

State of Nevada

Citizens' Assets

An Annual Report on
State Government

State Controller
Kathy Augustine



Citizens' Assets 2005

From the Desk of Nevada State Controller Kathy Augustine

I am pleased to present the citizens of Nevada with 'Citizens' Assets,' our fourth Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2004. This condensed financial report provides the citizens of Nevada with 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 three 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 in maintaining a checks-and-balance system in state finances. My duties include providing current and historical financial information, administering the accounting system, 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.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

STATE OF NEVADA

For the fiscal year ending
June 30, 2003



Nancy A. Ziehl
President

Jeffrey L. Esler
Executive Director

Major Initiatives

Since Governor Kenny C. Guinn's overwhelming reelection in 2002, he and his administration have continued to pursue several major initiatives that were central to his *State of the State Addresses* in 1999, 2001, and 2003. Facing the continuing challenges of constricted revenue streams, anticipated budget deficits, and spent-down reserves, the Governor has acted aggressively to spearhead the restructuring of the State's tax system in order to provide a stable means of supporting major State programs.

Education

Governor Guinn has continually 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 by the Legislature 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 biennium rose to more than \$1.7 billion, a 31

percent increase. During the 19th Special Session, the State adopted provisions that will implement the requirements of the federal "No Child Left Behind" Act of 2001.

Higher Education

Governor Guinn is very proud of the Millennium Scholarship Program he proposed and received approval for in 1999. To date, this important educational program, which encourages Nevada's youth to obtain their higher education within our State, continues to work well and has directly benefited more than 32,000 Nevada students. In 2003, the eligibility requirements for the Millennium Scholarship Program were revised, increasing the grade point average recipients are required to achieve in order to qualify for, and remain in the program. In addition, the transfer of credit hours among institutions for subsequent degree programs within the system was improved. During the 2003-2005 biennium, Nevada's University and Community College System will receive approximately \$980 million in State funding. To improve the delivery of higher education in Nevada, the system was made subject to notable scrutiny. Five separate performance audits were authorized and conducted by the Legislative Auditor during the interim to assess the system's statewide programs; investment practices; the validity and reliability of its enrollment data; capital construction bidding practices and projects; and other administration costs, including athletic programs and travel.

Health and Human Services

Another very successful program initiated by the Governor in 1999 is Nevada's Senior Rx program. In 2003, Nevada's Senior Rx prescription program was expanded by increasing and indexing the allowable maximum household income for couples, from \$21,500 to \$28,660, which allows some additional low-income seniors to qualify. Funding was also increased to provide assistance for 12,000 enrollees by the end of June 2005, up from the previous limit of 7,500. It is anticipated that by the end of 2004 the number of enrollees will approach 10,000.

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In addition, Governor Guinn continued to support other important social programs, including measures to keep people with mental illness out of over-crowded emergency rooms, hospitals, and jails. Funding was approved to build on the strides made 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 is under construction 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.

The transition of child welfare management from State oversight to the county level was continued in Washoe County (northern Nevada) and authorized to be introduced 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 affected residents will be able to retain their autonomy as long as possible. In addition, the newly created Office of Disability Services now provides a much-needed focal point within state government where the disabled and their families can be better served. It involves those consumers at all levels of policy and decision making that potentially impacts their lives.

Transportation

During his administration, the Governor requested and received authorization for approximately \$200 million in new transportation funds to meet pressing infrastructure needs and jump start

highway construction projects throughout the State. Further, \$335 million in additional bonding authority was requested and approved in the last biennial budget, of which \$189 million will be sold during the biennium. These funds are being used to complete "super" projects, including the U.S. 95 widening in Las Vegas, the I-215/Beltway Interchange in Henderson, the approaches to the Hoover Dam, the I-580 Reno-Carson Freeway Extension, and the Carson Bypass, which will pump about \$1 billion into the State's economy, create approximately 42,000 new jobs, and ease horrific traffic problems in the State's more populated areas. An additional \$400 million in bonds have been authorized since the 2003 legislative session and will be issued prior to 2008. Maintaining a good transportation infrastructure is key to enhancing Nevada's "business-friendly" reputation.

Tax Structure

In the wake of making painful budget cuts, trimming authorized programs, and receiving recommendations generated by the Governor's Task Force on Tax Policy, created by the 2001 Legislature, the focus of Governor Guinn's attention became 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 worked with task force members, legislators, and other stakeholders to adopt 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. Since Nevada ranks at, or near the bottom, in many quality of life measures, Governor Guinn proposed Nevada's citizens invest in improving those statistics. Ultimately, taxes were increased using a wide range of sources, including replacing the per employee business tax with a payroll tax. Today, due to Nevada's continued strong economic recovery, it is anticipated an estimated \$140 million year-end surplus will allow the Governor to replenish the State's Rainy Day Fund during the 2005 legislative session.

Yucca Mountain

Nevada continues its fight against the use of Yucca Mountain as an underground repository for high-level, radioactive waste. The State has filed legal actions that assert 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. The suits also outline negative impacts on the environment, public health, transportation systems and water supplies, which are of utmost concern to the State and its citizens. On July 9, 2004, The United States Court of Appeals for the District of Columbia (DC Circuit) issued the most significant decision relative to the Yucca Mountain project to date. In what can only be characterized as a stunning victory for the State of Nevada and other project opponents, the DC Circuit Court invalidated the radiation protection standard for the proposed high-level nuclear waste repository.

The court's invalidation of the radiation standard is expected to significantly delay the filing of the U.S. Department of Energy (DOE) licensing application and could ultimately make licensure of the project impossible. The decision also vindicates Nevada's long held position that the science underlying the standard established by the U.S. Environmental Protection Agency is "unabashedly" inadequate and inconsistent with congressionally mandated recommendations of the National Academy of Sciences. As part of its sweeping decision, the DC Circuit also invalidated the licensing rule of the Nuclear Regulatory Commission (NRC) and opened the door for Nevada to litigate aspects of the Yucca Mountain environmental impact statement in an NRC licensing proceeding.

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

Nevada Economic and Fiscal Overview and Outlook

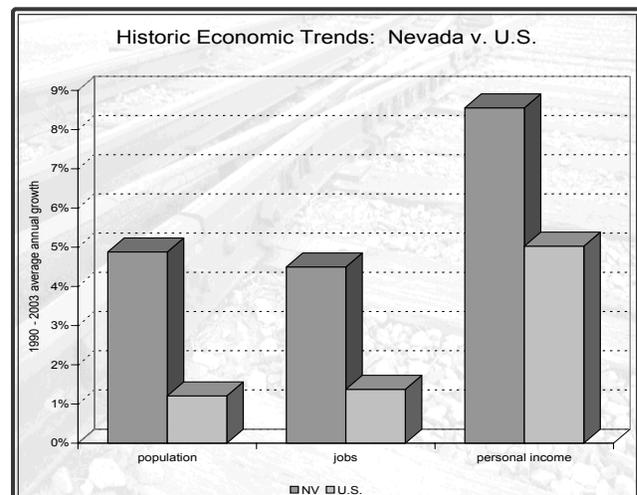
OVERVIEW

The strength and resiliency of Nevada's economy remains evident. Nearly every measure of activity suggests the State is turning in a solid economic performance, both in absolute and relative terms.

This is not something new. Between 1990 and 2003, population and job growth in Nevada was more than triple that for the nation as a whole. Personal income growth was nearly twice the national average. These impressive results were maintained as 2004 unfolded.

In fiscal year 2004, the State's General Fund revenue trends benefited from the strength of Nevada's economy. In addition, a variety of new and expanded revenue sources adopted by the 2003 Legislature helped push collections forward. These new revenue sources were deemed necessary in light of the State's unprecedented growth over the past several years. Compared to FY 1990, General

Fund revenues increased 125% by FY 2003. While this is an impressive showing on the surface, State revenues were struggling to keep pace with both the rapid growth in Nevada's population (the State has led the nation in population growth for 17 consecutive years) and the associated service demands and inflation.

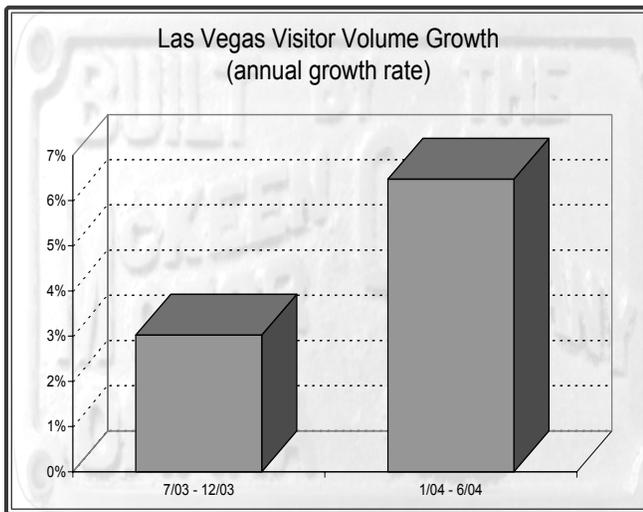


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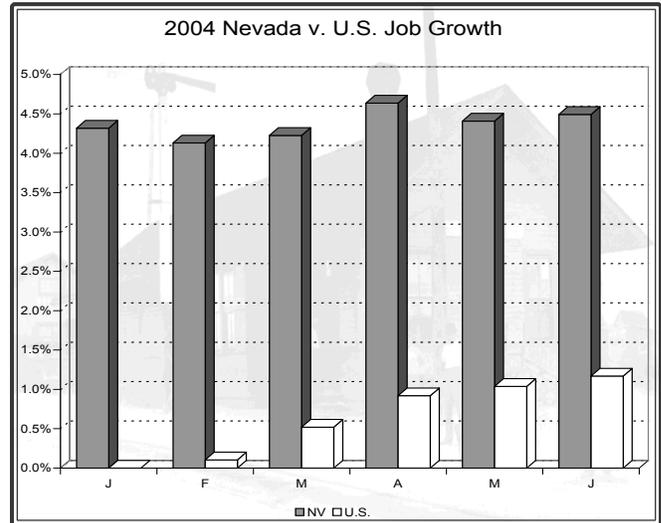
Nevada's showing over the past year has been bolstered by a strengthening national economy. Among other things, the improved U.S. economy fueled an appetite for both business and leisure travel, which prevented Nevada from following the economic slowdown earlier in the decade.

NEVADA'S ECONOMY

Visitor Volume Nevada's tourism-based economy is driven by visitor volume. While FY 2004 got off to a moderately strong start, with Las Vegas visitor totals rising 3% annually, results during the second half of the year were even more impressive. Over the January to June period, visitor growth more than doubled to more than 6%. Some of this growth was the result of relatively easy comparisons to the Spring of 2003, when considerable uncertainty on the international front held down visitor numbers. Still, gains were recorded in each month during FY 2004, the longest stretch of positive news in the post 9/11 period.

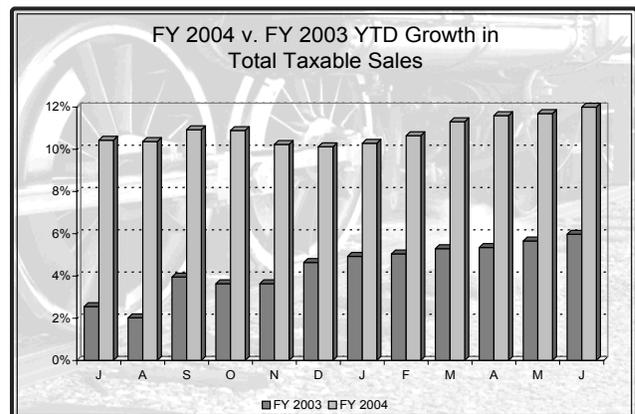


Labor Markets Nationally, the labor market has struggled to show appreciable improvement. During the second half of the fiscal year, job growth in Nevada approached 4.5%, while the nation as a whole struggled to exceed 1% growth. As a result, by the end of FY 2004, Nevada's unemployment rate, at only 4.4%, was 1.4 percentage points below the national average.



Personal Income During FY 2004, personal income in Nevada expanded at an 8% clip. Nationwide, growth came in at 4.6%. Again, Nevada's relative economic strength is evident.

Taxable Sales The State's largest General Fund revenue source is again the sales tax. Here, too, FY 2004 results are impressive, as a 12% taxable sales gain from the previous year was recorded, double the increase recorded in FY 2003. Sales in eating and drinking establishments represent the largest sales category. In FY 2004, driven by improving visitor trends, eating and drinking sales turned in a solid gain of 10.6%. The State's second largest sales category, autos, has held up remarkably well in recent years. FY 2003's 8.1% gain was followed by a 13.9% increase in FY 2004, spurred on by attractive financing packages.



Gaming Win Fueled by an improving economy and solid visitor numbers, gaming wins were solid in FY 2004. Gaming win was up 6.3%, aided by a gain in excess of 10% during the final six months of the year. Win growth for slots roughly doubled in the second half of the year, while game and table results surged ahead 12% in the second half of the year to offset a decline during the previous six months.

THE OUTLOOK

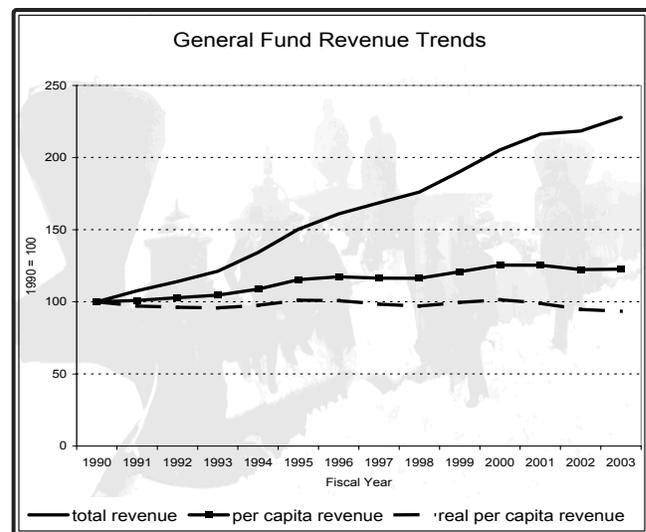
The national economy should continue to move ahead at a moderate pace. In fact, Global Insight, a nationally and internationally known forecasting firm under contract with the State of Nevada, is forecasting real GDP growth of approximately 3% in each of the next several years. A major concern continues to be the ability of the economy to generate employment opportunities. Global Insight expects little improvement over recent years, with annual job growth of approximately 1% over the next several years.

Against this backdrop, perhaps best characterized as a modest expansion in the national economy, expectations are for Nevada to continue to rebound at a pace well in excess of national norms. In the absence of any external surprises, there is no reason to believe Nevada's pace of economic expansion should decelerate anytime soon. Over the next five years, Global Insight expects Nevada's results, measured by job and personal income growth, to be the best in the nation.

The State of Nevada Budget Office is forecasting continued expansion in gaming activity, with underlying growth of 4%-5% annually throughout the next biennium. In the early months of FY 2005, we are already seeing some signs of easing, following the rapid growth during the final half of FY 2004. Certainly, a key development will be the extent to which the recent growth in visitor numbers can be maintained. Here, we look for underlying growth of approximately 3% annually. Expansion continues to unfold in Las Vegas. Several existing properties have added room capacity, or are in the process of doing so. The Wynn Las Vegas property is on schedule to open in

mid-2005. In addition, the dining, entertainment, and retail sectors continue to grow and evolve, providing additional incentives for individuals to visit the Silver State.

All told, Nevada appears to be on solid ground heading into FY 2005. 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. These results should help fuel General Fund revenue growth. However, with nearly non-stop growth characterizing much of Nevada's recent past and expectations for continued growth in the future, the demand for public services will increase as well.



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

For additional copies of the
Popular Annual Financial Report
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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, 2004, outstanding bonded debt was (expressed in thousands):

Governmental Activities		
General Obligation Bonds	\$	2,286,549
Special Obligation Bonds		238,265
Business-Type Activities		
Bonds Payable	\$	<u>3,615,431</u>

Only \$908 million of the \$2,287 million in general obligation bonds are paid through a tax levy on property. The remaining \$ 1,379 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 incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. On June 30, 2004, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$	1,408,688
Less: Bonds and leases payable as of June 30, 2004, subject to limitation		(925,183)
Remaining debt capacity	\$	<u>483,505</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 2004, the "Rainy Day" fund balance was \$81.5 million

and the General Fund's unreserved fund balance deficit was decreased by \$113.6 million.

Fiscal Year Ended June 30	Unreserved General Fund Balance	"Rainy Day" Fund Balance
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
2004	(6,273)	81,511

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 greater interest earnings through pooled investments. The permissible investments of the LGIP include the United State 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 to the General Fund for the fiscal years ended June 30, 2004 and 2003 (expressed in thousands). Other financing sources are not included.

General Fund Revenues (Expressed in thousands)						
	2004		2003		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	\$ 819,380	19.6%	\$ 720,115	20.8%	\$ 99,265	13.8%
Sales taxes	858,867	20.5%	756,962	21.8%	101,905	13.5%
Intergovernmental	1,509,627	36.1%	1,390,467	40.1%	119,160	8.6%
Other taxes	730,374	17.5%	388,777	11.3%	341,597	87.9%
Licenses, fees and permits	165,754	4.0%	118,012	3.4%	47,742	40.5%
Sales and charges for services	47,316	1.1%	35,695	1.0%	11,621	32.6%
Interest and investment income	8,646	0.2%	18,558	0.5%	(9,912)	-53.4%
Other revenues	40,739	1.0%	37,115	1.1%	3,624	9.8%
Total revenues	\$ 4,180,703	100.0%	\$ 3,465,701	100.0%	\$ 715,002	20.6%

Total General Fund revenues increased 20.6%. The largest increase in revenue source was \$341.6 million, or 87.9%, in other taxes. The new modified business tax increased revenue by \$161.6 million; the new real property transfer tax by \$88 million; an increase in cigarette tax added \$62.8 million and an increase in insurance premium tax added \$20.2 million. The 53.4% decrease in interest and investment income was primarily due 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, 2004 and 2003 (expressed in thousands). Other financing uses are not included.

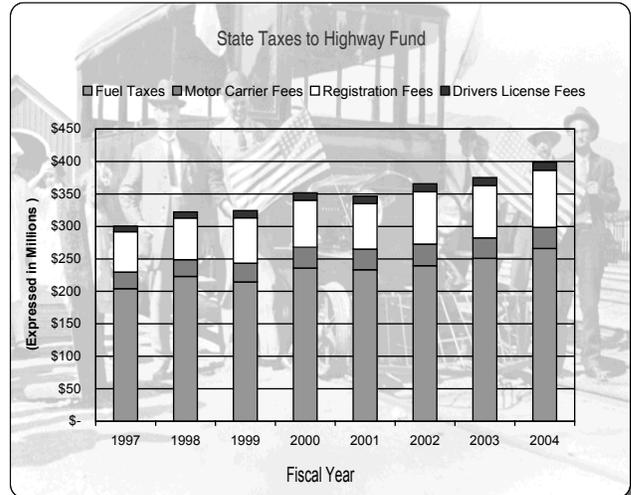
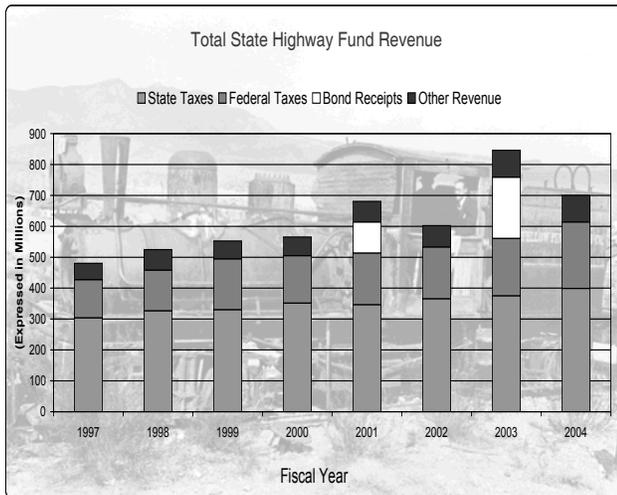
General Fund Expenditures (Expressed in thousands)						
	2004		2003		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 79,060	2.0%	\$ 50,976	1.4%	\$ 28,084	55.1%
Health and social services	1,746,659	43.6%	1,648,928	45.6%	97,731	5.9%
Education and support services	1,597,448	39.9%	1,401,311	38.8%	196,137	14.0%
Law, justice and public safety	308,115	7.7%	288,368	8.0%	19,747	6.8%
Regulation of business	67,632	1.7%	60,820	1.7%	6,812	11.2%
Recreation, resource development	92,602	2.3%	81,061	2.2%	11,541	14.2%
Intergovernmental	110,382	2.8%	82,531	2.3%	27,851	33.7%
Debt service	1,397	0.0%	496	0.0%	901	181.7%
Total expenditures	\$ 4,003,295	100.0%	\$ 3,614,491	100.0%	\$ 388,804	10.8%

Total General Fund expenditures increased 10.8%. Expenditures for education and support services increased over \$196.1 million or 14.0%. Payments made to the University System increased by \$123 million; \$70.3 million to the Clark County School District; and \$11.2 million to the Washoe County School District.

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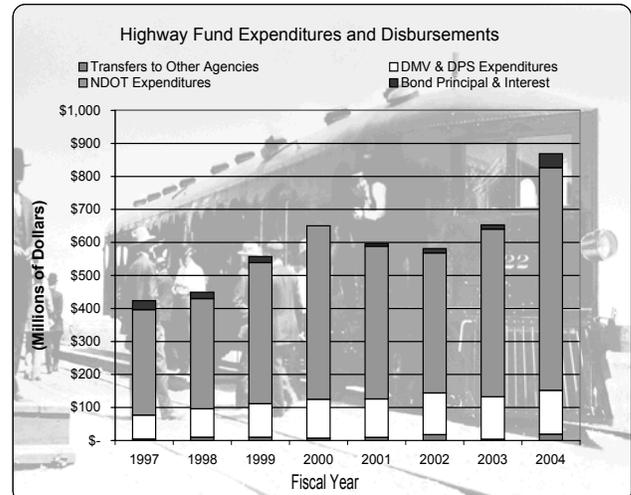
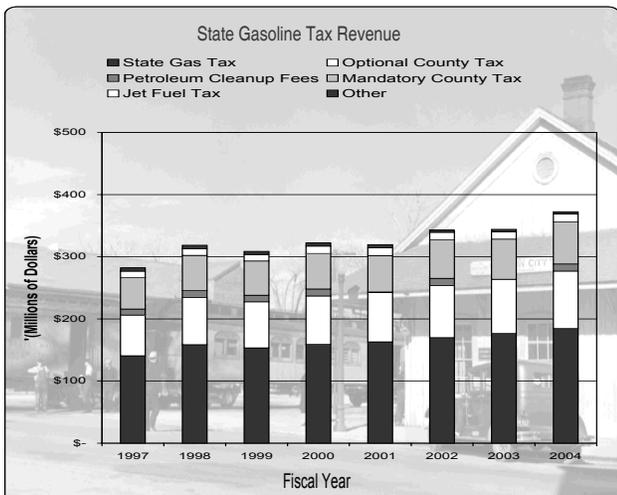
Facts and Figures Nevada Department of Transportation

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: The table below 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 and Film Production

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

Month	FY 03	FY 04	Percent Change
July	3,539,693	3,768,448	6.50%
August	3,753,345	3,764,074	0.30%
September	3,269,814	3,417,084	4.50%
October	3,563,399	3,708,376	4.10%
November	3,105,815	3,402,428	9.60%
December	3,129,301	3,363,963	7.50%
January	3,228,902	3,415,339	5.80%
February	3,125,471	3,544,164	13.40%
March	3,587,422	4,190,826	16.80%
April	3,307,726	4,076,185	23.20%
May	3,455,353	4,082,333	18.10%
June	3,570,039	4,086,737	14.50%
Total	40,636,280	44,819,957	10.30%

Source: Nevada Commission on Tourism

The Number of Visitors to Nevada

Month	FY 03	FY 04	Percent Change
July	4,146,569	4,327,012	4.40%
August	4,412,064	4,452,907	0.90%
September	3,838,603	3,950,159	2.90%
October	4,104,048	4,230,163	3.10%
November	3,796,056	3,810,779	0.40%
December	3,568,410	3,694,924	3.50%
January	3,932,104	4,084,046	3.90%
February	3,785,986	3,969,395	4.80%
March	4,159,209	4,505,005	8.30%
April	3,994,373	4,392,480	10.00%
May	4,173,448	4,382,698	5.00%
June	4,092,173	4,128,505	0.90%
Total	48,003,043	49,928,073	4.00%

Source: Nevada Commission on Tourism

Film Production: More than 2,000 days of film production were generated by over 600 projects served by the Nevada Film Office during the past year. Highlights of production included the feature films "Dodge Ball," starring Ben Stiller; "Miss Congeniality 2," with Sandra Bullock; "Supercross the Movie," featuring Daryl Hannah, and "Elvis has Left the Building," starring Kim Basinger.

Television series represented the largest portion of the year's filming revenues, at over \$36 million. Shows and specials shot in Nevada include the hits "C.S.I.," and "Las Vegas," as well as "Malcolm in the Middle," "Last Comic Standing," "Billboard Music Awards," and "The Casino." Reality television included everything from "The Osbournes" to "Fear Factor" to "Elimidate" to "COPS."

Commercials for local and national distribution were filmed for a broad range of products including automobiles, sporting goods, sportswear, beverages, foods, clothing, computers, appliances and restaurants.

Revenue from Film Production

Film Type	Revenue	Number of Productions	Production Days
Feature Film	\$ 17,219,000	41	301
Commercials	9,050,000	70	158
TV Series	36,115,000	139	617
TV Specials	17,812,000	85	331
Music Videos	4,225,000	25	54
Corporate/Industrial	1,350,000	24	56
Still Photography	9,015,000	102	311
Documentary	12,405,000	80	533
Reality Television	8,597,000	77	467
Other	531,000	21	63
Student	67,500	4	6
Additional	27,000	-	-
Totals FY 2004	\$ 116,413,500	668	2,897

Source: Nevada Film Office

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Economic Impact Taxation

Hotel/Gaming Ten Highest Taxpayers FY 04-05

Taxpayer	Secured Roll Assessed Value
1) MGM Mirage	\$ 1,448,131,697
2) Mandalay Resort Group	990,072,652
3) Caesars Entertainment	853,384,491
4) Harrah's	410,410,001
5) Venetian Casino Resort	369,588,980
6) Station Casinos, Inc.	304,184,202
7) Coast Resorts, Inc.	208,211,032
8) Aladdin Gaming	202,841,250
9) Boyd Gaming	142,653,633
10) Wynn Resorts Limited	131,013,764
Total	\$ 5,060,491,702

Source: Department of Taxation

Overall Ten Highest Taxpayers FY 04-05

Taxpayer	Secured Roll Assessed Value
1) MGM Mirage	\$ 1,448,131,697
2) Mandalay Resort Group	990,072,652
3) Caesars Entertainment	853,384,491
4) F.S. Rouse LLC	673,086,532
5) Nevada Power Company	589,573,984
6) Harrah's	410,410,001
7) Sierra Pacific Power Co.	380,990,300
8) Venetian Casino Resort	369,588,980
9) Station Casinos, Inc.	304,184,202
10) Newmont Gold Co.	273,517,650
Total	\$ 6,292,940,489

Source: Department of Taxation

Gaming Taxes

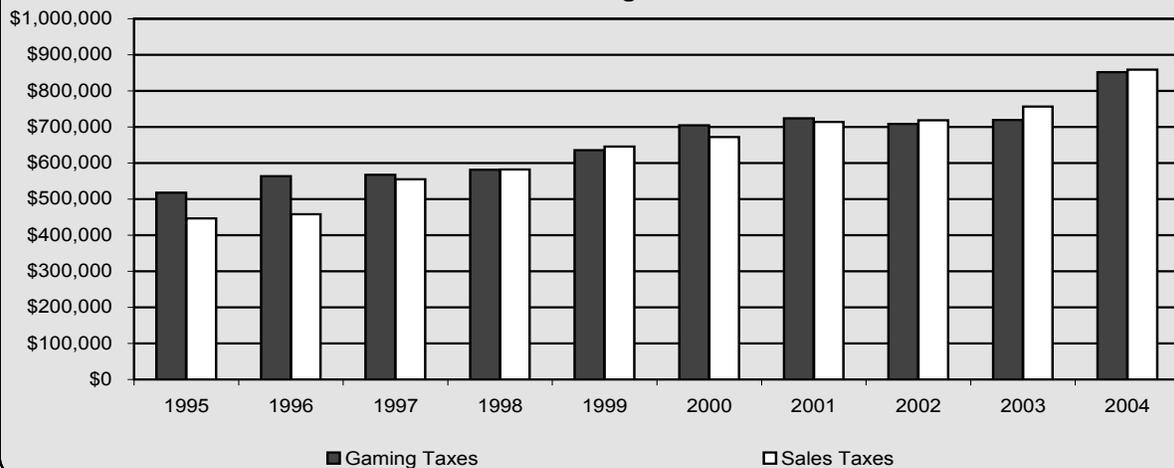
Fiscal Year Ended June 30	Gross Taxable Gaming Revenues	State Collections Gaming Taxes	State Share Gaming Taxes
1995	\$ 6,821,022	\$ 522,848	\$ 517,524
1996	7,240,837	565,921	563,198
1997	7,300,149	569,962	567,341
1998	7,577,394	584,048	581,423
1999	8,133,799	637,903	635,288
2000	9,015,244	707,610	704,893
2001	9,220,209	727,104	724,310
2002	9,082,035	711,577	708,898
2003	9,279,884	721,835	719,152
2004	9,926,343	854,515	851,776

Sales Taxes

Fiscal Year Ended June 30	Gross Taxable Sales	Gross Sales Tax Revenues	State General Fund Revenues	Sales Taxes Collected for Local Governments
1995	\$ 20,075,579	\$ 1,374,636	\$ 446,504	\$ 928,132
1996	22,222,771	1,541,703	458,336	1,083,367
1997	24,408,114	1,696,634	554,891	1,192,259
1998	25,360,551	1,771,936	581,991	1,246,825
1999	28,039,912	1,973,968	645,560	1,393,773
2000	29,815,517	2,149,120	672,473	1,472,225
2001	31,527,164	2,259,365	714,249	1,549,528
2002	31,785,790	2,288,288	718,910	1,569,378
2003	33,774,897	2,424,658	756,962	1,744,211
2004	38,239,527	2,821,593	858,867	1,962,726

Sources: Nevada Gaming Control Board, Department of Taxation

State Share of Gaming and Sales Taxes



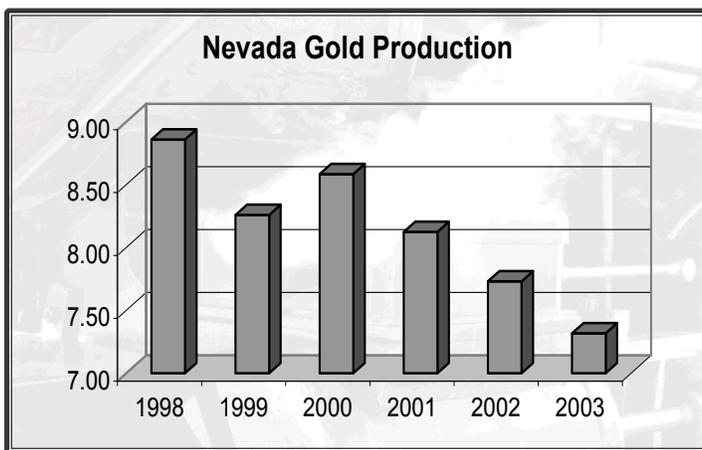
Economic Impact Mining

Mineral Production

Again, the Nevada mineral industry lead the nation in 2003 in the production of gold, silver and barite. The total value of Nevada's mineral production in 2003 was about \$3.0 billion with the production of precious metals accounting for about \$2.7 billion of that amount.

Gold and Silver

Nevada's gold production was 7,318,000 troy ounces in 2003. This is lower than the 7,732,000 ounces produced in 2002, but still enough to make Nevada the third largest producer of gold in the world. Silver production dropped to 10,246,000 troy ounces, compared to production of 13,564,000 ounces in 2002.



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.

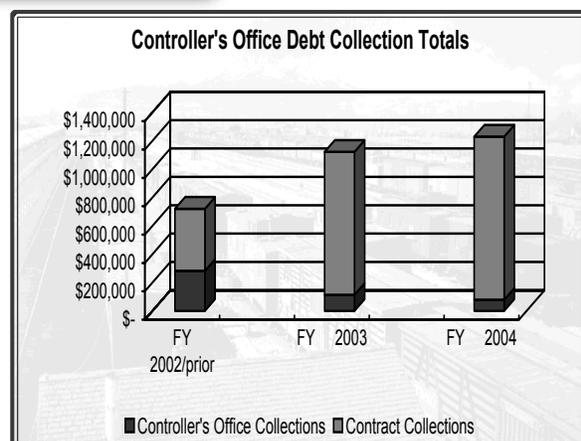


Debt Collection

The State Controller's Office is authorized to act as the centralized point of collection for overdue receivables owed the State. Through fiscal year 2004, the debt collection program has collected more than \$3 million in debt owed to State agencies.

Currently, 23 State agencies, boards and commissions have contracted with the State Controller's Office for debt collection services. There is little, or no cost, to State agencies for these services.

In addition to in house collections, the Controller's Office has contracted with the private debt collection firm of OSI Collection Services, Inc.



Citizens' Assets 2005

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
2001	1,485,855	353,271	293,372	2,132,498
2002	1,549,657	359,423	296,942	2,206,022
2003	1,641,529	377,412	305,622	2,324,563
2004	1,686,827	379,673	306,321	2,372,821

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			Nevada's Per Capita as % of U.S. Per Capita
	United States	California	Nevada	
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
2003	28,230	29,798	28,188	100

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

Labor Force

Nevada	Jun-04	Jun-03
Labor Force	1,180,450	1,136,160
Employment	1,131,510	1,075,840
Unemployment	48,950	60,320
Employment Rate	4.20%	5.40%

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

Nevada Statewide Average Wages

Calendar Year	Avg. Hourly Wage	Avg. Weekly Wage	Avg. Annual Wage
2003	\$ 16.49	\$ 569.59	\$ 34,281
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 wages covered by the Nevada Unemployment Compensation Laws (NRS 612) for each calendar year.

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

Source: Nevada Research and Analysis Bureau

Top Ten High Wage Occupations

Job	Hourly Wages
Surgeons	\$ 103.17
Internists, General	101.50
Family and General Practitioners	99.69
Dentists	88.62
Pediatricians, General	87.84
Obstetricians and Gynecologists	83.35
Psychiatrists	77.46
All Other Physicians and Surgeons	77.11
Health Diagnosing and Treating Practitioners	76.04
Podiatrists	73.40

Source: Occupational Employment Statistics (OES)

Education

Fall Enrollment										
Grades	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Primary (K - 6)	155,492	164,654	173,618	181,612	189,755	198,863	207,039	211,260	217,488	223,973
Secondary (7 - 12)	109,549	117,477	123,003	129,451	135,855	141,843	149,775	158,225	167,926	177,245
Total	265,041	282,131	296,621	311,063	325,610	340,706	356,814	369,485	385,414	401,218
County										
Clark	166,788	179,106	190,822	203,777	217,526	231,655	245,659	255,316	270,529	283,235
Washoe	47,572	49,671	51,205	52,652	54,508	56,268	58,532	58,908	62,103	63,698
All Others	50,681	53,354	54,594	54,634	53,576	52,783	52,623	55,261	52,782	54,285
Total	265,041	282,131	296,621	311,063	325,610	340,706	356,814	369,485	385,414	401,218

Source: Nevada Department of Education



Full Time Equivalent Students at Fall Enrollment										
	Universities			State College	Community Colleges (CC)				Subtotal	Total
	Reno	Las Vegas	Subtotal	Henderson	Southern Nevada	Great Basin	Truckee Meadows	Western Nevada		
1995	9,161	13,166	22,327	-	8,599	878	3,451	1,682	14,610	36,937
1996	9,383	13,661	23,044	-	10,245	1,010	3,848	1,869	16,972	40,016
1997	9,397	14,447	23,844	-	11,380	1,146	4,377	1,955	18,858	42,702
1998	9,488	15,318	24,806	-	13,135	1,132	4,560	2,013	20,840	45,646
1999	9,881	15,428	25,309	-	15,215	1,252	4,867	2,045	23,379	48,688
2000	9,898	15,093	24,991	-	14,410	1,322	5,032	2,037	22,801	47,792
2001	10,804	16,232	27,036	-	15,266	1,208	4,889	2,128	23,491	50,527
2002	11,668	17,777	29,445	116	16,532	1,251	5,324	2,164	25,271	54,832
2003	11,965	18,639	30,604	330	17,716	1,436	5,559	2,180	26,891	57,825
2004	12,202	19,887	32,089	741	17,400	1,328	5,957	2,275	26,960	59,790

