</u>	<u>-</u>	<u>12</u>	<u>6,353</u>	<u>19</u>	<u>-</u>	<u>22,866</u>
-	-	-	56	59	-	-	2,603
-	395	597	3,266	112,322	1,988	569	223,756
-	-	2,102	1,177	78,072	1,944	2,273	134,561
<u>(128)</u>	<u>281</u>	<u>16</u>	<u>954</u>	<u>24,483</u>	<u>1,790</u>	<u>220</u>	<u>51,054</u>
<u>(\$128)</u>	<u>\$676</u>	<u>\$2,715</u>	<u>\$5,453</u>	<u>\$214,936</u>	<u>\$5,722</u>	<u>\$3,062</u>	<u>\$411,974</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS NET ASSETS AS OF JUNE 30, 2010 (in \$1,000)

<u>ASSETS</u>	<u>UNR Foundation</u>	<u>UNR AAUN</u>	<u>UNR AAUN Endowment</u>	<u>Practice Plans</u>	<u>DRI Foundation</u>
<i>Current Assets</i>					
Cash and cash equivalents	\$23,001	\$ 1,401	\$ 5	\$ 6,536	\$ 320
Short-term investments	78,706	-	4,528	742	-
Other current assets	<u>3,422</u>	<u>580</u>	<u>-</u>	<u>8,187</u>	<u>104</u>
Total Current Assets	<u>105,129</u>	<u>1,981</u>	<u>4,533</u>	<u>15,465</u>	<u>424</u>
<i>Noncurrent Assets</i>					
Capital assets, net	12	64	-	2,415	16
Endowment investments	19,434	-	-	-	-
Other noncurrent assets	<u>23,673</u>	<u>1,232</u>	<u>-</u>	<u>1,120</u>	<u>-</u>
Total Noncurrent Assets	<u>43,119</u>	<u>1,296</u>	<u>-</u>	<u>3,535</u>	<u>16</u>
TOTAL ASSETS	<u>148,248</u>	<u>3,277</u>	<u>4,533</u>	<u>19,000</u>	<u>440</u>
<u>LIABILITIES</u>					
<i>Current Liabilities</i>					
Due to affiliates	3,579	607	-	1,084	-
Current portion of long-term debt	-	-	-	-	86
Other current liabilities	<u>47</u>	<u>284</u>	<u>-</u>	<u>4,439</u>	<u>107</u>
Total Current Liabilities	<u>3,626</u>	<u>891</u>	<u>-</u>	<u>5,523</u>	<u>193</u>
<i>Noncurrent Liabilities</i>					
Long-term debt	-	-	-	-	185
Other noncurrent liabilities	<u>2,268</u>	<u>2,090</u>	<u>-</u>	<u>859</u>	<u>-</u>
Total Noncurrent Liabilities	<u>2,268</u>	<u>2,090</u>	<u>-</u>	<u>859</u>	<u>185</u>
TOTAL LIABILITIES	<u>5,894</u>	<u>2,981</u>	<u>-</u>	<u>6,382</u>	<u>378</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	12	64	-	1,667	16
Restricted:					
Nonexpendable	84,916	204	3,170	-	-
Expendable	<u>47,516</u>	<u>-</u>	<u>1,287</u>	<u>-</u>	<u>-</u>
Unrestricted	<u>9,910</u>	<u>28</u>	<u>76</u>	<u>10,951</u>	<u>46</u>
TOTAL NET ASSETS	<u>\$142,354</u>	<u>\$296</u>	<u>\$4,533</u>	<u>\$12,618</u>	<u>\$ 62</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

DRI Research Park	TMCC Foundation	WNC Foundation	GBC Foundation	UNLV Foundation	CSN Foundation	NSC Foundation	Total System Related Organizations
\$ 1	\$ 940	\$1,131	\$ 425	\$ 9,012	\$ 714	\$ 1,212	\$ 44,698
-	151	-	1,663	18,019	1,697	-	105,506
-	49	63	108	4,701	1,345	419	18,978
<u>1</u>	<u>1,140</u>	<u>1,194</u>	<u>2,196</u>	<u>31,732</u>	<u>3,756</u>	<u>1,631</u>	<u>169,182</u>
-	-	-	70	215	-	-	2,792
-	304	1,254	2,694	115,030	1,141	-	139,857
-	-	83	24	37,129	80	1,487	64,828
-	<u>304</u>	<u>1,337</u>	<u>2,788</u>	<u>152,374</u>	<u>1,221</u>	<u>1,487</u>	<u>207,477</u>
<u>1</u>	<u>1,444</u>	<u>2,531</u>	<u>4,984</u>	<u>184,106</u>	<u>4,977</u>	<u>3,118</u>	<u>376,659</u>
-	-	31	9	-	-	-	5,310
-	-	-	-	-	-	-	86
<u>3</u>	<u>558</u>	<u>-</u>	<u>163</u>	<u>139</u>	<u>3</u>	<u>35</u>	<u>5,778</u>
<u>3</u>	<u>558</u>	<u>31</u>	<u>172</u>	<u>139</u>	<u>3</u>	<u>35</u>	<u>11,174</u>
-	-	-	-	-	-	-	185
<u>130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>9,427</u>
<u>130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>9,612</u>
<u>133</u>	<u>558</u>	<u>31</u>	<u>172</u>	<u>4,219</u>	<u>3</u>	<u>35</u>	<u>20,786</u>
-	-	-	70	61	-	-	1,890
-	310	568	2,976	89,838	1,141	569	183,692
-	-	1,895	804	67,457	2,281	2,360	123,360
<u>(132)</u>	<u>576</u>	<u>37</u>	<u>962</u>	<u>22,531</u>	<u>1,552</u>	<u>154</u>	<u>46,691</u>
<u>(\$132)</u>	<u>\$886</u>	<u>\$2,500</u>	<u>\$4,812</u>	<u>\$179,887</u>	<u>\$4,974</u>	<u>\$3,083</u>	<u>\$355,873</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000) FOR THE YEAR ENDED JUNE 30, 2011

	<u>UNR Foundation</u>	<u>UNR AAUN</u>	<u>UNR AAUN Endowment</u>	<u>Practice Plans</u>	<u>DRI Foundation</u>
<i>Operating Revenues</i>					
Patient revenue	\$ -	\$ -	\$ -	\$58,614	\$ -
Contract revenue	-	-	-	7,355	-
Contributions	10,819	371	1	-	743
Campus support	2,349	-	-	-	317
Other operating revenues	<u>1,350</u>	<u>103</u>	<u>-</u>	<u>2,637</u>	<u>1</u>
Total operating revenues	<u>14,518</u>	<u>474</u>	<u>1</u>	<u>68,606</u>	<u>1,061</u>
<i>Operating Expenses</i>					
Program expenses	343	-	-	33,657	-
Depreciation	12	-	-	806	-
Other operating expenses	<u>3,308</u>	<u>202</u>	<u>12</u>	<u>30,616</u>	<u>357</u>
Total operating expenses	<u>3,663</u>	<u>202</u>	<u>12</u>	<u>65,079</u>	<u>357</u>
Operating income (loss)	<u>10,855</u>	<u>272</u>	<u>(11)</u>	<u>3,527</u>	<u>704</u>
<i>Nonoperating Revenues (Expenses)</i>					
Payments to System campuses and divisions	(17,170)	(393)	-	(2,976)	(260)
Other nonoperating revenues (expenses)	<u>18,253</u>	<u>77</u>	<u>843</u>	<u>(28)</u>	<u>(6)</u>
Total nonoperating expenses	<u>1,083</u>	<u>(316)</u>	<u>843</u>	<u>(3,004)</u>	<u>(266)</u>
Income (loss) before other revenue, expenses gains or losses	<u>11,938</u>	<u>(44)</u>	<u>832</u>	<u>523</u>	<u>438</u>
Additions to permanent endowments	5,988	-	-	-	-
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other revenues (expenses)	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	17,926	(44)	832	523	438
Net assets - beginning of year	<u>142,354</u>	<u>296</u>	<u>4,533</u>	<u>12,618</u>	<u>62</u>
Net assets - end of year	<u>\$160,280</u>	<u>\$ 252</u>	<u>\$5,365</u>	<u>\$13,141</u>	<u>\$500</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

DRI Research Park	TMCC Foundation	WNC Foundation	GBC Foundation	UNLV Foundation	CSN Foundation	NSC Foundation	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,614
-	-	-	-	-	-	-	7,355
-	544	791	227	23,908	1,079	455	38,938
55	142	-	293	2,789	-	-	5,945
<u>3</u>	<u>-</u>	<u>129</u>	<u>57</u>	<u>738</u>	<u>385</u>	<u>5</u>	<u>5,408</u>
<u>58</u>	<u>686</u>	<u>920</u>	<u>577</u>	<u>27,435</u>	<u>1,464</u>	<u>460</u>	<u>116,260</u>
-	-	253	53	-	-	-	34,306
-	-	-	13	26	-	-	857
<u>54</u>	<u>453</u>	<u>489</u>	<u>368</u>	<u>4,561</u>	<u>778</u>	<u>244</u>	<u>41,442</u>
<u>54</u>	<u>453</u>	<u>742</u>	<u>434</u>	<u>4,587</u>	<u>778</u>	<u>244</u>	<u>76,605</u>
<u>4</u>	<u>233</u>	<u>178</u>	<u>143</u>	<u>22,848</u>	<u>686</u>	<u>216</u>	<u>39,655</u>
-	(530)	(114)	(425)	(14,897)	(830)	(237)	(37,832)
<u>-</u>	<u>87</u>	<u>151</u>	<u>628</u>	<u>19,706</u>	<u>617</u>	<u>-</u>	<u>40,328</u>
<u>-</u>	<u>(443)</u>	<u>37</u>	<u>203</u>	<u>4,809</u>	<u>(213)</u>	<u>(237)</u>	<u>2,496</u>
<u>4</u>	<u>(210)</u>	<u>215</u>	<u>346</u>	<u>27,657</u>	<u>473</u>	<u>(21)</u>	<u>42,151</u>
-	-	-	295	7,392	275	-	13,950
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>295</u>	<u>7,392</u>	<u>275</u>	<u>-</u>	<u>13,950</u>
4	(210)	215	641	35,049	748	(21)	56,101
<u>(132)</u>	<u>886</u>	<u>2,500</u>	<u>4,812</u>	<u>179,887</u>	<u>4,974</u>	<u>3,083</u>	<u>355,873</u>
<u>(\$128)</u>	<u>\$676</u>	<u>\$ 2,715</u>	<u>\$5,453</u>	<u>\$214,936</u>	<u>\$ 5,722</u>	<u>\$3,062</u>	<u>\$411,974</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

NEVADA SYSTEM OF HIGHER EDUCATION SYSTEM RELATED ORGANIZATIONS REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000) FOR THE YEAR ENDED JUNE 30, 2010

	UNR Foundation	UNR AAUN	UNR AAUN Endowment	Practice Plans	DRI Foundation
<i>Operating Revenues</i>					
Patient revenue	\$ -	\$ -	\$ -	\$61,334	\$ -
Contract revenue	-	-	-	8,848	-
Contributions	21,345	363	-	-	623
Campus support	1,859	-	-	-	280
Other operating revenues	1,245	110	-	2,542	67
Total operating revenues	<u>24,449</u>	<u>473</u>	<u>-</u>	<u>72,724</u>	<u>970</u>
<i>Operating Expenses</i>					
Program expenses	224	-	-	37,042	-
Depreciation	7	1	-	932	-
Other operating expenses	3,177	207	660	35,205	447
Total operating expenses	<u>3,408</u>	<u>208</u>	<u>660</u>	<u>73,179</u>	<u>447</u>
Operating income (loss)	<u>21,041</u>	<u>265</u>	<u>(660)</u>	<u>(455)</u>	<u>523</u>
<i>Nonoperating Revenues (Expenses)</i>					
Payments to System campuses and divisions	(16,054)	(1,134)	-	(1,538)	(555)
Other nonoperating revenues (expenses)	10,425	124	447	(120)	125
Total nonoperating expenses	<u>(5,629)</u>	<u>(1,010)</u>	<u>447</u>	<u>(1,658)</u>	<u>(430)</u>
Income (loss) before other revenue, expenses gains or losses	<u>15,412</u>	<u>(745)</u>	<u>(213)</u>	<u>(2,113)</u>	<u>93</u>
Additions to permanent endowments	4,038	-	-	-	-
Other revenues	-	-	-	-	-
Total other revenues (expenses)	<u>4,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	19,450	(745)	(213)	(2,113)	93
Net assets - beginning of year	<u>122,904</u>	<u>1,041</u>	<u>4,746</u>	<u>14,731</u>	<u>(31)</u>
Net assets - end of year	<u>\$142,354</u>	<u>\$ 296</u>	<u>\$4,533</u>	<u>\$12,618</u>	<u>\$62</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's)
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

DRI Research Park	TMCC Foundation	WNC Foundation	GBC Foundation	UNLV Foundation	CSN Foundation	NSC Foundation	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,334
-	-	-	-	-	-	-	8,848
-	1,009	547	174	18,692	826	1,310	44,889
40	144	-	119	1,774	-	-	4,216
<u>3</u>	<u>1</u>	<u>131</u>	<u>77</u>	<u>898</u>	<u>377</u>	<u>25</u>	<u>5,476</u>
<u>43</u>	<u>1,154</u>	<u>678</u>	<u>370</u>	<u>21,364</u>	<u>1,203</u>	<u>1,335</u>	<u>124,763</u>
-	-	243	47	-	-	-	37,556
2	-	-	10	47	4	-	1,003
<u>45</u>	<u>220</u>	<u>434</u>	<u>372</u>	<u>13,385</u>	<u>662</u>	<u>2,186</u>	<u>57,000</u>
<u>47</u>	<u>220</u>	<u>677</u>	<u>429</u>	<u>13,432</u>	<u>666</u>	<u>2,186</u>	<u>95,559</u>
<u>(4)</u>	<u>934</u>	<u>1</u>	<u>(59)</u>	<u>7,932</u>	<u>537</u>	<u>(851)</u>	<u>29,204</u>
-	(988)	(139)	(1,905)	(20,175)	(6,681)	(126)	(49,295)
<u>-</u>	<u>60</u>	<u>142</u>	<u>351</u>	<u>10,858</u>	<u>153</u>	<u>-</u>	<u>22,565</u>
<u>-</u>	<u>(928)</u>	<u>3</u>	<u>(1,554)</u>	<u>(9,317)</u>	<u>(6,528)</u>	<u>(126)</u>	<u>(26,730)</u>
<u>(4)</u>	<u>6</u>	<u>4</u>	<u>(1,613)</u>	<u>(1,385)</u>	<u>(5,991)</u>	<u>(977)</u>	<u>2,474</u>
-	-	-	74	14,368	574	-	19,054
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>14,368</u>	<u>574</u>	<u>-</u>	<u>19,054</u>
(4)	6	4	(1,539)	12,983	(5,417)	(977)	21,528
<u>(128)</u>	<u>880</u>	<u>2,496</u>	<u>6,351</u>	<u>166,904</u>	<u>10,391</u>	<u>4,060</u>	<u>334,345</u>
<u>(\$132)</u>	<u>\$886</u>	<u>\$ 2,500</u>	<u>\$4,812</u>	<u>\$179,887</u>	<u>\$ 4,974</u>	<u>\$3,083</u>	<u>\$355,873</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

UNR Foundation:

Cash and cash equivalents at June 30, 2011 and 2010, consists of:

	<u>2011</u>	<u>2010</u>
Cash	\$7,224	\$ 2,279
Money funds	726	1,462
Commingled funds	17,561	18,829
Certificates of deposit	0	331
Treasury bills and notes	<u>1,400</u>	<u>100</u>
	<u>\$26,911</u>	<u>\$23,001</u>

The fair value of investments at June 30, 2011 and 2010, are as follows:

	<u>2011</u>	<u>2010</u>
Equity Investments	\$ 614	\$ 480
Bonds	14,215	16,874
Commingled funds	79,879	65,345
Certificates of deposit	4,166	4,392
U.S. Government Securities	<u>19,320</u>	<u>11,049</u>
	<u>\$118,194</u>	<u>\$98,140</u>

At June 30, 2011, the Foundation investments had the following maturities:

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>11-38</u>
Equity investments	\$ 614	\$ 614	\$ -	\$ -	\$ -
Bonds	14,215	970	3,285	2,921	7,039
Commingled funds	79,879	79,879	-	-	-
Certificates of deposit	4,166	2,553	1,613	-	-
U.S. Government securities	<u>19,320</u>	<u>13,825</u>	<u>41</u>	<u>4,681</u>	<u>773</u>
	<u>\$118,194</u>	<u>\$97,841</u>	<u>\$4,939</u>	<u>\$ 7,602</u>	<u>\$7,812</u>

The Foundation's investment policy for cash and cash equivalents is to exercise sufficient due diligence to minimize investing cash and cash equivalents in instruments that will lack liquidity. The Foundation, through its Investment Managers considers the operating funds to be two discrete pools of funds: a short-term pool and an intermediate-term pool. The short-term pool shall be funded in an amount sufficient to meet the expected daily cash requirements of the Foundation. The goals of the investments are to maintain the principal in the account while maximizing the return on the investments. The short-term pool is staggered in 30, 60, and 90 day investments. Appropriate types of investments are money market funds, certificates of deposit, commercial paper, U.S. Treasury bills and notes, mortgage backed securities (U.S. Government) and internal loans to the University of Nevada, Reno secured by a promissory note with an appropriate interest rate. The intermediate-term pool is invested in fixed income securities generally having an average maturity of three years or less in order to take advantage of higher yields.

The cumulative net appreciation (depreciation) of investments at June 30, 2011 and 2010 was \$1,417 and \$(8,623), respectively.

Investment Risk Factors

There are many factors that can affect the value of investments. Some factors, such as credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates. The Investment Committee of the Foundation has policies regarding acceptable levels of risk. The committee meets quarterly to review the investments. Significant amounts of the investments are held with Commonfund which also has policies regarding acceptable levels of risk.

Concentration of Credit Risk

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

The Foundation restricts investment of cash and cash equivalents and investments to financial institutions with high credit standing and The Commonfund, a nonprofit membership corporation operated by and for its member colleges, universities and independent schools. The Foundation currently purchases certificates of deposit of less than two hundred fifty thousand dollars per bank or institution. Commercial

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

paper is limited to a maximum of 10% of the total cash available. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents and investments.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

	AAA	AA	A	BBB	Not Rated
Equity investments	\$ -	\$ -	\$ -	\$ -	\$ 614
Bonds	4,984	251	714	570	7,696
Commingled funds	-	-	-	-	79,879
Certificates of deposit	-	-	-	-	4,166
U.S. Government securities	-	-	-	-	19,320
	<u>\$4,984</u>	<u>\$251</u>	<u>\$714</u>	<u>\$ 570</u>	<u>\$111,675</u>

Fixed income securities to obligations of the U.S. Government are not considered to have credit risk. In addition, investments held by the Commonfund are not rated by statistical rating organizations.

Interest Rate Risk

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

Foreign Currency Risk

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

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Foundation's deposits exceed FDIC limits and as a result may not be returned to the Foundation. All cash deposits are primarily on deposit with two financial institutions and several investment companies. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2011, the Foundation's bank balances totaled \$17,112. Of this balance, \$1,350 was covered by depository insurance and/or collateralized and \$7,756 is held by the Commonfund government Securities Fund and subject to their investment policies. The remaining \$8,005 was subject to custodial credit risk and as a result was uninsured at June 30, 2011.

Custodial Credit Risk – Investments

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

UNLV Foundation:

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

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the UNLV Foundation will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2011, the total balance for the UNLV Foundations cash and money market funds was \$19,192. Of this balance, \$2,433 in cash was held at one bank of which \$250 was covered by the Federal Deposit Insurance Corporation, and \$2,183, was uninsured.

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

Of the cash and money market balances of \$16,759 held by brokerage firms at June 30, 2010, \$850 was covered by Securities Investor Protection Corporation (SIPC) and \$15,909 was uninsured.

Investments include the following at June 30, 2010:

	<u>2011</u>	<u>2010</u>
Mutual funds	\$ 6,142	\$ 5,797
Certificates of deposit	907	701
Equities	70,858	55,129
U.S. government obligations	37,204	24,405
Corporate obligations	33,763	30,565
Mortgage-backed securities	864	10,045
Alternative investments	<u>6,660</u>	<u>6,407</u>
Total marketable securities at fair value	<u>\$156,398</u>	<u>\$133,049</u>

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. The UNLV Foundation reduces its exposure to credit risk with policy guidelines that instruct money managers to purchase securities rated investment grade or better. However, up to 25% of the fixed-income portfolios may be allocated to below investment grade. The credit ratings of fixed income investments at June 30, 2010 follow:

	<u>Total</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Below Investment Grade</u>
Mutual funds	\$ 6,142	\$ 20	\$ -	\$ 311	\$1,582	\$ 4,229
U.S. corporate bonds	29,015	3,466	3,287	8,401	13,555	306
Non-U.S. corporate bonds	4,748	411	851	1,597	1,889	-

In accordance with GASB Statement No. 40, U.S. government obligations, mortgage-backed securities, cash, and money market funds backed by the full faith and credit of the federal government are not included in the above table. Alternative investments are not rated by industry rating agencies.

Interest Rate Risk

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

For investments in donor-restricted endowment funds, the UNLV Foundation uses the Lehman Aggregate Bond Index average as the benchmark; maturity as of June 30, 2011, was 7.2 years. The fixed-income portfolio's average maturity was 7.2 years. Interest rates range from 0.08% to 10.38%.

For investments in donor-restricted expendable funds, the UNLV Foundation uses the Lehman Aggregate Index average as the benchmark; maturity as of June 30, 2011, was 7.1 years. The fixed income-portfolio's average maturity was 7.0 years. Interest rates range from 0% to 19.0%.

	<u>Maturity Under 1 Year</u>	<u>Maturity 1 - 5 Years</u>	<u>Maturity 5 - 10 Years</u>	<u>Maturity Over 10 Years</u>	<u>Maturity Total</u>
Mutual funds	\$ 6,142	\$ -	\$ -	\$ -	\$ 6,142
Certificates of deposit	-	807	100	-	907
Mortgage backed securities	-	-	46	864	864
U.S. government obligations	18,528	4,159	1,938	12,579	37,204
U.S. corporate bonds	1,514	7,827	12,221	7,453	29,015
Non-U.S. corporate bonds	<u>294</u>	<u>1,130</u>	<u>2,830</u>	<u>494</u>	<u>4,748</u>
Investment in securities at fair value	<u>\$26,478</u>	<u>\$ 13,923</u>	<u>\$ 17,089</u>	<u>\$ 21,390</u>	<u>\$ 78,880</u>

NEVADA SYSTEM OF HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (in \$1,000's) FOR THE YEARS ENDED JUNE 30, 2011 and 2010

NOTE 22 - System Related Organizations (continued):

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. All non-U.S. corporate bonds are traded in U.S. dollars. The UNLV Foundation investment managers have policies that address foreign currency risk.

During the year ended June 30, 2011 and 2010, the UNLV Foundation recognized \$20,309 and \$11,918, respectively, in investment gains. Earnings included \$3,731 and \$3,865, respectively, from interest and dividends, \$3,930 and \$1,199, respectively, from net realized gains on the sale of investments, and \$13,465 and \$7,478, respectively, from the change in investment fair value. Investment expenses of \$814 and \$616, respectively, and amortization of bond discounts of \$2 and \$8, respectively, were netted against earnings.

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SUPPLEMENTAL INFORMATION

NEVADA SYSTEM OF HIGHER EDUCATION
COMBINING SCHEDULE OF NET ASSETS (in \$1,000's)
AS OF JUNE 30, 2011

	<u>UNR</u>	<u>System</u>	<u>DRI</u>	<u>TMCC</u>	<u>WNC</u>
<u>ASSETS</u>					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 35,280	\$ 49,780	\$ 7,676	\$ 7,991	\$ 770
Restricted cash and cash equivalents	0	0	151	0	0
Short-term investments	88,193	12,397	19,416	21,706	4,123
Accounts receivable, net	25,680	472	2,978	1,391	495
Receivable from U.S. Government	20,366	1,850	3,616	465	1,028
Receivable from State of Nevada	1,672	0	212	11	5
Pledges receivable, net	225	0	0	0	0
Current portion of loans receivable, net	977	245	0	12	7
Inventories	2,865	131	0	14	0
Deposits and deferred expenditures, current	635	36	14	4	0
Total Current Assets	<u>175,893</u>	<u>64,911</u>	<u>34,063</u>	<u>31,594</u>	<u>6,428</u>
<i>Noncurrent Assets</i>					
Cash held by State Treasurer	16,728	0	193	0	1,326
Restricted cash and cash equivalents	26,916	0	0	0	0
Receivable from State of Nevada	0	0	0	0	0
Endowment investments	120,841	10,575	27,292	8,967	225
Deposits and deferred expenditures	5,201	513	0	0	0
Loans receivable, net	6,172	1,029	0	234	0
Capital assets, net	703,666	30,857	70,338	60,430	34,921
Pledges receivable	1,865	0	0	0	0
Other noncurrent assets	0	296	0	0	0
Total Noncurrent Assets	<u>881,389</u>	<u>43,270</u>	<u>97,823</u>	<u>69,631</u>	<u>36,472</u>
TOTAL ASSETS	<u>1,057,282</u>	<u>108,181</u>	<u>131,886</u>	<u>101,225</u>	<u>42,900</u>
<u>LIABILITIES</u>					
<i>Current Liabilities</i>					
Accounts payable	18,708	2,345	630	1,176	202
Accrued payroll and related liabilities	8,356	478	799	1,100	501
Unemployment insurance and workers compensation liability	1,744	43	121	180	88
Current portion of compensated absences	11,584	1,706	3,161	1,136	506
Current portion of long-term debt	8,282	0	608	0	0
Current portion of obligations under capital leases	621	0	5	0	0
Accrued interest payable	7,236	0	83	62	0
Deferred revenue	14,199	1,600	3,032	793	27
Funds held in trust for others	2,191	0	195	87	146
Other	0	0	359	435	0
Total Current Liabilities	<u>72,921</u>	<u>6,172</u>	<u>8,993</u>	<u>4,969</u>	<u>1,470</u>
<i>Noncurrent Liabilities</i>					
Refundable advances under federal loan programs	4,746	0	0	282	0
Compensated absences	8,292	358	862	534	285
Long-term debt	277,076	0	8,604	0	0
Obligations under capital leases	1,257	0	0	0	0
Due to State of Nevada	0	0	0	4,925	0
Total Noncurrent Liabilities	<u>291,371</u>	<u>358</u>	<u>9,466</u>	<u>5,741</u>	<u>285</u>
TOTAL LIABILITIES	<u>364,292</u>	<u>6,530</u>	<u>18,459</u>	<u>10,710</u>	<u>1,755</u>
<u>NET ASSETS</u>					
<i>Net Assets</i>					
Invested in capital assets, net of related debt	412,441	30,806	61,272	55,070	34,921
Restricted - Nonexpendable	37,972	7,201	20,645	4,728	226
Restricted - Expendable - Scholarships, research and instruction	77,341	3,081	8,622	4,837	54
Restricted - Expendable - Loans	5,168	1,865	0	(13)	0
Restricted - Expendable - Capital projects	52,682	55	598	5,778	1,326
Restricted - Expendable - Debt service	6,865	0	0	(56)	0
Unrestricted	<u>100,521</u>	<u>58,643</u>	<u>22,290</u>	<u>20,171</u>	<u>4,618</u>
TOTAL NET ASSETS	<u>\$ 692,990</u>	<u>\$101,651</u>	<u>\$113,427</u>	<u>\$90,515</u>	<u>\$41,145</u>

<u>GBC</u>	<u>UNLV</u>	<u>CSN</u>	<u>NSC</u>	<u>TOTAL</u>
\$ 954	\$ 68,265	\$ 13,647	\$ 2,402	\$ 186,765
0	0	0	0	151
3,969	194,537	42,783	6,893	394,017
572	3,230	2,719	453	37,990
139	10,121	158	569	38,312
135	638	258	8	2,939
0	0	0	0	225
18	698	57	0	2,014
0	1,973	695	270	5,948
68	7,615	678	172	9,222
<u>5,855</u>	<u>287,077</u>	<u>60,995</u>	<u>10,767</u>	<u>677,583</u>
55	5,880	3,803	2,362	30,347
0	5,043	752	0	32,711
0	2,511	961	0	3,472
216	49,809	5,168	0	223,093
0	1,806	37	0	7,557
0	3,133	13	0	10,581
43,198	797,061	216,560	29,083	1,986,114
0	0	0	0	1,865
0	0	0	0	296
<u>43,469</u>	<u>865,243</u>	<u>227,294</u>	<u>31,445</u>	<u>2,296,036</u>
<u>49,324</u>	<u>1,152,320</u>	<u>288,289</u>	<u>42,212</u>	<u>2,973,619</u>
194	11,523	2,485	793	38,056
167	14,548	2,251	150	28,350
306	1,710	492	35	4,719
434	9,608	2,708	559	31,402
126	10,813	0	0	19,829
0	238	344	0	1,208
13	4,601	0	0	11,995
128	14,372	2,754	645	37,550
83	5,207	538	3	8,450
0	0	0	0	794
<u>1,451</u>	<u>72,620</u>	<u>11,572</u>	<u>2,185</u>	<u>182,353</u>
0	2,784	3	0	7,815
254	4,875	1,217	300	16,977
1,467	218,814	0	0	505,961
0	805	400	0	2,462
0	0	0	0	4,925
<u>1,721</u>	<u>227,278</u>	<u>1,620</u>	<u>300</u>	<u>538,140</u>
<u>3,172</u>	<u>299,898</u>	<u>13,192</u>	<u>2,485</u>	<u>720,493</u>
41,605	568,197	215,816	29,083	1,449,211
216	11,960	2,340	0	85,288
620	40,649	5,335	101	140,640
23	966	0	0	8,009
677	13,249	5,516	2,362	82,243
494	7,001	0	0	14,304
<u>2,517</u>	<u>210,400</u>	<u>46,090</u>	<u>8,181</u>	<u>473,431</u>
<u>\$ 46,152</u>	<u>\$ 852,422</u>	<u>\$ 275,097</u>	<u>\$ 39,727</u>	<u>\$ 2,253,126</u>

NEVADA SYSTEM OF HIGHER EDUCATION

COMBINING SCHEDULES OF NET ASSETS (in \$1,000's)

AS OF JUNE 30, 2009

	<u>UNR</u>	<u>System</u>	<u>DRI</u>	<u>TMCC</u>	<u>WNC</u>
<u>ASSETS</u>					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 29,437	\$ 2,502	\$ 6,705	\$ 7,061	\$ 2,099
Restricted cash and cash equivalents	0	0	157	0	0
Short-term investments	84,654	10,150	16,062	18,546	4,719
Accounts receivable, net	20,525	277	3,002	1,027	239
Receivable from U.S. Government	15,797	1,116	3,702	1,061	552
Receivable from State of Nevada	1,472	515	145	270	867
Pledges receivable, net	0	0	0	0	0
Current portion of loans receivable, net	1,190	61	0	10	13
Inventories	3,378	147	0	11	0
Deposits and deferred expenditures, current	2,297	36	83	0	6
Total Current Assets	<u>158,750</u>	<u>14,804</u>	<u>29,856</u>	<u>27,986</u>	<u>8,495</u>
<i>Noncurrent Assets</i>					
Cash held by State Treasurer	48,736	0	974	2	1,495
Restricted cash and cash equivalents	0	0	0	0	0
Receivable from State of Nevada	16,919	0	0	0	0
Endowment investments	103,644	9,206	23,466	7,752	197
Deposits and deferred expenditures	2,850	550	0	0	0
Loans receivable, net	6,157	1,133	0	276	4
Capital assets, net	670,637	29,171	71,995	61,348	35,983
Pledges receivable	0	0	0	0	0
Other noncurrent assets	0	317	0	0	0
Total Noncurrent Assets	<u>848,943</u>	<u>40,377</u>	<u>96,435</u>	<u>69,378</u>	<u>37,679</u>
TOTAL ASSETS	<u>1,007,693</u>	<u>55,181</u>	<u>126,291</u>	<u>97,364</u>	<u>46,174</u>
<u>LIABILITIES</u>					
<i>Current Liabilities</i>					
Accounts payable	15,906	2,203	820	1,442	320
Accrued payroll and related liabilities	8,388	590	760	1,364	367
Unemployment insurance and workers compensation liability	1,235	38	76	180	45
Current portion of compensated absences	11,069	1,686	3,247	1,152	584
Current portion of long-term debt	7,444	0	576	0	0
Current portion of obligations under capital leases	556	0	114	0	108
Accrued interest payable	6,125	0	91	66	0
Deferred revenue	12,700	1,627	1,707	752	242
Funds held in trust for others	1,266	0	316	97	139
Other	0	0	577	415	0
Total Current Liabilities	<u>64,689</u>	<u>6,144</u>	<u>8,284</u>	<u>5,468</u>	<u>1,805</u>
<i>Noncurrent Liabilities</i>					
Refundable advances under federal loan programs	4,726	0	0	227	0
Compensated absences	7,392	340	714	520	244
Long-term debt	249,102	0	9,212	0	0
Obligations under capital leases	2,444	0	5	0	1,149
Due to State of Nevada	0	0	0	5,360	0
Total Noncurrent Liabilities	<u>263,664</u>	<u>340</u>	<u>9,931</u>	<u>6,107</u>	<u>1,393</u>
TOTAL LIABILITIES	<u>328,353</u>	<u>6,484</u>	<u>18,215</u>	<u>11,575</u>	<u>3,198</u>
<u>NET ASSETS</u>					
<i>Net Assets</i>					
Invested in capital assets, net of related debt	412,121	29,171	62,244	55,573	34,726
Restricted - Nonexpendable	36,848	6,523	20,622	3,539	197
Restricted - Expendable - Scholarships, research and instruction	64,564	2,639	4,494	4,760	173
Restricted - Expendable - Loans	4,877	1,410	0	67	0
Restricted - Expendable - Capital projects	69,013	308	1,470	5,108	1,495
Restricted - Expendable - Debt service	5,672	0	0	(66)	169
Unrestricted	<u>86,245</u>	<u>8,646</u>	<u>19,523</u>	<u>16,801</u>	<u>6,226</u>
TOTAL NET ASSETS	<u>\$ 679,340</u>	<u>\$48,697</u>	<u>\$108,353</u>	<u>\$85,782</u>	<u>\$42,986</u>

<u>GBC</u>	<u>UNLV</u>	<u>CSN</u>	<u>NSC</u>	<u>TOTAL</u>
\$ 829	\$ 62,832	\$ 15,409	\$ 2,063	\$ 128,937
0	0	0	0	157
3,525	158,836	42,189	5,685	344,366
434	2,862	2,249	550	31,165
573	15,887	361	348	39,397
112	664	138	112	4,295
19	288	54	0	1,635
0	1,960	542	331	6,369
22	5,659	222	129	8,454
0	0	0	0	306
5,514	248,988	61,164	9,218	565,081
514	7,720	3,021	2,437	64,899
0	6,842	0	0	6,842
0	3,149	11,741	0	31,809
188	43,730	4,462	0	192,645
0	1,939	0	0	5,339
0	3,061	15	0	10,646
42,655	819,366	209,483	29,354	1,969,992
0	0	0	0	317
43,357	885,807	228,722	31,791	2,282,489
48,871	1,134,795	289,886	41,009	2,847,570
279	9,154	5,110	1,340	36,574
188	14,246	1,931	114	27,948
137	1,973	421	18	4,123
461	9,584	2,657	457	30,897
121	11,911	0	0	20,052
0	978	321	0	2,077
14	4,844	0	0	11,140
216	13,117	3,046	571	33,978
98	4,249	471	6	6,642
0	0	0	0	26
0	0	0	0	992
1,514	70,056	13,957	2,506	174,449
0	2,118	3	0	7,074
248	4,196	1,161	329	15,144
1,593	229,628	0	0	489,535
0	1,043	744	0	5,385
0	0	0	0	5,360
1,841	236,985	1,908	329	522,498
3,355	307,041	15,865	2,835	696,947
40,942	578,200	208,418	29,354	1,450,749
188	11,880	2,291	0	82,088
394	34,532	4,220	761	116,537
26	1,033	0	0	7,413
890	17,345	14,762	2,437	112,828
372	7,837	0	0	13,984
2,704	176,927	44,330	5,622	367,024
\$45,516	\$827,754	\$274,021	\$38,174	\$2,150,623

NEVADA SYSTEM OF HIGHER EDUCATION

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000's)

FOR THE YEAR ENDED JUNE 30, 2011

	UNR	System	DRI	TMCC	WNC
Operating Revenues					
Student tuition and fees (net of scholarship allowance of \$91,504)	\$ 97,066	\$ 0	\$ 0	\$ 13,429	\$ 4,490
Federal grants and contracts	91,381	3,478	29,001	19,342	76
State grants and contracts	13,377	0	373	1,069	982
Local grants and contracts	26,234	0	286	0	12
Other grants and contracts	12,382	682	1,797	504	0
Campus support	0	0	0	0	16
Sales and services of educational departments (including \$3,043 from System related organizations)	28,081	3,678	0	846	415
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,464)	29,991	0	0	1,164	868
Interest earned on loans receivable	147	0	0	2	0
Other operating revenues	2,552	8,392	10,296	183	160
Total Operating Revenues	<u>301,211</u>	<u>16,230</u>	<u>41,753</u>	<u>36,539</u>	<u>7,019</u>
Operating Expenses					
Employee compensation and benefits	(321,672)	(19,797)	(32,485)	(43,131)	(21,710)
Utilities	(10,499)	(1,641)	(1,281)	(1,314)	(675)
Supplies and services	(124,495)	(15,065)	(11,534)	(9,740)	(5,978)
Scholarships and fellowships	(20,585)	(720)	0	(11,697)	(4,758)
Program expenses, System related organizations	0	0	0	0	0
Depreciation	(29,540)	(3,204)	(4,908)	(3,092)	(1,421)
Other operating expenses	0	0	0	0	(52)
Total Operating Expenses	<u>(506,791)</u>	<u>(40,427)</u>	<u>(50,208)</u>	<u>(68,974)</u>	<u>(34,594)</u>
Operating (Loss) Income	<u>(205,580)</u>	<u>(24,197)</u>	<u>(8,455)</u>	<u>(32,435)</u>	<u>(27,575)</u>
Nonoperating Revenues (Expenses)					
State appropriations	173,315	23,970	9,303	35,231	18,204
Refund to State	0	0	0	0	0
Transfers to/from System Administration	(12,984)	49,089	(2,145)	(2,658)	(525)
Gifts including \$30,830 from System related organizations)	15,691	1,639	239	592	283
Investment income, net	33,273	2,545	6,809	4,249	799
Loss on disposal of capital assets	217	(92)	(52)	(12)	(21)
Interest expense	(12,981)	0	(646)	(258)	(61)
Other nonoperating revenues (expenses)	(1,486)	0	0	0	0
Federal grants and contracts	13,681	0	0	0	7,055
Total Nonoperating Revenues (Expenses)	<u>208,726</u>	<u>77,151</u>	<u>13,508</u>	<u>37,144</u>	<u>25,734</u>
Income before other revenues, expenses	<u>3,146</u>	<u>52,954</u>	<u>5,053</u>	<u>4,709</u>	<u>(1,841)</u>
Other Revenues (Expenses)					
State appropriations restricted for capital purposes	(3,047)	0	0	0	0
Capital grants and gifts including (\$2,958 from System related organizations)	10,533	0	0	(2)	0
Additions to permanent endowments (including \$181 from System related organizations)	3,018	0	21	26	0
Total Other Revenues (Expenses)	<u>10,504</u>	<u>0</u>	<u>21</u>	<u>24</u>	<u>0</u>
Increase (Decrease) in Net Assets	<u>13,650</u>	<u>52,954</u>	<u>5,074</u>	<u>4,733</u>	<u>(1,841)</u>
Net Assets					
Net assets - beginning of year	<u>679,340</u>	<u>48,697</u>	<u>108,353</u>	<u>85,782</u>	<u>42,986</u>
Net Assets - end of year	<u>\$ 692,990</u>	<u>\$101,651</u>	<u>\$113,427</u>	<u>\$90,515</u>	<u>\$41,145</u>

GBC	UNLV	CSN	NSC	Eliminations	Total 2011
\$ 2,978	\$ 154,525	\$ 50,073	\$ 6,244	\$ 0	\$ 328,805
1,874	47,999	1,271	1,603	(9,672)	186,353
474	12,219	6,428	423	0	35,345
779	332	465	14	0	28,122
66	1,470	60	147	0	17,108
0	0	0	0	0	16
488	23,777	2,409	23	0	59,717
673	41,875	1,681	1,220	0	77,472
0	47	0	0	0	196
0	5,456	961	28	0	28,028
<u>7,332</u>	<u>287,700</u>	<u>63,348</u>	<u>9,702</u>	<u>(9,672)</u>	<u>761,162</u>
(18,941)	(324,146)	(112,071)	(13,329)	0	(907,282)
(801)	(13,484)	(4,155)	(353)	0	(34,203)
(3,743)	(83,199)	(36,451)	(7,213)	9,672	(287,746)
(897)	(27,232)	(31,883)	(3,272)	0	(101,044)
0	0	0	0	0	0
(1,587)	(37,253)	(10,493)	(1,059)	0	(92,557)
0	0	0	0	0	(52)
<u>(25,969)</u>	<u>(485,314)</u>	<u>(195,053)</u>	<u>(25,226)</u>	<u>9,672</u>	<u>(1,422,884)</u>
<u>(18,637)</u>	<u>(197,614)</u>	<u>(131,705)</u>	<u>(15,524)</u>	<u>0</u>	<u>(661,722)</u>
16,291	169,727	90,154	12,888	0	549,083
0	0	0	(68)	0	(68)
(541)	(23,798)	(5,609)	(829)	0	0
492	14,969	857	237	0	34,999
596	32,400	6,622	824	0	88,117
0	(1,630)	(36)	0	0	(1,626)
(93)	(10,249)	(64)	0	0	(24,352)
(264)	5,573	0	(54)	0	3,769
<u>2,792</u>	<u>32,421</u>	<u>40,843</u>	<u>3,977</u>	<u>0</u>	<u>100,769</u>
<u>19,273</u>	<u>219,413</u>	<u>132,767</u>	<u>16,975</u>	<u>0</u>	<u>750,691</u>
<u>636</u>	<u>21,799</u>	<u>1,062</u>	<u>1,451</u>	<u>0</u>	<u>88,969</u>
0	0	0	0	0	(3,047)
0	2,810	(2)	102	0	13,441
0	59	16	0	0	3,140
<u>0</u>	<u>2,869</u>	<u>14</u>	<u>102</u>	<u>0</u>	<u>13,534</u>
<u>636</u>	<u>24,668</u>	<u>1,076</u>	<u>1,553</u>	<u>0</u>	<u>102,503</u>
<u>45,516</u>	<u>827,754</u>	<u>274,021</u>	<u>38,174</u>	<u>0</u>	<u>2,150,623</u>
<u>\$46,152</u>	<u>\$ 852,422</u>	<u>\$ 275,097</u>	<u>\$ 39,727</u>	<u>\$ 0</u>	<u>\$2,253,126</u>

NEVADA SYSTEM OF HIGHER EDUCATION

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in \$1,000's)

FOR THE YEAR ENDED JUNE 30, 2010

	UNR	System	DRI	TMCC	WNC
Operating Revenues					
Student tuition and fees (net of scholarship allowance of \$79,721)	\$ 81,775	\$ 0	\$ 0	\$13,578	\$ 4,776
Federal grants and contracts	88,140	2,657	28,242	3,524	1,332
State grants and contracts	13,847	0	153	1,715	1,055
Local grants and contracts	37,250	0	340	0	60
Other grants and contracts	11,755	895	2,444	111	0
Campus support	0	0	0	0	9
Sales and services of educational departments (including \$3,806 from System related organizations)	28,809	4,322	0	973	216
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,585)	28,304	0	0	1,161	874
Interest earned on loans receivable	126	0	0	2	0
Other operating revenues	2,759	251	9,193	45	151
Total Operating Revenues	<u>292,765</u>	<u>8,125</u>	<u>40,372</u>	<u>21,109</u>	<u>8,473</u>
Operating Expenses					
Employee compensation and benefits	(326,510)	(20,411)	(31,348)	(42,727)	(21,316)
Utilities	(12,417)	(1,717)	(1,407)	(1,524)	(693)
Supplies and services	(112,221)	(11,846)	(9,675)	(9,491)	(4,652)
Scholarships and fellowships	(15,616)	(492)	0	(10,034)	(4,270)
Program expenses, System related organizations	0	0	0	0	0
Depreciation and amortization expense	(27,110)	(2,786)	(4,972)	(3,087)	(1,304)
Other operating expenses	0	0	0	0	(38)
Total Operating Expenses	<u>(493,874)</u>	<u>(37,252)</u>	<u>(47,402)</u>	<u>(66,863)</u>	<u>(32,273)</u>
Operating (Loss) Income	<u>(201,109)</u>	<u>(29,127)</u>	<u>(7,030)</u>	<u>(45,754)</u>	<u>(23,800)</u>
Nonoperating Revenues (Expenses)					
State appropriations	134,644	26,967	8,666	22,138	11,419
Refund to State	0	0	0	0	0
Transfers to/from System Administration	(10,940)	36,324	(1,502)	(1,857)	(475)
Gifts including \$30,730 from System related organizations)	16,686	352	556	206	252
Investment income, net	23,165	2,160	4,599	2,887	830
Loss on disposal of capital assets	(797)	(165)	(201)	(17)	(6)
Interest expense	(9,798)	0	(686)	(341)	(66)
Other nonoperating revenues (expenses)	(1,603)	(1)	(139)	0	305
Federal grants and contracts	58,007	0	0	27,538	12,118
Total Nonoperating Revenues (Expenses)	<u>209,364</u>	<u>65,637</u>	<u>11,293</u>	<u>50,554</u>	<u>24,377</u>
Income before other revenues, expenses, gains or losses	<u>8,255</u>	<u>36,510</u>	<u>4,263</u>	<u>4,800</u>	<u>577</u>
Other Revenues (Expenses)					
State appropriations restricted for capital purposes	43,278	325	383	657	0
Capital grants and gifts including (\$14,030 from System related organizations)	3,664	0	0	0	0
Additions to permanent endowments (including \$78 from System related organizations)	1,277	3	15	39	0
Total Other Revenues (Expenses)	<u>48,219</u>	<u>328</u>	<u>398</u>	<u>696</u>	<u>0</u>
Increase (Decrease) in Net Assets	<u>56,474</u>	<u>36,838</u>	<u>4,661</u>	<u>5,496</u>	<u>577</u>
Net Assets					
Net assets - beginning of year	<u>622,866</u>	<u>11,859</u>	<u>103,692</u>	<u>80,286</u>	<u>42,409</u>
Net Assets - end of year	<u>\$ 679,340</u>	<u>\$48,697</u>	<u>\$108,353</u>	<u>\$85,782</u>	<u>\$42,986</u>

GBC	UNLV	CSN	NSC	Eliminations	Total 2010
\$ 2,989	\$ 146,854	\$ 47,410	\$ 5,505	\$ 0	\$ 302,887
1,737	56,584	1,850	1,310	(11,376)	174,000
376	13,383	6,047	358	0	36,934
1,994	589	151	23	0	40,407
65	1,747	83	71	0	17,171
0	0	0	0	0	9
481	24,568	2,208	17	0	61,594
622	45,042	1,695	1,152	0	78,850
0	60	1	0	0	189
0	6,655	282	29	0	19,365
<u>8,264</u>	<u>295,482</u>	<u>59,727</u>	<u>8,465</u>	<u>(11,376)</u>	<u>731,406</u>
(19,650)	(345,198)	(111,166)	(12,970)	0	(931,296)
(1,147)	(13,872)	(4,381)	(384)	0	(37,542)
(5,948)	(79,296)	(35,587)	(6,306)	11,376	(263,646)
(864)	(21,022)	(23,494)	(2,196)	0	(77,988)
0	0	0	0	0	0
(1,875)	(40,092)	(10,710)	(919)	0	(92,855)
0	0	0	0	0	(38)
<u>(29,484)</u>	<u>(499,480)</u>	<u>(185,338)</u>	<u>(22,775)</u>	<u>11,376</u>	<u>(1,403,365)</u>
<u>(21,220)</u>	<u>(203,998)</u>	<u>(125,611)</u>	<u>(14,310)</u>	<u>0</u>	<u>(671,959)</u>
10,010	118,347	56,936	7,949	0	397,076
0	0	0	(328)	0	(328)
(440)	(16,806)	(3,761)	(543)	0	0
504	14,289	714	135	0	33,694
466	22,839	4,490	543	0	61,978
0	(1,349)	59	0	0	(2,476)
(99)	(10,819)	(86)	0	0	(21,895)
340	491	0	(74)	0	(681)
<u>9,171</u>	<u>85,411</u>	<u>68,919</u>	<u>7,771</u>	<u>0</u>	<u>268,935</u>
<u>19,952</u>	<u>212,403</u>	<u>127,271</u>	<u>15,453</u>	<u>0</u>	<u>736,304</u>
<u>(1,268)</u>	<u>8,405</u>	<u>1,660</u>	<u>1,143</u>	<u>0</u>	<u>64,345</u>
0	3,422	13,803	0	0	61,868
0	9,748	7,049	461	0	20,922
0	257	16	0	0	1,607
0	13,427	20,868	461	0	84,397
<u>(1,268)</u>	<u>21,832</u>	<u>22,528</u>	<u>1,604</u>	<u>0</u>	<u>148,742</u>
<u>46,784</u>	<u>805,922</u>	<u>251,493</u>	<u>36,570</u>	<u>0</u>	<u>2,001,881</u>
<u>\$ 45,516</u>	<u>\$ 827,754</u>	<u>\$ 274,021</u>	<u>\$ 38,174</u>	<u>\$ 0</u>	<u>\$ 2,150,623</u>

Nevada System of Higher Education
Supplementary Schedule of Expenditures of Federal Awards
Fiscal Year 2010-11



	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
CCDF Cluster											
Health and Human Services											
ADMINISTRATION FOR CHILDREN AND FAMILIES											
Pass Through Nv-Dept of Health & Human Svcs Div of Welfare -Child Care and Development Block Grant - Contract No.: N/A	93.575	\$ 0	\$ 50,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,188
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Child Care and Development Block Grant - Contract No.: CONV6663	93.575	7,551	0	0	0	0	0	0	0	0	7,551
Pass Through Nevada Department of Health & Human Services -Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Contract No.: N/A	93.596	0	344	0	0	0	0	0	0	0	344
Total for ADMINISTRATION FOR CHILDREN AND FAMILIES		7,551	50,532	0	0	0	0	0	0	0	58,083
Total for Health and Human Services		7,551	50,532	0	0	0	0	0	0	0	58,083
CCDF Cluster		7,551	50,532	0	0	0	0	0	0	0	58,083

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>CDBG - Entitlement Grant Cluster</i>											
Dept. of Housing and Urban Development											
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT											
Pass Through CITY OF HENDERSON -Community Development Block Grants/Entitlement Grants - Contract No.: 132-CDBG	14.218	0	27,494	0	0	0	0	0	0	0	27,494
Total for OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT		0	27,494	0	0	0	0	0	0	0	27,494
Total for Dept. of Housing and Urban Development		0	27,494	0	0	0	0	0	0	0	27,494
CDBG - Entitlement Grant Cluster		0	27,494	0	0	0	0	0	0	0	27,494

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Child Nutrition Cluster</i>											
Department of Agriculture											
FOOD AND NUTRITION SERVICE											
Pass Through Nevada Dept of Education -Special Milk Program for Children - Contract No.: M-102150-09	10.556	0	0	0	0	0	0	1,855	0	0	1,855
Pass Through NV-DEPT OF EDUCATION -Special Milk Program for Children - Contract No.: M-102250-09	10.556	3	0	0	0	0	0	0	0	0	3
Pass Through Nevada Department of Health & Human Services -Summer Food Service Program for Children - Contract No.: N/A	10.559	0	1,047	0	0	0	0	0	0	0	1,047
Pass Through Nv-Dept of Education -Summer Food Service Program for Children - Contract No.: OSP-1051689	10.559	0	40,573	0	0	0	0	0	0	0	40,573
Pass Through NV-DEPT OF EDUCATION -Summer Food Service Program for Children - Contract No.: OSP-1051690	10.559	15,528	0	0	0	0	0	0	0	0	15,528
Total for FOOD AND NUTRITION SERVICE		15,531	41,621	0	0	0	0	1,855	0	0	59,007
Total for Department of Agriculture		15,531	41,621	0	0	0	0	1,855	0	0	59,007
Child Nutrition Cluster		15,531	41,621	0	0	0	0	1,855	0	0	59,007

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Educational Technology State Grants Cluster</i>											
Department of Education											
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION											
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Education Technology State Grants - Contract No.: PO121883	84.318	3,727	0	0	0	0	0	0	0	0	3,727
Total for OFFICE OF ELEMENTARY AND SECONDARY EDUCATION		3,727	0	0	0	0	0	0	0	0	3,727
Total for Department of Education		3,727	0	0	0	0	0	0	0	0	3,727
Educational Technology State Grants Cluster		3,727	0	0	0	0	0	0	0	0	3,727

[illegible]

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Head Start Cluster</i>											
Pass Through State Head Start Collaboration -Head Start - Contract No.: 11361	93.600	0	0	0	0	0	0	25,754	0	0	25,754
Total for ADMINISTRATION FOR CHILDREN AND FAMILIES	1,639,607	191,405	0	0	0	0	0	25,754	0	0	1,856,766
Total for Health and Human Services	3,139,661	191,405	0	0	0	0	0	25,754	0	0	3,356,820
Head Start Cluster	3,139,661	191,405	0	0	0	0	0	25,754	0	0	3,356,820

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CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
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Highway Safety Cluster

Department of Transportation

DOT

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Pass Through Nv-Dept of Public Safety -State Traffic Safety Info System Improvement Grants - Contract No.: 21-TR-2/21-408TR-11	20.610	0	7,122	0	0	0	0	0	0	0	7,122
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Total for DOT	111,198	28,070	0	0	0	0	0	0	0	139,268
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NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

[illegible]

Pass Through Nevada Department of Public Safety -State and Community Highway Safety - Contract No.: 21-CP-3	20,600	0	87,306	0	0	0	0	0	0	0	87,306
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Pass Through Nevada Department of Public Safety -State and Community Highway Safety - Contract No.: 21-OP-3	20,600	0	12,205	0	0	0	0	0	0	0	12,205
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Pass Through Nevada Department of Public Safety -State and Community Highway Safety - Contract No.: 21-TR-2	20.600	0	7,764	0	0	0	0	0	0	0	7,764
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Homeland Security Cluster

Department of Homeland Security

[illegible]

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Total for CONTRACT - DEPT OF JUSTICE		0	14,744	0	0	0	0	0	0	0	14,744
VIOLENCE AGAINST WOMEN OFFICE											
Direct -Grants to Reduce Violent Crimes Against Women on Campus	16.525	0	83,806	0	0	0	0	0	0	0	83,806
Total for VIOLENCE AGAINST WOMEN OFFICE		0	83,806	0	0	0	0	0	0	0	83,806
OFFICE OF VICTIMS OF CRIME											
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Crime Victim Assistance - Contract No.: 3145/20-SFY10-12-094	16.575	105,406	0	0	0	0	0	0	0	0	105,406
Total for OFFICE OF VICTIMS OF CRIME		105,406	0	0	0	0	0	0	0	0	105,406
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENT											
Pass Through HOME BUILDERS INST -Juvenile Mentoring Program - Contract No.: 2009-JU-FX-0002	16.726	425	0	0	0	0	0	0	0	0	425
Total for OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENT		425	0	0	0	0	0	0	0	0	425
BUREAU OF JUSTICE ASSISTANCE											
Direct -Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	7,960	0	0	0	0	0	0	0	0	7,960
Pass Through Nv-Dept of Public Safety -Edward Byrne Memorial Justice Assistance Grant Program - Contract No.: 09-JAG-00	16.738	0	13,105	0	0	0	0	0	0	0	13,105
Total for BUREAU OF JUSTICE ASSISTANCE		7,960	13,105	0	0	0	0	0	0	0	21,065
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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Pass Through NEVADA HUMANITIES -Promotion of the Humanities_Federal/State Partnership - Contract No.: 2011-33	45.129	641	0	0	0	0	0	0	0	0	641
Pass Through NV Arts Council -Promotion of the Humanities_Federal/State Partnership - Contract No.: NTI-Fy 10-02	45.129	0	0	0	0	0	0	6,844	0	0	6,844
Pass Through NV Arts Council -Promotion of the Humanities_Federal/State Partnership - Contract No.: NTI-Fy 10-01	45.129	0	0	0	0	0	0	1,350	0	0	1,350
Total for NATIONAL ENDOWMENT FOR THE HUMANITIES		363,534	1,000	0	0	0	0	8,194	0	4,000	376,728
Total for National Endowment for the Humanities		363,534	1,000	0	0	0	0	8,194	0	4,000	376,728
Institute of Museum and Library Services											
INSTITUTE OF MUSEUM AND LIBRARY SERVICES											
Pass Through NV State Library & Archives -Grants to States - Contract No.: 2010-24	45.310	0	95,000	0	0	0	0	0	0	0	95,000
Pass Through NV-DEPT OF CULTURAL AFFAIRS -Grants to States - Contract No.: 2010-16	45.310	8,675	0	0	0	0	0	0	0	0	8,675
Total for INSTITUTE OF MUSEUM AND LIBRARY SERVICES		8,675	95,000	0	0	0	0	0	0	0	103,675
Total for Institute of Museum and Library Services		8,675	95,000	0	0	0	0	0	0	0	103,675
National Endowment for the Arts											
NATIONAL ENDOWMENT FOR THE ARTS											
Direct -Promotion of the Arts_Grants to Organizations and Individuals	45.024	0	10,117	0	0	0	0	0	0	0	10,117

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: CPD11:1:24	45.024	650	0	0	0	0	0	0	0	0	650
Pass Through NV-DEPT OF CULTURAL AFFAIRS - ARRA-Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: SNAP 090043	45.024	165	0	0	0	0	0	0	0	0	165
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: BET11:4:04	45.024	789	0	0	0	0	0	0	0	0	789
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: PRJ11:0:19	45.024	1,811	0	0	0	0	0	0	0	0	1,811
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: PRJ11:0:20	45.024	3,102	0	0	0	0	0	0	0	0	3,102
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: PRJ11:0:21	45.024	3,293	0	0	0	0	0	0	0	0	3,293
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: PRJ11:0:23	45.024	3,306	0	0	0	0	0	0	0	0	3,306
Pass Through NV-DEPT OF CULTURAL AFFAIRS - Promotion of the Arts_Grants to Organizations and Individuals - Contract No.: PRJ11:0:22	45.024	3,306	0	0	0	0	0	0	0	0	3,306
Pass Through Nevada Arts Council -Promotion of the Arts_Partnership Agreements - Contract No.: 335-030-c151	45.025	0	0	0	0	0	2,258	0	0	0	2,258
Pass Through Nevada Arts Council -Promotion of the Arts_Partnership Agreements - Contract No.: 335-030-c153	45.025	0	0	0	0	0	884	0	0	0	884

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Direct -Mathematical and Physical Sciences	47.049	0	0	0	0	0	0	103,271	0	0	103,271
Direct -Education and Human Resources	47.076	125,772	9,083	0	0	95,951	0	0	0	0	230,807
Pass Through Tenn Tech Univ -Education and Human Resources - Contract No.: PO P0004982	47.076	0	6,000	0	0	0	0	0	0	0	6,000
Total for NATIONAL SCIENCE FOUNDATION		1,201,134	20,083	0	0	95,951	0	103,271	0	0	1,420,439
Total for National Science Foundation		1,201,134	20,083	0	0	95,951	0	103,271	0	0	1,420,439
Small Business Administration											
SMALL BUSINESS ADMINISTRATION											
Direct -8(a) Business Development	59.006	81,457	0	0	0	0	0	0	0	0	81,457
Direct -Small Business Development Center	59.037	1,011,650	0	0	0	0	0	0	0	0	1,011,650
Pass Through WESTERN NEVADA DEVELOPMENT DISTRICT -Small Business Development Center - Contract No.: OSP-11605HV	59.037	71,145	0	0	0	0	0	0	0	0	71,145
Total for SMALL BUSINESS ADMINISTRATION		1,164,252	0	0	0	0	0	0	0	0	1,164,252
Total for Small Business Administration		1,164,252	0	0	0	0	0	0	0	0	1,164,252
Veteran's Administration											
VETERANS HEALTH ADMINISTRATION											

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Pass Through NV-DEPT OF CONSERVATION AND NATURAL RESOURCES -Environmental Policy and State Innovation Grants - Contract No.: DEP07-016	66.940	7,234	0	0	0	0	0	0	0	0	7,234
Total for OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE		184,104	0	0	0	0	0	0	0	0	184,104
OFFICE OF PREVENTION, PESTICIDES & TOXIC SUBSTANCE											
Direct -Pollution Prevention Grants Program	66.708	299,449	0	0	0	0	0	0	0	0	299,449
Total for OFFICE OF PREVENTION, PESTICIDES & TOXIC SUBSTANCE		299,449	0	0	0	0	0	0	0	0	299,449
Total for Environmental Protection Agency		1,122,098	0	0	0	0	0	0	0	0	1,122,098
Nuclear Regulatory Commission											
Nuclear Regulatory Commission											
Direct -U.S. Nuclear Reg Commission Scholarship & Fellowship Program	77.008	38,980	0	0	0	0	0	0	0	0	38,980
Total for Nuclear Regulatory Commission		38,980	0	0	0	0	0	0	0	0	38,980
Total for Nuclear Regulatory Commission		38,980	0	0	0	0	0	0	0	0	38,980
Department of Energy											
DEPARTMENT OF ENERGY											
Direct -Used Energy-Related Laboratory Equipment Grants	81.022	833,525	0	0	0	0	0	0	0	0	833,525
Pass Through Nevada State Energy Office -State Energy Program - Contract No.: DE-EE0004471	81.041	0	0	0	0	0	0	9,098	0	0	9,098

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Pass Through NV-GOVERNORS OFFICE -State Energy Program - Contract No.: DE-EE0004471	81.041	20,487	0	0	0	0	0	0	0	0	20,487
Direct -Office of Science Financial Assistance Program	81.049	0	210,808	0	0	0	0	0	0	0	210,808
Pass Through INL-BATTELLE ENERGY ALLIANCE - Office of Science Financial Assistance Program - Contract No.: 00100846	81.049	32,392	0	0	0	0	0	0	0	0	32,392
Direct -Renewable Energy Research and Development	81.087	122,526	35,941	0	0	0	0	143,876	0	0	302,343
Pass Through Salt Lake Community College -Renewable Energy Research and Development - Contract No.: n/a	81.087	0	0	0	0	0	0	11,590	0	0	11,590
Direct -Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	0	0	0	0	197,064	0	0	0	0	197,064
Direct -Energy Efficiency and Renewable Energy Tech Deployment, Demo & Comm	81.129	0	0	0	55,209	0	0	0	0	0	55,209
Pass Through NV-GOVERNORS OFFICE -ARRA-Energy Efficiency and Renewable Energy Tech Deployment, Demo & Comm - Contract No.: 11702	81.129	302,278	0	0	0	0	0	0	0	0	302,278
Pass Through NV-GOVERNORS OFFICE -ARRA-Energy Efficiency and Renewable Energy Tech Deployment, Demo & Comm - Contract No.: 11370 AMEND#2	81.129	119,756	0	0	0	0	0	0	0	0	119,756
Total for DEPARTMENT OF ENERGY		1,430,963	246,750	0	55,209	197,064	0	164,564	0	0	2,094,550
Total for Department of Energy		1,430,963	246,750	0	55,209	197,064	0	164,564	0	0	2,094,550

CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
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Other Federal Assistance

Department of Education

OFFICE OF SPECIAL EDUCATION & REHABILITATIVE SVCE

Pass Through NV-DEPT OF EDUCATION -Rehabilitation Services_Service Projects - Contract No.: OSP-11306PK	84.128	48,975	0	0	0	0	0	0	0	0	48,975
Pass Through NV-DEPT OF EDUCATION -Rehabilitation Services_Service Projects - Contract No.: 10-667-77000	84.128	585	0	0	0	0	0	0	0	0	585
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Assistive Technology - Contract No.: 19-001-85-9B9-11	84.224	44,342	0	0	0	0	0	0	0	0	44,342
Pass Through NV-DEPT OF EDUCATION -Special Education - State Personnel Development - Contract No.: OSP-11306PC	84.323	315,506	0	0	0	0	0	0	0	0	315,506
Direct -Special Education_Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	72,840	200,333	0	0	0	0	0	0	0	273,172
Direct -Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	98,424	0	0	0	0	0	0	0	0	98,424
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Special Education_Studies and Evaluations - Contract No.: 1008SF3266	84.329	556	0	0	0	0	0	0	0	0	556
Pass Through National Writing Project -National Writing Project - Contract No.: 92-NV02	84.928	0	32,357	0	0	0	0	0	0	0	32,357
Pass Through National Writing Project -National Writing Project - Contract No.: 92-NV02AMD29	84.928	0	1,746	0	0	0	0	0	0	0	1,746

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Pass Through UC Berkley -National Writing Project - Contract No.: 333-030-f031	84.928	0	0	0	0	0	28,849	0	0	0	28,849
Pass Through UC Berkley -National Writing Project - Contract No.: 333-030-f041	84.928	0	0	0	0	0	715	0	0	0	715
Pass Through UNIV OF CALIFORNIA-BERKELEY - National Writing Project - Contract No.: 92-NV01	84.928	54,870	0	0	0	0	0	0	0	0	54,870
Total for OFFICE OF SPECIAL EDUCATION & REHABILITATIVE SVCE		636,098	234,435	0	0	0	29,564	0	0	0	900,097
OFFICE OF POSTSECONDARY EDUCATION											
Direct -TRIO Staff Training Program	84.103	0	1,037,704	0	0	0	0	0	0	0	1,037,704
Direct -Fund for the Improvement of Postsecondary Education	84.116	0	0	0	351,029	0	0	178,550	0	0	529,579
Direct -Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333	0	0	0	0	0	0	0	5,835	0	5,835
Direct -Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	0	4,677,601	0	0	0	0	0	0	0	4,677,601
Pass Through Department of Education -Gaining Early Awareness and Readiness for Undergraduate Programs - Contract No.: 335-040-C001	84.334	0	0	0	0	0	5,250	0	0	0	5,250
Pass Through Department of Education -Gaining Early Awareness and Readiness for Undergraduate Programs - Contract No.: 335-040-C101	84.334	0	0	0	0	0	6,750	0	0	0	6,750

OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Twenty-First Century Community Learning Centers - Contract No.: OSP-15174KM	84.287	264	0	0	0	0	0	0	0	0	264
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Twenty-First Century Community Learning Centers - Contract No.: OSP-15174KP	84.287	165	0	0	0	0	0	0	0	0	165
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Twenty-First Century Community Learning Centers - Contract No.: OSP-15174KG	84.287	332	0	0	0	0	0	0	0	0	332
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Twenty-First Century Community Learning Centers - Contract No.: OSP-15174KN	84.287	135	0	0	0	0	0	0	0	0	135
Total for OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT		71,650	0	0	0	0	0	0	0	0	71,650
OFFICE OF VOCATIONAL AND ADULT EDUCATION											
Pass Through Nevada Dept of Education -Adult Education_State Grant Program - Contract No.: n/a	84.002	0	0	0	0	0	0	1,152,217	0	0	1,152,217
Pass Through Nevada Dept of Education -Adult Education_State Grant Program - Contract No.: 335-030- c152	84.002	0	0	0	0	0	41,318	0	0	0	41,318
Pass Through Nevada Dept of Education -Adult Education_State Grant Program - Contract No.: 335-030- c150	84.002	0	0	0	0	0	323,959	0	0	0	323,959
Pass Through Nevada Dept of Education -Adult Education_State Grant Program - Contract No.: n/a.	84.002	0	0	0	0	0	0	0	469,243	0	469,243
Pass Through Nevada Dept of Education -Adult Education_State Grant Program - Contract No.: multiple	84.002	0	0	0	0	1,361,638	0	0	0	0	1,361,638

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Direct -Vocational Education_Basic Grants to States	84.048	0	0	0	0	0	0	0	422,971	0	422,971
Pass Through Nevada Dept of Education -Vocational Education_Basic Grants to States - Contract No.: multiple	84.048	0	0	0	0	1,028,689	0	0	0	0	1,028,689
Pass Through Nevada Dept of Education -Vocational Education_Basic Grants to States - Contract No.: n/a	84.048	0	0	0	0	0	0	484,098	0	0	484,098
Pass Through NV Dept of Education -Vocational Education_Basic Grants to States - Contract No.: 335-030-c160	84.048	0	0	0	0	0	110,536	0	0	0	110,536
Pass Through NV Dept of Education -Vocational Education_Basic Grants to States - Contract No.: 335-030-c123	84.048	0	0	0	0	0	91,159	0	0	0	91,159
Pass Through NV Dept of Education -Vocational Education_Basic Grants to States - Contract No.: 335-030-c125	84.048	0	0	0	0	0	3,400	0	0	0	3,400
Pass Through Nevada Dept of Education -Tech-Prep Education - Contract No.: 10-654-42000	84.243	0	0	0	0	466,550	0	0	0	0	466,550
Pass Through Nevada Dept of Education -Tech-Prep Education - Contract No.: n/a	84.243	0	0	0	0	0	0	104,866	0	0	104,866
Pass Through NV Dept of Education -Tech-Prep Education - Contract No.: 335-030-c124	84.243	0	0	0	0	0	79,033	0	0	0	79,033
Total for OFFICE OF VOCATIONAL AND ADULT EDUCATION		0	0	0	0	2,856,877	649,405	1,741,181	892,214	0	6,139,677
Total for Department of Education		1,421,412	6,232,911	0	351,029	3,022,748	701,204	1,919,731	898,049	1,554,355	16,101,438

CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
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Other Federal Assistance

CONTRACT - HEALTH AND HUMAN SERVICES

Pass Through Southern NV Health District -Contract - Health and Human Services - Contract No.: N/A	93,000	0	35,030	0	0	0	0	0	0	0	35,030
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Total for CONTRACT - HEALTH AND HUMAN SERVICES

ADMINISTRATION ON AGING

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Other Federal Assistance</i>											
Direct -Earthquake Consortium	97.082	65,276	0	0	0	0	0	0	0	0	65,276
Direct -Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104	0	56,551	0	0	0	0	0	0	0	56,551
Total for DEPARTMENT OF HOMELAND SECURITY		191,707	95,246	0	0	0	0	0	0	0	286,953
Total for Department of Homeland Security		191,707	95,246	0	0	0	0	0	0	0	286,953
Other Federal Assistance		20,158,172	10,890,764	0	587,301	3,871,823	782,149	2,705,124	937,456	4,562,074	44,494,863

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through UNIV OF CALIFORNIA-DAVIS -Agriculture and Food Research Initiative (AFRI) - Contract No.: 09-001937-UNR	10.310	31,643	0	0	0	0	0	0	0	0	31,643
Direct -Cooperative Extension Service	10.500	1,619,710	0	0	0	0	0	0	0	0	1,619,710
Pass Through UNIVERSITY OF KENTUCKY -Cooperative Extension Service - Contract No.: 3048107987-09-441	10.500	25,963	0	0	0	0	0	0	0	0	25,963
Total for COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE		4,486,117	222,249	6,371	0	0	0	0	0	0	4,714,737
ECONOMIC RESEARCH SERVICES											
Direct -Agricultural and Rural Economic Research	10.250	0	5,910	0	0	0	0	0	0	0	5,910
Direct -Program of Research on the Economic of Invasive Species Mgmt	10.254	40,961	0	0	0	0	0	0	0	0	40,961
Total for ECONOMIC RESEARCH SERVICES		40,961	5,910	0	0	0	0	0	0	0	46,871
FOOD AND NUTRITION SERVICE											
Pass Through ALTARUM INSTITUTE -Team Nutrition Grants - Contract No.: SC-09-011	10.574	31,446	0	0	0	0	0	0	0	0	31,446
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Food Stamp Program Outreach Grants - Contract No.: OSP 1012094	10.580	11,783	0	0	0	0	0	0	0	0	11,783
Total for FOOD AND NUTRITION SERVICE		43,229	0	0	0	0	0	0	0	0	43,229
FOREIGN AGRICULTURAL SERVICE											

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Direct -Foreign Market Development Cooperator Program	10.600	41,359	0	0	0	0	0	0	0	0	41,359
Direct -International Training_ Foreign Participant	10.962	16,152	0	0	0	0	0	0	0	0	16,152
Total for FOREIGN AGRICULTURAL SERVICE		57,511	0	0	0	0	0	0	0	0	57,511
FOREST SERVICE											
Direct -Forestry Research	10.652	444,850	0	681,252	0	0	0	0	0	0	1,126,102
Pass Through Northern Arizona University -Forestry Research - Contract No.: ER134GL-02	10.652	0	1	0	0	0	0	0	0	0	1
Pass Through PORTLAND STATE UNIVERSITY -Forestry Research - Contract No.: 200SCH236	10.652	40,245	0	0	0	0	0	0	0	0	40,245
Pass Through UNIVERSITY OF CALIFORNIA-DAVIS - Forestry Research - Contract No.: 07-001085-03	10.652	0	0	3,211	0	0	0	0	0	0	3,211
Direct -Cooperative Forestry Assistance	10.664	97,586	2,117,949	0	0	0	0	0	0	0	2,215,535
Pass Through NEVADA TAHOE CONVERSATION DISTRICT -National Forest_Dependent Rural Communities - Contract No.: DATED 9/18/08	10.670	0	0	14,238	0	0	0	0	0	0	14,238
Direct -Urban and Community Forestry Program	10.675	0	0	277,041	0	0	0	0	0	0	277,041

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CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>										
Pass Through UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH -Meteorologic and Hydrologic Modernization Development - Contract No.: Z10-83386	11.467	0	0	9,911	0	0	0	0	0	9,911
Direct -Applied Meteorological Research	11.468	0	0	148,754	0	0	0	0	0	148,754
Total for NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	2,199	67,313	365,483	0	0	0	0	0	0	434,996
NATIONAL INSTITUTE FOR STANDARDS AND TECHNOLOGY										
Direct -Manufacturing Extension Partnership	11.611	0	0	0	0	0	0	0	371,722	371,722
Direct -National Institute of Standards and Technology Construction Grant	11.618	479,409	0	0	0	0	0	0	0	479,409
Total for NATIONAL INSTITUTE FOR STANDARDS AND TECHNOLOGY	479,409	0	0	0	0	0	0	0	371,722	851,131
Total for Department of Commerce										
Department of Defense										
CONTRACT - DEPT OF DEFENSE										
Direct -Contract - Dept of Defense	12.000	0	105,251	1,581,389	0	0	0	0	0	1,686,640
Pass Through 2Phase Technologies -Contract - Dept of Defense - Contract No.: N/A	12.000	0	68,392	0	0	0	0	0	0	68,392
Pass Through Battelle Energy Alliance -Contract - Dept of Defense - Contract No.: US001000025714	12.000	0	302,671	0	0	0	0	0	0	302,671

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Science & Engineering Associates -Contract - Dept of Defense - Contract No.: SUB-S4931-01	12.000	0	68,424	0	0	0	0	0	0	0	68,424
Pass Through SEI GROUP, INC -ARRA-Contract - Dept of Defense - Contract No.: SEI10-TECHVAL#35-015	12.000	0	0	41,687	0	0	0	0	0	0	41,687
Pass Through STRATTON -Contract - Dept of Defense - Contract No.: N/A	12.000	0	21,571	0	0	0	0	0	0	0	21,571
Total for CONTRACT - DEPT OF DEFENSE		147,672	727,438	2,327,215	0	0	0	0	0	0	3,202,324
DEPT OF THE ARMY, OFFICE OF THE CHIEF OF ENGINEER											
Direct -Collaborative Research and Development	12.114	43,970	0	0	0	0	0	0	0	0	43,970
Pass Through ADVANCED MATERIAL & DEVICES INC - Collaborative Research and Development - Contract No.: AMAD-02-07	12.114	24,145	0	0	0	0	0	0	0	0	24,145
Pass Through ADVANCED MATERIAL & DEVICES INC - Collaborative Research and Development - Contract No.: AMAD-03-09	12.114	15,441	0	0	0	0	0	0	0	0	15,441
Pass Through UNIV OF CALIFORNIA-DAVIS - Collaborative Research and Development - Contract No.: 07-003874-01	12.114	40,286	0	0	0	0	0	0	0	0	40,286
Total for DEPT OF THE ARMY, OFFICE OF THE CHIEF OF ENGINEER		123,842	0	0	0	0	0	0	0	0	123,842
DEPT OF THE NAVY, OFFICE OF NAVAL RESEARCH											
Direct -Basic and Applied Scientific Research	12.300	1,467,415	0	151,499	0	0	0	0	0	0	1,618,914

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through ADVANCED MATERIAL & DEVICES INC - Basic and Applied Scientific Research - Contract No.: AMAD-01-08	12.300	46,854	0	0	0	0	0	0	0	0	46,854
Pass Through ADVANCED MATERIAL & DEVICES INC - Basic and Applied Scientific Research - Contract No.: AMAD-03-08	12.300	38,599	0	0	0	0	0	0	0	0	38,599
Pass Through ADVANCED MATERIAL & DEVICES INC - Basic and Applied Scientific Research - Contract No.: AMAD-02-08	12.300	158,965	0	0	0	0	0	0	0	0	158,965
Pass Through EPSILON SYSTEMS SOLUTIONS -Basic and Applied Scientific Research - Contract No.: SN08015000	12.300	3,100	0	0	0	0	0	0	0	0	3,100
Pass Through G2 SOFTWARE SYSTEMS -Basic and Applied Scientific Research - Contract No.: UON-0364-001	12.300	18,449	0	0	0	0	0	0	0	0	18,449
Pass Through TDA RESEARCH -Basic and Applied Scientific Research - Contract No.: UNR 10.01	12.300	23,144	0	0	0	0	0	0	0	0	23,144
Total for DEPT OF THE NAVY, OFFICE OF NAVAL RESEARCH		1,756,525	0	151,499	0	0	0	0	0	0	1,908,024
U.S . ARMY MEDICAL COMMAND											
Direct -Military Medical Research and Development	12.420	118,380	252,484	826,053	0	0	0	0	0	0	1,196,917
Total for U.S . ARMY MEDICAL COMMAND		118,380	252,484	826,053	0	0	0	0	0	0	1,196,917
U.S . ARMY MATERIEL COMMAND											
Direct -Basic Scientific Research	12.431	101,404	282,342	2,205,193	0	0	0	0	0	0	2,588,938

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
Research and Development Cluster											
Pass Through DOD/EYE-COM GAZE DIRECTED ACTN - Basic Scientific Research - Contract No.: EYE-COM 01	12.431	0	0	80,189	0	0	0	0	0	0	80,189
Total for U.S . ARMY MATERIEL COMMAND		101,404	282,342	2,285,382	0	0	0	0	0	0	2,669,128
OFFICE OF THE SECRETARY OF DEFENSE											
Pass Through HY-TECH RESEARCH CORP -Basic Scientific Research - Combating Weapons of Mass Destruction - Contract No.: 1111005	12.351	2,431	0	0	0	0	0	0	0	0	2,431
Pass Through SEI GROUP INC -ARRA-Basic, Applied, and Advanced Research in Science and Engineering - Contract No.: SEI-10-TECHVAL#35014	12.630	197,514	0	0	0	0	0	0	0	0	197,514
Total for OFFICE OF THE SECRETARY OF DEFENSE		199,945	0	0	0	0	0	0	0	0	199,945
DEPARTMENT OF THE AIR FORCE, MATERIEL COMMAND											
Direct -Air Force Defense Research Sciences Program	12.800	725,068	289,483	0	0	0	0	0	0	0	1,014,552
Pass Through 2PHASE TECHNOLOGIES -Air Force Defense Research Sciences Program - Contract No.: 1005014	12.800	47,484	0	0	0	0	0	0	0	0	47,484
Pass Through SCIENCE APPLICATIONS INTERNATIONAL CORP -Air Force Defense Research Sciences Program - Contract No.: 4400164900	12.800	100,000	0	0	0	0	0	0	0	0	100,000
Pass Through Washington Univ -Air Force Defense Research Sciences Program - Contract No.: WU-HT-11-08	12.800	0	28,099	0	0	0	0	0	0	0	28,099
Total for DEPARTMENT OF THE AIR FORCE, MATERIEL COMMAND		872,552	317,582	0	0	0	0	0	0	0	1,190,134
NATIONAL SECURITY AGENCY											

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Clark County -So. Nevada Public Lands Management - Contract No.: CBE NO.601683-09	15.235	0	228,924	0	0	0	0	0	0	0	228,924
Direct -Rangeland Resource Management	15.237	1,176	0	0	0	0	0	0	0	0	1,176
Direct -Challenge Cost Share	15.238	12,944	0	0	0	0	0	0	0	0	12,945
Total for DEPARTMENT OF THE INTERIOR		819,322	441,608	25,634	0	0	0	0	0	0	1,286,563
BUREAU OF RECLAMATION											
Direct -Water Desalination Research and Development Program	15.506	57,099	0	0	0	0	0	0	0	0	57,099
Direct -Water 2025	15.507	0	0	547,246	0	0	0	0	0	0	547,246
Direct -Providing Water to At-Risk Natural Desert Terminal Lakes	15.508	105,977	0	1,271,306	0	0	0	0	0	0	1,377,283
Pass Through NATIONAL FISH AND WILDLIFE FOUNDATION -Providing Water to At-Risk Natural Desert Terminal Lakes - Contract No.: 2010-0059-201	15.508	1,407,776	0	0	0	0	0	0	0	0	1,407,776
Pass Through NEVADA TAHOE CONSERVATION DISTRICT -Providing Water to At-Risk Natural Desert Terminal Lakes - Contract No.: 08-FG200112	15.508	14,024	0	0	0	0	0	0	0	0	14,024
Pass Through NEVADA TAHOE CONSERVATION DISTRICT -Fish and Wildlife Coordination Act - Contract No.: DATED 11/2010	15.517	0	0	9,328	0	0	0	0	0	0	9,328

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CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>										
Pass Through Regional Transportation Commission -Federal Transit Metropolitan Planning Grants - Contract No.: 4500158058-402	20.505	0	7,590	0	0	0	0	0	0	7,590
Total for FEDERAL TRANSIT ADMINISTRATION		0	15,011	0	0	0	0	0	0	15,011
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION										
Pass Through OREGON STATE UNIVERSITY -Biobased Transportation Research - Contract No.: T0013G-C	20.761	27,175	0	0	0	0	0	0	0	27,175
Total for RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION		27,175	0	0	0	0	0	0	0	27,175
UNIVERSITY TRANSPORTATION CENTERS PROGRAM										
Direct -University Transportation Centers Program	20.701	0	166,647	0	0	0	0	0	0	166,647
Total for UNIVERSITY TRANSPORTATION CENTERS PROGRAM		0	166,647	0	0	0	0	0	0	166,647
Total for Department of Transportation		1,741,327	198,483	0	0	0	0	0	0	1,939,810
National Aeronautics and Space Admin.										
CONTRACT - NATIONAL AERONAUTICS AND SPACE ADMIN.										
Pass Through Innosence, LLC -Contract - National Aeronautics and Space Administration - Contract No.: N/A	43.000	0	7,386	0	0	0	0	0	0	7,386
Pass Through JET PROPULSION LAB -Contract - National Aeronautics and Space Administration - Contract No.: RSA# 1372132	43.000	0	0	59,974	0	0	0	0	0	59,974
Total for CONTRACT - NATIONAL AERONAUTICS AND SPACE ADMIN.		0	7,386	59,974	0	0	0	0	0	67,360
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION										

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Smithsonian Astrophysical Observatory - Aerospace Education Services Program - Contract No.: AR9-0006X	43.001	0	41,888	0	0	0	0	0	0	0	41,888
Pass Through Sonoma State Univ -Aerospace Education Services Program - Contract No.: SA105765	43.001	0	18,844	0	0	0	0	0	0	0	18,844
Pass Through Space Telescope Science Inst -Aerospace Education Services Program - Contract No.: HST-AR-12143-01-A	43.001	0	1,356	0	0	0	0	0	0	0	1,356
Pass Through Space Telescope Science Inst -Aerospace Education Services Program - Contract No.: HST-AR-12150-01-A	43.001	0	7,720	0	0	0	0	0	0	0	7,720
Pass Through UNAVCO -Aerospace Education Services Program - Contract No.: CA-NNX10AF07A-S1	43.001	76,442	0	0	0	0	0	0	0	0	76,442
Pass Through UNIVERSITY OF CALIFORNIA-SANTA CRUZ -Aerospace Education Services Program - Contract No.: S0182761	43.001	0	0	8,524	0	0	0	0	0	0	8,524
Pass Through JET PROPULSION LAB -Technology Transfer - Contract No.: 1294724	43.002	1,584	0	0	0	0	0	0	0	0	1,584
Total for NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		619,062	650,880	733,338	0	0	0	0	0	1,054,172	3,057,451
Total for National Aeronautics and Space Admin.		619,062	658,266	793,312	0	0	0	0	0	1,054,172	3,124,811
National Science Foundation											
CONTRACT - NATIONAL SCIENCE FOUNDATION											
Direct -ARRA-Contract - National Science Foundation	47.000	0	0	4,292	0	0	0	0	0	0	4,292

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through SOUTH DAKOTA STATE UNIVERSITY - Biological Sciences - Contract No.: 3FD054/GRANT CRAMER	47.074	56,118	0	0	0	0	0	0	0	0	56,118
Pass Through UNIV OF CALIFORNIA-MERCED - Biological Sciences - Contract No.: EAR 0725097	47.074	99,116	0	0	0	0	0	0	0	0	99,116
Pass Through University of Puerto Rico -Biological Sciences - Contract No.: N/A	47.074	0	40,895	0	0	0	0	0	0	0	40,895
Direct -Social, Behavioral, and Economic Sciences	47.075	334,089	40,394	42,098	0	0	0	0	0	0	416,581
Pass Through University of South Carolina -Social, Behavioral, and Economic Sciences - Contract No.: 09-1575	47.075	0	38,053	0	0	0	0	0	0	0	38,053
Direct -Education and Human Resources	47.076	91,333	41,698	84,735	0	0	0	0	0	0	217,766
Pass Through Arizona State University -Education and Human Resources - Contract No.: KMS0019-34-32	47.076	0	2,737	0	0	0	0	0	0	0	2,737
Pass Through Arizona State University -Education and Human Resources - Contract No.: KMS0019-34-31	47.076	0	756	0	0	0	0	0	0	0	756
Pass Through Arizona State University -Education and Human Resources - Contract No.: KMS0019-34-33	47.076	0	2,268	0	0	0	0	0	0	0	2,268
Pass Through Arizona State University -Education and Human Resources - Contract No.: KMS0019-34-34	47.076	0	134	0	0	0	0	0	0	0	134

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Total for NATIONAL SCIENCE FOUNDATION		5,963,356	3,001,602	2,277,311	0	0	0	0	0	0	11,242,268
NSF											
Direct -Office of Cyberinfrastructure	47.080	0	9,766	0	0	0	0	0	0	0	9,766
Direct -Office of Experimental Program to Stimulate Competitive Research	47.081	0	0	0	0	0	0	0	0	3,669,354	3,669,354
Direct -ARRA-NSF Recovery Act Research Support	47.082	1,159,947	604,779	1,012,148	0	0	0	0	0	846,406	3,623,280
Pass Through UNIV OF CALIFORNIA-SAN DIEGO - ARRA-NSF Recovery Act Research Support - Contract No.: PO# 10306556-SUB	47.082	18,739	0	0	0	0	0	0	0	0	18,739
Pass Through UNIVERSITY OF UTAH -ARRA-NSF Recovery Act Research Support - Contract No.: 10011463DRI	47.082	0	0	37,655	0	0	0	0	0	0	37,655
Total for NSF		1,178,686	614,545	1,049,802	0	0	0	0	0	4,515,759	7,358,794
Total for National Science Foundation		7,142,042	3,616,147	3,434,268	0	0	0	0	0	4,515,759	18,708,217
Veteran's Administration											
VETERANS HEALTH ADMINISTRATION											
Pass Through SIERRA VETERANS RESEARCH -Sharing Specialized Medical Resources - Contract No.: OSP-11908IV	64.018	72,705	0	0	0	0	0	0	0	0	72,705
Total for VETERANS HEALTH ADMINISTRATION		72,705	0	0	0	0	0	0	0	0	72,705
Total for Veteran's Administration		72,705	0	0	0	0	0	0	0	0	72,705
Environmental Protection Agency											

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Direct -Science To Achieve Results (STAR) Research Program	66.509	0	0	229,851	0	0	0	0	0	0	229,851
Pass Through UNIV OF CALIFORNIA-BERKELEY - Science To Achieve Results (STAR) Research Program - Contract No.: SA5866-11875	66.509	30,185	0	0	0	0	0	0	0	0	30,185
Total for OFFICE OF RESEARCH AND DEVELOPMENT		30,185	0	229,851	0	0	0	0	0	0	260,037
OFFICE OF ADMINISTRATION											
Direct -Science To Achieve Results (STAR) Fellowship Program	66.514	5,337	0	0	0	0	0	0	0	0	5,337
Direct -Surveys, Studies, Investigations, Special Purpose Grants	66.606	0	0	56,422	0	0	0	0	0	0	56,422
Total for OFFICE OF ADMINISTRATION		5,337	0	56,422	0	0	0	0	0	0	61,759
Total for Environmental Protection Agency		132,139	158,306	384,922	0	0	0	0	0	0	675,367
Nuclear Regulatory Commission											
Nuclear Regulatory Commission											
Direct -Education Grant Program	77.006	0	89,991	0	0	0	0	0	0	0	89,991
Direct -Project Grants	77.009	62,481	0	0	0	0	0	0	0	0	62,481
Total for Nuclear Regulatory Commission		62,481	89,991	0	0	0	0	0	0	0	152,473
Total for Nuclear Regulatory Commission		62,481	89,991	0	0	0	0	0	0	0	152,473
Department of Energy											

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Battelle Energy Alliance -Contract - Department of Energy - Contract No.: 00101691	81.000	0	269,769	0	0	0	0	0	0	0	269,769
Pass Through Battelle Energy Alliance -Contract - Department of Energy - Contract No.: 0094935	81.000	0	36,704	0	0	0	0	0	0	0	36,704
Pass Through Battelle Energy Alliance -Contract - Department of Energy - Contract No.: 104018	81.000	0	95,150	0	0	0	0	0	0	0	95,150
Pass Through Battelle Energy Alliance -Contract - Department of Energy - Contract No.: 00090711	81.000	0	88,834	0	0	0	0	0	0	0	88,834
Pass Through Berkley National Lab -Contract - Department of Energy - Contract No.: 6830152	81.000	0	79,795	0	0	0	0	0	0	0	79,795
Pass Through General Atomics -Contract - Department of Energy - Contract No.: 45000024893	81.000	0	17,587	0	0	0	0	0	0	0	17,587
Pass Through General Atomics -Contract - Department of Energy - Contract No.: PO 4500018722	81.000	0	806	0	0	0	0	0	0	0	806
Pass Through Lawrence Livermore National Lab -Contract - Department of Energy - Contract No.: B591215	81.000	0	48,888	0	0	0	0	0	0	0	48,888
Pass Through LAWRENCE LIVERMORE NATIONAL LAB -Contract - Department of Energy - Contract No.: B- 589140	81.000	0	0	19,380	0	0	0	0	0	0	19,380
Pass Through LAWRENCE LIVERMORE NATIONAL LAB -Contract - Department of Energy - Contract No.: B- 593643	81.000	0	0	75,020	0	0	0	0	0	0	75,020

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Los Alamos National Lab -Contract - Department of Energy - Contract No.: 143341-1	81.000	0	2,754	0	0	0	0	0	0	0	2,754
Pass Through Los Alamos National Security -Contract - Department of Energy - Contract No.: 81840-001-10	81.000	0	28,496	0	0	0	0	0	0	0	28,496
Pass Through Los Alamos National Security -Contract - Department of Energy - Contract No.: 76399-001-09	81.000	0	58,582	0	0	0	0	0	0	0	58,582
Pass Through Los Alamos National Security -Contract - Department of Energy - Contract No.: 81149-001-10	81.000	0	94,495	0	0	0	0	0	0	0	94,495
Pass Through National Renewable Energy Lab -Contract - Department of Energy - Contract No.: NFH-8-88502-01	81.000	0	151,583	0	0	0	0	0	0	0	151,583
Pass Through National Renewable Energy Lab -Contract - Department of Energy - Contract No.: AXL-9-88336-01	81.000	0	131,205	0	0	0	0	0	0	0	131,205
Pass Through National Renewable Energy Lab -Contract - Department of Energy - Contract No.: NAX-0-66014-07	81.000	0	107,600	0	0	0	0	0	0	0	107,600
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: NAX-9-66014-04	81.000	0	35,559	0	0	0	0	0	0	0	35,559
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: NAX-9-66014-02	81.000	0	0	-11,264	0	0	0	0	0	0	-11,264
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: A99167X	81.000	0	0	131,074	0	0	0	0	0	0	131,074

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: AXH-0-40459-01	81.000	0	0	356,713	0	0	0	0	0	0	356,713
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: AXL-9-99200-01	81.000	0	0	260,779	0	0	0	0	0	0	260,779
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: B99034X	81.000	0	0	16,596	0	0	0	0	0	0	16,596
Pass Through NATIONAL RENEWABLE ENERGY LABORATORY -Contract - Department of Energy - Contract No.: 799183MO	81.000	0	0	-898	0	0	0	0	0	0	-898
Pass Through National Security Technology -Contract - Department of Energy - Contract No.: 108517	81.000	0	11,776	0	0	0	0	0	0	0	11,776
Pass Through National Security Technology -Contract - Department of Energy - Contract No.: 104777	81.000	0	368,540	0	0	0	0	0	0	0	368,540
Pass Through NYE COUNTY -Contract - Department of Energy - Contract No.: DRI 08-01	81.000	0	0	5,088	0	0	0	0	0	0	5,088
Pass Through Oak Ridge National Lab -Contract - Department of Energy - Contract No.: 4000087321	81.000	0	12,607	0	0	0	0	0	0	0	12,607
Pass Through Pacific Northwest Lab -Contract - Department of Energy - Contract No.: 131841	81.000	0	102,568	0	0	0	0	0	0	0	102,568
Pass Through Pacific Northwest Lab -Contract - Department of Energy - Contract No.: 143298	81.000	0	17,302	0	0	0	0	0	0	0	17,302

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through GAS TECHNOLOGY INSTITUTE - Renewable Energy Research and Development - Contract No.: S00000028	81.087	0	0	102,055	0	0	0	0	0	0	102,055
Pass Through MIDWEST RESEARCH INST-NREL - Renewable Energy Research and Development - Contract No.: NAX-9-66014-05	81.087	56,581	0	0	0	0	0	0	0	0	56,581
Pass Through MIDWEST RESEARCH INST-NREL - Renewable Energy Research and Development - Contract No.: NAX-9-66014-06	81.087	85,789	0	0	0	0	0	0	0	0	85,789
Pass Through MIDWEST RESEARCH INST-NREL - Renewable Energy Research and Development - Contract No.: NXL-9-88328-01	81.087	165,738	0	0	0	0	0	0	0	0	165,738
Pass Through Nye County -Renewable Energy Research and Development - Contract No.: N/A	81.087	0	296,489	0	0	0	0	0	0	0	296,489
Pass Through PYRAMID LAKE PAIUTE TRIBE -ARRA- Renewable Energy Research and Development - Contract No.: DATED 6/17/10	81.087	0	0	312,855	0	0	0	0	0	0	312,855
Pass Through PYRAMID LAKE PAIUTE TRIBE -ARRA- Renewable Energy Research and Development - Contract No.: 1005064	81.087	420,678	0	0	0	0	0	0	0	0	420,678
Pass Through SANDIA NATIONAL LAB -Renewable Energy Research and Development - Contract No.: 681371	81.087	9,687	0	0	0	0	0	0	0	0	9,687
Pass Through University of Toledo -Renewable Energy Research and Development - Contract No.: N/A	81.087	0	26,675	0	0	0	0	0	0	0	26,675
Pass Through UNLV Research Foundation -Renewable Energy Research and Development - Contract No.: RF-06-FCAST-001	81.087	0	38,094	0	0	0	0	0	0	0	38,094

[illegible]

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Parental Assistance Centers - Contract No.: PO 117328	84.310	6,779	0	0	0	0	0	0	0	0	6,779
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Parental Assistance Centers - Contract No.: R118048	84.310	20,565	0	0	0	0	0	0	0	0	20,565
Pass Through Clark County School District -Mathematics and Science Partnerships - Contract No.: N/A	84.366	0	40,405	0	0	0	0	0	0	0	40,405
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Improving Teacher Quality State Grants - Contract No.: R118203	84.367	52,656	0	0	0	0	0	0	0	0	52,656
Pass Through WASHOE COUNTY SCHOOL DISTRICT- NV -Improving Teacher Quality State Grants - Contract No.: OSP-12208BL	84.367	11,555	0	0	0	0	0	0	0	0	11,555
Total for OFFICE OF ELEMENTARY AND SECONDARY EDUCATION		101,556	40,405	0	0	0	0	0	0	0	141,961
Total for Department of Education		101,556	187,845	0	0	0	0	0	0	0	289,401
Health and Human Services											
CONTRACT - HEALTH AND HUMAN SERVICES											
Pass Through Clark County -Contract - Health and Human Services - Contract No.: 4800002749-016	93.000	0	11,535	0	0	0	0	0	0	0	11,535
Pass Through Clark County District Attorney's Office - Contract - Health and Human Services - Contract No.: 4800002748-016	93.000	0	10,279	0	0	0	0	0	0	0	10,279
Pass Through Nevada Department of Health & Human Services -Contract - Health and Human Services - Contract No.: HD-10016	93.000	0	4,351	0	0	0	0	0	0	0	4,351

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
Research and Development Cluster											
Pass Through Nevada Department of Health & Human Services -Contract - Health and Human Services - Contract No.: HD-10019	93.000	0	48,223	0	0	0	0	0	0	0	48,223
Total for CONTRACT - HEALTH AND HUMAN SERVICES		0	74,387	0	0	0	0	0	0	0	74,387
ADMINISTRATION ON AGING											
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Special Programs for the Aging_ Title IV_ and Title II _Discretionary Projects - Contract No.: 16-007-92-KX-07	93.048	37	0	0	0	0	0	0	0	0	37
Total for ADMINISTRATION ON AGING		37	0	0	0	0	0	0	0	0	37
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMIN.											
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Substance Abuse and Mental Health Services _Projects of Regional and National Significance - Contract No.: OSP-1510677	93.243	75,954	0	0	0	0	0	0	0	0	75,954
Pass Through Nevada Division of Child & Family Services - Block Grants for Community Mental Health Services - Contract No.: MHBG 3145/15-SF09038	93.958	0	3,787	0	0	0	0	0	0	0	3,787
Total for SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMIN.		75,954	3,787	0	0	0	0	0	0	0	79,741
HHS											
Direct -ARRA-Training in Primary Care Medicine and Dentistry	93.403	0	85,546	0	0	0	0	0	0	0	85,546
Total for HHS		0	85,546	0	0	0	0	0	0	0	85,546
NATIONAL INSTITUTES OF HEALTH											
Pass Through Medical University of South Carolina - Biological Response to Environmental Health Hazards - Contract No.: MUSC09-098	93.113	0	12,496	0	0	0	0	0	0	0	12,496

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Southern NV Health District -Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children - Contract No.: N/A	93.197	0	94,978	0	0	0	0	0	0	0	94,978
Direct -Occupational Safety and Health Program	93.262	365,415	0	0	0	0	0	0	0	0	365,415
Pass Through NV State Health Div -Centers for Disease Control and Prevention_Investigations and Technical Assistance - Contract No.: 11240	93.283	0	13,442	0	0	0	0	0	0	0	13,442
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Centers for Disease Control and Prevention_Investigations and Technical Assistance - Contract No.: HD 09183	93.283	3	0	0	0	0	0	0	0	0	3
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems - Contract No.: HD 08243	93.988	1	0	0	0	0	0	0	0	0	1
Total for CENTERS FOR DISEASE CONTROL		365,419	131,126	0	0	0	0	0	0	0	496,544
HEALTH RESOURCES AND SERVICES ADMINISTRATION											
Pass Through FAMILY TIES OF NV -Maternal and Child Health Federal Consolidated Programs - Contract No.: OSP-12208BC	93.110	119	0	0	0	0	0	0	0	0	119
Direct -Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	93.257	156,849	0	0	0	0	0	0	0	0	156,849
Direct -Teenage Pregnancy Program	93.297	0	299,321	0	0	0	0	0	0	0	299,321
Pass Through Southern NV Health District -Teenage Pregnancy Program - Contract No.: N/A	93.297	0	21,998	0	0	0	0	0	0	0	21,998

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Direct -Health Care and Other Facilities	93.887	290,836	0	0	0	0	0	0	0	0	290,836
Total for HEALTH RESOURCES AND SERVICES ADMINISTRATION		447,805	321,319	0	0	0	0	0	0	0	769,124
AGENCY FOR HEALTH CARE POLICY AND RESEARCH											
Pass Through Nevada Department of Health & Human Services -Research on Healthcare Costs, Quality and Outcomes - Contract No.: N/A	93.226	0	76,975	0	0	0	0	0	0	0	76,975
Total for AGENCY FOR HEALTH CARE POLICY AND RESEARCH		0	76,975	0	0	0	0	0	0	0	76,975
ADMINISTRATION FOR CHILDREN AND FAMILIES											
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Community Services Block Grant_Discretionary Awards - Contract No.: OSP-12208AP	93.570	15	0	0	0	0	0	0	0	0	15
Pass Through NV-DEPT OF HEALTH AND HUMAN SERVICES -Community Services Block Grant_Discretionary Awards - Contract No.: OSP-12208BA	93.570	7,037	0	0	0	0	0	0	0	0	7,037
Direct -University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	2,072	0	0	0	0	0	0	0	0	2,072
Total for ADMINISTRATION FOR CHILDREN AND FAMILIES		9,124	0	0	0	0	0	0	0	0	9,124
Total for Health and Human Services	16,811,924	1,637,680	0	0	0	0	0	0	0	0	18,449,603
Department of Homeland Security											
DEPARTMENT OF HOMELAND SECURITY											
Pass Through Clark County -Homeland Security Preparedness Technical Assistance Program - Contract No.: 97067U10	97.007	0	38,308	0	0	0	0	0	0	0	38,308

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Research and Development Cluster</i>											
Pass Through Clark County -Homeland Security Biowatch Program - Contract No.: CBE 601808-09	97.091	0	498,641	0	0	0	0	0	0	0	498,641
Direct -Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108	130,915	0	0	0	0	0	0	0	0	130,915
Total for DEPARTMENT OF HOMELAND SECURITY		130,915	536,949	0	0	0	0	0	0	0	667,864
Total for Department of Homeland Security		130,915	536,949	0	0	0	0	0	0	0	667,864
United States Agency of International Develop.											
CONTRACT - U S AGENCY FOR INTERNATIONAL DEVELOP.											
Pass Through ASSOCIATES IN RURAL DEVELOPMENT - Contract - U S AID - Contract No.: 1812-DRI-001	98.000	0	0	71,030	0	0	0	0	0	0	71,030
Total for CONTRACT - U S AGENCY FOR INTERNATIONAL DEVELOP.		0	0	71,030	0	0	0	0	0	0	71,030
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOP.											
Pass Through AQABA SPECIAL ECONOMIC ZONE AUTHORITY -USAID Foreign Assistance for Programs Overseas - Contract No.: TA-MOU-05-M26-052	98.001	0	0	9,803	0	0	0	0	0	0	9,803
Total for UNITED STATES AGENCY FOR INTERNATIONAL DEVELOP.		0	0	9,803	0	0	0	0	0	0	9,803
Total for United States Agency of International Develop.		0	0	80,833	0	0	0	0	0	0	80,833
Research and Development Cluster		54,943,830	26,524,742	26,802,728	0	0	0	0	0	6,150,240	114,421,539

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Student Financial Aid Cluster</i>											
Department of Education											
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS											
Direct -Perkins Loan Cancellations	84.037	71,199	30,461	0	0	0	0	0	0	0	101,660
Total for OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS		71,199	30,461	0	0	0	0	0	0	0	101,660
Total for Department of Education		71,199	30,461	0	0	0	0	0	0	0	101,660
Dept of Education Student Financial Assistance											
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS											
Direct -Federal Supplemental Educational Opportunity Grants	84.007	314,075	725,179	0	82,916	248,874	40,311	98,058	37,257	0	1,546,670
Direct -Federal Work-Study Program	84.033	428,744	723,544	0	54,858	479,053	40,371	128,869	49,968	0	1,905,407
Direct -Federal Pell Grant Program	84.063	13,675,265	32,420,823	0	3,987,503	40,554,204	2,765,566	15,420,341	7,055,419	0	115,879,121
Direct -Academic Competitiveness Grants	84.375	502,953	290,543	0	68,968	38,986	8,406	2,050	16,407	0	928,313
Direct -National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	745,590	743,599	0	0	0	20,000	0	0	0	1,509,189
Direct -TEACH (Teacher Education Assistance for College and Higher Education)	84.379	72,500	118,945	0	0	0	0	0	0	0	191,445
Total for OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS		15,739,127	35,022,632	0	4,194,245	41,321,117	2,874,654	15,649,318	7,159,051	0	121,960,145

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Student Financial Aid Cluster</i>											
Total for Dept of Education Student Financial Assistance		15,739,127	35,022,632	0	4,194,245	41,321,117	2,874,654	15,649,318	7,159,051	0	121,960,145
Student Financial Aid Cluster		15,810,326	35,053,093	0	4,194,245	41,321,117	2,874,654	15,649,318	7,159,051	0	122,061,805

Title I Part A Cluster

Department of Education											
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION											
Pass Through NV-DEPT OF EDUCATION -Title I Grants to Local Educational Agencies - Contract No.: 11-633-40000		84.010	46,014	0	0	0	0	0	0	0	46,014
Total for OFFICE OF ELEMENTARY AND SECONDARY EDUCATION			46,014	0	0	0	0	0	0	0	46,014
Total for Department of Education			46,014	0	0	0	0	0	0	0	46,014
Title I Part A Cluster			46,014	0	0	0	0	0	0	0	46,014

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>TRIO Cluster</i>											
Department of Education											
OFFICE OF POST SECONDARY EDUCATION - TRIO CLUSTER											
Direct -TRIO Student Support Services	84.042	328,515	574,333	0	0	230,896	0	0	0	0	1,133,744
Direct -TRIO Talent Search	84.044	0	770,422	0	0	0	0	0	0	0	770,422
Direct -TRIO Upward Bound	84.047	930,446	1,064,177	0	491,413	0	0	373,637	0	0	2,859,673
Direct -TRIO Educational Opportunity Centers	84.066	0	504,135	0	0	0	0	0	0	0	504,135
Direct -TRIO McNair Post-Baccalaureate Achievement	84.217	235,629	210,029	0	0	0	0	0	0	0	445,658
Total for OFFICE OF POST SECONDARY EDUCATION - TRIO CLUSTER		1,494,590	3,123,097	0	491,413	230,896	0	373,637	0	0	5,713,633
Total for Department of Education		1,494,590	3,123,097	0	491,413	230,896	0	373,637	0	0	5,713,633
TRIO Cluster		1,494,590	3,123,097	0	491,413	230,896	0	373,637	0	0	5,713,633

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	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Workforce Investment Act Cluster</i>											
Department of Labor											
EMPLOYMENT AND TRAINING ADMINISTRATION											
Pass Through NEVADA WORKS -ARRA-WIA Adult Program - Contract No.: ARRA-AD-09-MAP	17.258	0	0	0	0	0	0	0	0	104,549	104,549
Pass Through NEVADA WORKS -ARRA-WIA Adult Program - Contract No.: ARRA-AD-09-UNRNA	17.258	162,733	0	0	0	0	0	0	0	0	162,733
Pass Through NevadaWorks -WIA Adult Program - Contract No.: 333-030-d030	17.258	0	0	0	0	0	86,548	0	0	0	86,548
Pass Through Workforce Connections -ARRA-WIA Adult Program - Contract No.: 10-ADW-WIA-ARR-CSN-00	17.258	0	0	0	0	68,840	0	0	0	0	68,840
Pass Through NEVADA WORKS -WIA Youth Activities - Contract No.: YIS-09-UNRDFS	17.259	124,407	0	0	0	0	0	0	0	0	124,407
Pass Through NYE COMMUNITIES COALITION -WIA Youth Activities - Contract No.: PY2009	17.259	46,237	0	0	0	0	0	0	0	0	46,237
Pass Through NYE COMMUNITIES COALITION -ARRA-WIA Youth Activities - Contract No.: OSP-15171CC	17.259	1,700	0	0	0	0	0	0	0	0	1,700
Pass Through Workforce Connections -ARRA-WIA Youth Activities - Contract No.: 09-YOU-ARR-CSN-00	17.259	0	0	0	0	149,944	0	0	0	0	149,944
Pass Through Workforce Connections -ARRA-WIA Dislocated Workers - Contract No.: 10-ADW-WIA-ARR-CSN-00	17.260	0	0	0	0	38,172	0	0	0	0	38,172

	CFDA Number	UNR	UNLV	DRI	NSC	CSN	GBC	TMCC	WNC	SYSTEM	Total
<i>Workforce Investment Act Cluster</i>											
Total for EMPLOYMENT AND TRAINING ADMINISTRATION		335,077	0	0	0	256,956	86,548	0	0	104,549	783,130
Total for Department of Labor		335,077	0	0	0	256,956	86,548	0	0	104,549	783,130
Workforce Investment Act Cluster		335,077	0	0	0	256,956	86,548	0	0	104,549	783,130
Total Expenditures of Federal Awards		\$98,460,656	\$77,116,733	\$26,813,125	\$5,272,959	\$45,680,792	\$3,743,351	\$18,755,688	\$8,096,507	\$10,816,863	\$294,756,674



Nevada System of Higher Education

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Notes to the Supplementary Schedule of Expenditures of Federal Awards

Note 1:

The purpose of the Supplementary Schedule of Expenditures of Federal Awards is to present a summary of the activities of the Nevada System of Higher Education for the year ended June 30, 2011, which have been financed by the United States Government.

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

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

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

The Nevada System of Higher Education consists of:

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

The Schedule is prepared on the accrual basis of accounting.

The Schedule does not include inter-system pass-through funds.

Note 2:

The following schedule represents loans advanced by the System for the year ended June 30, 2011:

Federal Perkins Loan Advances (CFDA Number 84.038):	\$749,033
Nursing Student Loan Advances (CFDA Number 93.364):	\$107,000
Health Professions Student Loan Advances (CFDA Number 93.342):	\$0

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



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statements. The balances of loans outstanding under the Perkins, NSL and HPSL programs were \$7,436,907, \$504,727, and \$449,650 respectively as of June 30, 2011.

Note 3:

For the fiscal year ended June 30, 2011, the System processed approximately \$240,043,954 in new loans under the Direct Lending Program (CFDA 84.268). Loan amounts include subsidized and unsubsidized loans and Parent Loans for Undergraduate Students (PLUS).

Note 4:

The total value of the Federal awards in the form of non-cash assistance during the fiscal year ended June 30, 2011 was zero.

Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Compliance with *Government Auditing Standards*

Board of Regents
Nevada System of Higher Education

We have audited the financial statements of the business-type activity and the aggregate discretely presented component units of the Nevada System of Higher Education (the “System”) as of and for the year ended June 30, 2011, which collectively comprise the System’s basic financial statements and have issued our report thereon dated November 1, 2011. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of DRI Research Foundation, DRI Research Parks, Ltd., Truckee Meadows Community College Foundation, College of Southern Nevada Foundation, and the Nevada State College Foundation as described in our report on the System’s financial statements. This report does not include the results of other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by other auditors. The financial statements of the Practice Plans, DRI Research Parks, Ltd., DRI Research Foundation, Truckee Meadows Community College Foundation, Great Basin College Foundation, College of Southern Nevada Foundation and the Nevada State College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the System’s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System’s internal control over financial reporting. Accordingly, we express no such opinion.

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

Our consideration of internal control would not necessarily identify all deficiencies in internal control over financials reporting that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the System's internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Our audit was also not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs Section II-Financial Statement Findings that we consider to be a significant deficiency in the System's internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We did not audit the System's written response to the matters described in the accompanying Schedule of Findings and Questioned Costs and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, Board of Regents, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Reno, Nevada
November 1, 2011

Report of Independent Certified Public Accountants on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Regents
Nevada System of Higher Education

Compliance

We have audited the compliance of Nevada System of Higher Education (the “System”) with the types of compliance requirements described in the *U.S. Office of Management and Budget (“OMB”) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 did not audit the System’s compliance with requirements governing student status change reporting in accordance with requirements of the Student Financial Assistance Cluster described in the OMB Circular A-133 Compliance Supplement. In addition, for the University of Nevada, Las Vegas and College of Southern Nevada, we did not audit the Institutions’ compliance with requirement governing Federal Perkins Loan Program repayments in accordance with requirements of the Student Financial Assistance Cluster described in the OMB Circular A-133 Compliance Supplement. Those requirements govern functions that are performed by third party service providers. Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of our work was not sufficient to enable us to express and we do not express, an opinion on compliance with those requirements. The service providers’ compliance with the requirements governing functions that they perform for the Institutions for the year ended June 30, 2011 were examined by other accountants’ in accordance with the U.S. Department of Education’s Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Our report does not include the results of the other accountants’ examinations of the service providers’ compliance with such matters.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants; 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 of the System's compliance with those requirements.

In our opinion, the System complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our audit procedures disclosed instances of noncompliance, described in the accompanying Schedule of Findings and Questioned Costs as Findings 2011-03 through 2011-13 and 2011-15 through 2011-27 which are required to be reported in accordance with OMB Circular A-133.

Internal Control over Compliance

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the 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 as a basis for designing audit procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of the System's internal control over compliance. Accordingly, we express no such opinion.

Requirements governing student status change reporting are performed by third party service providers for all institutions in the System. For the University of Nevada, Las Vegas and College of Southern Nevada, requirements governing Federal Perkins Loan Program repayments are performed by third party service providers. Internal control over compliance relating to such functions for the year ended June 30, 2011 were reported on by other accountants in accordance with the U.S. Department of Education's Audit Guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers. Our report does not include the results of the other accountants' testing of the service providers internal control over compliance related to such functions.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2011-19 through 2011-24, that we consider to be material weaknesses in the System's internal control over compliance.

Our audit was also not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified certain deficiencies in internal control over compliance, described in the

accompanying Schedule of Findings and Questioned Costs as Findings 2011-02 through 2011-18 and 2011-25 through 2011-27, which we consider to be significant deficiencies in the System's internal control over compliance.

We did not audit the System's written response to the matters described in the accompanying Schedule of Findings and Questioned costs, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, Board of Regents, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Reno, Nevada
November 1, 2011

Nevada System of Higher Education
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

SECTION I — SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:unqualified

Internal control over financial reporting:

- Material weakness identified?no
- Significant deficiency identified that are not considered to be material weaknesses? yes

Noncompliance material to financial statements noted?no

Federal Awards

Internal control over major programs:

- Material weakness identified?yes
- Significant deficiency identified that are not considered to be material weaknesses? yes

Type of auditors' report issued on compliance for major programs:.....unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of major programs:

Student Financial Aid Cluster (CFDA 84.007, 84.032, 84.033, 84.037, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 84.408, 93.264, 93.342, 93.364, 93.407, 93.408, and 93.925)
Research and Development Cluster (CFDA various)
TRIO Cluster (CFDA 84.042, 84.044, 84.047, 84.066, and 84.217)
Head Start Cluster (CFDA 93.600, 93.708, and 93.709)
Adult Education (CFDA 84.002)
WIA Cluster (CFDA 17.258, 17.259, and 17.260)

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

Auditee qualified as low-risk auditee?no

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

SECTION II — FINANCIAL STATEMENT FINDING

FINDING 2011-01 – Significant Deficiency

Criteria

Internal controls related to financial reporting, effected by the System's Board of Regents, management and other personnel, should be designed to provide reasonable assurance the financial statements are free of material misstatement.

Condition

Internal Controls over Financial Statement preparation

During our audit of the System-wide financial statements, we noted several errors in the financial statements that were not prevented by the System's current processes and internal controls. Among the errors identified were inaccurate inter-entity eliminations of revenue and expense for federal awards passed between certain institutions, incomplete disclosures in the statement of cash flows for investment gains and loss on disposal of assets, missing information from institutions in the functional expense and property under capital lease disclosures, and system related organization disclosures missing reclassifications to prior year information to conform to current year presentation. Those issues have subsequently been corrected.

Cause

Current processes and internal controls over the preparation of the System-wide financial statements do not include comprehensive review and validation of institutionally-provided information at the System level.

Effect

Preventable errors were identified in the System-wide financial statements requiring subsequent correction.

Recommendation

We recommend existing processes and internal controls be enhanced such that these errors are prevented in the future.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

We agree with the recommendation. Current staff assignments are not adequate to perform the requested procedures. The System Office will evaluate alternatives to provide the support recommended.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2011-02 – Internal Control over Compliance (Repeat finding 2010-04)

Federal Programs

Department of Education and Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-02 – Internal Control over Compliance (Repeat finding 2010-04) - Continued

Condition

We noted a lack of security administration and program maintenance policies and procedures related to the PeopleSoft application. Specifically, controls were lacking around passwords and restricting access as it relates to the PeopleSoft application over financial aid eligibility configuration at UNLV. It was also noted that there are no periodic user access reviews conducted for PeopleSoft or supporting systems. Change management documentation around testing results and approval by users was not consistently available for the PeopleSoft application.

Context

Testing of the information technology controls at UNLV surrounding PeopleSoft identified two terminated user accounts that had access to PeopleSoft servers. In addition, one terminated user and one business process user had access to PeopleSoft's PeopleTools. It was also noted that programmers had access to live applications. Password and account lockout controls for the PeopleSoft application were not currently in place. Documentation around testing results and approval by users was not consistently available for the PeopleSoft application.

Effect

Data validity may be affected by unauthorized or inappropriate users having access or users having conflicting roles or access levels. Data validity may be affected by unauthorized, inappropriate, or untested changes to the system.

Cause

The issues identified are part of the implementation of PeopleSoft and the lack of a robust post implementation clean-up process.

Recommendation

Security policies and procedures should be established and communicated including restricting access rights to appropriate users. The policies and procedures should include periodic user access review. Security administration and program maintenance policies and procedures should be formally documented for the PeopleSoft application. Programmers should be restricted from access to live applications.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. As is commonly the case, the implementation and 'go-live' period for a new institutional system of this magnitude is a very dynamic time period. Throughout the implementation and go-live process, the UNLV Office of Information Technology made best efforts to maintain complete documentation of processes as they were initially developed and implemented. Now that the system is stabilized in its second year of operation at UNLV, the department has transitioned into maintenance and support role which will include revisiting processes and associated documentation ensuring that system maintenance procedures are clearly and accurately documented and maintained as needed.

The specific user permissions findings identified above were corrected at that time. The UNLV Office of Information Technology has now documented the established application security procedures to address user access controls, user profile maintenance and password controls for the PeopleSoft system. Procedures for periodic user access reviews have been established and are in process of being implemented across all PeopleSoft functions.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-03 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria

34 CFR 668.22(f)(2)(i) requires that the total number of calendar days in a payment period or period of enrollment includes all days within the period, except that scheduled breaks of at least five (5) consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period.

Condition

We noted that the University of Nevada, Las Vegas (UNLV) did not exclude spring break (scheduled break greater than five days) in the Return to Title IV calculation, in either the period of enrollment or the number of calendar days completed in the period.

Context

Testing at the University of Nevada, Las Vegas indicated eight of twenty-four students selected for testing, had an incorrect percentage of aid earned calculation as the PeopleSoft system automatically calculated the number of days in the spring 2011 semester and periods of enrollment from the first day of instruction until the last day of exams, not excluding any scheduled breaks.

Questioned Costs

\$4,130

Effect

Return to Title IV funds were calculated incorrectly.

Cause

The admissions department did not include spring break as a holiday in the PeopleSoft calendar that was used to calculate the number of days in the semester in Return to Title IV calculations. As a result of the new software conversion to PeopleSoft, the admissions department was not aware that the calendar entered was used by the system for the Return to Title IV calculation.

Recommendation

We recommend the Institution re-compute student returns for all applicable students, and implement a more comprehensive review process of Return to Title IV calculations including the calendar used as the basis for the calculation.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with the recommendation. This finding was attributable to improper program set up within the PeopleSoft system. Since the PeopleSoft system was new, it was difficult to discover this error until the error actually occurred. Consultants that were hired to help bring up the PeopleSoft system at UNLV did not discuss how the holiday break calendar functioned within the Records Office and in relation to the Return of Title IV (R2T4) fund calendar dates within the Financial Aid & Scholarships Office.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-03 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited) - Continued

UNLV Response - Continued

When UNLV determined the number of calendar days were incorrect, all R2T4 calculations for the spring 2011 semester were re-reviewed and adjusted, if necessary. At this time, there are no outstanding Title IV funds which must be returned back to the U.S. Department of Education based upon this finding.

The Financial Aid & Scholarships Office has already provided programming staff from the Record's Office the correct number of days to be excluded for the upcoming spring 2012 semester. No R2T4's will be started for the spring 2012 semester unless the holiday break calendar has been confirmed as updated within the PeopleSoft system.

The Financial Aid & Scholarships Office will also annually confirm holiday calendar breaks each term. This confirmation will ensure R2T4 break in attendance calculations are accurate for future terms.

FINDING 2011-04 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria

34 CFR 668.22(c) states that the "Withdrawal date for a student who withdraws from an institution that is not required to take attendance: (1) For purposes of this section, for a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is— (i) The date, as determined by the institution, that the student began the withdrawal process prescribed by the institution."

Condition

We noted that the University of Nevada, Las Vegas, University of Nevada, Reno (UNR), and College of Southern Nevada (CSN) used incorrect withdraw dates in Return to Title IV calculations.

Context

During our testing at University of Nevada, Las Vegas, it was noted for one of eighty-four student selected for testing, the Return to Title IV form had an incorrect withdrawal date. During our testing at University of Nevada, Reno, it was noted for two of forty-nine students selected for testing, the Return to Title IV forms had incorrect withdrawal dates. During our testing at College of Southern Nevada, it was noted for one of one hundred seven students selected for testing, the Return to Title IV form had an incorrect withdrawal date.

Questioned Costs

\$52.81

Effect

The Return to Title IV funds were calculated incorrectly.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-04 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Cause

The withdrawal dates were entered incorrectly into the Return to Title IV calculations by personnel processing the calculation due to typographical errors.

Recommendation

We would recommend implementing a more comprehensive review process of the Return to Title IV calculations.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. This record was adjusted to represent the correct withdrawal date when the error was found. At this time, there are no outstanding Title IV funds which must be returned back to the U.S. Department of Education based upon this finding.

The PeopleSoft programming within R2T4 does not import the student's withdrawal date from the Records module of information. This is a programming deficiency that we hope Oracle will correct in the future. At this time, an employee must manually enter the correct withdrawal date. This opens up the R2T4 calculation to potential human error. The overwhelming majority of withdrawal dates were entered appropriately and correctly.

To minimize or prevent such errors in the future, a supervisor will conduct random reviews of R2T4 calculations for accuracy to minimize future audit findings.

UNR Response

The Financial Aid Office recognizes that there have been past issues with the processing of return of Title IV aid. To remedy these issues for the 2011-2012 academic year and to ensure that funds are returned in a timely manner, the following procedures have been implemented. The R2T4 module that is available as a part of PeopleSoft will be used in combination with reports designed to identify which students have withdrawn from the university. A team of three staff members have been assigned to monitor the Return of Title IV funds. This team will meet on a regular basis to review the reports and process the return of aid as necessary.

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. The department will use greater care to accurately and appropriately record information on the Return to Title IV form to ensure that funds are calculated correctly.

The Return of Title IV funding is a comprehensive process and federal guidelines and requirements must be closely monitored and administered at the campus level. Over the past several years, CSN has experienced a significant growth in the number of students who avail themselves of the use of Title IV. The numbers of applications, along with the stringent requirements for student eligibility that had to be applied to each, and the manual processing that was being utilized, all were contributing factors to the huge increase in workload.

CSN has increased staffing levels in this area for added administrative support for the oversight and coordination of these students. The addition of these staff will allow for some redundancy in work processes, enhanced quality assurance and review of data entry, and an overall assistance with the increased workload.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-04 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited) - Continued

CSN Response - Continued

CSN has also developed procedures for processing the Return of Title IV funding that are designed to ensure that guidelines are carefully and consistently followed; the processing is timely and in compliance with established requirements; and that funds are properly returned to the Department of Education.

FINDING 2011-05 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria

34 CFR 668.22(j) states that the “Timeframe for the return of Title IV funds: (2) For an institution that is not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the—(i) Payment period or period of enrollment, as appropriate, in accordance with paragraph (e)(5) of this section; (ii) Academic year in which the student withdrew; or (iii) Educational program from which the student withdrew.”

Condition

We noted that the University of Nevada, Las Vegas, in one instance, did not determine the withdrawal date for a student within 30 days after the end of the semester.

Context

During our testing at University of Nevada, Las Vegas, it was noted for one of eighty-four students selected for testing, the Return to Title IV calculation documented a determination date more than 30 days from the end of the fall 2010 semester.

Questioned Costs

\$0

Effect

The University of Nevada, Las Vegas is not in compliance with federal regulation timeframes.

Cause

The Return to Title IV form was not initiated within 30 days after grades were due in the fall 2010 semester.

Recommendation

We recommend the University develop and implement policies to ensure both accuracy in returning funds and timely communication between departments.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-05 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. This finding was attributable to human error. The query to find such students was run late, due primarily to bringing up the PeopleSoft system and having sufficient time to review many departmental business processes. Nonetheless, the overwhelming majority of other calculations were conducted within the 30-day window of opportunity.

The current PeopleSoft environment is substantially more stable from the previous inaugural year. Financial aid staff have sufficient time to devote toward business processes to minimize or prevent future deadline issues.

FINDING 2011-06 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services

Student Financial Assistance Cluster

Award year ended June 30, 2011

Criteria

34 CFR 668.22(g)(1)(i), the institution must return the total amount of unearned Title IV assistance calculated.

Condition

We noted at University of Nevada, Las Vegas one instance where the amount calculated to be returned to the Common Origination and Disbursement (COD) service for PELL was \$1,387; however, the amount actually returned was \$0.

Context

During our testing at the University of Nevada, Las Vegas, it was noted for one of eighty-four students selected for testing, the amount calculated for Return of Title IV funds varied from the amounts actually returned.

Questioned Costs

\$1,387

Effect

Title IV funds calculated and required to be returned to the Department of Education varied from the amounts actually returned.

Cause

The refund of federal funds were deducted from the student account in PeopleSoft, student financial aid system, but were not uploaded to COD in the automated batch process due to a technical error.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-06 - Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Recommendation

We recommend the University develop and implement policies to improve the review of amounts to be returned compared to actual funds returned and the timing of the returns.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. This record was manually readjusted within the COD system to represent the correct value when the error was found. At this time, there are no outstanding Title IV funds which must be returned back to the U.S. Department of Education based upon this finding.

A query was also run to determine if there were other students affected and none were found. We believe this to be an isolated incident that should not reoccur. PeopleSoft technology staff could find no reason why this single record was not automatically sent to COD for processing. The overwhelming majority of other automated transactions were uploaded and downloaded between PeopleSoft and COD seamlessly.

Future errors should be reviewed and corrected in a timely manner since UNLV has completed its first year in PeopleSoft. Reconciliation reports are being run and reviewed in a timely manner. Financial aid staff have sufficient time to devote toward business processes to minimize or prevent future COD issues.

FINDING 2011-07 – Reporting

Federal Program

Department of Education

Student Financial Assistance Cluster

Award year ending June 30, 2011

Criteria

Federal Perkins Loan (34 CFR 674.19), Federal Work Study (34 CFR 675.19) and FSEOG (34 CFR 676.19) state that if you spent campus-based program funds in 2010-2011 or have a Federal Perkins Loan Fund, you must submit a Fiscal Operations Report and Application (FISAP) to Participate. This electronic report is required to be submitted annually to receive funds for the campus-based programs. FISAPs are required to be submitted by October 1 following the end of the award year. The OMB A-133 Compliance Supplement identifies key line items in the report that contain critical information.

Condition

We noted that the College of Southern Nevada did not report accurate student numbers in Part II, Section F, fields 25 – 40 of the FISAP report. We noted that the University of Nevada, Reno did not report accurate student numbers in Part II, Section D, field 7(b) and Part II, Section F, fields 25–40 of the FISAP report. We noted that the University of Nevada, Las Vegas did not report accurate student numbers in Part VI, Section A, fields 1-18 for column (g).

Context

The University of Nevada, Reno, the University of Nevada, Las Vegas and the College of Southern Nevada did not accurately complete the FISAP report.

Questioned Costs

\$0

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-07 – Reporting - Continued

Effect

The report was filed incorrectly.

Cause

The responsible party did not accurately prepare the FISAP report using proper information.

Recommendation

We recommend the Institution educate those responsible for completing the FISAP report on the key line items in the report that contain critical information. Accurate supporting documentation for each of these items should be compiled and maintained.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The Financial Aid Office at the University of Nevada, Reno has implemented PeopleSoft and will be using the FISAP function to complete the next FISAP report. The Financial Aid Office will ensure to maintain the supporting documentation for the FISAP.

UNLV Response

UNLV concurs with this finding. This was UNLV's first year of using PeopleSoft. Queries previously used to gather FISAP data needed to be reconstructed within the new PeopleSoft system. The logic within the queries will be adjusted for accuracy. The FISAP was required to be submitted on September 30, 2011 and any corrections can be made up until December 15, 2011.

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. The FISAP was required to be submitted on September 30, 2011 and any corrections can be made up until December 15, 2011. This was the first time the FISAP was completed by the Interim Director for Financial Aid. The data that was keyed for Part II, Section F, fields 25-40 was apparently not saved correctly and the initial FISAP was submitted with the prior year's data. Accurate supporting documentation has been compiled and is maintained. The Interim Director will take greater care when submitting the final FISAP prior to the December deadline to ensure that these fields contain the current year's information. This section will also be reviewed to the supporting documentation by a supervisor to ensure accurate reporting.

FINDING 2011-08 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students (Repeat finding 2010-07)

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 668.22(j)(1), an institution must return the amount of Title IV funds for which it is responsible as soon but no later than 45 days after the date of the institution's determination that the student withdrew.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-08 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students (Repeat finding 2010-07) - Continued

Condition

During our testing of student files at the University of Nevada, Reno and College of Southern Nevada, we noted instances where funds were not returned within 45 days after the date of the institution's determination that the student withdrew.

Questioned Costs

\$0

Context

For two of forty-nine students selected for testing, the University of Nevada, Reno did not return Title IV within the 45-day requirement. The College of Southern Nevada, for one of one hundred seven students selected for testing, did not return Title IV within the 45-day requirement.

Effect

Title IV funds required to be returned to the Department of Education were not returned within the required timeframe.

Cause

The Institutions did not generate disbursement records in COD within 45 days of their determination date used in the Return to Title IV calculation due to the incorrect withdrawal/determination date used in the calculation.

Recommendation

We recommend the Institutions develop and implement policies to ensure returned funds are accurate and timely.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The Financial Aid Office has recently implemented PeopleSoft. There is a R2T4 module in PeopleSoft that we will be learning to use. The Financial Aid Office has developed policies and procedures to ensure Title IV funds are returned in a timely manner. There is a team of three staff members assigned to assist with the monitoring of the Return to Title IV funds. The Financial Aid Office will monitor the timely return of Title IV funds to COD.

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. The department will use greater care to ensure that compliance with the Return of Title IV funds is conducted within the 45-day requirement. With the implementation of PeopleSoft and MyCSN, the institution has been able to create reports that assist the department with this process. Previously, this was a manual process due to the Student Information System's (SIS) limited functionality.

CSN has increased the number of staff in Student Financial Services who are dedicated to the Return of Title IV process. The additional staffing will allow for some redundancy in work processes, enhanced quality assurance and review of data entry, and an overall assistance with the increased workload.

CSN has also developed procedures for processing the Return of Title IV funding that are designed to ensure that guidelines are carefully and consistently followed; the processing is timely and in compliance with established requirements; and that funds are properly returned to the Department of Education.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-09 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria or Specific Requirement

34 CFR 668.22 (e) Calculation of the amount of Title IV assistance earned by the student (1) General. The amount of Title IV grant or loan assistance that is earned by the student is calculated by— (i) Determining the percentage of Title IV grant or loan assistance that has been earned by the student, as described in paragraph (e)(2) of this section; and (ii) Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed (and that could have been disbursed, as defined in paragraph (l)(1) of this section) to the student, or on the student's behalf, for the payment period or period of enrollment as of the student's withdrawal date.

Condition

In one instance at each of the institutions, the College of Southern Nevada and the University of Nevada, Las Vegas, we noted incorrect amounts of aid disbursed and at the University of Nevada, Reno incorrect institutional charges were used in the calculation which resulted in incorrect Return to Title IV calculations and incorrect amounts returned.

Questioned Costs

\$190

Context

During our testing, it was noted, for one of one hundred and seven students at the College of Southern Nevada, one of twenty-four students at University of Nevada, Las Vegas, and one of forty-nine students at University of Nevada, Reno selected for testing that the Return to Title IV calculation had an incorrect amount of aid disbursed or incorrect institution charges used in the calculation which resulted in an incorrect amount returned.

Effect

Returned Title IV funds were calculated incorrectly.

Cause

The amount of aid was entered incorrectly into the forms by personnel processing the calculation due to typographical errors at College of Southern Nevada and University of Nevada, Las Vegas. The incorrect amount of institutional charge was entered incorrectly into the form by personnel processing the calculation due to a typographical error at University of Nevada, Reno.

Recommendation

We recommend implementing a more comprehensive review process of the Return to Title IV form.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-09 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students
- Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. The department will use greater care to record and enter data. In addition, the Student Financial Services department has increased its staff dedicated to the Return of Title IV process. This will allow for some redundancy in work processes, enhanced quality assurance and review of data entry, and an overall assistance with the increased workload.

UNLV Response

UNLV agrees with this recommendation. This record was readjusted to represent the correct institutional charges when the error was found. At this time, there are no outstanding Title IV funds which must be returned back to the U.S. Department of Education based upon this finding.

UNLV Response

The PeopleSoft programming within R2T4 does not import the student's institutional charges from the Student Account's module of information. This is a programming deficiency that we hope Oracle will correct in the future. At this time, an employee must manually enter the correct institutional charges. This opens up the R2T4 calculation to potential human error. The overwhelming majority of institutional charges were entered appropriately and correctly.

To minimize or prevent such errors in the future, a supervisor will conduct random reviews of R2T4 calculations for accuracy to minimize future audit findings.

In regards to the student with the incorrect amount of institutional charges, the correct charges were entered into R2T4 and the student's amounts of returned funds were not affected by this miscalculation. The Financial Aid Office has recently implemented PeopleSoft. There is a R2T4 module in PeopleSoft that we will be learning to use. The Financial Aid Office has developed policies and procedures to ensure Title IV calculations are processed correctly. There is a team of three staff members assigned to assist with the monitoring of the Return to Title IV calculations.

FINDING 2011-10 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria or Specific Requirement

34 CFR 690.79(c) ...if the student fails to repay a Federal Pell Grant overpayment or make arrangements satisfactory to the holder of the overpayment debt to repay the Federal Pell Grant overpayment, after the institution has taken the action required by paragraph (B) of this section, the institution must refer the overpayment to the Secretary for collection purposes in a accordance with procedures required by the Secretary. After referring the Federal Pell Grant overpayment to the Secretary under this section, the institution needs to make no further efforts to recover the overpayment.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-10 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students
- Continued

Condition

At the College of Southern Nevada, we noted two instances where the amount of aid disbursed to the student that was used in the Return to Title IV calculation was adjusted for an overpayment of Pell that was not communicated to the Department of Education.

Questioned Costs

\$190

Context

During our testing at the College of Southern Nevada, we encountered two instances out of 107 students selected for Return to Title IV testing, where the College determined the student was overpaid Pell as the student failed to attend at least one of their classes causing a change in the student's enrollment status. The College performed the mandatory recalculation of Pell awarded to the student and adjusted the amount of Pell disbursed to the student in the Return to Title IV calculation but failed to report the overpayment or reported an incorrect amount of overpayment to the Department of Education when the student failed to repay the overpayment.

Effect

The College failed to report the correct amount of overpayment to the Department of Education as required by the regulations.

Cause

In one instance, the Pell adjustment was entered incorrectly on the Department of Education's Letter of Overpayment due to a typographical error. The second instance, the College simply did not send the communication to the Department of Education.

Recommendation

We recommend implementing a more comprehensive review process of the Return to Title IV form and related required communications to the Department of Education.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. The finding is a result of an oversight by the department of Student Financial Services. Departmental procedures have been developed to address the requirement of timely notification to the Department of Education. Staff training will be conducted for all appropriate Student Financial Services personnel to ensure accuracy of calculations and that reporting is properly performed. Through the implementation of PeopleSoft, CSN is automating the Department of Education's notification process to ensure that proper and timely reporting is made. Staff will utilize greater care in data entry to ensure typographical errors are minimized.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-11 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students

Federal Programs

Department of Education & Department of Health and Human Services
Student Financial Assistance Cluster
Award year ended June 30, 2011

Criteria or Specific Requirement

34 CFR 668.32 (a)(1)(i) A student is eligible to received Title IV, HEA program assistance if...[They are] a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution.

Condition

We noted that no Return of Title IV calculation was performed for an unofficially withdrawn student.

Questioned Costs

\$0

Context

Testing at College of Southern Nevada indicated no Return to Title IV was completed for a student that changed enrollment status from credit to audit for one class and unofficially withdraw from their remaining classes. The student earned greater than 60% of the Title IV funds and therefore no Title IV funds would need to be returned.

Effect

The College of Southern Nevada did not complete the Return to Title IV calculation for a withdrawn student as required by the federal regulations.

Cause

The Student Financial Aid office of the College was not aware of the need to perform the calculation and does not complete R2T4 calculations for students that change enrollment status from credit earning to audit.

Recommendation

We recommend the College develop and implement policies to ensure Return to Title IV calculations are completed for all applicable students.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

The College of Southern Nevada (CSN) concurs with this audit finding. CSN Student Financial Services staff were not aware of the Department of Education requirement relative to the change of a student's status from credit enrollment to audit status. The requirement of the Department of Education to have a student considered "withdrawn" from the class with the appropriate effective date is being implemented into College policies and procedures. The change in status makes the student ineligible for an award of Title IV funds if a class is not taken for credit and funding is affected consistent with the federal requirements.

CSN has revised procedures to address the requirement and will immediately implement the recalculation process beginning in Fall Semester 2011. In addition, CSN policies are being revised and updated to reflect a deadline for students to change a course from credit to audit status. Proposed dates will be closer to the start of each semester to ensure timely reporting, recalculation of eligibility, and return of funds as may be appropriate.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-12 - Special Tests and Provisions: Borrower Data Transmission and Reconciliation (Direct Loan)

Federal Programs

Department of Education & Department of Health and Human Services

Student Financial Assistance Cluster – CFDA 84.268

Award year ended June 30, 2011

Criteria

34 CFR 685.102(b), 685.301 and 303. Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement (OMB No. 1845-0021). Each month, the COD provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the school) Loan Detail records. The school is required to reconcile these files to the institution's financial records. Since up to three Direct Loan program years may be open at any given time, schools may receive three SAS data files each month. (Note: The Direct Loan School Guide describes the reconciliation process.)

The school is required to reconcile these files to the institution's financial records

Condition

The University of Nevada, Las Vegas and University of Nevada, Reno did not perform the required reconciliation of SAS data file to the Institution's financial records.

Context

Testing at the University of Nevada, Las Vegas and University of Nevada, Reno, identified that the required reconciliation noted above was not performed during the fiscal year ending June 30, 2011.

Questioned Costs

\$0

Effect

The Universities do not comply with the specific requirements of Federal Regulation with respect to reconciling the SAS data file to the institutions' records.

Cause

At the University of Nevada, Las Vegas, due to implementation of PeopleSoft, new student financial aid system, there have been difficulties with information uploads to COD and the institution has not been able to reconciliation student financial aid system, SAS data file and general ledger system in total at any given point-in-time. The Student Financial Aid Office runs exception reports from the PeopleSoft system at least weekly, investigates, and clears exceptions but is unable to perform reconciliation in total on a monthly basis due to volume of system exceptions on a daily basis.

At the University of Nevada, Reno the reconciliation is not being performed by the University. The Student Financial Aid office runs exceptions reports from EDEExpress, investigates, and clears exceptions but does not perform reconciliation in total on a monthly basis.

Recommendation

We recommend the Universities implement processes to ensure reconciliation is being performed and documented on a monthly basis.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-12 - Special Tests and Provisions: Borrower Data Transmission and Reconciliation (Direct Loan) - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV concurs with this recommendation. The system implementation of PeopleSoft delayed account reconciliation on a consistent basis. As the PeopleSoft system became more stabilized throughout the 2010-2011 school year from programming efficiencies along with staff learning how to use the system more productively, account reconciliation has significantly improved.

Current Direct Lending account reconciliation is occurring within 30 days. Direct Loan School Account Statement Reconciliation Reports (SAS) are being reviewed and compared to institutional transactional records each week for anomalies and corrected. Historical SAS transactions are also being kept to demonstrate compliance within this area for future audit review.

UNR Response

Along with the recent implementation of PeopleSoft, the Financial Aid Office has developed a series of policies and procedures to ensure direct lending reconciliation is being performed on a monthly basis. The Financial Aid Office is now working closely with the Assistant Director of Sponsored Projects to ensure the draw downs are done on a monthly basis. The offices have developed procedures to better communicate and work together more efficiently to ensure compliance with direct lending reconciliation.

FINDING 2011-13 - Special Tests and Provisions: Eligibility Testing

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.376 and 84.063

Award year ended June 30, 2011

Criteria

34 CFR 690.6(a) states a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study. 34 CFR 691.6(2)(i) states a student's eligibility to receive up to one National SMART Grant Scheduled Award as a fourth-year student, in the case of a National SMART Grant-eligible program with less than five full years of coursework, extends from the beginning of the student's fourth year until he or she completes his or her first undergraduate baccalaureate course of study.

Condition

We noted that the University of Nevada, Las Vegas had one instance where a post-baccalaureate student was awarded SMART and Pell Grants.

Context

During our testing at the University of Nevada, Las Vegas, it was noted for one of sixty students selected, disbursements of SMART and PELL Grants were made to an ineligible student due to their post-baccalaureate status.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-13 - Special Tests and Provisions: Eligibility Testing - Continued

Questioned Costs

\$3,028

Effect

Post-baccalaureate student was disbursed funding they were ineligible to receive.

Cause

When the PeopleSoft system was originally integrated there was no designation between post-baccalaureate and baccalaureate students. Status is now designated in the system this, but students who were not originally designated as “post-bacc” need to be manually updated by the Financial Aid Staff.

Recommendation

We recommend that the Institution correct student disbursements to ineligible students in the student financial aid system and return funds to the federal government.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. The affected records were readjusted to remove the SMART grant and Pell grant aid from the records of the two students. Since this was a UNLV error, an institutional grant was applied to the account of both students to prevent a balance due from the student. A query was also run to determine if there were other students impacted and none were found. At this time, there are no outstanding Title IV funds which must be returned back to the U.S. Department of Education based upon this finding.

The PeopleSoft system setup has been corrected to prevent such an event from occurring in the future for the Pell Grant program. The SMART Grant program no longer exists for future years.

FINDING 2011-14 - Special Tests and Provisions: Eligibility Testing

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.376 and 84.063

Award year ended June 30, 2011

Criteria or Specific Requirement

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Condition

Testing of student eligibility at the University of Nevada, Las Vegas and the College of Southern Nevada identified two instances where the student’s cost of attendance was incorrect in the calculation of eligible student financial aid.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-14 - Special Tests and Provisions: Eligibility Testing - Continued

Questioned Costs

\$0

Context

For one of forty-four students selected for testing at the University of Nevada, Las Vegas and for one of twenty-one students selected for testing at the College of Southern Nevada, the amount included as the cost of attendance was incorrect.

Effect

The errors noted did not result in an over award of federal funds; however, the operating ineffectiveness of controls over this process and the incorrect application of the cost of attendance could result in a student receiving federal funds greater than their need.

Cause

The error at the University of Nevada, Las Vegas was a result of the cost of attendance defaulting to an incorrect amount due to the incorrect designation of the student's living status (on or off campus) in the student's account and the PeopleSoft system not updating the student's status from their ISIR. The error at College of Southern Nevada resulted from the student's status changing from out-of-state to in-state. The transportation budget was not changed to reflect the status change.

Recommendation

We recommend the Institutions ensure system edit checks are operating effectively and producing accurate information to avoid an over award of funds.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. The U.S. Department of Education changed the housing field coding late after Oracle had already provided schools PeopleSoft updates to process financial aid. Oracle never changed the housing field code for schools. This housing field code should be changed within PeopleSoft for the 2012-2013 school year and this will be confirmed prior to processing.

CSN Response

The College of Southern Nevada concurs with this finding. The oversight was a result of a staff member's incorrect entry for a manual adjustment to a student's cost of attendance. Staff will utilize greater care to ensure that accurate information is posted and recorded to the system.

In the Fall Semester of 2011, CSN implemented PeopleSoft or MyCSN. With the implementation of this robust and more current student information system, processes that were previously required to be performed manually can be automated within the design and programming, and will minimize the possibility of errors and data entry mistakes.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-15 – Loan Disbursement Notification Requirements (Repeat finding 2010-15)

Federal Programs

Department of Education

Student Financial Assistance Cluster - CFDA 84.032

Award year ending June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 668.165, before an institution disburses program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each program, and how and when those funds will be disbursed. If those funds include Direct Loan or FFEL Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans.

The institution must provide the notice described in writing: No earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution, if the institution obtains affirmative confirmation from the student under paragraph (a)(6)(i) of this section; or

No earlier than 30 days before, and no later than seven days after, crediting the student account at the institution, if the institution does not obtain affirmative confirmation from the student under paragraph (a)(6)(i) of this section.

Condition

We noted that the College of Southern Nevada had one instance where it failed to send the required notifications.

Questioned Costs

\$0

Context

For one of forty-two students selected for testing at the College of Southern Nevada, the required communication was not sent.

Effect

The College did not comply with the specific requirements of Federal Regulations with respect to communications with students.

Cause

The College emails the notification letters to students in batches. This letter's email batch was not sent out due to the College sending the previous day's batch of notifications a second time by mistake.

Recommendation

We recommend the College develop policies and procedures to ensure these required communications are sent to all students receiving Direct Loan funds.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-15 – Loan Disbursement Notification Requirements (Repeat finding 2010-15)

- Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. In the past, the process to notify students was a manual one. Prior to the implementation of the automated process (PeopleSoft or MyCSN), an error occurred whereby one daily e-mail notification transmission was duplicated the day after the original mailing, and the student notification that should have been sent on the second day was not sent at all.

With the automation of a number of manual processes in PeopleSoft or MyCSN, departmental procedures have been updated and revised to ensure that compliance with federal requirements is consistent. Once loans are awarded, the MyCSN system automatically generates an email notification to be sent out to students, which eliminates the previous error of missed or duplicated notifications.

FINDING 2011-16 - Special Tests and Provisions: Enrollment Reporting

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.268

Award year ended June 30, 2011

Criteria

Per 34 CFR 685.309, upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who:

- Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
- Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period which the loan was intended; or
- Has changed his or her permanent address.

Condition

The University of Nevada, Las Vegas had fourteen instances where student statuses reported on NSLDS “Enrollment Detail” report did not accurately reflect student’s enrollment status as presented in the Student Financial Aid system.

Context

Testing at the University of Nevada, Las Vegas identified fourteen of twenty five students selected for testing where the status of “Less Than Half Time” was reported to NSLDS even though students were withdrawn from institution.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-16 - Special Tests and Provisions: Enrollment Reporting - Continued

Questioned Costs

\$0

Effect

The University did not comply with the specific requirements of Federal Regulations with respect to student status communications to the Secretary.

Cause

The student enrollment status uploaded to clearinghouse was incorrectly programmed in PeopleSoft to reflect student's withdrawn status as "Less Than Half Time" instead of "Withdrawn". The Registrar's office was in the process of resolving the issue with the clearinghouse at the time of audit fieldwork.

Recommendation

We recommend the University develop policies and procedures to ensure student status changes are uploaded and reported accurately to the clearinghouse.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with the recommendation. This issue was identified and resolved as of the spring 2011 semester. With the PeopleSoft system now set up to accurately reflect "withdrawn" as zero enrollment, this will no longer be a problem at UNLV.

FINDING 2011-17 - Special Tests and Provisions: Enrollment Reporting

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.268

Award year ended June 30, 2011

Criteria

Per 34 CFR 685.309, upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who:

- Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
- Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period which the loan was intended; or
- Has changed his or her permanent address.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-17 - Special Tests and Provisions: Enrollment Reporting - Continued

Condition

The University of Nevada, Las Vegas had nine instances where student status changes reflected on NSLDS “Enrollment Detail” were not reported within 30 days of the student’s status change. The College of Southern Nevada failed to report status changes for a period in excess of 30 days November 19, 2010 to January 4, 2011.

Context

For nine of twenty five students selected for testing at the University of Nevada, Las Vegas, status for students who graduated in the fall 2010 semester (12/11/2010) were not reported to the Clearinghouse until January 31, 2011. Status changes for twenty-five students occurring at the College of Southern Nevada between November 20, 2010 and December 3, 2010 would not have been submitted to the clearinghouse within the 30-day compliance requirement.

Questioned Costs

\$0

Effect

The University did not comply with the specific requirements of Federal Regulations with respect to student status communications to the Secretary.

Cause

With the implementation of PeopleSoft, registration and student financial aid system, the University was able to have graduated students uploaded automatically to Clearinghouse. However, for students who graduated fall 2010, the upload was not sent automatically by the system as expected due to a technical error. Therefore an upload of students who graduated December 11, 2010 was then sent January 31, 2011. At the College of Southern Nevada institution, the control designed to ensure compliance with this requirement failed to operate effectively during the period and the 30-day submission did not occur.

Recommendation

We recommend the University of Nevada, Las Vegas and the College of Southern Nevada develop policies and procedures to ensure student status changes are reported in a timely manner and test the controls put in place to ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with the recommendation. During the time period in question, the job that transmits enrollment status updates was not run within 4 weeks of Fall 2010 graduation as is normal practice (due to the transition to PS from SIS, there was a breakdown in communication and the job was not ready on time). This has been corrected. The job will now run within 30 days of graduation and again every 30 days and will be monitored to ensure that it runs according to plan. Every effort is made to report graduate eligible students in a timely manner. UNLV continues to review the degree conferral process and strives for efficiency.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-17 - Special Tests and Provisions: Enrollment Reporting - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited) - Continued

CSN Response

Prior to Fall Semester 2011, preparing enrollment reports for the Clearinghouse was a manual process that was completed at or near the time that the Clearinghouse reminder messages were received. These reports were completed by Institutional Research with the Office of the Registrar serving in a “backup” role for these data. This due date occurred during a holiday period when many staff members were on vacation and/or furlough. The oversight was discovered after the holiday, and the report was completed in January 2011.

- Corrective actions have been implemented so that this oversight will not reoccur. Effective Fall Semester 2011, the Office of the Registrar is completing enrollment reporting via PeopleSoft according to the following timeframes:
- The Registrar sets the scheduled Transmission Dates for the academic year; first transmission is completed the Friday before the semester start and then monthly thereafter until the end of the semester.

The Transmission Dates are set within the production calendar, and the National Clearinghouse also provides reminder e-mails prior to the due date.

Two processes are employed to extract the data and if any errors are encountered a report is generated. Student records are corrected if necessary, and the file is uploaded to the National Student Clearinghouse. Once the National Student Clearinghouse processes the report, an e-mail is directed to the College to confirm that the report has been received and processed.

FINDING 2011-18 - Special Tests and Provisions: Disbursements to/Behalf of the Students (Direct Loans)

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.268

Award year ended June 30, 2011

Criteria

Per 34 CFR 685.301(e), a school must submit the initial disbursement record for a loan to the Secretary no later than 30 days following the date of the initial disbursement. The school must submit subsequent disbursement records, including adjustment and cancellation records, to the Secretary no later than 30 days following the date the disbursement, adjustment, or cancellation is made.

Condition

The University of Nevada, Reno did not submit loan disbursement information to the Department of Education’s Common Origination and Disbursement (COD) in a timely manner.

Context

Testing at the University of Nevada, Reno identified sixteen of twenty-two students selected for testing where the direct loan disbursement was not communicated to COD within 30 days as required by federal regulation

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-18 - Special Tests and Provisions: Disbursements to/Behalf of the Students (Direct Loans) - Continued

Questioned Costs

\$0

Effect

Disbursement records were not reported to the Department of Education within the required timeframe designated in the federal regulations.

Cause

Documentation of the required communication was not maintained.

Recommendation

We recommend the University develop and implement policies and procedures to ensure the required information is uploaded to COD in a timely manner and documented.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

With the recent implementation of PeopleSoft, a loan module is now available that will be used to send files to COD. In addition, the Financial Aid Office has developed specific policies and procedures, along with increased oversight to ensure disbursement records are sent to COD in a timely manner.

FINDING 2011-19 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-09 and 2009-03)

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.038

Award year ending June 30, 2011

Criteria or Specific Requirement

34 CFR 674.43 – An institution must notify shall send a first overdue notice within 15 days after the due date for a payment if the institution has not received a payment, a request for deferment; or a request for postponement or for cancellation. If the borrower does not satisfactorily respond to the first overdue notice, the institution shall continue to contact the borrower as follows, until the borrower makes satisfactory repayment arrangements or demonstrates entitlement to deferment, postponement, or cancellation. The institution shall send a second overdue notice within 30 days after the first overdue notice is sent. The institution shall send a final demand letter within 15 days after the second overdue notice. This letter must inform the borrower that unless the institution receives a payment or a request for deferment, postponement, or cancellation within 30 days of the date of the letter, it will refer the account for collection or litigation, and will report the default to a credit bureau. If the borrower does not respond to the final demand letter within 30 days from the date it was sent, the institution shall attempt to contact the borrower by telephone before beginning collection procedures.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-19 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-09 and 2009-03) - Continued

Condition

We noted that the University of Nevada Reno, during its processing of Federal Perkins Loans, failed to produce and send the required notifications for overdue Perkins loans.

Context

For ten of fourteen students selected for testing at the University of Nevada Reno, we noted that the required communications were not completed timely or at all.

Questioned Costs

\$0

Effect

The University did not consistently comply with the specific requirements of Federal Regulations with respect to student loan repayments.

Cause

The notifications were not sent timely by the University.

Recommendation

We recommend the University develop policies and procedures to ensure timely notifications are sent. In addition, the University should consider reviewing overall process related to management of outstanding Perkins loans. Attention should be given to appropriate ownership and monitoring controls for the overall process.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The Manager of Student Accounts and two Loan Office staff members have documented the required policies and procedures noted above to ensure that notifications will be generated in a timely manner. Cross-training between these two staff members has been conducted and a scheduling mechanism has been put into place to ensure that these duties will be carried out in a timely manner and can be completed by either of the employees in the Loan Office independently. A monthly meeting with the Manager of Student Accounts and the Loan Office employees will be held to evaluate progress.

FINDING 2011-20 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-10)

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.038

Award year ending June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 674.45, the institution, as part of the collection activities, must provide the borrower with information on the availability of the Student Loan Ombudsman's office.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-20 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-10) - Continued

Condition

We noted that the University of Nevada Reno maintained no documented communication with borrowers informing them of the Student Loan Ombudsman's office.

Questioned Costs

\$0

Context

For ten of fourteen students selected for testing, there was no documentation of communication with the borrower informing them of the Student Loan Ombudsman's office.

Effect

The University does not consistently comply with the specific requirements of Federal Regulations with respect to student loan repayments.

Cause

University did not start including the communication in the overdue notices until June 2011.

Recommendation

We recommend the University review borrower communication requirements related to student loan repayments and adequately train the loan processing staff.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The University agrees with this finding. The Loan Office employees had not followed through with the implementation of the revised letters in a timely manner. The Manager of Student Accounts will review the communication requirements annually, conduct a review of our business practices, make updates per regulation changes, and conduct training with the loan department personnel. On a quarterly basis the Manager of Student Accounts will review a sample of loan files to ensure they contain documented communication notifying students of the Student Loan Ombudsman's office.

FINDING 2011-21 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-11)

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.038

Award year ending June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 674.45, if a borrower does not respond to the final demand letter or the following telephone contact, the institution shall engage a collection firm to collect the account. If the collection firm does not succeed in converting the account to regular payment status within twelve months, the institution shall place the account with a different firm.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-21 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-11) - Continued

Condition

We noted the University of Nevada Reno did not attempt to collect using institutional personnel or a collection firm in a timely manner

Questioned Costs

\$0

Context

For eight of fourteen loans in default for more than twelve months, we noted that the University did not attempt to collect using a collection firm until April 2011.

Effect

The University does not comply with the specific requirements of Federal Regulations with respect to collection efforts.

Cause

University staff re-performed overdue notice process, by sending the three overdue notices and calling the borrower prior to sending defaulted loans to collections, which prolonged the collections process.

Recommendation

We recommend the University dedicate additional resources to monitor borrower loan status to help ensure compliance with the Federal Regulations as they relate to collection proceedings.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The Loan Office had a long term employee leave during the summer of 2010. Due to the lengthy hiring process, a replacement for this position was not in place until late October. At this point, the Manager of Student Accounts made the managerial decision to start the entire collection process over to ensure that all communications were generated and all call attempts were made prior to sending these accounts to collections. The accounts were already out of compliance with regards to the time frame of the due diligence process and being sent to collections. However, by starting the communication process from the beginning, we ensured that the correct communications (letters and calls) were in fact performed prior to sending borrowers to collections. This decision was made to avoid having exceptions in this area. As a result, all letters and communications were sent to these students prior to being sent to collections and we were able to collect on some of the accounts in the process.

The Loan Office has developed a checklist with all required steps for past due loans. The Manager of Student Accounts will perform a monthly review of delinquent loan files to ensure the required collection proceedings are being followed.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-22 – Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.038

Award year ending June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 674.45, if a borrower does not respond to the final demand letter or the following telephone contact, the institution shall engage a collection firm to collect the account. If the collection firm does not succeed in converting the account to regular payment status within twelve months, the institution shall place the account with a different firm.

Condition

We noted the University of Nevada Reno engaged a collection firm for a period longer than federal regulation designated period of 12 months.

Questioned Costs

\$0

Context

For three of fourteen loans selected for testing at the University of Nevada, Reno, we noted that the loans were held with a collection agency for a 24-month period.

Effect

The University does not comply with the specific requirements of Federal Regulations with respect to collection efforts.

Cause

University staff did not receive notification from the collection agency at the end of the 12-month collection period stating the agency was unable to collect on these borrowers, as the notification was emailed to a former employee's address. Therefore no collection attempts were made for an additional twelve-month period until the University inquired about missing notifications.

Recommendation

We recommend the University dedicate additional resources to monitor borrower loan status to help ensure compliance with the Federal Regulations as they relate to collection proceedings.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

This finding is the result of the collection agencies still having the previous employee's contact information in their system. All collection agencies have now been updated with the new contact information of both Loan Office employees to ensure that the Loan Office receives the notifications sent from the agencies.

In addition, the loan personnel are proactively running reports now to determine when an account should be returned from a collection agency and contacting the collection agency to either confirm if the account is in regular repayment status or to recall the loan if a payment agreement has not been achieved.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-23 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-13)

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.038

Award year ending June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 674.42, an institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution.

Condition

We noted the University of Nevada Reno failed to send exit counseling material within 30 days of learning that the borrower's student status changed as required by federal regulation.

Questioned Costs

\$0

Context

For seven of forty-three borrowers selected for testing at the University of Nevada, Reno, we noted that the required materials were not sent in a timely manner.

Effect

The University did not provide the required exit counseling

Cause

The exit counseling materials for students that graduated in December 2009 were not sent within the 30 day limit.

Recommendation

We recommend the University monitor loans more closely in an effort to ensure compliance with Federal Regulations.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The Loan Office employees will run a report in October and February after the last date to withdraw from courses and in November and March of each year to determine graduating students and students who are no longer enrolled at the University. The loan personnel will send out letters to each student requesting the student to come in to complete their exit interview. The loan personnel will conduct the exit counseling in person with the borrower and will have the borrower sign and date the Exit Interview verification form and file the original in the borrowers file. If no response is received from the student by the end of December, for the fall semester, or May, for the spring semester, the loan personnel will mail the exit interview material to the last known address of borrower and document when and where sent.

The Manager of Student Accounts will be responsible for providing oversight of this process to ensure that accounts are being reviewed for attendance requirements and that the Exit Interviews are being conducted as required.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-24 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-14)

Federal Programs

Department of Education

Student Financial Assistance Cluster – CFDA 84.038

Award year ending June 30, 2011

Criteria or Specific Requirement

Per 34 CFR 674.42, the institution shall contact the borrower for the first time ninety days after the commencement of any grace period. The institution shall at this time remind the borrower of his or her responsibility to comply with the terms of the loans and shall send the borrower information about the total amount remaining outstanding on the loan, including principal and interest, and the date and amount of the next required payment.

Condition

We noted one instance where the University of Nevada Reno acting as the loan processor for Truckee Meadows Community College (TMCC) failed to send 90-day and 150-day communications as a result of untimely student status reporting by TMCC.

Questioned Costs

\$0

Context

For one of forty-three borrowers selected for testing, we noted the required communications were not sent.

Effect

The University established the appropriate nine-month grace period of June 1, 2010 to March 1, 2011. However, due to the timing of the institution's determination of the students status change, the 90-day and 150-day grace period notices were not communicated.

Cause

The borrower's loan was deferred due to the student being enrolled in another institution (TMCC), however, the student withdrew from TMCC in May 2010. UNR, however, was not notified until October 2010 by the Clearinghouse as the status change was not uploaded by TMCC to NSLDS until October 2010 as well.

Recommendation

We recommend that Truckee Meadows Community College report student status changes to NSLDS timely in order to ensure that required student loan communications occur as required.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-24 – Student Loan Repayments – Perkins Loans (Repeat finding 2010-14) - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

TMCC Response

Clearinghouse reporting is performed in PeopleSoft out of the Student Records module, and the delivered PeopleSoft Clearinghouse reporting was not functional and required a modification. TMCC reported the student to the Clearinghouse at the end of Spring 2010 on May 27, 2010. At this time the reporting was still performed via the former SIS process. The Fall 2010 Reporting Period was the first time Clearinghouse reporting was performed via the required modification to PeopleSoft. The modification was not completed and installed in PeopleSoft by the normal reporting date of September 7, 2010. The first date we were able to run the Clearinghouse process correctly in PeopleSoft was October 7, 2010.

Planned Corrective Action: This was a one-time occurrence and the Clearinghouse reporting is performed as scheduled and according to federal regulations.

FINDING 2011-25 – Reporting (Repeat finding 2010-01 and 2009-4)

Federal Programs

Research and Development Cluster

University of Nevada, Las Vegas: CFDA 81.000 (Award 81840-001-10).

Desert Research Institute: CFDA 11.431 (Award NA07OAR4310462); CFDA 10.652 (Award 08-DG-11272170-004).

Criteria

OMB Circular A-110, Subpart C, .51(b) and .52(1) outlines the requirements for submission of performance reports. Performance reports “shall be due 90 calendar days after the grant year: quarterly or semi-annual reports shall be due 30 days after the reporting period.” Filing requirements can also be indicated either as a general requirement by the granting agency or specifically in the grant award document.

Condition

We noted that the Desert Research Institute and the University of Las Vegas are not filing technical reports timely.

Context

Testing at the Desert Research Institute identified two out of nine technical reports tested were filed late.

Testing at the University of Nevada Las Vegas identified one out of five technical report tested were filed late.

Questioned Costs

\$0

Effect

Failure to submit required reports timely could potentially cause delay or elimination of federal funding.

Cause

The responsible party did not prepare and submit the report prior to deadline.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-25 – Reporting (Repeat finding 2010-01 and 2009-4) - Continued

Recommendation

We recommend that the Institutions educate those responsible for filing technical and financial reports noting that the lack of timely filing of reports could lead to a delay in reimbursement of grant funds, or a possible loss or non-renewal of the grant.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV has procedures in place to track the timeliness of technical report submission and we will continue to educate faculty regarding the importance of fulfilling our reporting requirements. We successfully implemented a reporting policy November 2010 to increase reporting compliance. The policy includes sending notifications indicating failing to submit reports is a serious issue and can threaten future funding, escalating communications to include Chairs and Deans, and suspending new account set up for principal investigators that have seriously delinquent reports until they fulfill the reporting requirements. In regard to the late report noted, OSP notified the principal investigator of the required report and the importance of fulfilling reporting requirements. The report was submitted shortly thereafter, although it was after the deadline.

DRI Response

DRI continues to emphasize the need to file technical reports timely. We have discussed with the Principal Investigators responsible for the late filing the consequences of filing these late reports, including future personnel action.

As part of our commitment to proper management of grants and contracts, DRI has purchased the ARGIS system, an electronic research administration system for grants and contracts. Part of the system includes a systemic notification and reporting system for when reports are due, when they are late, and provides for additional follow up by all levels of management to control this important area. This feature will reduce or eliminate late technical reports. Implementation of the system is scheduled for approximately spring 2012.

FINDING 2011-26 – Equipment and Real Property Management

Federal Programs

Research and Development Cluster

University of Nevada, Las Vegas: CFDA 47.074 (Award IOS-0719551); CFDA 81.046 (Award 30451-32).

Criteria

OMB Circular A-110, Subpart C, .34(f)(1)(ix) outlines property management standards for equipment acquired with federal funds. Among other records, it states “equipment records shall be maintained accurately and shall include” the “date of disposal”. In addition, Subpart C, .34 (g) states, when the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-26 – Equipment and Real Property Management - Continued

Criteria - Continued

from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the Federal awarding agency to determine whether a requirement for the equipment exists in other Federal agencies. The Federal awarding agency shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

Condition

We noted that the University of Nevada, Las Vegas did not consistently fulfill these requirements.

Context

Testing at the University of Nevada, Las Vegas identified two equipment disposals out of fifteen tested that may have required communication to the Federal awarding agency. Upon further investigation, it was determined that the equipment had not been actually disposed of and that the equipment records were not accurate.

Questioned Costs

\$0

Effect

The compliance requirement to maintain accurate equipment inventory records was not achieved for certain items.

Cause

The responsible parties failed to identify equipment that was still on property and recorded the items as disposals.

Recommendation

We recommend the Institution evaluate its current process and procedures for equipment and real property management to better incorporate review procedures and ensure accurate records for equipment.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV agrees with this recommendation. Per NSHE Policy each department has custodial responsibility for all equipment within its jurisdiction. Each department is also responsible for reporting all additions, deletions, and material changes in condition of equipment within their unit, to the respective Property Control department.

It should be noted that in each case of the equipment that was recorded as disposed of the department head, through the department's annual inventory process has identified the equipment as being disposed of. In order to help mitigate these misstatement and to assist the departments more effectively, property control has modified the current inventory reconciliation procedures to allow the department to clearly identify the status of the equipment upon completion of the annual reconciliation process.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-26 – Equipment and Real Property Management - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited) - Continued

UNLV Response - Continued

UNLV property records identify federally funded equipment, but to improve upon monitoring and reporting of disposals/transfers of federally funded equipment, UNLV has modified its current workflow for the process used to declare surplus property. UNLV uses a Property Movement Request (PMR) form that the end user must complete to declare equipment as surplus property. An extra step was added to the process to allow the end user to identify whether or not the equipment was funded from a federal grant and to declare the fair market value (FMV) of the equipment. If the equipment is declared to have a FMV of over \$5000 then a notification is forwarded to OSP for further review to ensure the proper compensation is returned to the Federal awarding agency or its successor.

FINDING 2011-27 – Cash Management

Federal Program

Department of Education

Adult Education State Grant Program, CFDA 84.002.

Award year ending June 30, 2011

Criteria

Part III, Section C, Cash Management, of the 2011 A-133 Compliance Supplement states that recipients and subrecipients must adhere to the U.S. Department of the Treasury regulations at 31 CFR part 205, which implements the Cash Management Improvement Act. This requires State recipients to have an agreement that prescribes specific methods for drawing Federal funds for selected large programs. Programs, such as Adult Education, which are not covered by the Treasury-State Agreement, are required to adhere to the procedures prescribed by the Treasury in Subpart B of 31 CFR part 205. Section 205.33 states that the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes must be minimized. The disbursement must be timed to be in accord with the actual, immediate cash requirements. The timing and amount of funds transfers must be as close as is administratively feasible to the actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

Condition

We noted that the College of Southern Nevada completed only one drawdown on May 6, 2011 for the fiscal year ended June 30, 2011. This drawdown requested funds in excess of expenditures to date as well as funds in excess of actual expenditures incurred through June 30, 2011.

Context

College of Southern Nevada did not adhere to applicable cash management requirements.

Questioned Costs

\$0

Effect

The Federal Agency disbursed funds prior to the actual, immediate cash requirements of the program.

Nevada System of Higher Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2011-27 – Cash Management - Continued

Cause

The responsible party was unaware of the requirement to minimize the time between the drawdown of Federal Funds and the expenditures of those funds.

Recommendation

We recommend the Institution train those responsible for leading the adult education program and those responsible for the drawdown of Federal Funds about the applicable cash management requirements.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

The College of Southern Nevada (CSN) concurs with this finding. CSN will review with those personnel responsible for leading the adult education program and personnel responsible for the draw down of federal funds the applicable cash management requirements. Staff will work to ensure that draw downs more closely align with cash outlays.

Nevada System of Higher Education
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

FINDING 2010-01 – Reporting

Federal Programs

Research and Development Cluster

University of Nevada, Reno: CFDA 47.041 (Award 650935); CFDA 43.001 (Award NNG05Q32G); CFDA 10.652 (Award 08-JV-11052007-117); CFDA 81.049 (DE-FG02-04ER63819).

University of Nevada, Las Vegas: CFDA 43.001 (Award NNG05GC22G).

Desert Research Institute: CFDA 15.507 (Award 06FC811245); CFDA 47.041 (Award CMS-0626485); CFDA 15.DAV (Award J8R07060005); CFDA 47.050 (Award EAR-0840171).

Criteria

OMB Circular A-110, Subpart C, .51(b) and .52(1) outlines the requirements for submission of performance reports. Performance reports “shall be due 90 calendar days after the grant year: quarterly or semi-annual reports shall be due 30 days after the reporting period.” Filing requirements can also be indicated either as a general requirement by the granting agency or specifically in the grant award document.

Condition

We noted that the Desert Research Institute, University of Nevada, Reno, and University of Nevada, Las Vegas are not filing technical and financial reports timely.

Context

Testing at the University of Nevada, Reno identified four out of five technical reports tested were filed late.

Testing at the University of Nevada, Las Vegas identified one out of five technical report tested were filed late.

Testing at the Desert Research Institute identified four out of ten technical reports tested were filed late.

Questioned Costs

\$0

Effect

Failure to submit required reports timely could potentially cause delay or elimination of federal funding.

Cause

The responsible party did not prepare and submit the report prior to deadline.

Recommendation

We recommend that the Institutions educate those responsible for filing technical and financial reports noting that the lack of timely filing of reports could lead to a delay in reimbursement of grant funds, or a possible loss or non-renewal of the grant.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-01 – Reporting - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree with the finding. It is part of the mandatory training for principal investigators (PIs) to emphasize the need to file timely technical reports. It is the procedure of OSP to send an automatic email notification to the PI approximately 45 days prior to the end date of the grant to remind them of the technical report requirements. The UNR Sponsored Projects Office continues to manually review and send additional requests as part of the close-out process if the report has not been submitted. If a technical report is not received, OSP continues to follow up until received or verified received by the granting agency.

UNLV Response

UNLV has procedures in place to track the timeliness of technical report submission and we will continue to inform faculty of the importance of fulfilling our reporting requirements. We are implementing a new policy effective 11/16/10 to increase reporting compliance. The new policy includes sending notifications indicating failing to submit reports is a serious issue and can threaten future funding, escalating communications to include Chairs and Deans, and suspending new account set up for principal investigators that have seriously delinquent reports until they fulfill the reporting requirements. In regard to the late report noted, OSP notified the principal investigator of the required report and continued to follow up regularly to convey the importance of reporting and promote compliance, and the report was submitted albeit after the deadline.

DRI Response

DRI continues to emphasize the need to file technical reports timely. We have discussed with the Principal Investigators responsible for the late filing the consequences of filing these late reports, including future personnel action. As part of our commitment to proper management of grants and contracts, DRI has purchased the ARGIS system, an electronic research administration system for grants and contracts. Part of the system includes a systemic notification and reporting system for when reports are due, when they are late, and provides for additional follow up by all levels of management to control this important area. This feature will reduce or eliminate late technical reports. Implementation of the system is scheduled for approximately July 2011.

Status

Repeat finding 2011-25.

FINDING 2010-02 – Subrecipient Monitoring

Federal Programs

Research and Development Cluster

University of Nevada, Reno: CFDA 10.001 (Award 58-5360-8-430); CFDA 47.041 (Award CMS-0530737); CFDA 93.262 (Award 5R01OH007803-06 REV); CFDA 93.855 (5R01AI059348-05); CFDA 93.866 (Award CTA-62-00-ADNI); CFDA 10.200 (Award 2009-34631-19807).

University of Nevada, Las Vegas: CFDA 81.087 (Award RF-06-ESN2-001); CFDA 81.113 (Award RF-06-OATS-001).

Desert Research Institute: CFDA 10.652 (Award 08-DG-11272170-005); CFDA 47.078 (Award ANT-0440817).

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-02 – Subrecipient Monitoring - Continued

Criteria or Specific Requirement

Per the 2010 OMB Compliance Supplement; part (3); subpart (M), pass-through entities are required to ensure that the required subrecipient audits were completed. For subrecipients that are not required to submit a copy of the reporting package to a pass-through entity because there were “no audit findings” (i.e., because the schedule of findings and questioned costs did not disclose audit findings relating to the Federal awards that the pass-through entity provided and the summary schedule of prior audit findings did not report the status of audit findings relating to Federal awards that the pass-through entity provided, as prescribed in OMB Circular A-133 §__320(e)), the pass-through entity may use the information in the Federal Audit Clearinghouse (FAC) database as evidence to verify that the subrecipient had “no audit findings” and that the required audit was performed. This FAC verification would be in lieu of reviewing submissions by the subrecipient to the pass-through entity when there are no audit findings.

Condition

We noted that the Desert Research Institute, University of Nevada, Reno, and University of Nevada, Las Vegas did not verify the accuracy of the audit information submitted by subrecipients.

Context

Testing at the Desert Research Institute identified two of five subrecipients were not verified against the FAC. Testing at the University of Nevada, Reno identified six of eight subrecipients were not verified against the FAC. Testing at the University of Nevada, Las Vegas identified two of three subrecipients were not verified against the FAC.

Effect

Failure to verify statements of compliance made by subrecipients could result in material non-compliance with grant requirements and loss of grant funding by the Universities noted above.

Cause

The responsible parties were not aware of the additional requirements to verify the accuracy of the subrecipient audit information.

Recommendation

We recommend the Institutions implement processes to verify the accuracy of subrecipient audit information received and to document the verification took place.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree that the University should verify the accuracy of sub-recipient audit information and document that process. We do that by requesting copies of A-133 audit reports from all sub-recipients. That process is as follows: The University sends out notices to all sub-recipients and maintains an Excel spreadsheet of A-133 reports returned and follows up with additional requests if needed. If a report is not received, UNR will follow up with the Federal Audit Clearinghouse database to verify the sub-recipient’s response and notate this information in the spreadsheet.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-02 – Subrecipient Monitoring - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited) - Continued

UNLV Response

UNLV is in the process of enhancing existing practices to assure the accuracy of the audit information submitted by subrecipients is verified and documented to assure subrecipient monitoring compliance. Current processes require the subrecipient to complete and sign an annual A-133 Audit certification indicating whether or not they are subject to the Audit, and if so whether or not they had any findings. The certification is retained for documentation purposes. Additional procedures have been implemented to verify the accuracy of the certification. Effective immediately verification will be completed via the Federal Audit Clearinghouse (FAC) database at <http://harvester.census.gov/fac/>. The website verification will be printed and filed for documentation purposes. If discrepancies exist between the FAC and the certification document, clarification and additional documentation will be requested from the subrecipient.

DRI Response

DRI has developed a process to document the requested audit information from the subrecipient by recording the information request in a log, when the reply was sent and received, whether we received a copy of the audit or have an electronic link, determination of any findings or material weaknesses, and document any needed follow-up in the project file.

Status

Corrective action taken.

FINDING 2010-03 – Equipment and Real Property Management

Federal Programs

Research and Development Cluster

University of Nevada, Las Vegas: CFDA 93.887 (Award C76HF10910).

Criteria

OMB Circular A-110, Subpart C, .34(f)(1)(viii) outlines property management standards for equipment acquired with federal funds. Among other records, it states “equipment records shall be maintained accurately and shall include” the “unit acquisition cost”.

Condition

We noted that the University of Nevada, Las Vegas did not consistently fulfill this requirement.

Context

Testing at the University of Nevada, Las Vegas identified two equipment purchases out of twenty four tested that, while accurately recorded in expenditures, were not accurately recorded within the University’s equipment subsidiary ledger.

Questioned Costs

\$0

Effect

The compliance requirement to maintain equipment records at unit acquisition cost in the equipment inventory records was not achieved for certain items.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-03 – Equipment and Real Property Management - Continued

Cause

The responsible party failed to record a trade discount for one asset, while the other was recorded at the purchase order price rather than the invoice cost.

Recommendation

We recommend the Institution evaluate its current process and procedures for equipment and real property management to better incorporate review procedures for lower cost items.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

UNLV's procedures for tagging equipment are such that whenever possible, equipment is tagged prior to the equipment leaving the Receiving Department. While this process provides an efficient control for ensuring all equipment received is inventoried, this also often results in the equipment being tagged and inventoried prior to receiving the vendor invoice. As a result, historically, the inventory control staff have relied on purchase order data when recording the cost of inventoried equipment which may result in minor discrepancies between inventoried cost and final actual invoiced cost. To further reduce the possibility of discrepancies within the resource constraints of the property inventory process, the inventory control staff has revised its procedure to use invoice data whenever available at the time equipment is recorded in the inventory system.

Status

Corrective action taken.

FINDING 2010-04 – Eligibility

Federal Programs

Department of Education
Student Financial Assistance Cluster
Award year ended June 30, 2010

Criteria

In order to ensure compliance with the student Eligibility requirements associated with the Student Financial Aid (SFA) cluster, (34 CFR parts 600 and 668-691) institutions are required to maintain an internal control environment which supports such compliance.

Condition

At UNLV, we noted the following as it relates to the Rebel Aid application over financial aid eligibility configuration: a lack of segregation of duty controls for security administration and program maintenance personnel; and a lack of security administration controls around restricting access.

Context

Internal control testing of IT controls over Student Financial Aid indicated significant control deficiencies in internal controls over the Rebel Aid application.

Effect

The internal control issues noted may give risk to non-compliance which could impact the SFA cluster at UNLV.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-04 – Eligibility - Continued

Cause

The Associate Director of Applications Development for the Rebel Aid application performs security administration and program maintenance duties. The Scholarship Coordinator, Associate Director of Processing, and Program Officer all have access to modifying the Rebel Aid database through an MS Access ODBC connection set up for querying purposes. Security Administration and Program Maintenance policies and procedures are also not formally in place for the Rebel Aid application.

Recommendation

We are aware that the Rebel Aid application has been retired subsequent to June 30, 2010. However, we recommend that future financial aid programs should: enforce segregation of duties between program maintenance and security administration roles; limit database access for business user accounts to “Read Only;” and should have formal policies and procedures defined.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNLV Response

The segregation of duties and access to financial aid data is corrected within the PeopleSoft system. Access to financial aid data within the PeopleSoft system is limited to the business process role (segregation of duties) of the user. Access can be limited to view, update and correct history. Access to the PeopleSoft system and maintenance is set up via Application Security. Application Security provides an added layer of scrutiny to ensure any access allowed to the PeopleSoft system is appropriate according to the user role within respective job duties.

Status

Repeat finding 2011-02.

FINDING 2010-05 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students

Federal Programs

Department of Education
Student Financial Assistance Cluster
Award year ended June 30, 2010

Criteria

34 CFR 668.22(l)(2) requires that for purposes of determining the amount of Title IV funds to be returned upon withdrawal of a student, the period of enrollment is the academic period established by the institution for which institutional charges are generally assessed.

Condition

We noted that the College of Southern Nevada had used multiple dates for the end of a semester when calculating returns.

Context

Testing at the College of Southern Nevada indicated that when calculating the percentage of aid to be returned, the student financial assistance office used dates when classes ended, rather than the official semester end date for 23 of 58 students selected for testing. In discussion with the Director of Student Financial Services, it was indicated this finding was widespread.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-05 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Questioned Costs

\$1,275

Effect

Title IV funds to be returned were calculated incorrectly.

Cause

Personnel responsible for completion of the calculation had been using the class end date recorded in the Institution's student database, rather than the official semester end date. The end dates in the student database were improperly recorded by department officials at the Institution.

Recommendation

We recommend the Institution re-compute student returns for all applicable students, and implement a more comprehensive review process.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

The College of Southern Nevada concurs with this recommendation. Student Financial Services reviewed and identified all of the affected records and re-computed the Return to Title IV calculations as appropriate. The College identified that 747 records were reviewed and recalculated.

Staff from the Registrar's and Student Financial Services' Offices identified the fact that an academic department loaded the course schedules with the last class meeting date rather than by using the end of the academic semester date. Information meetings were conducted with the appropriate academic dean and department chairs, and procedures have been developed to ensure that the official semester dates, as published by the Registrar, are utilized.

Additionally, staff members from the Registrar's Office conduct edit checks of the Course Schedule after it is uploaded, but prior to its publication, to ensure that the official dates are utilized. They will continue this procedure until such time as the Peoplesoft system is implemented. Peoplesoft has been configured so that the unintended use of incorrect dates will be eliminated.

Status

Corrective action taken.

FINDING 2010-06 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students

Federal Programs

Department of Education

Student Financial Assistance Cluster

Award year ended June 30, 2010

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-06 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn and Unofficially Withdrawn Students - Continued

Criteria

34 CFR 668.22(f)(2)(i) requires that for purposes of determining the amount of Title IV funds to be returned, the total number of calendar days in a period of enrollment includes all days within the period, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a period of enrollment and the number of calendar days completed in that period.

Condition

We noted that the University of Nevada, Reno did not exclude the full number of days for spring break in either the period of enrollment or the number of calendar days completed in the period.

Context

Testing at the University of Nevada, Reno identified a systemic error in all spring 2010 return of Title IV calculations. The Institution excluded only five days for spring break, rather than the official nine days stated in the Institution's course catalog. This led to incorrect return to Title IV calculations for 32 of 74 students selected for testing.

Questioned Costs

\$746

Effect

Since the Institution did not initially correctly calculate funds to be returned, these additional amounts needed to be returned after the end of the semester.

Cause

The Student Financial Assistance office simply used a standard five day spring break rather than the official scheduled break.

Recommendation

Prior to the start of each semester, the student financial assistance office should review the academic calendar and ensure that staff are properly informed of the requirements when calculating funds to be returned.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree with the finding and have established the following process. The Office of Admissions and Records establishes the Academic Calendar each year. The Financial Aid Office will use this calendar to ensure the correct calendar days are used for Spring Break in the Return to Title IV calculations. When the Academic Calendar is posted, the Assistant Director of Financial Aid will print off the Academic Calendar and meet with the Director of Financial Aid to complete the set-up in the Department of Education Return to Title IV calculations.

Status

Corrective action taken.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-07 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students

Federal Programs

Department of Education
Student Financial Assistance Cluster
Award year ending June 30, 2010

Criteria or Specific Requirement

Per 34 CFR 668.22(j)(1), an institution must return the amount of Title IV funds for which it is responsible as soon but no later than 45 days after the date of the institution's determination that the student withdrew.

Condition

During our testing of student files at the University of Nevada, Reno we noted instances where funds were not returned within 45 days after the date of the Institution's determination that the student withdrew.

Questioned Costs

\$0

Context

The University of Nevada, Reno had two instances out of a sample of 74 that were not returned within the 45 day requirements.

Effect

Title IV funds required to be returned to the Department of Education were returned but not within the required timeframe.

Cause

One student was a medical student, and the Student Financial Aid office was not informed timely from the medical school of the student's withdrawal. For the second student, there was a typographical error when returning the funds, and the remaining funds were returned subsequent to our discovery.

Recommendation

We recommend the University develop and implement policies to ensure both accuracy in returning funds, and communication between the medical school and the Student Financial Aid office.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree and the Financial Aid Office has developed policies and procedures to ensure Title IV funds are returned in a timely manner. The Assistant Director of Financial Aid has been given this program responsibility. The Assistant Director of Financial Aid will have a report run each week to determine which students have withdrawn from the University and received Title IV Aid. The Financial Aid Office has discussed and is working closely with the Medical School to improve communications between the offices to ensure that each office is aware when a student withdrawals from the Medical School. The Coordinator of Medical School Records and Registration is responsible for notifying the Financial Aid Office in a timely manner when students drop or withdrawal from classes in order to adjust financial aid awards within the required federal guidelines.

Status

Repeat finding 2011-08.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-08 – Special Tests and Provisions: Return of Title IV Funds for Withdrawn Students

Federal Programs

Department of Education
Student Financial Assistance Cluster
Award year ending June 30, 2010

Criteria or Specific Requirement

Per 34 CFR 668.22(g)(1)(i), the institution must return the total amount of unearned Title IV assistance calculated.

Condition

During our testing of student files at the University of Nevada, Reno we noted one instance where the amount calculated to be returned to the Common Origination and Disbursement (COD) service was \$1,252; however, the amount returned was \$0, and the amount calculated to be returned to Education Loan Management (ELM) resources was \$1,622; however, the amount returned was \$1,252.

Questioned Costs

\$1,622

Context

University of Nevada, Reno had one instance of 74 students tested where amounts calculated for return varied from the amounts actually returned.

Effect

Title IV funds calculated and required to be returned to the Department of Education varied from the amounts actually returned until after our audit testing was completed.

Cause

The amounts calculated for return were not properly submitted timely.

Recommendation

We recommend the University develop and implement policies to improve the review of amounts to be returned compared to actual funds returned and the timing of the returns.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

After reviewing the student's file in question and pulling their record it was determined that the funds were properly returned to COD and ELM. The student's Pell Grant of \$1,252 was returned to COD. The same dollar amount of \$1,252 was returned to ELM for the student's loan. The correct amount to be returned to ELM should have been \$1,622. The additional \$370 was returned to ELM in June 2010 as a result of this finding.

The Financial Aid Office will run a report on a weekly basis to determine which students have withdrawn from the University and received Title IV Aid. The Financial Aid Office will adjust the student's aid in COD once the Return to Title IV calculation is done. The Financial Aid Office is working closely with the Assistant Director, Sponsored Projects Post-Award to ensure that Title IV funds are returned within the required timeframe. The offices are working and communicating together to ensure compliance with Return of Title IV Aid and cash management regulations.

Status

Corrective action taken.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-09 - Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

CFDA 84.038 Federal Perkins Loans

Award year ending June 30, 2010

Criteria or Specific Requirement

Pursuant to Code of Federal Regulations 674.43 – An institution must send the first overdue notice within 15 days after the due date if the institution has not received a payment, a request for deferment; or a request for postponement or for cancellation. If the borrower does not satisfactorily respond to the first overdue notice, the institution shall continue to contact the borrower, in the timeframe described below, until the borrower makes satisfactory repayment arrangements or demonstrates entitlement to deferment, postponement, or cancellation. The institution shall send a second overdue notice within 30 days after the first overdue notice is sent. The institution shall send a final demand letter within 15 days after the second overdue notice. This letter must inform the borrower that unless the institution receives a payment or a request for deferment, postponement, or cancellation within 30 days of the date of the letter, it will refer the account for collection or litigation, and will report the default to a credit bureau. Prior to referring the account to collections, the institution shall attempt to contact the borrower by telephone.

Condition

We noted that the University of Nevada, Reno, during its processing of Federal Perkins Loans, failed to produce and send the required notifications for overdue Perkins loans. Additionally, documentation was not provided that would support the institution contacting the borrower by telephone.

Questioned Costs

\$0

Context

For twenty-three of the twenty-four students chosen for testing at the University of Nevada, Reno, we noted that the required communications were not completed timely or at all.

Effect

The University does not consistently comply with the specific requirements of Federal Regulations with respect to student loan repayments.

Cause

The notifications were not sent timely by the University and documentation of any telephone contact is not maintained.

Recommendation

We recommend the University develop policies and procedures to ensure timely notifications are sent. In addition, the University should consider reviewing overall process related to management of outstanding Perkins loans. Attention should be given to appropriate ownership and monitoring controls for the overall process.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-09 - Student Loan Repayments – Perkins Loans - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree and note that this finding was made in the 2009 audit. The Manager of Student Accounting became aware of this finding at the end of December 2009 when the previous audit was released. Starting in January of 2010, we implemented new procedures and began sending letters to all delinquent accounts. The University has developed written policies and procedures and assigned proper task completion and oversight responsibility to ensure that timely notifications are sent to delinquent borrowers. The two loan personnel shall be held responsible to carry out the tasks of creating and mailing the letters and the Manager of Student Accounting shall monitor these activities by reviewing the Management Assignment Report to ensure that they are being carried out as assigned.

Letters are to be sent within 15 days of a borrower becoming delinquent. A second correspondence shall be sent 30 days from the first delinquency notice and a third and final demand letter shall be sent within 15 days from the second giving the borrower 30 days to respond. This letter will inform the borrower that unless the institution receives a payment or a request for deferment, postponement or cancellation within 30 days of the date of the letter, the University will refer the account for collection or litigation and will report the default to a credit bureau. If no response is received within the 30 days, the loan personnel will attempt to contact the borrower by phone prior to taking further action. Proper documentation of the phone contact attempts are to be recorded in the loan software application by utilizing the documentation selections under the Collections section within the loan accounting program.

Status

Repeat finding 2011-19.

FINDING 2010-10 – Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

CFDA 84.038

Award year ending June 30, 2010

Criteria or Specific Requirement

Per CFR34 674.45 the institution, as part of the collection activities, must provide the borrower with information on the availability of the Student Loan Ombudsman's office.

Condition

We noted that the University of Nevada, Reno maintained no documented communication with borrowers informing them of the Student Loan Ombudsman's office.

Questioned Costs

\$0

Context

For twenty-three of twenty-four students selected for testing, there was no documentation of communication with the borrower informing them of the Student Loan Ombudsman's office.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-10 – Student Loan Repayments – Perkins Loans - Continued

Effect

The University does not consistently comply with the specific requirements of Federal Regulations with respect to student loan repayments.

Cause

University staff appeared unaware of this communication requirement.

Recommendation

We recommend the University review borrower communication requirements related to student loan repayments and adequately train the loan processing staff.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The University agrees with this finding and has revised the delinquency letters to include the notification of the Student Ombudsman Office. The Manager of Student Accounting has obtained the latest update of the FSA Handbook Managing Campus-Based Programs and will use this as a guide for training and updating all the business practices, correspondence and communication efforts with the borrower. Each year that this handbook is updated, we will conduct a review of our business practices, make updates per regulation changes and conduct training with the loan department personnel.

Status

Repeat finding 2011-20.

FINDING 2010-11 – Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

CFDA 84.038

Award year ending June 30, 2010

Criteria or Specific Requirement

Per 34 CFR 674.45 if a borrower does not respond to the final demand letter or the subsequent telephone contact, the institution shall engage a collection firm to collect the account. If the collection firm does not succeed in converting the account to regular payment status within twelve months, the institution shall place the account with a different firm.

Condition

We noted the University of Nevada, Reno did not attempt to collect using Institutional personnel or a collection firm for the first or second attempt to collect.

Questioned Costs

\$0

Context

During our testing we noted fifteen of fifteen borrowers that should be in the first phase of collection were not referred to a collection firm. Additionally, we noted seven of seven borrowers that should be in the second phase of collection were not referred to a second collection firm.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-11 – Student Loan Repayments – Perkins Loans - Continued

Effect

The University does not comply with the specific requirements of Federal Regulations with respect to collection efforts.

Cause

University staff failed to actively monitor loan status and engage collection firms or use existing personnel to attempt to collect loans in default.

Recommendation

We recommend the University dedicate additional resources to monitor borrower loan status to help ensure compliance with the Federal Regulations as they relate to collection proceedings.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The University agrees with the findings and has taken appropriate steps to ensure that accounts are actively monitored and that delinquent accounts are sent to collections after all University attempts to collect have failed. The loan personnel will print off the Management Assignment Report on the 15th and the 30th of each month to evaluate and verify each delinquent account to determine if appropriate arrangements for repayment, deferment, forbearance, postponement or loan cancellation have been made. For those who have not made appropriate arrangements and have not responded to the final demand letter or the follow-up telephone contact, the loan personnel will report the default to the credit bureau and forward the account to one of the three collection firms that we contract with. If the collection firm cannot convert the account to regular repayment status by the end of 12 months and the borrower does not qualify for forbearance, deferment or cancellation, the collection firm will return the account to the University. At such time, the Manager of Student Accounting will review the account and determine what course of action to take -- either litigate or make a second effort to collect. If the second assignment is unsuccessful, then the loans personnel will continue to make yearly efforts to collect until the loan is recovered, assigned to the Department of Education or the loan is written off.

The Manager of Student Accounting will be responsible for reviewing the Management Assignment Reports on a monthly basis to ensure that the loan personnel are following through with the referral of delinquent accounts to collection agencies as required.

Status

Repeat finding 2011-21.

FINDING 2010-12 – Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

CFDA 84.038

Award year ending June 30, 2010

Criteria or Specific Requirement

Per 34 CFR 674.34, a borrower need not repay principal, and interest does not accrue, for periods of up to one year at a time that, collectively, does not exceed three years, during which the borrower is suffering an economic hardship, if the borrower provides documentation satisfactory to the institution showing that the borrower is within certain categories.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-12 – Student Loan Repayments – Perkins Loans - Continued

Condition

We noted the University of Nevada, Reno did not maintain deferral documentation for a borrower.

Questioned Costs

\$0

Context

For one of thirty loan deferments selected for testing, we noted no documentation was maintained for why the borrower was in deferment status.

Effect

The University does not consistently comply with the specific requirements of Federal Regulations with respect to loan deferments.

Cause

Documentation was not maintained to verify deferment status.

Recommendation

We recommend the University allocate resources to better maintain student files and communications.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree with the finding. The Loan Department will ensure that printed or electronic documentation to support the conversion of any account to deferment status will be maintained in the individual student loan files.

Status

Corrective action taken.

FINDING 2010-13 – Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

CFDA 84.038

Award year ending June 30, 2010

Criteria or Specific Requirement

Per 34 CFR 674.42, an institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution.

Condition

We noted the University of Nevada, Reno failed to perform the required exit counseling for certain students.

Questioned Costs

\$0

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-13 – Student Loan Repayments – Perkins Loans - Continued

Context

For four of twelve borrowers chosen for testing we noted that exit counseling had not been performed or documentation was not maintained to verify it had occurred.

Effect

The University is required to provide exit counseling and maintain documentation of it.

Cause

The exit counseling had not been performed.

Recommendation

We recommend the University monitor loans more closely in an effort to ensure compliance with Federal Regulations.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The University agrees with the findings and will monitor enrollment and pending graduation of students to ensure that exit interviews are completed. During the fall of 2009, the processes and procedures for reviewing accounts and performing exit interviews were not followed due to lack of training. The University has taken steps to ensure that the loan personnel have been adequately trained and understand the timelines and requirements.

The Manager of Student Accounting will run a report in October and February after the last date to withdraw from courses and in November and March of each year to determine graduating students and students who are no longer enrolled at the University. The loan personnel will send out letters to each student requesting the student to come in to complete their exit interview. The loan personnel will conduct the exit counseling in person with the borrower and will have the borrower sign and date the exit interview verification form and file the original in the borrowers file. If no response is received from the student by the end of December, for the fall semester, or May, for the spring semester, the loan personnel will mail the exit interview material to the last known address of borrower and document when and where sent.

The Manager of Student Accounting will be responsible for providing oversight of this process to ensure that accounts are being reviewed for attendance requirements and that the exit interviews are being conducted as required.

Status

Repeat finding 2011-23.

FINDING 2010-14 – Student Loan Repayments – Perkins Loans

Federal Programs

Department of Education

CFDA 84.038

Award year ending June 30, 2010

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-14 – Student Loan Repayments – Perkins Loans - Continued

Criteria or Specific Requirement

Per 34 CFR 674.42, the institution shall contact the borrower for the first time ninety days after the commencement of any grace period. The institution shall at this time remind the borrower of his or her responsibility to comply with the terms of the loans and shall send the borrower information about the total amount outstanding on the loan, including principal and interest, and the date and amount of the next required payment.

Condition

We noted the University of Nevada, Reno failed to maintain documentation of this communication.

Questioned Costs

\$0

Context

For five of fifteen borrowers selected for testing, we noted documentation of the required communication was not maintained.

Effect

The University does not consistently comply with the specific requirements of Federal Regulations with respect to student loan repayments.

Cause

The communications were not maintained by the University.

Recommendation

We recommend the University allocate resources to better maintain student files and communications.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

UNR recognizes that the prescribed numbers of communications were not documented or sent to the borrowers who entered into the grace period during the fall of 2009. An error occurred in the recording of the actual last date of attendance instead of the date that the loan personnel became aware of non-attendance. This back-dating was a one-time error and has since been corrected.

To ensure that the prescribed number of communications are generated during the correct time periods, the loan personnel will run reports to monitor enrollment after the withdrawal date and prior to the semester end dates to ensure that the borrowers' accounts reflects an accurate commencement of the grace period. The loan personnel will record the commencement date as the date they become aware of the borrowers' non-attendance or reduction in attendance for those accounts that prior knowledge of non-attendance was not known in advance.

Status

Repeat finding 2011-24.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-15 – Loan Disbursement Notification Requirements

Federal Programs

Department of Education

CFDA 84.032

Award year ending June 30, 2010

Criteria or Specific Requirement

Per CFR 668.165, before an institution disburses program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each program, and how and when those funds will be disbursed. If those funds include Direct Loan or FFEL Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans.

The institution must provide the notice described in writing:

- No earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution, if the institution obtains affirmative confirmation from the student under paragraph (a)(6)(i) of this section; or
- No earlier than 30 days before, and no later than seven days after, crediting the student account at the institution, if the institution does not obtain affirmative confirmation from the student under paragraph (a)(6)(i) of this section.

Condition

The College of Southern Nevada was unable to provide documentation support of the required communication for the Fall 2009 semester.

Questioned Costs

\$0

Context

For thirteen of thirteen students selected for testing at the College of Southern Nevada, the required communication documentation could not be supported and therefore concluded that the communication did not occur.

Effect

The University does not comply with the specific requirements of Federal Regulations with respect to communications with students.

Cause

The communications were not sent by the University.

Recommendation

We recommend the University develop policies and procedures to ensure these required communications are sent to all students receiving FFEL funds.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-15 – Loan Disbursement Notification Requirements - Continued

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

CSN Response

CSN concurs with this recommendation. The department was unable to substantiate that the appropriate student notifications were made due to the fact that e-mail communications had been inadvertently cleared out of the system. To avoid a similar circumstance in the future, the department has developed protocols and procedures to ensure that student notifications are maintained by utilizing a three-pronged redundancy approach to records retention: 1) The e-mail is sent to the student; 2) The e-mail is stored as a Word document and maintained in the department's archive on the system network (easily retrievable); and 3) An Excel worksheet identifying when the student e-mail was sent is maintained by the department.

The revised procedures were implemented Spring semester 2010. Beginning Fall semester 2011, this student notification communication will be maintained in the College's new information system as a part of the recipient's permanent financial aid record.

Status

Repeat finding 2011-15.

FINDING 2010-16 – Eligibility

Federal Programs

Workforce Investment Act Cluster

University of Nevada, Reno: CFDA 17.259 (Award ARRA-09-UNR-OS).

Criteria or Specific Requirement

Per 20 CFR 664.200, eligible youth are those that meet a specific age range, low income, and have certain barriers to employment such as homeless youth, deficient in basic literacy skills or requires additional assistance among others.

Condition

We noted the University of Nevada, Reno allowed youth that did not have barrier to employment join the program.

Questioned Costs

\$2,048

Context

Five of twenty-three program participants that were selected for testing did not show any barriers to employment.

Effect

Failure to properly determine eligibility could lead to loss of grant funding.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-16 – Eligibility - Continued

Cause

Miscommunication between the prime recipient and University personnel led the responsible party to believe participants may be either low income or have a barrier to employment, instead of requiring both.

Recommendation

We recommend the University implement procedures to compare the grant award to the respective Federal Regulations.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

We agree with this finding. Our current procedures require signatures of the college dean, department chair and the principal investigator(s) on the internal document, OSP-1, that confirms their acceptance of the scope of work and states that they acknowledge and agree to comply with the terms and conditions of the award upon acceptance of the award by the University. This responsibility is in the P.I. Handbook and a link to this site will be added to the Notice of Award that is sent to the P.I. upon account set-up, effective immediately.

Status

Corrective action taken.

FINDING 2010-17 – Cost Allocation

Federal Programs

TRIO Cluster

University of Nevada, Reno

CFDA 84.047 (Awards P047A070238-10, P047A080239-10)

Criteria or Specific Requirement

OMB Circular A-21, Subpart C, 4(a) states that a cost is allocable to a sponsored agreement if it is incurred solely to advance the work under that sponsored agreement.

Condition

We noted the University of Nevada, Reno incorrectly allocated payroll expenses between grants and hours worked under a grant were excluded from expenses.

Questioned Costs

\$112

Context

For three of sixty-nine payroll transactions tested we noted that two were allocated to the wrong grants and one failed to include all of the hours actually worked under the grant.

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-17 – Cost Allocation - Continued

Effect

Failure of the Institution to properly allocate expenses between grants could result in over/understatement of expenses and result in loss of federal grants.

Cause

The University improperly allocated expenses to grants and did not include all hours worked under a grant.

Recommendation

We recommend the Institution implement policies and procedures to ensure there is appropriate review of journal entries prior to posting.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

The allocation error occurred at the departmental level on student employee timesheets. Specifically, the timesheets that the department submitted to the payroll office did not accurately reflect the number of hours listed on employee timecards per project. This is a separate process from the effort reporting process required of salaried employees.

While the topic of allocation is currently covered in the mandatory effort reporting and grants management training sessions conducted by the Office of Sponsored Projects, the circumstances surrounding this finding will be emphasized and covered in detail to reinforce that wages must be allocated to the correct sponsored project.

Status

Corrective action taken.

FINDING 2010-18 – Special Tests and Provisions

Federal Programs

Workforce Investment Act Cluster

University of Nevada, Reno: CFDA 17.259 (Awards ARRA-09-UNR-OS and ARRA009-UNR).

Criteria or Specific Requirement

Per the 2010 OMB Compliance Supplement, part (3); subpart (M), the University must separately identify to each subrecipient, and document at the time of the sub-award and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds.

Condition

We noted the University of Nevada, Reno did not communicate to the subrecipient the funding was ARRA-related at time of disbursement.

Questioned Costs

\$0

Nevada System of Higher Education

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2011

FINDING 2010-18 – Special Tests and Provisions - Continued

Context

For two of two subrecipient payments tested, it was determined the subrecipient was not notified again that the funding source was ARRA.

Effect

The Institution failed to communicate certain required information to its subrecipient.

Cause

Responsible parties did not appear to be aware of the communication requirements related to ARRA.

Recommendation

We recommend the University implement procedures to better train University personnel on communication requirements specific to ARRA.

Views of Responsible Officials and Planned Corrective Actions (Unaudited)

UNR Response

It is the policy of OSP to communicate the ARRA requirements to the sub-recipients upon disbursement of funds in the sub-award agreement. OSP staff is informed and provided with the web links to obtain information on ARRA requirements, staying abreast of any new developments, procedures or reporting. OSP has a designated analyst to receive, disseminate and train staff on ARRA issues, as well as communicate via mail list-servers.

Status

Corrective action taken.