

# State of Nevada

## Citizens' Assets

An Annual Report on State Government  
to the Citizens of Nevada

**Kathy Augustine**  
State Controller

### Links

[Letter from the State Controller](#)

[Major Initiatives](#)

[Economic and Fiscal Overview and Outlook](#)

[Financial Overview](#)

[Facts and Figures - Transportation](#)

[- Tourism](#)

[Economic Impact - Taxation](#)

[- Mining](#)

[Demographics and Employment](#)

[Education](#)

# Citizens Assets 2004

## From the Desk of Nevada State Controller Kathy Augustine

I am pleased to present the citizens of Nevada with "Citizens' Assets", our third Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2003. This condensed financial report provides the citizens of Nevada an overview of the State's finances including basic information about the budget, economy, revenues, spending and demographics, in a non-technical, easy to understand format.



Our previous two reports have received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA). A copy of last year's award is displayed on this page.

The object of this report is to meet my commitment to provide relevant disclosure to Nevada taxpayers about the fiscal condition of our State, our economy and trends that will affect our ability to meet the needs of our citizens. I hope you will take advantage of this simplified report to find out more about our State's current financial status and future fiscal challenges.

Most of the information contained herein is derived from our Comprehensive Annual Financial Report (CAFR), produced by the State Controller's Office in accordance with generally accepted accounting principles and audited independently. The PAFR is meant to supplement, not replace the CAFR.

This report is produced by the State Controller, one of Nevada's six constitutional officers elected to a four-year term. The Controller represents Nevada in fiscal matters and is critical too maintaining a checks-and-balance system in State finances. My duties include providing current and historical financial information, administering the accounting system, conducting the State's annual audit and settling all claims against the State. This requires compliance with Nevada's constitution and statutes, as well as federal revenue and income tax laws. The computation, withholding and accounting for all state payroll deductions also fall under the State Controller's purview, along with the consolidation of the State's debt collection efforts.

Unless otherwise noted, this report also uses accounting principles generally accepted in the United States of America to present financial information. This standardized method is the same or comparable to the methods used by other governmental entities in reporting financial data.

The PAFR, as well as the CAFR, are also available on the State Controller's website at [www.controller.nv.gov](http://www.controller.nv.gov).

### Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

STATE OF NEVADA

For the fiscal year ending  
June 30, 2002



*Edward Herrington*  
President

*Jeffrey L. Esler*  
Executive Director



# Major Initiatives

Since Governor Kenny C. Guinn’s overwhelming reelection in 2002, both he and his administration have continued to pursue several major initiatives that were central in his *State of the State Addresses* in 1999 and 2001, and which were echoed in his 2003 speech. Facing the continuing challenges of constricted revenue streams and an anticipated \$300 million budget deficit for the biennium ended June 30, 2003, the Governor acted aggressively to postpone and then eliminate \$28 million in authorized agency program appropriations for State Fiscal Year (SFY) 03; and continue the hiring freeze, eliminating more than 500 vacant positions. Further, he cut an already lean 2003-2005 Executive Budget proposal, refusing numerous agency requests; and affected other cost-reduction measures suggested by his on-going Fundamental Review of State Government, which saved an additional \$30 million over the biennium. He also directed another \$84 million be spent down from reserves, some \$30 million of which was generated by refinancing the State’s debt. Finally, \$135 million was taken from the State’s Rainy Day Fund, to help balance the budget through the end of SFY03. All of these actions were taken in addition to pruning approved agency program appropriations for SFY02 by more than \$19 million and ordering a \$38 million, 3 percent across-the-board cut from approved General Fund agency budgets in August of 2002.

**Tax Structure:** In the wake of making the painful budget cuts mentioned above, and receiving the recommendations generated by the Governor’s Task Force on Tax Policy which was created by the 2001 Legislature, the focus of Governor Guinn’s attention became even more centered on revising Nevada’s inadequate tax system. Taking a page from “A Fiscal Agenda for Nevada”, the report generated in 1990 following the legislatively approved study by Price Waterhouse and the Urban Institute, Governor Guinn proceeded to work with task force members, and other stakeholders, to design a broad-based business tax system that would support the long-term needs of Nevada’s rapidly growing population, and protect its most vulnerable citizens. Nevada ranks at, or near the bottom, in many quality-of-life measures, so Governor Guinn proposed Nevada’s citizens invest in improving those statistics. Ultimately, taxes were increased using a wide range of sources and the estimated revenue growth over the biennium is estimated at \$836 million.

**Education:** Particularly, Governor Guinn focused on addressing the chronic underfunding of the State’s K-12 educational system which has experienced a student population increase of nearly 70 percent since 1990. Measures passed in 2003 anticipated an enrollment growth rate of 3.6 percent in each year of the 2003-2005 biennium. A 4.75 percent cost-of-living adjustment for local school district employees and an increase in the statewide average per-pupil support, from the current \$3,987 to \$4,424, was authorized over the biennium. However, Nevada’s per pupil spending still ranks below the national average. Increased funding was also authorized in the areas of special education, remedial education, class-size management, early literacy intervention and professional development, textbook and educational materials, special teacher compensation and bonuses, and adult education. The State’s combined appropriation for primary and secondary education over the 2003-2005

## Index

Economic and Fiscal Overview and Outlook...	4
Financial Overview.....	7
Facts and Figures - Transportation.....	9
- Tourism.....	10
Economic Impact - Taxation.....	11
- Mining.....	12
Demographics and Employment.....	13
Education.....	14



biennium rose to more than \$1.7 billion, which represents an increase of 31 percent. During the 19<sup>th</sup> Special Session, the State adopted provisions that will implement the requirements of the federal “No Child Left Behind Act of 2001”, which requires each state to have a single, statewide system of accountability and also revises the teacher licensure provisions of the Nevada Education Reform Act.

**Higher Education:** Nevada’s University and Community College System, which will receive approximately \$980 million in State funding over the next two years, will be subject to notable scrutiny. A performance audit is being conducted by the Legislative Auditor to analyze the system’s administration, athletic programs, capital construction bidding practices and projects, enrollment data, investment practices and other statewide programs. A review of existing and planned programs to identify unmet needs, determine feasibility of reallocating resources within each institution and to determine means to achieve a more effective and efficient higher education system also will be conducted. In addition, the eligibility requirements for the successful Millennium Scholarship program were revised, increasing the grade point average recipients are required to achieve and maintain in order to qualify for and remain in the program. Finally, the transfer of credit hours between institutions for subsequent degree programs within the system was improved.

**Health and Human Services:** Governor Guinn supported measures to keep people with mental illness out of over-crowded emergency rooms, hospitals, and jails. Funding was approved to continue programs created by the State’s first special court to deal with mentally ill offenders in Washoe County. The Program for Assertive Community Treatment (PACT) was expanded in Las Vegas, along with the establishment of a 24/7 emergency crisis team to work with hospitals and law enforcement to address mental health issues. A new 150-bed psychiatric hospital facility was

approved to be built in Las Vegas, which should relieve pressure on the community’s existing emergency rooms and mental health system. The hospital is scheduled to open by early 2006.

Nevada’s Senior Rx prescription program was expanded by increasing and indexing the allowable maximum household income for couples. Increasing the household income limit, from \$21,500 to \$28,660, allowed additional low-income seniors to qualify for this important program. Funding was also increased to provide assistance to 12,000 enrollees by the end of June 2005, up from the current limit of 7,500 enrollees.

The transition of child welfare management from state oversight to the county level was continued in Washoe County (Northern Nevada) and authorized to be phased-in in Clark County (Southern Nevada). Funding included in the plan will provide uniform foster care rates and reduce caseloads for caseworkers.

Elderly and disabled citizens will benefit directly from the expansion of community and home-based programs aimed at keeping them independent and in their homes and communities, rather than in institutions thus saving substantial public and private resources. Enhancement of other group care and Medicaid waiver programs for some of our most vulnerable citizens were passed to ensure that effected residents will be able to retain their autonomy as long as possible. In addition, the newly created Office of Disability Services will provide a much-needed focal point within state government where the disabled and their families can be better served.

**Transportation:** Following passage of ballot questions in two of Nevada’s largest counties, Clark and Washoe, the Governor requested and received authorization for the issuance of approximately \$200 million in new transportation bonds to jump start highway construction projects throughout the state. Further, \$325 million in additional bonding authority was requested and



approved in the biennial budget. These funds will be used, in part, to complete four major projects that will provide a shot in the arm for the State's economy, create thousands of new jobs, and ease horrific traffic problems in the State's more populated areas.

**Yucca Mountain:** Nevada continues its fight against the use of Yucca Mountain as an underground repository for high-level, radioactive waste. Six lawsuits have been filed by the State to block the project's completion. The actions challenge the Department of Energy's (DOE) final Yucca Mountain Environmental Impact Statement as inadequate, and various cases allege violation of the nation's Energy Policy Act, the National Environmental Policy Act, the Nuclear Waste Policy Act, and the Safe Drinking Water Act. The State contends the DOE should have fully and adequately addressed transportation of spent nuclear fuel and high-level radioactive

waste to the site and that the transportation analysis that was done is legally and substantively deficient and entirely inadequate from Nevada's perspective. In addition, the State asserts that the U.S. government violated Nevada's rights under the U.S. Constitution when it singled out Yucca Mountain as the national repository over the veto of Governor Guinn. Potential negative impacts on the environment, public health, transportation systems, and water supplies are of utmost concern to the State and its citizens. Hearings on these lawsuits, which were originally scheduled for September 2003, have been delayed until January 2004. The law firm hired to argue Nevada's cases has also been retained by the State of Utah to fight the location of an aboveground nuclear waste storage facility in that state.

Information provided by: John P. Comeaux,  
Director, Department of Administration

## Nevada Economic and Fiscal Overview and Outlook

### OVERVIEW

Nevada's economy has rebounded from its struggles which began in mid-2001. Job growth has increased, retail activity is growing, and visitors have returned. Gaming establishments are reporting increased activity. Not surprisingly, however, the State has not been able to turn in the kind of growth which characterized economic conditions prior to the slowdown. Still, as has been the case over the past several years, Nevada continues to outperform the nation in nearly every measure of economic health. During the growth period of the 1990s, Nevada outperformed essentially every other State in the nation. During the sluggish start to this decade, Nevada held up better than others, despite taking a significant economic hit in the months following the terrorist attacks of September 2001. As conditions have gradually improved, Nevada is, once again, leading the way.

Much the same is true on the revenue front, which is very much dependent upon underlying economic fundamentals in the State. General Fund revenue growth in FY 2003 did return to more normal levels. However, the ground lost in the prior year was not made up.

Perhaps surprisingly, it has been determined that the most recent recession in the U.S. economy, which began in March 2001, officially ended just eight months later, in November. However, given the inability of the national economy to generate new jobs, unemployment remains stubbornly high, and the current upturn in the business cycle does not feel like a true recovery to many.

### NEVADA'S ECONOMY

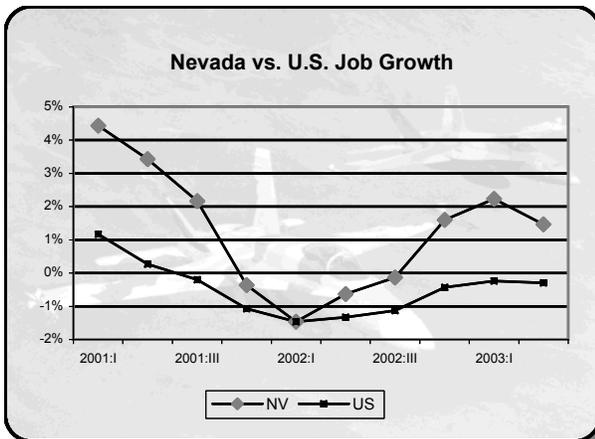
**Visitor Volume...** Nevada's tourism-based economy is driven by visitor volume. While visitor growth was easing prior to then, the events



# Citizens Assets 2004

of September 2001 reversed what gains there were, pushing down visitor numbers. Over the September 2001-August 2002 period, visitor volume declined in 11 of 12 months. However, losses moderated as the period unfolded. In late-2002 and early-2003, visitor growth once again turned positive, averaging over 5%. Given the uncertainties surrounding the war in Iraq, sluggishness once again set in, but recent trends point to a return to growth.

**Labor Markets...**Nationally, jobs have been on the decline since July 2001. In recent months, job declines have consistently been in the 0.3%-0.4% range. In Nevada, however, jobs levels have increased in each of the past 11 months. In recent months, job gains have been averaging about 1.7%. In the months immediately following the events of September 2001, job levels declined in Nevada, most notably in those sectors dependent on the tourism economy.

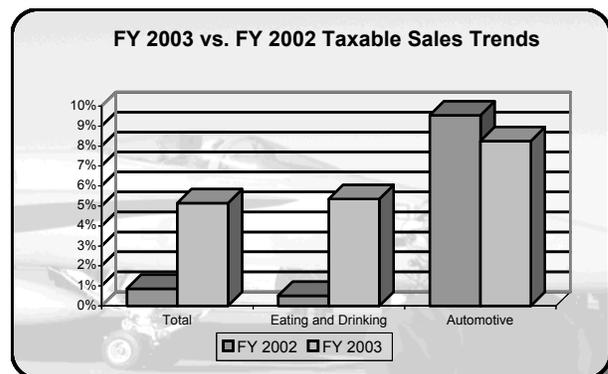


As highlighted above, however, based upon historical norms, room remains for improvement. As recently as the first few months of 2001, jobs were growing at a rate in excess of 4% in Nevada.

**Personal Income...**Historically, as with nearly every economic indicator, personal income gains in Nevada have far outpaced those for the nation as

a whole. For instance, during the 1990s, Nevada personal income grew over 9% annually, on average. Nationwide, growth averaged less than 6%. During both the general economic slowdown in mid-2001 and the unfolding recovery, that pattern is continuing. In the year ending with the first quarter of 2003, personal income growth totaled 4.7% in Nevada, well above the 3.4% increase in the nation as a whole.

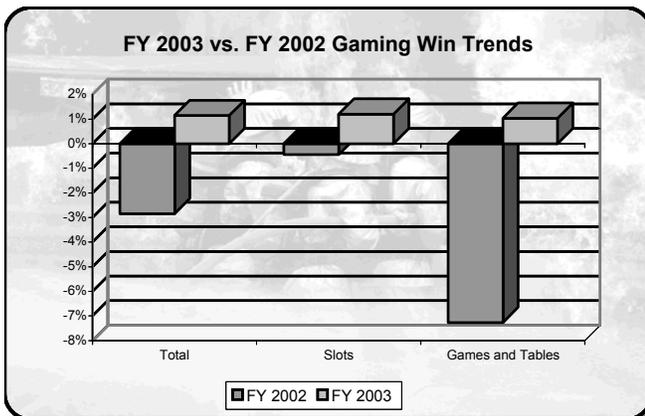
**Taxable Sales...**The State's largest General Fund revenue source is the sales tax. Here, too, the economy's slowdown during FY02 and subsequent rebound in FY03 is evident. Total taxable sales grew at just a 0.8% pace in FY02. But in FY03, sales growth accelerated to a 6.3% pace. Sales in eating and drinking establishments represent the largest sales category. The impact of September 2001's events on tourism are clear in looking at developments in these sales. During FY01, sales were up 8%, driven, in part, by continued visitor volume growth in response to the completion of a number of new megaresort projects on the Las Vegas Strip. In FY02, sales managed just a 0.5% gain. In FY03, driven by improving visitor trends, eating and drinking sales turned in a solid gain of 5.3%. The State's second largest sales category, autos, has held up remarkably well in recent years. In both FY02 and FY03, sales growth settled in the high-single digits, spurred on by attractive financing packages.



**Gaming Win...** Gaming activity soared during the late-1990s in response to the most recent round of expansions. Even in FY01, gaming win grew at a 2.5% rate. However, conditions in FY02 deteriorated markedly throughout much of the year. When all was said and done, win ended the year off 2.8% from FY01. Declines were especially pronounced on the games and tables side, where win was off by 7.3%. This most likely is the result of a fairly sharp decline in international travel and an associated reduction in “high-roller” play. For the less volatile slots, win was off just 0.4%. In FY03, improvement, as with other measures of the State’s economy, is evident. Total gaming win is up 1.1%, with fairly equal contributions from both the slots and games and tables components.

Against this backdrop, expectations are for Nevada to continue to also rebound. Certainly, a key development will be the extent to which the recent uptick in tourist and gaming trends can be maintained. Fortunately, continued growth in the gaming industry, especially in Southern Nevada, is unfolding. The Wynn Las Vegas property is under construction, as are a number of expansions to existing properties. In addition, the dining and entertainment sector continues to grow, providing additional incentives for individuals to visit the Silver State.

Most encouraging is the likelihood that Nevada will continue to turn in an extremely strong performance relative to other states. Specifically, Global Insight is forecasting average annual job growth of 2.9% over the 2003 – 2005 period, and 3% growth during the three-year period following that. That represents the strongest growth among all states for both time periods. Much the same is true when it comes to personal income growth. Expectations are for growth to average 5.7% through 2005, leaving Nevada with a state ranking of five. The 6.5% average annual growth rate forecast for Nevada during the 2005 – 2008 period is the highest among all states.



All told, Nevada appears to be emerging from the economic slowdown in solid shape. While a return to the extremely strong growth of the 1990s is not likely, economic trends in Nevada are still expected to be quite impressive, both in absolute terms and relative to the rest of the nation.

Information provided by: William D. Anderson, Economist, Department of Administration

## THE OUTLOOK

The national economy appears to be on the mend. In fact, Global Insight, a nationally- and internationally-known forecasting firm under contract with the State of Nevada is forecasting real GDP growth of 4.1% in 2004 and 3.7% in 2005. Over the 2001-2003 period, growth is expected to have averaged less than 2%. As noted above, the major concern is the ability of the economy to generate employment opportunities. Global Insight expects some improvement, with job growth of 1.6% in 2004 and 2% in 2005.

In the 12 months ending August 2003, education was the fastest-growing employer in Washoe County, up 5 percent. In second place was construction, up 4.1 percent.

Source: Northern Nevada Business Weekly



## Financial Overview

### STATE DEBT AND INVESTMENT

**Debt Administration:** The most current bond ratings from Fitch, Standard and Poor's and Moody's Investor Service were AA+, AA and Aa2, respectively. These ratings reflect a good economic base and sound financial management. On June 30, 2003, outstanding bonded debt was (expressed in thousands):

Governmental Activities	
General Obligation Bonds	\$ 2,178,218
Special Obligation Bonds	83,505
Business-Type Activities	
Bonds Payable	1,239,128
	<u>\$ 3,500,851</u>

Only \$853 million of the \$2,178 million in general obligation bonds are paid through a tax levy on property. The remaining \$1,399 million are serviced through slot machine taxes and revenues from local governments for the municipal bond bank.

The Constitution of the State limits the aggregate principal amount of the State's public debt to 2 percent of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. On June 30, 2003, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 1,276,838
Less: Bonds and leases payable as of June 30, 2003, subject to limitation	(825,082)
Remaining debt capacity	<u>\$ 451,756</u>

### Unallocated Reserves and Rainy Day Fund:

An important indicator of fiscal health is "unallocated reserves", which includes the undesignated fund balance in the General Fund and the "Rainy Day" fund balance. The following chart depicts those balances. At the close of fiscal year 2003 the "Rainy Day" fund balance was \$1.34 million and the General Fund's undesignated fund balance deficit was decreased by \$47 million.

Fiscal Year Ended June 30	Unreserved General Fund Balance	"Rainy Day" Fund Balance
1994	\$ 39,616	\$ 18,057
1995	(26,809)	100,000
1996	10,107	123,392
1997	(9,360)	128,867
1998	(89,509)	128,867
1999	(68,511)	128,867
2000	(46,803)	147,096
2001	(101,012)	136,341
2002	(167,297)	136,341
2003	(119,908)	1,341

**Cash Management:** Cash, temporarily idle, is invested by the State Treasurer. All cash, except for monies in pension trust funds, the Unemployment Compensation Fund, the University System, or outside bank accounts approved by the State Board of Finance, is combined in the State Treasurer's investment pool. Uncommitted balances are invested in collateralized repurchase agreements, bankers acceptances (only those eligible for discount with the Federal Reserve), commercial paper issued by U.S. corporations (rated A-1, P-1 or better), corporate bonds issued by U.S. corporations (rated A or better), and securities of the U.S. government with most maturities ranging from one day to five years.

### Local Government Investment Pool (LGIP), Investment Guidelines:

The State Treasurer operates a separate investment pool for local governments to take advantage of the greater interest earnings through pooled investments. The permissible investments of the LGIP include the United States Treasury and agency securities, repurchase agreements, high quality commercial paper, negotiable certificates of deposit and bankers acceptances.

These securities are diversified to prevent over-concentration in specific maturity, a specific issuer, or a specific class of securities. The average maturity of the portfolio must not exceed 150 days and no single security may be longer than two years.



**Revenues:** The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2003 and 2002. Other financing sources are not included. The 2002 revenues have been reclassified by including payments from a discretely presented component unit (the University System) in other revenues, while last year these payments were reported as other financing sources. The reclassification was made to be consistent with 2003 reporting:

General Fund Revenues						
<i>(Expressed in thousands)</i>						
	2003		2002 (as reclassified)		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 720,115	20.8%	\$ 681,625	22.2%	\$ 38,490	5.6%
Sales taxes	756,962	21.9%	718,910	23.4%	38,052	5.3%
Intergovernmental	1,390,467	40.1%	1,104,440	36.0%	286,027	25.9%
Other taxes	388,777	11.2%	360,260	11.8%	28,517	7.9%
Licenses, fees and permits	118,012	3.4%	109,409	3.6%	8,603	7.9%
Sales and charges for services	35,695	1.0%	32,109	1.0%	3,586	11.2%
Interest and investment income	18,558	0.5%	24,474	0.8%	(5,916)	-24.2%
Other revenues	37,115	1.1%	36,125	1.2%	990	2.7%
Total revenues	<u>\$ 3,465,701</u>	<u>100.0%</u>	<u>\$ 3,067,352</u>	<u>100.0%</u>	<u>\$ 398,349</u>	<u>13.0%</u>

The total General Fund revenues increased 13%. The largest revenue source, intergovernmental revenues, is predominantly federal funds and there was a 25.9% increase in this category. This was due to the large increase in Medicaid and Welfare payments, which are partially reimbursed by the Federal Government. The 24.2% decrease in interest and investment income was due primarily to decreases in interest rates for short-term investments.

**Expenditures:** The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2003 and 2002. Other financing uses are not included. The 2002 expenditures have been reclassified by including payments to a discretely presented component unit (the University System) in the education function, while last year these payments were reported as other financing uses. The reclassification was made to be consistent with 2003 reporting:

General Fund Expenditures						
<i>(Expressed in thousands)</i>						
	2003		2002 (as reclassified)		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 50,976	1.4%	\$ 69,584	2.1%	\$ (18,608)	-26.7%
Health and social services	1,648,928	45.6%	1,465,759	44.1%	183,169	12.5%
Education and support services	1,401,311	38.8%	1,308,223	39.3%	93,088	7.1%
Law, justice and public safety	288,368	8.0%	280,915	8.4%	7,453	2.7%
Regulation of business	60,820	1.7%	57,694	1.7%	3,126	5.4%
Recreation, resource development	81,061	2.2%	78,587	2.4%	2,474	3.1%
Intergovernmental	82,531	2.3%	66,901	2.0%	15,630	23.4%
Debt service	496	0.0%	705	0.0%	(209)	-29.6%
Total expenditures	<u>\$ 3,614,491</u>	<u>100.0%</u>	<u>\$ 3,328,368</u>	<u>100.0%</u>	<u>\$ 286,123</u>	<u>8.6%</u>

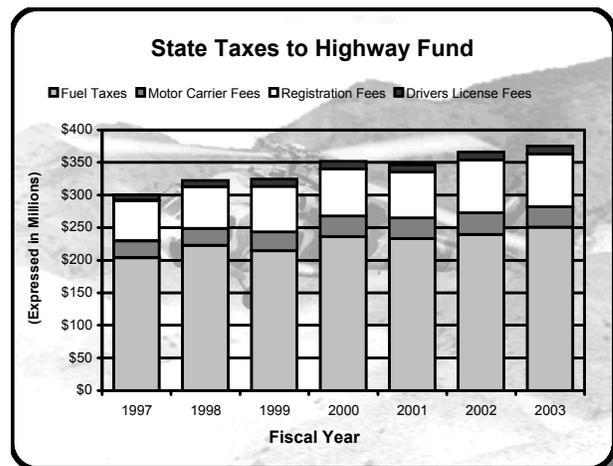
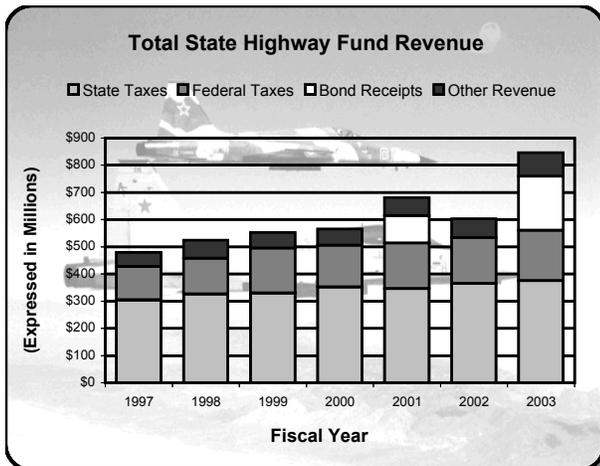
The total General Fund expenditures increased 8.6%. Expenditures for health and social services increased over \$183 million or 12.5% due to the increases in Medicaid, Welfare and other entitlement programs because of the continuing negative economic impact of September 11, 2001.



# Citizens Assets 2004

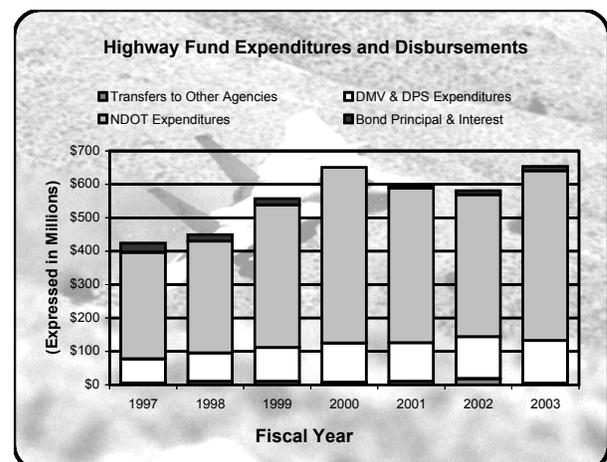
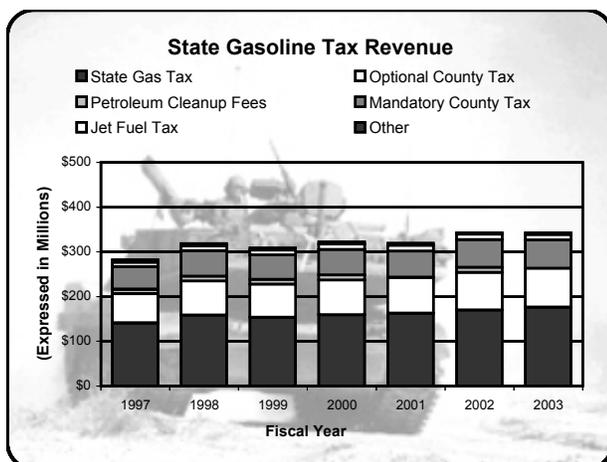
## Facts and Figures Nevada Department of Transportation

**State Highway Fund:** This is a special revenue fund established to account for the receipt and expenditure of dedicated highway-user revenue. The Department of Transportation is the major activity financed by the Highway Fund. However, the bulk of the operating costs of the Department of Motor Vehicles and the Department of Public Safety are also financed by appropriations from the fund. In addition, there are appropriations to other state agencies to carry out transportation-related activities.



**Transportation Financing:** State Highways maintained by the Department of Transportation are financed with dedicated highway-user revenue and federal funds. State and federal highway funds are principally derived from vehicle fuel tax and registration fees.

**Highway Fund Expenditures:** Indicates the Expenditures and Disbursements from the Highway Fund by the Departments of Transportation, Motor Vehicles, and Public Safety, in addition to expenditures and appropriations to other agencies for transportation-related activities.



## Facts and Figures Tourism

### The Number of Passengers Arriving and Departing from Nevada's Airports

Month	FY 02	FY 03	Percent Change
July	3,802,252	3,539,693	-6.90%
August	3,965,388	3,753,345	-5.30%
September	2,461,020	3,269,814	32.90%
October	3,194,018	3,563,399	11.60%
November	2,915,482	3,105,815	6.50%
December	2,890,909	3,129,301	8.20%
January	2,903,793	3,228,902	11.20%
February	3,014,615	3,125,471	3.70%
March	3,684,870	3,587,422	-2.60%
April	3,377,060	3,307,726	-2.10%
May	3,451,119	3,455,353	0.10%
June	3,467,149	3,556,112	2.60%
Total	<u>39,127,675</u>	<u>40,622,353</u>	3.80%

Source: Nevada Commission on Tourism

### The Number of Hotel/Motel Rooms in Nevada

Month	FY 02	FY 03	Percent Change
July	173,711	175,096	0.80%
August	173,414	174,966	0.90%
September	173,557	175,191	0.90%
October	172,553	175,045	1.40%
November	172,835	175,150	1.30%
December	174,235	175,150	1.30%
January	173,956	175,331	0.70%
February	174,072	175,749	0.80%
March	174,379	175,898	0.90%
April	174,697	175,851	0.70%
May	174,731	175,774	0.60%
June	175,386	177,103	1.30%

Source: Nevada Commission on Tourism

**Film Production:** More than 2,000 days of production were generated by over 600 projects served by the Nevada Film Office during the past year. Highlights of production during that time have included notable feature films in both Northern and Southern Nevada such as "Intolerable Cruelty" starring George Clooney and Catherine Zeta Jones, "Looney Tunes" starring Brendan Fraser and Jenna Elfman, "The Cooler" starring William H. Macy, and "The Core" starring Hillary Swank. "Charlie's Angels 2", "The Hulk", "George of the Jungle 2", "Head of State" with Chris Rock and "Timeline" by Richard Donner also have short portions filmed in Nevada. Numerous small budget independent films added to the total feature films shot in the state. Television series, specials and other programs represented the largest portion of the year's filming revenues, equaling 48 percent of the state's production for nearly \$60 million channeled into Nevada's economy.

### Revenue from Film Production

Film Type	Revenue	Number	Production Days
Feature Film	\$ 10,120,000	37	184
Commercial	18,575,000	96	309
TV Series	42,845,000	194	788
TV Special	9,440,000	42	156
Music Video	1,900,000	13	24
Corporate/Industrial	2,500,000	39	88
Still Photography	9,105,000	103	281
Documentary	7,770,000	65	298
Other	791,000	22	138
Student	190,000	7	40
Additional	1,000,000	-	-
<b>Totals FY 2003</b>	<b>\$ 104,236,000</b>	<b>618</b>	<b>2,306</b>

Source: Nevada Film Office



# Citizens Assets 2004

## Economic Impact Taxation

### Hotel/Gaming Ten Highest Taxpayers FY 03-04

Taxpayer	Secured Roll	
	Assessed Value	
1) MGM Mirage	\$	1,404,463,616
2) Park Place Entertainment		812,071,798
3) Mandalay Resort Group		783,506,736
4) Harrah's		356,715,752
5) Venetian Casino Resort		331,767,584
6) Station Casinos, Inc.		268,324,773
7) Coast Resorts, Inc.		176,522,037
8) Aladdin Gaming		147,936,635
9) Boyd Gaming		134,638,989
10) Victoria Partners		123,804,184
<b>Total</b>	<b>\$</b>	<b>4,539,752,104</b>

Source: Department of Taxation

### Overall Ten Highest Taxpayers FY 03-04

Taxpayer	Secured Roll	
	Assessed Value	
1) MGM Mirage	\$	1,404,463,616
2) Park Place Entertainment		812,071,798
3) Mandalay Resort Group		783,506,736
4) Nevada Power Company		646,427,100
5) F.S. Rouse LLC		483,541,649
6) Sierra Pacific Power Co.		410,778,800
7) Harrah's		356,715,752
8) Venetian Casino Resort		331,767,584
9) Station Casinos, Inc.		268,324,773
10) Newmont Gold Co.		192,326,730
<b>Total</b>	<b>\$</b>	<b>5,689,924,538</b>

Source: Department of Taxation

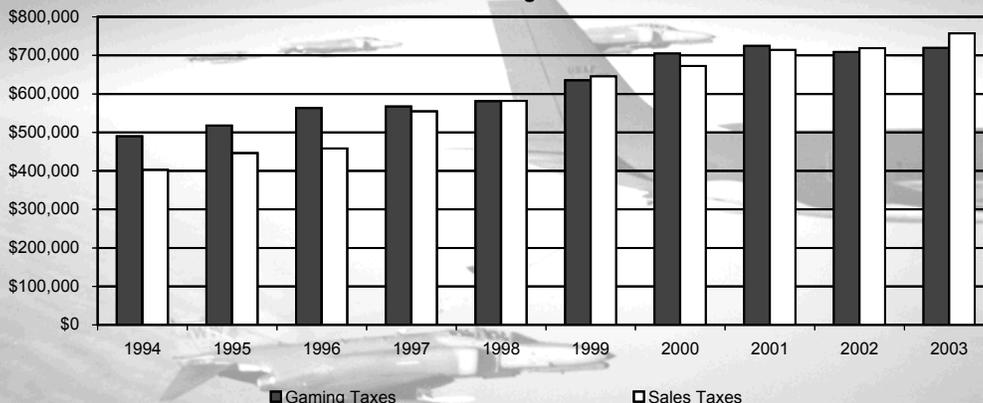
### State Collected Gaming Taxes

### State Collected Sales Taxes

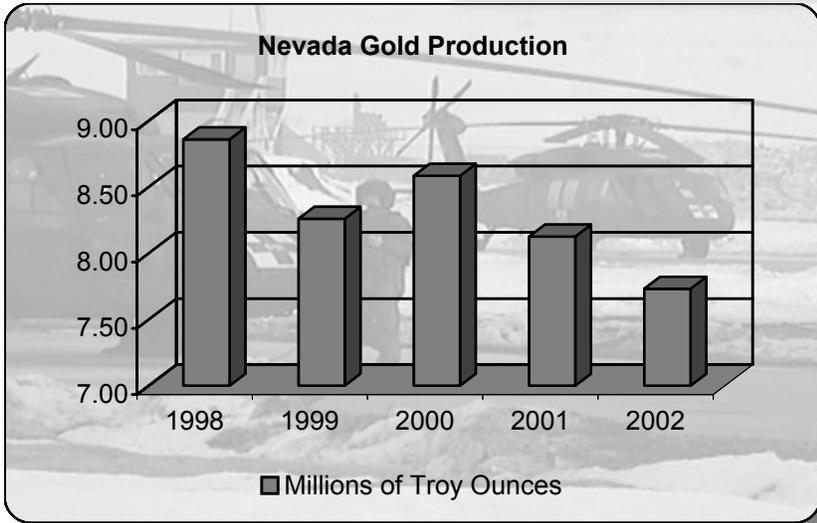
Fiscal Year Ended June 30	Gaming Taxes			Sales Taxes			
	Gross Taxable Gaming Revenues	State Collections Gaming Taxes	State Share Gaming Taxes	Gross Taxable Sales	Gross Sales Tax Revenues	State General Fund Revenues	Sales Taxes Collected for Local Governments
1994	\$ 6,397,278	\$ 498,709	\$ 490,166	\$ 18,215,224	\$ 1,245,720	\$ 402,548	\$ 842,788
1995	6,821,022	522,848	517,524	20,075,579	1,374,636	446,504	928,132
1996	7,240,837	565,921	563,198	22,222,771	1,541,703	458,336	1,083,367
1997	7,300,149	569,962	567,341	24,408,114	1,696,634	554,891	1,192,259
1998	7,577,394	584,048	581,423	25,360,551	1,771,936	581,991	1,246,825
1999	8,133,799	637,903	635,288	28,039,912	1,973,968	645,560	1,393,773
2000	9,015,244	707,610	704,893	29,815,517	2,149,120	672,473	1,472,225
2001	9,220,209	727,104	724,310	31,527,164	2,259,365	714,249	1,549,528
2002	9,082,035	711,577	708,898	31,785,790	2,288,288	718,910	1,569,378
2003	9,279,884	721,835	719,152	33,774,897	2,424,658	756,962	1,744,211

Sources: Nevada Gaming Control Board, Department of Taxation

State Share of Gaming and Sales Taxes



# Economic Impact Mining



## Mineral Production

Again, the Nevada mineral industry led the nation in 2002 in the production of gold, silver, and barite. The total value of Nevada's mineral production in 2002 was about \$2.8 billion with the production of precious metals accounting for about \$2.5 billion of that amount.

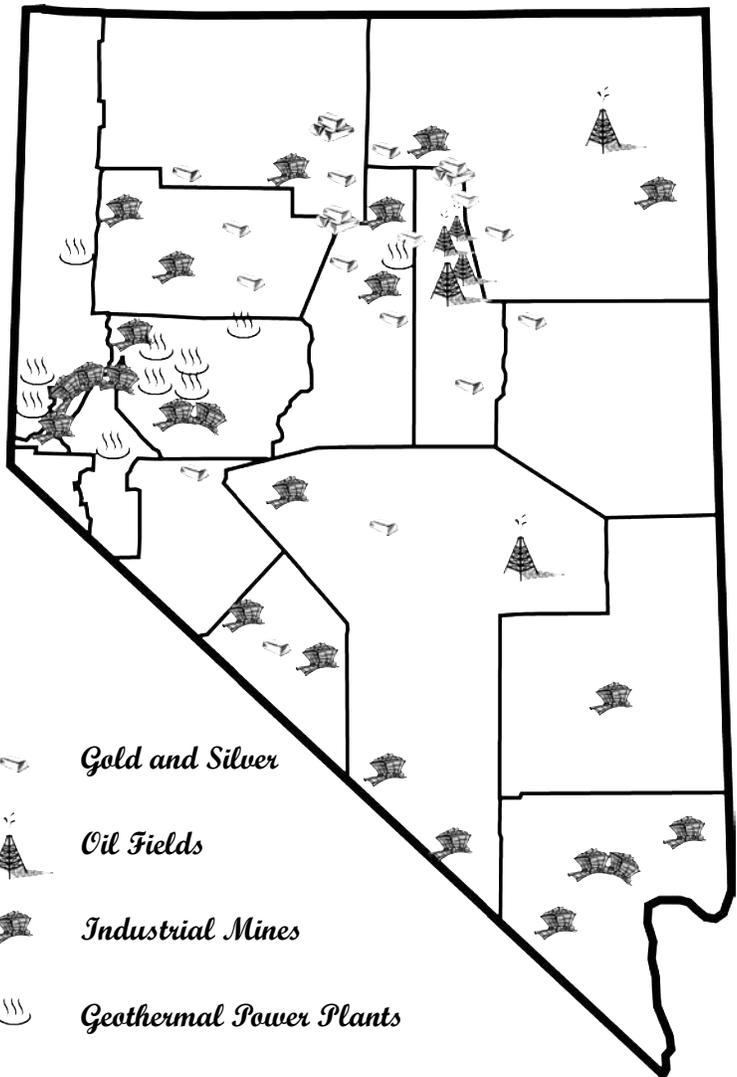
## Gold and Silver

Nevada's gold production was 7,732,000 troy ounces in 2002. This is lower than the 8,125,000 ounces produced in 2001, but still enough to make Nevada the third largest producer of gold in the world. Silver production dropped to 13,564,000 troy ounces, compared to the 2001 production level of 17,452,000 ounces.



## Other Minerals

Besides gold and silver, other minerals are also important to Nevada's economy. Industrial minerals such as barite, diatomite, dolomite, gypsum, limestone, lithium compounds, magnesite, perlite, salt and specialty clays are produced in the state.



-  *Gold and Silver*
-  *Oil Fields*
-  *Industrial Mines*
-  *Geothermal Power Plants*



## Demographics and Employment

### Population

Year	Clark County	Washoe County	15 Other Counties	Total State
1970	273,288	121,068	94,382	488,738
1980	463,087	193,623	143,798	800,508
1990	770,280	257,120	209,500	1,236,900
2000	1,375,765	339,486	283,006	1,998,257
2003	1,641,529	377,412	305,622	2,324,563

Sources: U.S. Department of Commerce, Bureau of Census, 1970, 1980, 1990, 2000; Nevada State Demographer for all other years as estimated for July 1.

### Disposable Per Capita Income

Calendar Year	United States	California	Nevada	Nevada's Per Capita as % of U.S. Per Capita
1970	\$ 3,484	\$ 4,131	\$ 4,425	127%
1980	8,424	9,876	9,714	115
1990	16,642	18,313	17,443	105
2000	25,090	26,808	26,105	104
2002	26,974	28,286	26,636	99

Source: Survey of Current Business, published by U.S. Department of Commerce

### Labor Force

	Nevada	Jun-03	Jun-02
Labor Force		1,123,500	1,132,300
Employment		1,062,400	1,067,400
Unemployment		61,100	64,900
Employment Rate		5.30%	5.50%

Note: Nevada and U.S. unemployment rates are seasonally adjusted. All labor force, employment, and wage data is prepared in conjunction with the Bureau of Labor Statistics, U.S. Department of Labor. For additional Labor Market information contact the Research & Analysis Bureau at: [www.nevadaworkforce.com](http://www.nevadaworkforce.com)

### Nevada Statewide Average Wages

Calendar Year	Avg. Hourly Wage	Avg. Weekly Wage	Avg. Annual Wage
2002	\$ 15.89	\$ 635.78	\$ 33,015
2001	15.48	619.35	32,206
2000	15.07	602.81	31,346
1999	14.58	583.23	30,328
1998	14.12	564.63	29,361
1997	13.37	534.94	27,817
1996	12.91	516.45	26,855
1995	12.36	494.38	25,708

Average wage in employment covered by the Nevada Unemployment Compensation Laws (NRS 612) for each calendar year.

Does not include federal employment but does include persons covered under reimbursable portions of the Nevada Law. Does not include tip income.

Source: Nevada Research and Analysis Bureau

### Top Ten Occupations

Job	Number of Openings
Office and Administrative Support	9,264
Food Preparation and Food Service	8,984
Sales	8,794
Retail Sales Workers	6,215
Personal Care and Services	5,359
Construction and Extraction	5,069
Transportation and Moving of Materials	4,642
Building and Grounds Cleaning and Maintenance	4,435
Food and Beverage Service Workers	4,207
Construction Trade Workers	3,533

Source: Occupational Employment Statistics (OES), 2000-2010 Occupational Employment Projections



# Education

## Fall Enrollment

Grades	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Primary (K - 6)	146,949	155,492	164,654	173,618	181,612	189,755	198,863	207,039	211,260	217,488
Secondary (7 - 12)	103,798	109,549	117,477	123,003	129,451	135,855	141,843	149,775	158,225	167,926
<b>Total</b>	<b>250,747</b>	<b>265,041</b>	<b>282,131</b>	<b>296,621</b>	<b>311,063</b>	<b>325,610</b>	<b>340,706</b>	<b>356,814</b>	<b>369,485</b>	<b>385,414</b>
<b>County</b>										
Clark	156,348	166,788	179,106	190,822	203,777	217,526	231,655	245,659	255,316	270,529
Washoe	45,752	47,572	49,671	51,205	52,652	54,508	56,268	58,532	58,908	62,103
All Others	48,647	50,681	53,354	54,594	54,634	53,576	52,783	52,623	55,261	52,782
<b>Total</b>	<b>250,747</b>	<b>265,041</b>	<b>282,131</b>	<b>296,621</b>	<b>311,063</b>	<b>325,610</b>	<b>340,706</b>	<b>356,814</b>	<b>369,485</b>	<b>385,414</b>

Source: Nevada Department of Education



## Full Time Equivalent Students at Fall Enrollment

Universities	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Reno	9,392	9,161	9,383	9,397	9,488	9,881	9,898	10,804	11,668	11,965
Las Vegas	13,211	13,166	13,661	14,447	15,318	15,428	15,093	16,232	17,777	18,639
Subtotal	22,603	22,327	23,044	23,844	24,806	25,309	24,991	27,036	29,445	30,604
<b>State College</b>										
Henderson	-	-	-	-	-	-	-	-	116	330
<b>Community Colleges</b>										
Southern Nevada	7,111	8,599	10,245	11,380	13,135	15,215	14,410	15,266	16,532	17,716
Great Basin	933	878	1,010	1,146	1,132	1,252	1,322	1,208	1,251	1,436
Truckee Meadows	3,594	3,451	3,848	4,377	4,560	4,867	5,032	4,889	5,324	5,559
Western Nevada	1,847	1,682	1,869	1,955	2,013	2,045	2,037	2,128	2,164	2,180
Subtotal	13,485	14,610	16,972	18,858	20,840	23,379	22,801	23,491	25,271	26,891
<b>Total</b>	<b>36,088</b>	<b>36,937</b>	<b>40,016</b>	<b>42,702</b>	<b>45,646</b>	<b>48,688</b>	<b>47,792</b>	<b>50,527</b>	<b>54,832</b>	<b>57,825</b>

Source: University and Community College System of Nevada

